

# **OMF Revenue Bureau and Private For-Hire Transportation Board Joint Recommendations for City of Portland Taxi Vehicle Permits And Taxi Industry Reform**



Revenue Bureau Taxi Permit & Industry Recommendations, 7 November 2012

# Presentation Overview

- Background
- Applications
- Criteria
- Taxi Service Demand Metrics
- Taxi Driver Labor Market Study
- Public Involvement
- Conclusions
- Recommendations



## Revenue Bureau, Private For-Hire Transportation Board, and City Council Responsibility and Authority for Approving Taxi Company and Vehicle Permits Defined by City Code:

Items to be Decided	Bureau	Board	Council
New Taxi Company	Recommendation	Recommendation	Decision
Initial # Vehicles For New Company	Recommendation	Recommendation	Decision
Added Taxi Vehicles For Existing Company	Recommendation	Decision	Hears Appeal



## **Several ordinances and a resolution before Council today reflect the joint recommendations of the Bureau and the Board:**

- Increase the per mile portion of the taxi fare rate.
- Increase fees for taxi company and vehicle permits.
- Prohibit payments in return for referral or assignment of taxi fares.
- Authorize taxi company performance standards.
- A resolution directing the Bureau to implement industry reforms as jointly recommended by the Bureau and the Board.



## Why do we regulate taxis and why does it matter?

- Essential to transport system.
- Tourists, business travelers, elderly, special needs.
- Public safety and consumer protection



## Permit Applications and Recommendations

- Three new companies applied (April 2011) for a total of 90 new taxi vehicle permits.
- Existing taxi companies asked for 167 new taxi vehicle permits.
- The Bureau and the Board jointly recommend approval for a total of 78 new taxi vehicle permits (50 for a new company; 28 for existing companies).
- Today the Council will act on the requests from new companies.

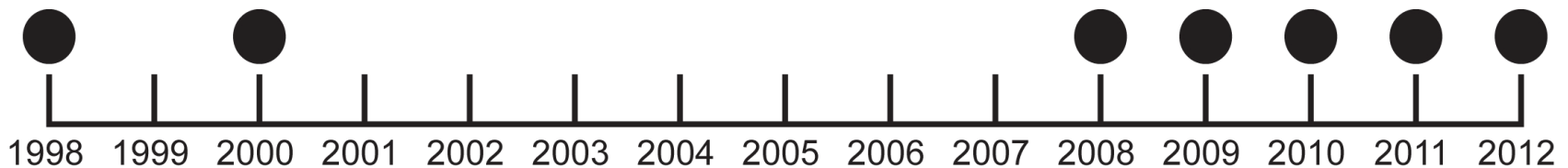


## New Taxi Company Requests for Vehicle Permits

<b>Taxi Company</b>	<b>No. of Vehicle Permits Requested</b>
Always Cab Company, LLC	15
Portland Electric Cab, LLC	25
Solidarity Cab Cooperative d/b/a Union Cab	50
<b>Total</b>	<b>90</b>



## History of Applications for Additional Taxi Vehicle Permits



- **1998:** Last time City issued new taxi vehicle permits. Two new companies approved. 4 existing companies apply for more permits – all denied.
- **2000:** 4 existing companies apply for more taxi vehicle permits. All requests denied.
- **2008:** 5 existing companies apply for more taxi vehicle permits. Action postponed.
- **2008:** Demand study commissioned.
- **2009:** Demand study complete – economic downturn postpones additional permits.
- **2010:** 3 existing companies apply for more taxi vehicle permits. All requests denied.
- **2011:** 3 new companies and all 6 existing companies apply for more taxi vehicle permits. Taxi cab drivers bring working conditions to attention of Mayor.
- **2012:** Bureau releases “Driver Labor Market Study”.





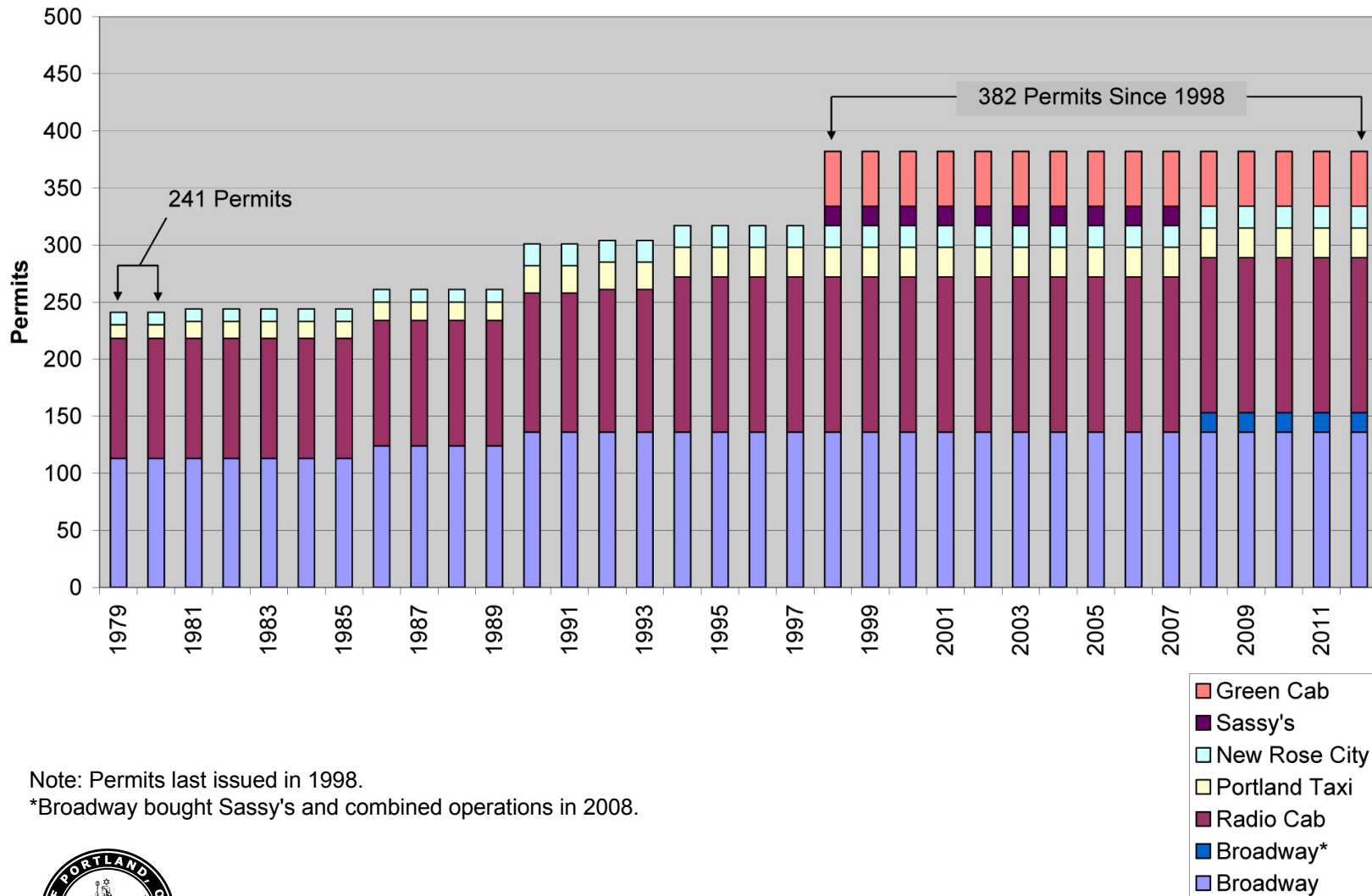
## Consideration of New Taxi Company Applications

Criteria for consideration of new taxi company permit applications, defined by City Code, are:

- The current status of the public transportation system in the City;
- The current and future ability of the public transportation system to provide the timely and effective movement of persons;
- The ratio of population within the City of Portland to the number of taxicabs currently in operation;
- The demonstrated need for additional taxicab service in the City that is not accomplished by existing companies, as shown by the applicant;
- The present utilization patterns of taxicabs currently in operation;
- The interests of the applicant in establishing a local business to legitimately serve the citizens of the City.

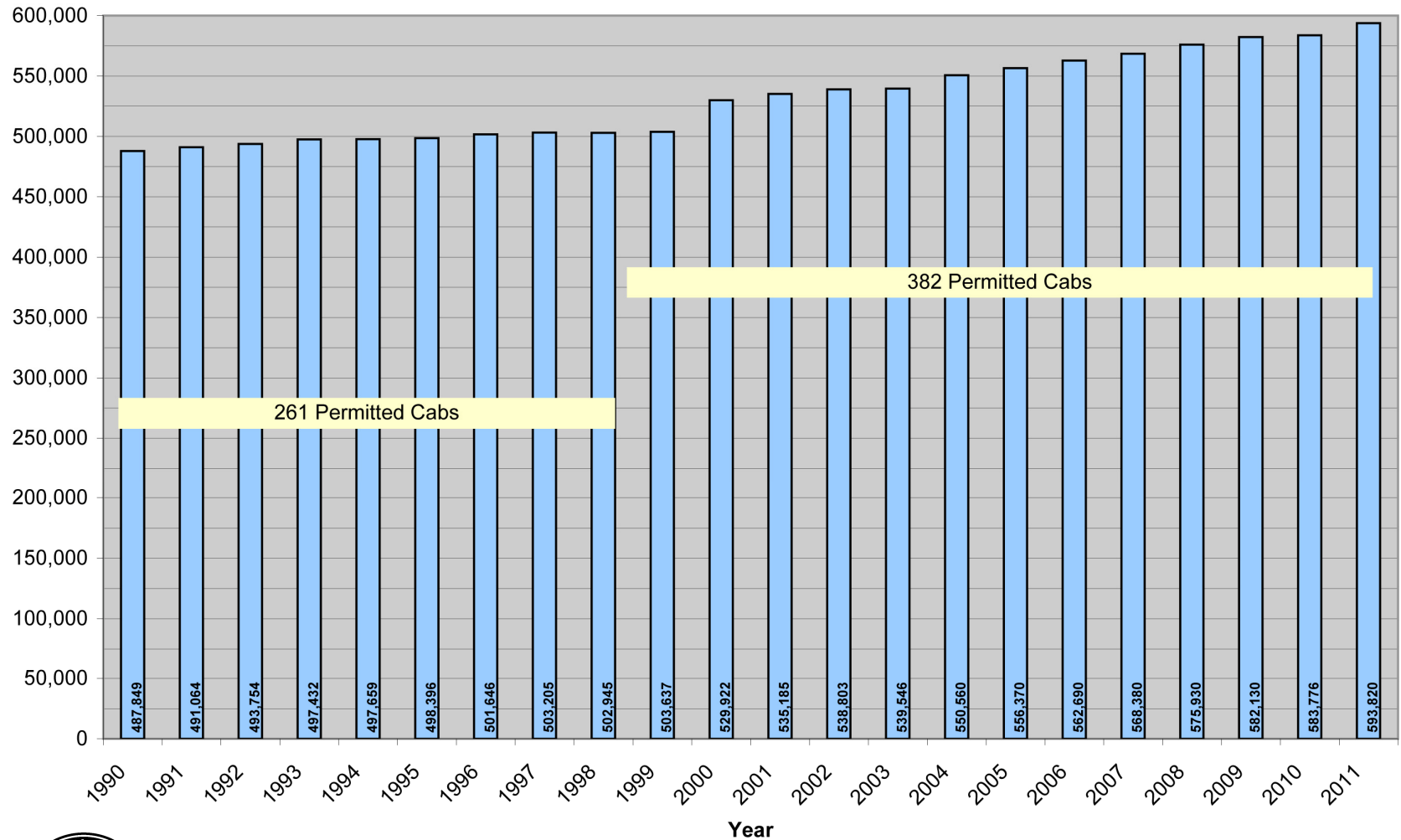


## Taxicab Permits, 1979-2012



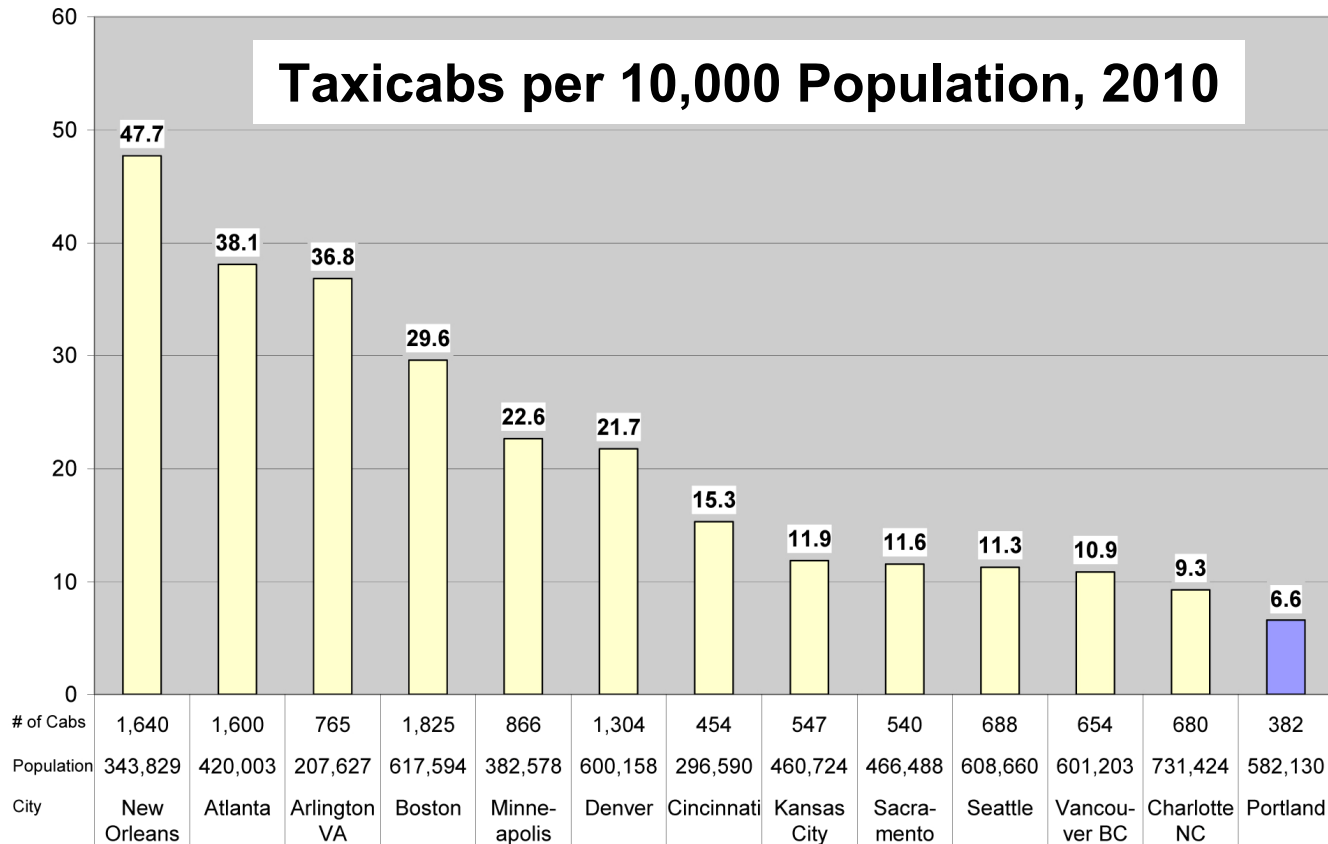
# Taxi Service Demand Metrics

## Growth of Portland Population and Taxi Permits



# Taxi Service Demand Metrics

The most specific data set referenced for considering additional permits is the ratio of taxis per capita.



Sources: US Census Bureau 2010; City of Vancouver; I.A.T.R. survey; T.L.P.A. Taxicab Fact Book.



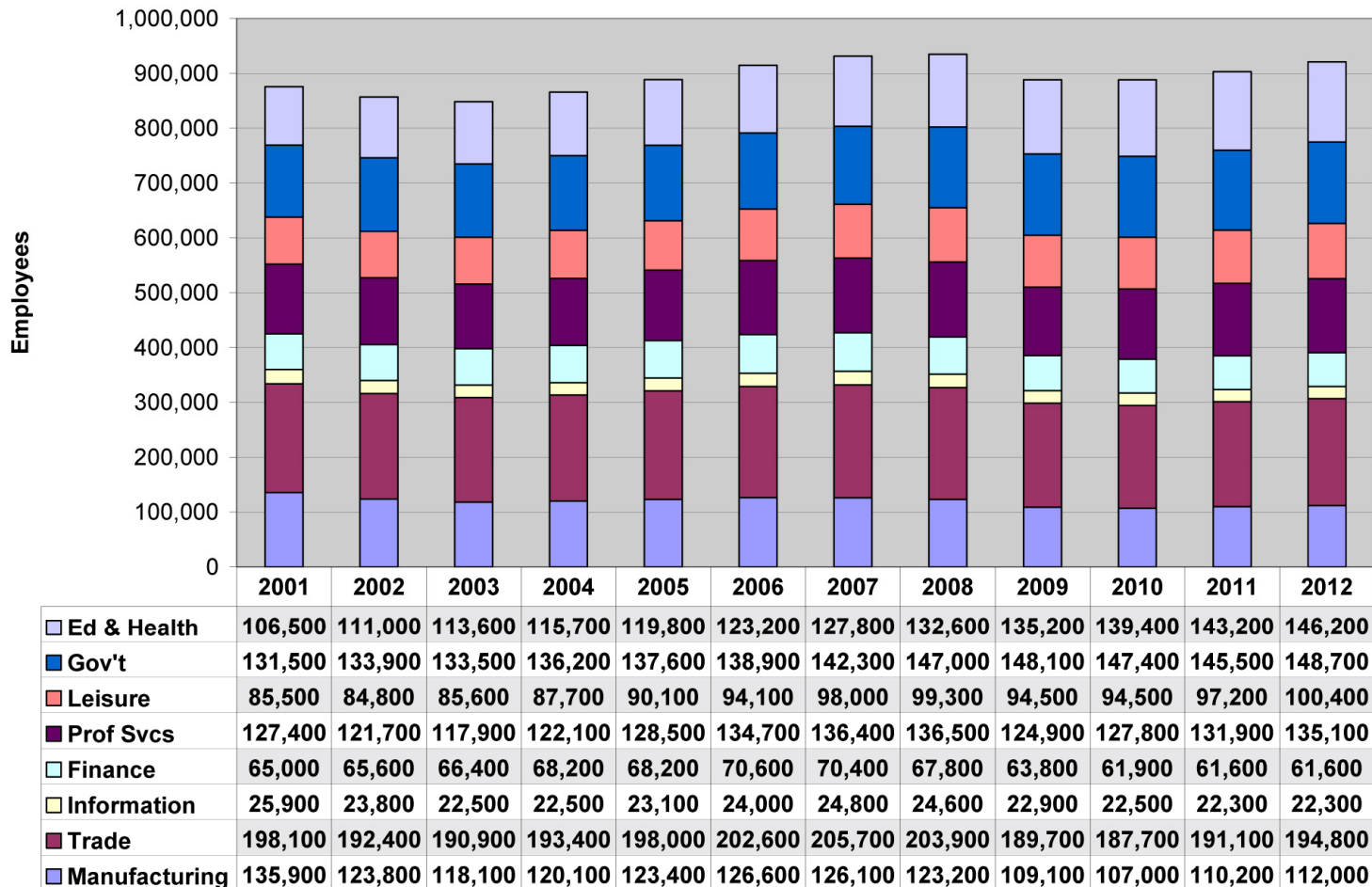
## Demand Indicators

- Several key indicators help determine demand for taxis.
- In 2009, new permits were postponed due to economic downturn.
- Review of essential indicators shows clear recovery trend.



# Taxi Service Demand Metrics

## Portland-Vancouver-Hillsboro Non-Farm Employment

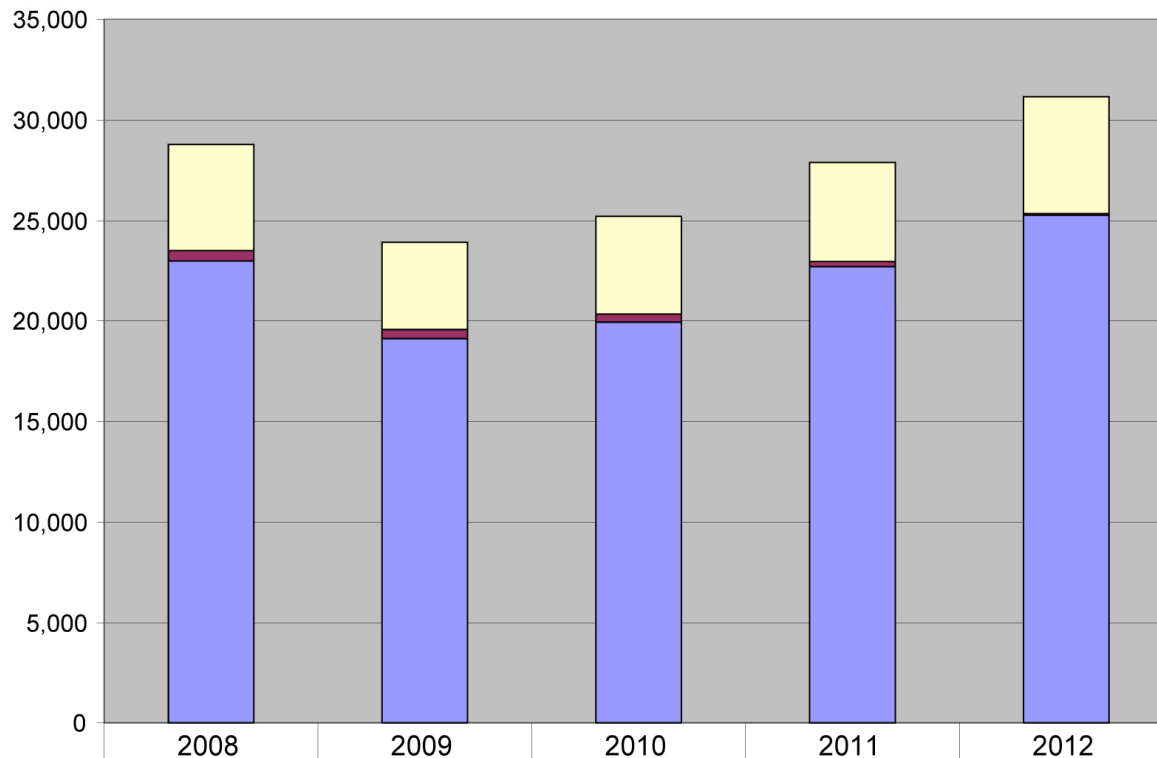


Source: Oregon Employment Department.



# Taxi Service Demand Metrics

## Private for-Hire Fares Picked Up at Portland Airport During the Month of April, 2008-2012



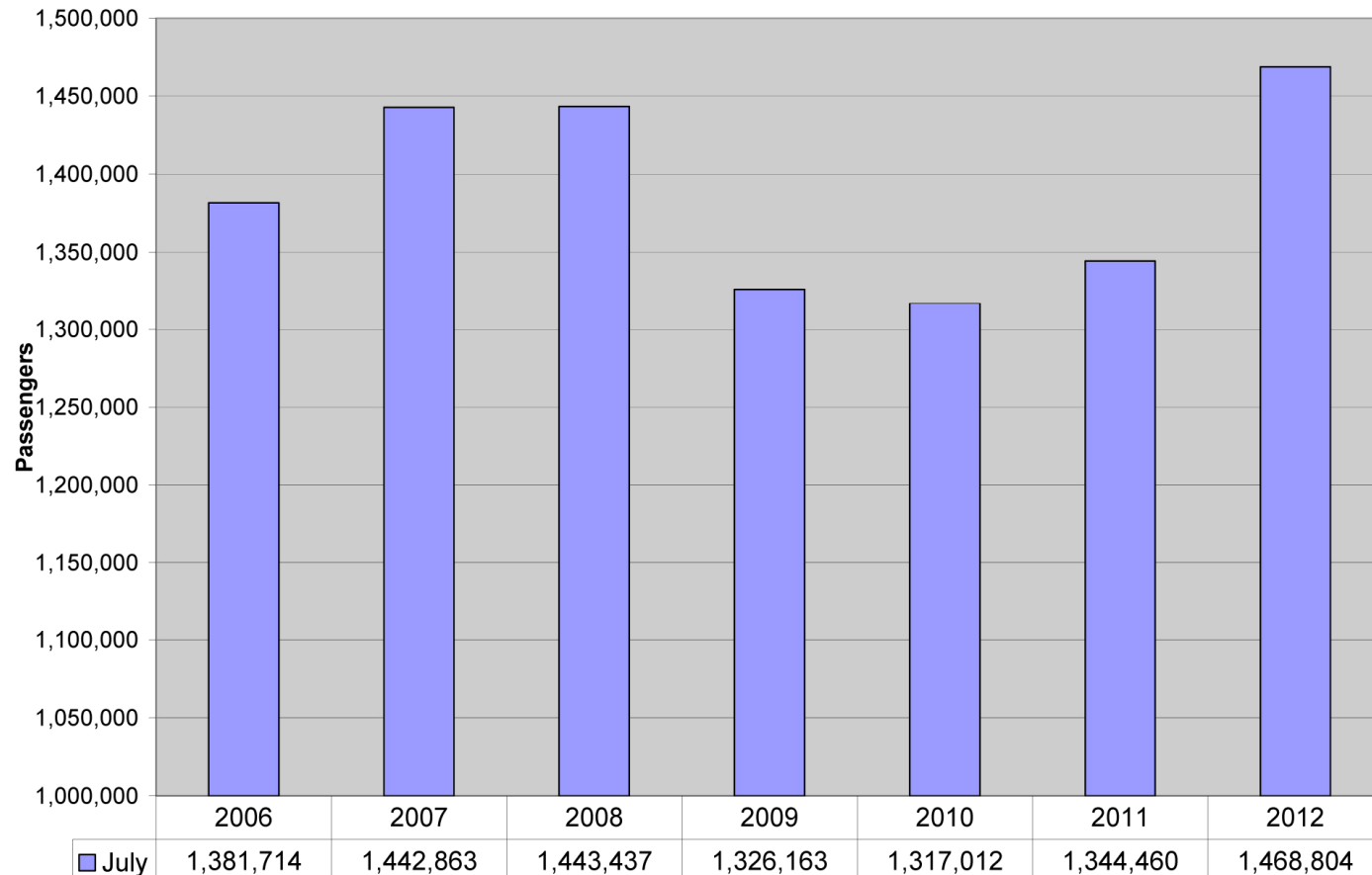
Towncars - Reserved	2008	2009	2010	2011	2012
Towncars - On Demand	5,267	4,382	4,902	4,921	5,793
Taxis	505	439	404	257	83
	23,014	19,121	19,926	22,726	25,285

Source: Port of Portland "Ground Transportation Statistics."



# Taxi Service Demand Metrics

## Portland Airport Passengers During the Month of July, 2006-2012



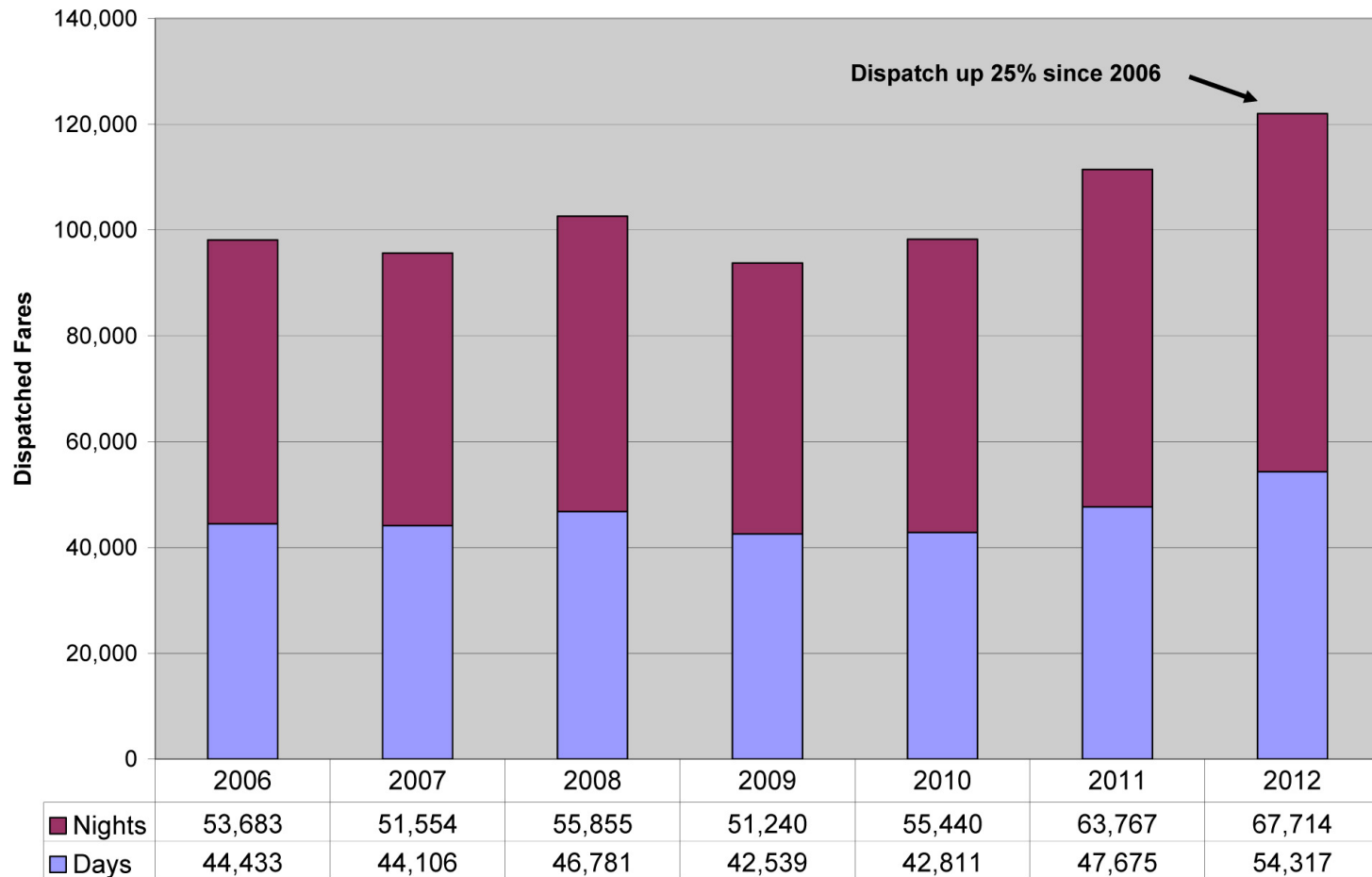
Source: Port of Portland "Total Enplaned & Deplaned Passengers."





# Taxi Service Demand Metrics

## Radio Cab Dispatched Fares During the Month of April 2006-2012

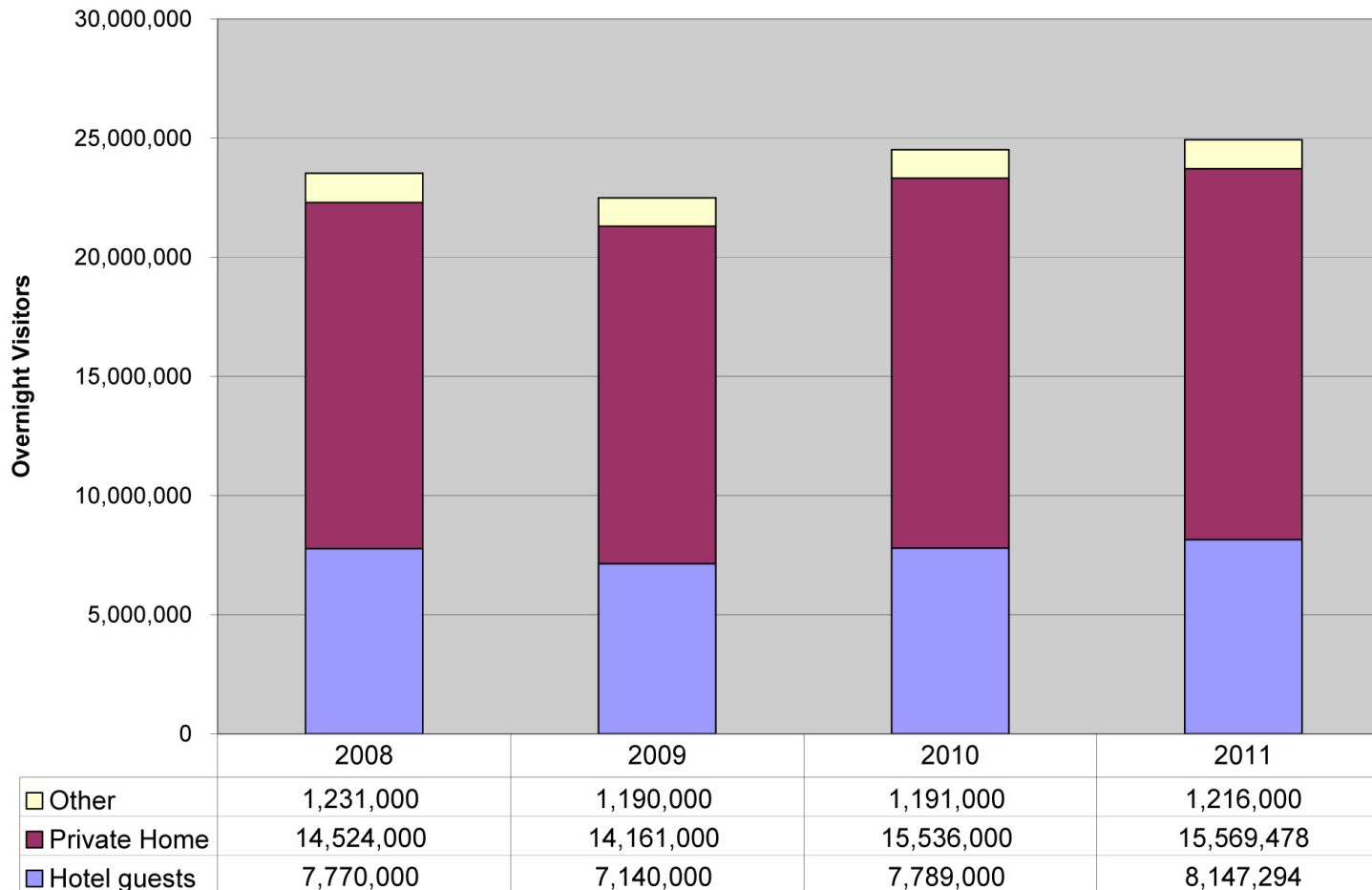


Source: Radio Cab Company.



# Taxi Service Demand Metrics

## Portland Overnight Visitor Volume

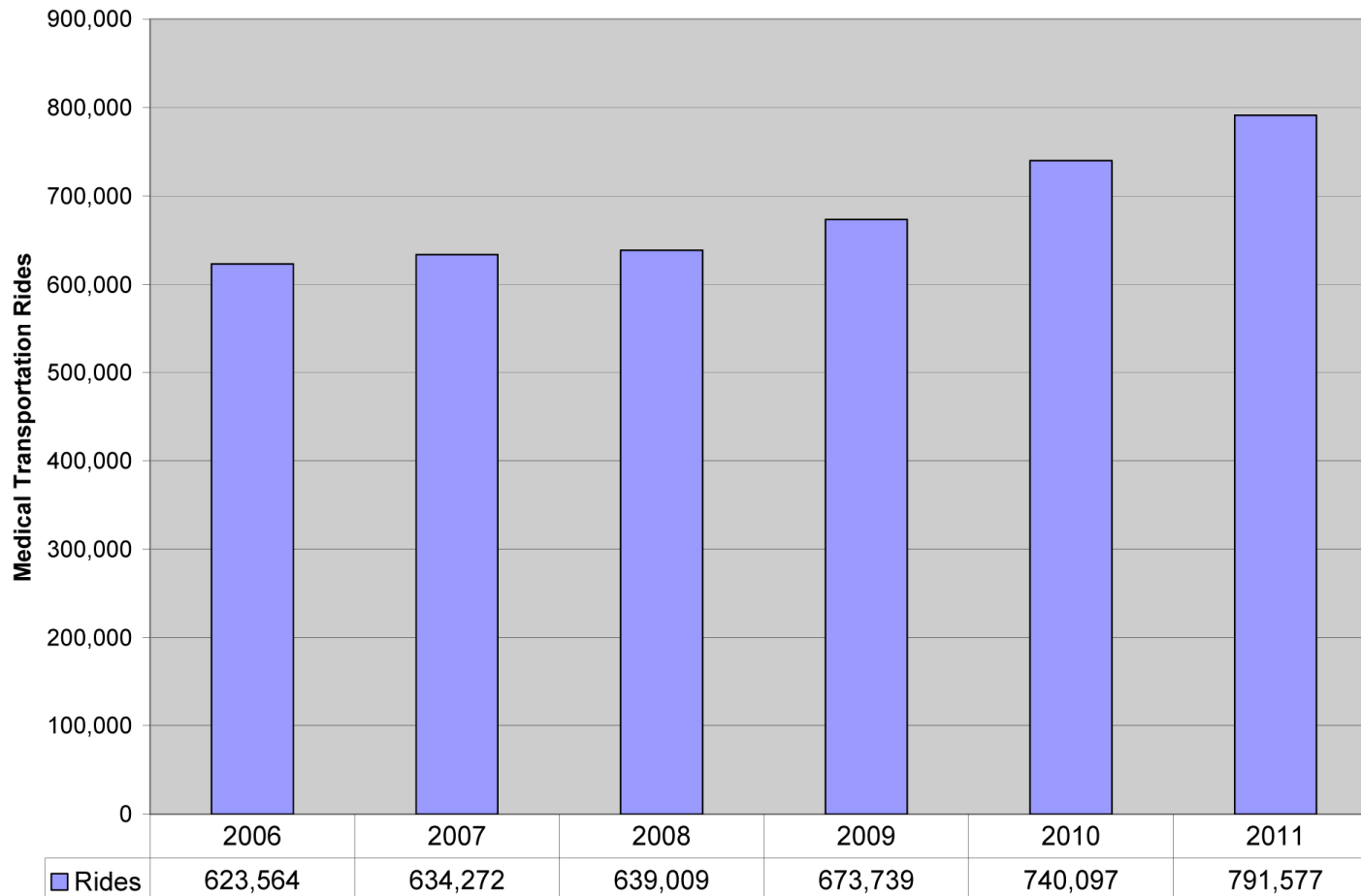


Source: Travel Portland.



# Taxi Service Demand Metrics

## Medical Transportation Program Rides



Source: Gail Bauhs, TriMet.



## Conditions

- Taxi drivers work long hours for net income.
- No benefits or employment protection.
- Long hours and low wages associated with poor safety and service.
- Large payments to company a major factor in low net driver income.



## How City Regulation Impacts Driver Conditions

- Same # permits issued to same companies since 1998.
- Few performance standards are linked to permit renewal.
- Insufficient regulation of amount and types of driver payments.
- Driver conditions not used in evaluating companies.
- Too few incentives to provide sustainable working conditions.



## Conclusions

- Permit renewal process should consider company performance, including driver economic and working conditions, quality and quantity of services provided to driver, and overall driver satisfaction.
- To balance regulation, Bureau and Board should develop necessary regulations to promote more sustainable working conditions and fair wages for drivers.



## Meetings and Public Input

- Private For-Hire Transportation Board public meetings 2010 – 2012.
- January 2012 Taxi Driver Labor Market Study sent to 1,128 stakeholders directly and widely publicized. Study Posted on Bureau website with easy-to-use comment form.
- Study findings distributed to taxi drivers at many locations.
- January 25 and February 22, 2012 Board meetings regarding Taxi Driver Labor Market Study.
- Six dedicated Board workshops February through March 2012.
- Meetings and discussion of written feedback with taxi company managers and owners.
- Consultation with Office of Equity regarding report and taxi industry.



- Recommendations for new taxi permits and industry reforms September 26, 2012.
- Private for-Hire Transportation Board concurs with recommendations at public meeting October 10, 2012.
- 259 completed comment forms received online.
- 580 paper forms received.
- Separate written comments from company managers and taxi drivers.
- Most people agreed with general findings of Labor Market Study.
- Most people called upon City officials to take action to improve conditions for drivers.





- Most people expressed approval and support for attention to the issue.
- Many people said they support driver cooperatives and driver owned companies.
- Many people specifically asked that permits be granted to the new driver-owned cooperative.
- Some people stated that the City needs more taxis.
- A few people favored deregulation of taxi permit numbers.
- A few people stated that they do not believe conditions are as bad as described.
- A few people commented that the Study was inaccurate or incomplete.



## Conclusions

- Demand indicators support need for additional taxi permits
- Portland lags far behind comparable cities in numbers of taxi vehicles per population.
- Customer service and safety decreased with stagnant permit numbers.
- Permit caps must also be balanced with the legitimate needs of smaller companies to expand.
- Drivers are the main source of revenue for taxi companies.
- There are too few incentives for companies to provide adequate services at reasonable costs to drivers.
- Conditions and services for drivers should be considered when issuing or renewing taxi permits.
- Permit renewal must be linked to broad and rigorous evaluation of company performance.



## **Value of Competition – Increased Competition of One New Company and New Taxi Permits:**

- Improves value and service to the public.
- Supports innovation.
- Encourages companies to provide better services and conditions for drivers.
- Provides more choices for drivers.



## Recommendations on Requests from Existing and New Companies

Approved

Taxi Company	Current	Requested	2013	2014	2015	Total
Broadway	136	30	0	0	0	136*
Green	48	32	11	11	10	80
New Rose City	19	30	0	0	0	19
Portland	26	24	4	4	4	38
Radio	136	38	13	13	12	174
Sassy's	17	13	0	0	0	17
Always Cab Company, LLC	0	15	0	0	0	0
Portland Electric Cab, LLC	0	25	0	0	0	0
Solidarity Cab Cooperative d/b/a Union Cab	0	50	50	0	0	50
<b>Total</b>	<b>382</b>	<b>257</b>	<b>78</b>	<b>28</b>	<b>26</b>	<b>514</b>

\*Revision of SAT permit regulations for taxi companies may result in recommendations for additional taxi permits for Broadway.



# Recommendations

## Taxicabs per 10,000 Population

