



CITY OF  
**PORLAND, OREGON**

**OFFICIAL  
MINUTES**

A SPECIAL MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS 21<sup>ST</sup> DAY OF APRIL, 2015 AT 5:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ian Leitheiser, Deputy City Attorney; and Mike Cohen, Sergeant at Arms.

	<b>Disposition:</b>
<p>388    <b>TIME CERTAIN: 5:00 PM</b> – Direct the Director of the Portland Bureau of Transportation to initiate a 120-day Private For-Hire Transportation Innovation Pilot Program (Resolution introduced by Commissioner Novick) 4 hours requested for items 388 and 389</p> <p><b>Motion to wait until the State acts before enacting the 120-day pilot program:</b> Moved by Fritz and seconded by Fish. (Y-2; N-3 Saltzman, Novick and Hales) Motion failed.</p> <p><b>Motion to add to Guiding Principles #12: as a condition for receiving TNC permit, the TNC must require that drivers obtain a valid City Business License prior to allowing drivers access to the affiliated TNC platform:</b> Moved by Saltzman and seconded by Fritz. (Y-5)</p> <p>(Y-3; N-2 Fritz, Fish)</p>	<b>37120</b> AS AMENDED
<p>*389    Revise Private For-Hire Transportation regulations pertaining to taxi companies and Transportation Network Service operators (Ordinance introduced by Commissioner Novick; amend Code Chapter 16.40 and add Code Sections 14B.50.060 and 14B.50.065)</p> <p><b>Motion to amend 16.40.590 Fee Table to strike both Taxi/LPT Driver Initial Permit and Renewal fees for both TNC's and Taxis during the 120-day Pilot Program:</b> Moved by Novick and seconded by Fish (Y-5)</p> <p><b>Motion to remove the emergency clause:</b> Moved by Fritz and seconded by Novick. (N-4; Fritz absent) Motion failed.</p> <p>(Y-4; Fritz absent)</p>	<b>187092</b> AS AMENDED

At 9:10 p.m., Council adjourned.

April 21, 2015

**MARY HULL CABALLERO**  
Auditor of the City of Portland



By Karla Moore-Love  
Clerk of the Council

For a discussion of agenda items, please consult the following Closed Caption File.

April 21, 2015  
**Closed Caption File of Portland City Council Meeting**

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Key: \*\*\*\*\* means unidentified speaker.

**APRIL 21, 2015 5:00 PM SPECIAL MEETING**

**Hales:** Good afternoon, everyone, and welcome to the April 21st meeting of the City Council meeting. Please call the roll.

**Fish:** Here. **Novick:** Here. **Fritz:** Here. **Hales:** Here.

**Hales:** Would you please read the two items? And then I'll talk about how the Council will proceed tonight.

**Item 388.**

**Item 389.**

**Hales:** Thank you. Let me set the context for deliberations tonight and for folks that want to speak. First of all, the City of Portland has been grappling with the question of "how do we deal with this new phenomenon of transportation network companies?" for about six months. Back in December, we were confronted with one or more of those companies beginning operations here with essentially no regulation. We obtained an agreement with Uber Technologies to wait some months before attempting that and to begin negotiating with us and other parties to this discussion, including other transportation network companies, about whether we could regulate that new industry in some way that would make sense. And that's what's before us now -- a proposal to do that.

Again, let me set some context. There are hundreds of cities around the country and around the world where this new technology has arrived and simply gone unregulated. There are a few places in the world that have said, "no, we don't want this new technology at all" and have managed at least for a short time in some cases to keep it at bay. Our approach has been to see if there's a thoughtful, responsible way we could actually regulate this new thing in a new way as opposed to the old phenomenon of taxi companies that we've been regulating for a really long time.

In fact, Portland is unique in the world to be in the position that we're in right now of getting to a regulatory proposal that the new industry is willing to go along with that not everyone likes and that tries to manage change in a really old industry -- that is, the regulated taxicab industry. This is not an issue any of us frankly saw coming very long ago, but that we've tried to grapple with in a thoughtful way.

We're in a region of 2.2 million people -- actually, 2,226,009 people. 610,000 of those people live in the city of Portland -- less than a third. There are 25 cities that surround us in which Uber and Lyft and other companies operate with no regulation whatsoever. Let me say that again: we are one of 26 cities in the Portland metropolitan area, and we are going to try to do this through regulation. The other cities have simply surrendered, and I think that was the wrong approach.

We're trying again to do this in a thoughtful way. And I appreciate the work of Commissioner Novick and his staff of the Transportation Bureau and of the task force that they convened to bring this issue to us. Before I turn it over to Commissioner Novick for some other opening comments, let me talk a little bit about our process here tonight.

In addition to thinking about this issue and having a task force working on it for some months, the Portland City Council has had so far nine hours of deliberation on this subject. There are not very many subjects we spend that much time on, but this is

April 21, 2015

important, so we have. We've heard from a lot of people, and so tonight we're going to get to a point where the Council can act on the resolution in front of us and on the ordinance in front of us because we have been working on the issue for a while and we have heard from a lot of people.

We want to hear from you, as well, and so we're going to set some time limits to try to ensure by the time we get to the point of taking action at 8:00 p.m., we've heard from most of you. I'm going to ask that organizations who have a spokesperson be allowed to take three minutes to testify and individuals take one minute. That's so your fellow citizens will have a chance to speak.

There are some other rules of decorum in this chamber that we please ask you to observe. One is if you agree with your fellow citizen who's testifying, feel free to give him a thumbs-up or a wave of the hand or otherwise make some friendly gesture of support. If you feel like you have to do the opposite, give them a thumbs down, but we ask you not to make vocal demonstrations in this chamber in favor or against your fellow citizens' thoughts so they have a chance to express them. I think we all appreciate that chance to have our say, and that's what we're trying to make sure we're about here. If you're a lobbyist representing an organization under our City Code -- you know this -- you're required to disclose that. Please do.

So, those are some very basic and I hope understandable rules for how we'll proceed tonight. With that, I want to ask Commissioner Novick to otherwise set the stage and call up some staff to present what's in front of us.

**Novick:** Thank you, Mayor. I've been asked about this issue of taxis and TNCs numerous times over the past year, and what I've said from the beginning is that although I'm committed to the rule of law and nobody's going to be allowed to come in and just start making up their own laws, I thought that it was past time to take another look at the regulations -- the rather unusual regulations -- governing this industry.

We do not normally limit the number of participants in any given market. We don't limit the number of restaurants, we don't limit the number of gas stations. We limit the number of taxis. We don't normally regulate prices. We don't normally regulate the price of groceries or of restaurant meals.

So, what we are proposing to do in this pilot is for 120 days let the normal free market principles that apply in the rest of the economy apply to this industry and not limit the number of participants and not regulate prices. We've dealt with the regulated system for a number of years. We think that it is worth seeing what an unregulated system in those two areas looks like for the next four months.

Now, those aren't the only issues, however, and we're willing to have more competition, but it needs to be fair competition. That's why in this pilot proposal, we're requiring that everybody get background checks, all vehicles are subject to inspection, that all the companies -- including the TNCs -- have to provide 24/7 service, that none of them can reject a ride on the basis that it's too long or too short.

Now, there were a couple of issues that we were particularly concerned about a few months ago. One was that some of the TNCs were resisting the idea that anything other than a driver's personal insurance should have to cover what's been referred to as "period one," when the app is on but before a request for a ride has been accepted. And we insisted that period one is different from somebody just normally driving around with no commercial intent. So, this proposal says that during that period one, there will have to be insurance significantly greater than is normally required of a typical personal driver. Instead of an insurance mandate of \$25,000 per person for bodily injury and property damage and \$50,000 per crash, for period one, it's \$50,000 per person and \$100,000 per crash.

April 21, 2015

Another thing we were deeply concerned about is service for people with disabilities. And for the taxicabs, we've had this rule that 20% of the fleet has to be wheelchair accessible. These transportation network companies don't really have fleets in the same sense, so that requirement didn't really seem to work. What we ultimately decided is why not have a service standard and simply say that if you are making people who need wheelchair accessible service wait for an hour and everybody else waits for 10 minutes, you're not giving sufficient service and you are in violation. So, that's what we're proposing today.

Those were I thought the points we were most worried about a few months ago which we've now addressed. At this point, I'd like to call up Bryan Hockaday of my staff and Michael Jacobs of PBOT and Ken McGair from City Attorney's Office to talk about this specific proposal we're addressing today.

**Bryan Hockaday, Office of Commissioner Novick:** Good evening, Mayor and City Council. My name is Bryan Hockaday, policy advisor for Commissioner Novick. I'm joined by Ken McGair from the City Attorney's Office and Michael Jacobs from PBOT. What we would like to do for you this evening is walk you through the higher level tenets of the private for-hire innovation pilot program, which is based largely on the task force's recommendations which were presented to Council a couple weeks ago, and certainly incorporates a great deal of public input we've received as well as Council direction.

Without any further ado, I will go ahead and start going over the details of the actual pilot program. We will start with the safety and service principles. TNC will be required to certify as in compliance with City requirements for each vehicle and driver certified as permitted to operate for a transportation network company. These are all subject to City auditing and regular enforcement actions performed by PBOT staff. The taxi companies will also be able to utilize the same process of certifying that their drivers in their own vehicles do meet all City requirements.

As Commissioner Novick stated, all companies will be required to provide citywide 24-hour service, and they must provide reasonably prompt service to everyone, including people with disabilities. TNC operators will be prohibited from accepting street hails and from waiting in designated taxi zones.

For the operator requirements and prohibitions, no vehicles over 10 years old will be allowed to operate as either a TNC or a taxi vehicle. All vehicles must pass standardized vehicle safety tests performed by either a master mechanic certified by the National Institute for Automotive Safety Excellence or by an ASE blue seal recognized shop. All vehicles must be equipped with hands-free accessories for mobile devices, first aid kits, and fire extinguishers. Additionally, TNC vehicles must display what is called trade dress -- or a company logo -- and all taxis must be painted and keeping with company aesthetics, and be equipped with a top light and taxi meter. Proof of insurance and a copy of a driver's business license must be carried in vehicles.

Secure digital records with contact information from drivers and riders must be maintained by transportation network companies. These records will provide a verifiable way to identify both drivers and riders. Taxi companies must also maintain secure digital records of drivers and riders or equip vehicles with digital security cameras. In addition, both transportation network companies and taxi companies must provide these records to police upon request within 24 hours of that request.

For background checks and driver requirements, each TNC will be required to conduct a national criminal and driving background check, and may do so through a third party provider accredited by the National Association of Professional Background Screeners. Taxi companies may also perform background check screenings.

April 21, 2015

Drivers will not be certified as a permanent driver if some of the following exist: the applicant has a felony conviction of any kind in the 10 years preceding the submission of the application, or if the applicant has ever been convicted of any felony involving physical harm or attempted physical harm to a person regardless of when the conviction occurred. DMV records will also be checked to ensure that drivers have a safe driving record in the past 10 years.

All drivers working as independent contractors must comply with the provisions of the business license law, including they must register for a business license number. And no driver -- whether they are a TNC or a taxi driver -- is allowed to drive after engaging in more than 14 hours of any commercial activity in any given 24-hour period.

Driver requirements including the following. A TNC driver can only accept rides booked through a TNC digital program and cannot solicit or accept street hails or stop in a City-approved taxi zone. Drivers will carry proof of insurance and a copy of the business license as required. All permitted companies must employ at all times a zero tolerance policy for intoxicant use for all drivers. Drivers must utilize hands-free accessories for mobile devices. I'd like to have Michael Jacobs from PBOT explain the driver testing and training.

**Michael Jacobs, Portland Bureau of Transportation:** Training and testing is required for all drivers --

**Novick:** Michael, please state your name for the record.

**Jacobs:** I'm sorry, Michael Jacobs with the Bureau of Transportation. Again, training and testing is required for all drivers. Permitted companies will be allowed to administer the training and the testing, and their programs must be approved by the City and will include the following. Testing will include relevant City Code and administrative rules, Portland area tractions and map reading, and there will also be driver safety training and customer service training requirements.

**Fritz:** Will that be required before they get their permit?

**Jacobs:** The training and testing will be required within four months of receiving their permit or certification.

**Fritz:** But not during the pilot period?

**Jacobs:** The pilot period is four months long -- 120 days -- so it would be required during the pilot period.

**Fritz:** I don't understand those two statements. You said they wouldn't be required until four months.

**Jacobs:** They have to be completed within four months of the driver receiving their permit or certification.

**Fritz:** And is there a penalty -- are we going to check at the end of the four months to make sure all of the drivers that have been driving have in fact completed that training?

**Jacobs:** Yes, that will be part of our auditing procedures.

**Ken McGair, City Attorney's Office:** I'm Ken McGair from the City Attorney's Office and I've been tasked with going over the insurance principles. First, both TNCs and taxi company permit holders must secure and maintain commercial general liability insurance reflecting limits of not less than \$1 million per occurrence and \$2 million in the aggregate for covered claims arising out of the course of the permit holder's work. In addition, the permitted TNCs and taxi companies will be required to provide insurance policies naming the City of Portland as an additional insured and to provide the City with at least 30 days' notice prior to a policy being canceled, a reduction in coverage, or an expiration of the policy.

The insurance coverage that we will be named an additional insured on is all commercial insurance provided by the companies, including commercial auto liability,

April 21, 2015

commercial general liability, workers compensation, and employers liability insurance to the extent the state requires that.

Now, moving on to the commercial auto policies. The taxicab companies at the moment have a commercial auto policy with limits of not less than \$500,000 per occurrence or claims arising out of but not limited to bodily injury and property damage incurred from their commercial activity as a taxi. Permitted TNCs will provide primary coverage throughout the entire three phases that we've talked about over the last few weeks.

In period one, which as Commissioner Novick noted is the period when the app is on but no match has been made, the minimum liability limits will be \$50,000 per person for death and injury, \$100,000 per incident for death and injury, and \$25,000 for property damage. For periods two and three, those minimum liability limits. That is, for period two, the match is made and the driver is in route to pick up the passenger. Period three again is the passenger is in the vehicle until the passenger safely exits the vehicle. Primary insurance with minimum liability limits of \$1 million in combined single limit coverage for death, personal injury, and property damage; and \$1 million combined single limit underinsured and uninsured motorist coverage.

**Fish:** Can I ask a question on that? If the legislature in the next few months changes the minimums that would apply to a TNC, will the language in our code say "this is our minimum subject to whatever the Oregon law provides"?

**McGair:** Certainly, Commissioner. Oregon law would set the requirements for a transportation network company and if the legislature chooses to go that direction, we would simply adopt that as our rule. As of now, they haven't done anything, and the proposal that we have put in the guiding principles is essentially a national model bill that is going throughout the country for TNC coverage.

**Fish:** What's the minimum again that California adopted for period one?

**McGair:** It's \$50,000, \$100,000, and \$30,000 in property damage with a \$200,000 excess liability policy as well, but that doesn't go into effect until July 1st of 2015.

**Fish:** And just a technical question -- when you come in to get your permit, do you have to have proof of insurance at that point?

**McGair:** Yes.

**Fish:** You have to have the policy and you have to show that you've got this coverage on the vehicle at the time the permit issues?

**McGair:** Correct. The company will be certifying that with regards to their drivers.

**Fish:** So the company will certify it?

**McGair:** Yes, that the driver is insured under the company TNC policy covering all three periods as primary.

**Fish:** And the way the code is written, if there's a violation of the minimum standards, you have the option of going against the TNC and the driver?

**McGair:** Correct.

**Fish:** Both.

**McGair:** Yes. The company is certifying that they are an insured driver and the vehicle is insured under the company policy.

**Fish:** So, you can hold the company accountable if it turns out they're in fact not requisite insurance, and you also can go after the driver.

**McGair:** Correct. What we would do is immediately -- if that were the case -- and I'm just theorizing -- revoke the certification for that particular driver and notify the company that he is no longer authorized to operate in the city of Portland.

**Fish:** Just so you're on that point -- because this is very helpful for me -- Bryan, the civil penalty table attached to the ordinance, the 16.40.540 -- I guess that's the old language

April 21, 2015

applicable to taxis -- says that in addition to civil penalty and the suspension or revocation provisions, blah, blah, blah, any second offense is grounds for suspension of a permit and a third or subsequent offense is down for revocation of permit. Is there any reason we don't recycle that language in the language around TNCs and the separate penalty we've created so it has the parallel language? Or is that your intent?

**Hockaday:** We intend to explain all of our enforcement options to you a bit later, but we can actually jump ahead to that now if that'd be helpful.

**Fish:** I guess the only question I would have for now is since you have that explicit language currently in the code that says the options you have, including a second offense, it will be your intent to have the same language applied to the TNC civil penalty table?

**Hockaday:** Yes.

**McGair:** Moving on, I think I've covered periods two and three, and so that wraps up the insurance piece. I would like to say that the TNCs provide insurance through what's called a surplus lines insurer. Because this is a new market in the state, there are no insurers that are currently offering such products and have underwritten products in the state of Oregon, but a surplus lines insurer has been allowed to offer the TNC insurance in the state and there are brokers in the state who have provided it or who are providing it. So, there is insurance available at primary levels for all three periods during which a TNC would be operating.

**Hockaday:** Great. Equity and inclusion. TNCs and taxi companies will implement service performance measures to provide timely and equitable citywide service to all persons, including persons with disabilities. This is a point that Commissioner Novick mentioned in his opening remarks -- we would like to transition the industry from a fleet requirement to a service performance measure to really ensure that everyone is receiving equitable, prompt service for all requests. All companies will be required to provide an option for riders to request wheelchair accessible vehicle service, service animals must be reasonably accommodated, and both TNCs and taxi companies will be prohibited from applying additional fare charges for wheelchair accessible vehicles.

As we transition the industry from a fleet requirement, the taxi companies must maintain at least 10% of their fleet as wheelchair accessible, and the taxi companies must implement equitable service performance measures. The TNCs will implement service performance measures, tracking the differential between the wait times for wheelchair accessible vehicles and non wheelchair accessible vehicles.

For the TNCs, for the first 30 days, they must provide reasonably prompt service and they will be required to collect and submit data to the City. The following 30 days will be collected, reasonably prompt service is required with no more than a 30-minute differential in the wait times. The following 30 days, again, that differential goes to 20 minutes or what the previous 30 days' worth of data supports.

**Novick:** So, Bryan, just to hold on that for a second -- when it says "no more than" and lists the number of minutes, the intent is if based on the data gathered to date it seems reasonable to provide a higher standard, we would apply a higher standard.

**Hockaday:** Certainly. Thank you for clarifying.

**Fish:** So, Bryan -- and this question of not being able to charge a disabled passenger a different rate than an able-bodied passenger at that particular time, that would mean no additional charge -- it can't be a separate charge for a separate app it can't be an add-on, it can't be any charge. They have to demonstrate that if someone in a wheelchair seeks a cab service and an able-bodied person -- same time, same location -- it's the identical pricing. Is that correct?

**Hockaday:** Exactly.

April 21, 2015

**Fish:** And no indirect or backdoor fees to compensate, no annual fee to be a part of this service, no tag-on, nothing.

**Hockaday:** No additional surcharge for wheelchair accessible vehicle service.

**Fish:** And so, is the one complication we may have here that if we're not going to regulate price with either party, it's going to be a little harder to figure out the comparator is?

**Hockaday:** We fully intend to regularly audit and perform enforcement actions. The City staff will be looking at this very closely. But an unregulated fare really has to do with lifting the cap, the ceiling on the fare rates so that anytime -- if companies would like to use dynamic pricing when there's high demand and low supply, fare rates increase but they increase evenly for all service requests, both wheelchair and non-wheelchair requests.

**Novick:** For example, if you found out that one of the TNCs was between the hours of 4:00 and 6:00 charging \$5 a mile for non-wheelchair vehicles and \$10 a mile for wheelchair vehicles, that would be a violation.

**Hockaday:** Right. One of the very exciting opportunities about this pilot is the opportunity for the City to collect data in practically real time from TNCs and taxis. We will be asking for data to be provided to the City on a routine monthly basis. We intend to regularly update Council during the pilot program. Both TNCs and taxis will be required to enter into a data sharing agreement with the City to providing aggregate and anonymized data, which includes the following: wait times; types of rides requested -- specially, we're looking at wheelchair requests and non-wheelchair requests; trip origin zip code; trip destination zip code; and identification of requests that go unfilled.

**Fish:** Bryan, the text you gave us in the supporting documents said each TNC will enter in to an agreement. Is it your intention to ensure compliance with this by making this a condition of receiving the initial permit?

**Hockaday:** Yes, exactly. They have to enter into a data sharing agreement for us in order for their permits to be approved.

**Fish:** At the front end?

**Hockaday:** Correct. In addition to the data reporting, both taxis and TNCs will be required to report the following: number of collisions, including the type of collision; report on the number and type of crimes against drivers; and report the total number of passenger complaints.

Fare rates. As we just mentioned, fare rates charged to passengers must be transparent and will not be capped except for times of emergency. All fare rates must be made clear and transparent to passengers before a passenger accepts a ride, and the PBOT Director will prohibit or limit surge pricing during states of emergency as declared by the Mayor.

**Jacobs:** With regard to company permit compliance -- first of all, permits are required and they are nontransferable. Once a company is permitted, there will be no cap on the number of vehicles. TNCs will be required to provide a certification to the bureau that each vehicle and driver has met all conditions consistent with City requirements. Vehicles and drivers not meeting all such conditions will not be allowed to operate.

Private for-hire transportation operators are not allowed to operate at the Portland International Airport without specific permission or approval from the Port of Portland.

Private for-hire transportation permit holders will comply with insurance requirements and must file a certificate of liability with the administrator that evidences insurance coverage and terms that are in compliance with requirements.

**Fritz:** Excuse me, I think there's updated information that the Port has given permission for TNCs to operate at the airport.

**Hockaday:** But they must also have a City of Portland permit.

April 21, 2015

**Fritz:** Right, but I wanted to be clear for everybody that with a City of Portland permit, the Port has given permission to TNCs to operate at the airport.

**Jacobs:** Thank you. All companies will be required to keep documentation of all certification requirements on file during the term of their permit and for two years after the expiration of their permit.

And finally, with regard to compliance, no disclaimer of liability for negligence or other tortious conduct contained in any TNC user terms of service will have any force or effect in the city of Portland. Any tort claim against a TNC shall be governed by tort law in effect at the time of the claim.

**Fish:** Commissioner Novick, may I pose a question on that? In addition to this issue of disclaimer of liability, we talked last time about some of the restrictions placed on people's rights to pursue claims of mandatory arbitration clause and some other one-sided terms. My understanding from the City Attorney is there are some potential legal barriers to us regulating that, and I want to do that in a thoughtful way. Is it your intent to take up that issue in phase two for the purposes of an analysis of what we can regulate in that area?

**Novick:** I'd be happy to.

**Fish:** The other question I had for you is it's one thing to say that a disclaimer of liability had any force or effect in the city of Portland. I'd be a lot cleaner if our partner in this enterprise deleted that term from the user agreement. Has there -- have any of the TNCs that you've communicated with been willing to consider deleting provisions we think are either illegal or unenforceable?

**Novick:** Well, their position is that these are terms they put in all of their user agreements worldwide, it's a standard thing, so they're not willing to do that. They understand that it'll have no force or effect in the city of Portland.

**Mcgair:** And I can just add to that. Their user agreements also state that applicable law in the locality or the state applies. So, our statement is duplicative of what they have in their own user agreements.

**Fish:** Just for the record, I think the thing that a number of us expressed concern about last time isn't so much that at the end of the day this could get sorted out in a court proceeding, it's the effect of having anti-consumer language in a user agreement that a member of the public may read and may view as precluding exercising a basic right. And that may prevent someone from even testing that clause. If it's in the user agreement, someone may very well think it's governing and may not have time to check our code and see that we have a disagreement. That's the broader problem with language that potentially discourages people from pursuing rights they may have.

**Mcgair:** I totally agree, Commissioner.

**Novick:** I understand, Commissioner. I think that it's on us to obtain the broadest possible education of the public on this issue, and we will aggressively seek to do that.

**Fritz:** Going back to the data issue -- how are we going to verify that the data we're given is the real data and nothing but the data?

**Hockaday:** As part of our enforcement actions, we will be also tracking wait times and different trip data also so we can compare the information that the City is collecting itself with the information that is being provided by the taxis and the TNCs.

**Fritz:** How are we going to be collecting that data?

**Hockaday:** We will be requesting service from both taxis and TNCs and comparing that to the data that they report to us in aggregate.

**Fritz:** But we won't be able to know which drivers they have, we have to take their word for it that the list they provide to us as their drivers is the only list of drivers that they have.

April 21, 2015

**Hockaday:** So for the driver list, we will receive on a regular basis updates of all the drivers on the platform so that we can audit and certify that the drivers in the vehicles meet our requirements to operate here in Portland.

**Fritz:** How will we know that we received the list of all of the drivers on the platform?

**Hockaday:** For one thing, all drivers have to register -- get a business license. So, we can very quickly determine if the list from the TNCs is matching the business license data base.

**Fritz:** But if they give us the list of only the drivers who bother to get the business license, how do we know there aren't other drivers who haven't done that?

**Hockaday:** We can certainly determine if a drive is operating on a platform without any sort of certification or without permits as we conduct enforcement actions, which we intend to do in full force throughout the pilot program.

**Fritz:** How would we find out that?

**Mcgair:** Commissioner, the drivers that they're certifying are on their platform are being signed by an authorized officer of the corporation under penalty of perjury and subject to the penalties in the code. So if we have any knowledge that they're misstating or omitting drivers who are on their platform who they haven't sent to us for certification to operate in the city of Portland, we have the option of revoking the permit from the company.

**Fritz:** But how would we find out?

**Mcgair:** We would audit and do the same enforcement actions we use now. How do we know whether a taxicab operator driving around is permitted? We have to rely on the compliance officers in the field and audit capabilities.

**Fritz:** We issue the permits now.

**Mcgair:** We do, but we don't every day police who's driving the vehicles I guess is what I'm saying.

**Hockaday:** And actually, this would be a great time to provide Council an overview of our enforcement options.

**Mcgair:** Well, we intend to enforce all the private for-hire transportation rules and regulations. Similarly, there will be driver and company penalties, permit suspension and revocation pursuant to the terms in the code. The code has criminal charges, certain violations of driving without a permit or driving without a certification, as well as we are adding civil forfeiture to strengthen our legal position with regard to towing vehicles that are driving without certifications or permits, and that's part of the code changes that are part of the ordinance.

**Fish:** Is that it?

**Mcgair:** Yes.

**Fish:** So, Bryan -- and you may have addressed this last time, but we've had a lot of hearings so I think it's best to make sure we got it right. So, we're going to do a 120-day -- the proposal is to do a 120-day pilot. And during that period, we may learn that it's not going very well and there may come a point where we think it's actually a calamity. At what point does it come back to Council for further action?

**Hockaday:** We plan to submit about every 30 days a report to Council -- and of course, we'll make that report publicly available, which will include the data that we're collecting from the taxis and TNCs. And then we will also plan to schedule time on the Council agenda at the midpoint of the pilot program to come and present the midpoint findings. If at any point throughout the pilot program we determine that things are not working well at all, we have an opportunity to adjust the pilot problem.

**Fish:** Does the 120-day period require any Council action to be renewed?

**Hockaday:** No, it does not.

April 21, 2015

**Mcgair:** No, we were only contemplating a 120-day period. If you're asking whether the City or Director Treat extends it beyond the 120 days, we would come back to you with another resolution directing her to do that. But I believe -- and Bryan can correct me if I'm wrong -- it's the goal to have the task force continue working on a complete overhaul of Chapter 16.40 to add whatever necessary changes are to the code to necessary to address all private for-hire regulations.

**Fish:** Could you play out for me the different scenarios that could occur after 120 days elapses? Because we're calling this a pilot project, so it doesn't have indefinite duration. Something happens at the end of 120 days. Would you just walk us through what those options might be?

**Hockaday:** Yeah. So throughout the course of the pilot's program, the task force will continue to meet. They will be reviewing all of the data that is being collected from the taxis and the TNC companies. They will continue to seek public input on regulations for all modes of private for-hire transportation. They will continue to draft recommendations, which will ultimately be submitted to Council for consideration, and Council will have the opportunity to get regular updates from the task force and from the private for-hire market here in Portland.

And then in about July -- so while they're about 30 days on the clock for the pilot program -- we intend to ask the task force to present their final recommendations to Council -- again, while there's about 30 days on the clock -- so that Council can evaluate the task force's recommendations and then ultimately be prepared to implement final regulations in City Code at the end of the 120-day pilot program.

**Fish:** That's enormously helpful, the way you just said that. And the Council will have a full menu of options at that point: discontinue the program, continue a pilot, create a modified or new set of rules governing the industry going forward, or something else. But that would be -- it would require some Council action prior to the 120 days for this to continue.

**Hockaday:** Correct.

**Saltzman:** First of all, I guess we'll start with the basics. What does it mean to certify? That TNCs will certify -- what does that mean?

**Hockaday:** So, the transportation network company -- all drivers and vehicles associated with a transportation network company must apply to operate for that company directly through the company's platform. The company, contingent upon a permit from the City of Portland, is certifying that all of their affiliated vehicles and drivers meet the requirements that the City establishes. The City will routinely audit the drivers and the vehicles and conduct enforcement actions both on the drivers' vehicles and the companies to ensure that all three entities are in complete compliance.

**Saltzman:** Walk me though -- tomorrow, me and my car want to go to work for Uber or Lyft -- assuming we're in this trial period. What is it that I have to do as that potential driver?

**Hockaday:** Before you as a driver actually get onto a TNC platform, the TNC will actually need to apply for a City of Portland permit. So, contingent upon Council's approval of the pilot program, the PBOT Director would be directed to enter into the administrative rules the tenants of the actual pilot, permit applications would be made available shortly thereafter. As the companies apply for the permits, City staff would review those permits, make a recommendation to Commissioner Novick who will approve or deny the permits contingent upon the meeting of the City requirements. Within a matter of days, you as a driver are able to operate as a certified driver.

**Novick:** The driver would have to acquire a City business license.

**Hockaday:** Absolutely. Meet all requirements.

**Saltzman:** And what about the vehicle safety inspection?

April 21, 2015

**Hockaday:** All the vehicles have to be inspected, all the drivers have to go through and pass background checks. They have to meet all the requirements before operating in the City of Portland with a permit.

**Saltzman:** And is there a frequency to background checks? Is it done every year?

**Hockaday:** Background checks are required to be conducted annually.

**Mcgair:** Right now, the pilot program is only for 120 days, so we haven't specified that they have to be done annually, but that is the goal.

**Saltzman:** OK. So on the issue of background checks -- I mean, right now I guess Portland Police does background checks for potential taxicab drivers. So, we're moving away from that for taxicabs as well as for TNCs, we're moving to third party certified background checks --

**Hockaday:** So this isn't actually a change in City Code. Current code allows for background checks to be performed by a City-approved third party vendor or run through the state law enforcement database system, LED system. We are encouraging taxi and TNC companies to utilize third party vendors. They can perform more timely and ensure national checks are being performed. The LED system is only checking for criminal histories in Oregon. We do get notification if there is an out-of-state conviction, at which point drivers are called back in to get fingerprinted and FBI checks are run. So, one of the benefits of third party vendors are they can upon consent of the applicant do that national search, looking for all of the disqualifying factors that are laid forth in City Code.

**Saltzman:** We're leveling the field, though --

**Hockaday:** All taxis and TNCs will be able to utilize third party vendors that are approved by the City.

**Saltzman:** And at what point is it verified that there is a hands-free device installed in taxi or TNC vehicle?

**Hockaday:** That's certainly something that the TNCs and taxis must certify, and as we conduct audit and enforcement actions, it's certainly one of the things that we will be looking for specifically.

**Saltzman:** As part of the vehicle inspection, part of the TNC or taxicab certifying a vehicle is eligible for service, they must have a hands-free device mounted.

**Hockaday:** That's not actually a vehicle requirement per se, that's a requirement that the driver -- whenever a driver is utilizing a mobile device, they must have a hands-free device. So, transportation network companies are certifying that every driver is actually utilizing a hands-free accessory for their mobile device. We will be auditing and checking that during enforcement actions.

**Saltzman:** So maybe it's just my own ignorance of what a hands-free device actually is. I guess I'm picturing something mounted on a dashboard, not something drivers are holding in one hand with earphones on the other.

**Hockaday:** Right, they're typically mounted to the windshield or to the dashboard.

**Saltzman:** So, that's what we're talking about.

**Hockaday:** Correct.

**Saltzman:** Then why can't that be verified at the vehicle inspection point?

**Hockaday:** we're looking for key vehicle components, so we didn't include that on the vehicle inspection checklist. We put that on the responsibility of the individual driver and the companies themselves to ensure that all drivers who are utilizing the mobile devices have that hands-free accessory.

**Saltzman:** But doesn't that leave us in the position of "we have to catch you," whereas if we require it upfront as part of the vehicle inspection, you've got to have it. Am I characterizing that correctly?

April 21, 2015

**Hockaday:** Well, there are several conduct standards required for drivers. We included that as one of the standards of conduct for all drivers.

**Saltzman:** But it's still incumbent upon us catching you. And I guess I have the same question for proof of business license. It's the same thing. As opposed to saying, "TNC driver, show your business license to the company before they grant you permission to drive for them," I'm also saying that as part of the vehicle inspection that you have proof of hands-free device.

**Hockaday:** Certainly for the business license -- as independent contractors, those drivers must register for a business license. And we wanted to retain that as an enforcement action for the City of Portland so that we are ensuring that those independent contractors maintain that status in terms of their relationship with the company and that the City is performing those sorts of enforcement actions for drivers for the vehicles and against the companies.

**Saltzman:** And does the driver have to provide that business license to either the TNC or the taxicab?

**Hockaday:** No, they need to provide that to the City of Portland again as independent contractors. That relationship is really between the driver and the City of Portland.

**Saltzman:** So again, that's kind of a post-factor. That's "if you catch us without our business license then you can" --

**Mcgair:** Well, Commissioner, we're going to be getting a list of the drivers, and if there's no business license number attached to the list that the TNCs certified to us, then we will have the contact information of the individual drivers and be able to enforce against them directly. We know who they are, we have contact information for them.

**Fritz:** You're only going to be getting a list of the ones with the licenses, you won't be getting the list of the ones that don't have the business license unless they require it.

**Mcgair:** We're going to get a list of everybody that is certified by the company as available to operate on their platform. If they don't have a business license next to their name, they're not allowed to operate in the city of Portland. We'll have contact information to track them down to make them get the business license. It takes -- from what I understand -- five minutes online.

**Fish:** Now you're confusing me --

**Mcgair:** I hope not.

**Fish:** Maybe it's just me. Are we allowing a TNC to give access to the platform by a driver that doesn't have a business license fee?

**Mcgair:** No.

**Fish:** Business license number?

**Mcgair:** No.

**Fish:** So why would a TNC give us a list of drivers that don't have business licenses?

**Mcgair:** They want to make sure -- and they are trying to ensure that all of their drivers get the business licenses up front. Presumably, they won't.

**Fish:** But assuming they did, the first thing you would do is say to the TNC, "don't allow them to have access to the platform. And if you do, we're going to fine you for that because that person doesn't meet the certification" --

**Mcgair:** All the requirements, correct.

**Fish:** This, by the way, is not an idle thing because 95% of the folks who are on the platforms of companies that are in short-term rentals are not licensed with the City of Portland and out of compliance with our rules. We don't have a particularly effective way of enforcing against the operator and saying "you shall not give them access if they're not inspected or licensed." So, this is something the Council cares deeply about. And you're

April 21, 2015

saying under this agreement, the TNCs have agreed not to allow access to any driver that doesn't have a business license?

**Mcgair:** Commissioner, the drivers will not be allowed to operate in the city of Portland. If that means we have to fine the company to get them off the platform, then that's what we'll do. But the different here between the air -- I don't want to say the name of the company --

**Fish:** Short-term rentals.

**Mcgair:** Short-term rental issue and this is we have the names of the drivers in their contact information to get them to come into compliance directly.

**Fish:** But assuming we become aware that a driver doesn't have a business license number, have the TNCs agreed to prevent that driver from having access to their platform until they have fixed that problem?

**Mcgair:** I don't know that they have agreed to do that, but that is our intent -- is to have that person not be on the platform or subject the company to civil penalty as well as the driver. Again, I want to reiterate that we will know who the driver is and we will have the contact information so we can get the business license from the driver pretty quickly and enforce against the driver.

**Saltzman:** So there can be against the company if for whatever reason the company chooses to ignore the fact this person doesn't have a business License.

**Mcgair:** Yes.

**Fish:** And what constitutes each offense under those circumstances? We determine they don't have a license, and every day, we wake up and see they are operating -- they get access to the platform. What constitutes a discrete offense?

**Mcgair:** Each time that they have access to the platform. I guess we would request from the company whether they've been logged on to the platform or whether they're allowed to log on to the platform. But again, it's our goal -- and I think the TNCs' goal -- to do this all up front. Presumably, we won't have all this issue. And if we do, we'll be able to contact the driver immediately and get this taken care of.

**Hales:** The other distinction of course is that for short-term rentals, we can't tow away their house but we can tow away their car.

**Fish:** Let me see if I'm missing something here. But someone decides to operate within the system but they begin by thinking they're just going operate in Beaverton. But they start to go into Portland. So, once they cross the boundary and they're doing business in Portland, they have to get a business license. When are we going find out they have or have not complied? And isn't the TNC in the best position to know whether that's occurred? Because they're assigning and ride within our boundaries and therefore they know an event has occurred which is of concern to us. Aren't they in the best position at that point to say, do you have a license or not?

**Hockaday:** If a driver is already on a TNC platform and they're picking up passengers in Beaverton and they wanted to start picking up passengers in the city of Portland, they will not be able to get onto that platform until a TNC certifies the driver is in complete compliance with all the requirements that we establish. And as we are cross-checking the names of the drivers who are on the platform -- as we look for the business license and as we're cross-checking that through the Revenue Bureau's business license database, we will be able to notify the driver and notify the TNC if a driver does not have a business license, and that driver must get the business license and will be removed from the platform if that driver is not in compliance.

**Fritz:** We had heard last time from drivers currently driving in Beaverton and would like to be able to drive in Portland. But colleagues, I know we have a lot of people who are going to testify, so I was wondering if we could get any amendments on the table. Commissioner

April 21, 2015

**Saltzman:** it sounded like you were moving towards requiring a hands-free device as part of the vehicle inspection, as well as the fire extinguishers and the first aid kid and such.

**Saltzman:** I wasn't actually moving towards an amendment. I think I'm -- it's an issue I want to track closely during this 120-day period if we go ahead with that.

**Fritz:** I would certainly support that, because it seems to me if we're checking if they have a fire extinguisher, we should be able to check if they have a hands-free device on their front.

**Hales:** We can consider amendments after we take testimony. Either way.

**Fritz:** Well, then we'd have to take testimony on the amendments. So, I have an amendment I'd like to put on the table. We don't necessarily have to vote on it now, but I'd like to put it on the table for discussion so that people can testify and then we wouldn't have to take additional testimony.

I'm very concerned about the insurance for the transportation network company. There are two bills that are currently being considered by the house -- I spoke with House Representative Susan McLain at about 4:30 today -- and that's House Bill 2237 and House Bill 2995, both of which cover issues of private insurance.

There's two pieces I'm concerned about. One is adequate insurance when the app is on but there's no customer. For taxis, the minimum insurance now is \$500,000. The proposal on the table is \$50,000. What the state is considering is \$75,000. That's one piece of it. The second piece is if currently your private insurance company finds out that you're driving for Uber, they'll cancel your private policy, which I think is putting Portlanders potentially at risk. And again, the house bills would say, "fix that problem."

So, my amendment is that we would not move forward with the pilot program until the State of Oregon has commenced -- here's my amendment. Be it further resolved that the pilot program will not commence before the State of Oregon has completed rulemaking ensuring appropriate insurance coverage to all Oregon transportation network companies during all periods of vehicle operation. [applause]

**Fish:** Mayor, do we need a second to put it on the table?

**Hales:** We do need a second -- hey, folks, please.

**Fish:** I'll second it so it's on the table.

**Hales:** OK, it's on the table and we can take testimony on that, too.

**Fritz:** Thank you.

**Saltzman:** Two more quick questions. Who does the DMV record checks?

**Hockaday:** A third party vendor can do that.

**Saltzman:** OK. And then I'm having trouble wrapping my arms around lifting the fares for the taxicabs. I'm just confused. Like right now, they're all placarded. It's 2.50 initially and 2.50 a mile or something like that. So, if I'm hailing a cab going to SE 122nd, how do I determine what the fare is? How does that work? How will that work?

**Hockaday:** A taxi company or a driver would need to inform a passenger before the passenger gets into that vehicle of what the fare rate is -- again, before the passenger is actually in that vehicle.

**Saltzman:** What the rate is or what the fare for the trip would be?

**Hockaday:** Both the fare and the fare rate. They need to inform passengers before the passenger is in that vehicle.

**Hales:** We don't require cab companies to display that now?

**Hockaday:** We do have a cap on the maximum amount of fares.

**Hales:** I mean, do we require them to display it in the vehicle, which is the case in some cities?

**Hockaday** Yes.

**Saltzman:** So if there's new rates, new charges, that has to be --

**Hockaday:** Posted.

**Saltzman:** -- displayed.

**Hockaday:** Right.

**Saltzman:** And it's not really a driver-customer negotiation, it's really the company determining what its fare structure would be in this interim period.

**Hales:** So, does that display requirement for the cabs continue even if the regulation per se is lifted during the pilot project?

**Hockaday:** Yeah, and in fact, that requirement to display fares is in this pilot applied for taxis and TNCs. Both companies have to display that information to passengers before they're in the vehicle.

**Fish:** And so that deals with the question of getting into a car and having to have a separate negotiation. But if we deregulate it completely, those fares could change daily, hourly, whatever. And all we're requiring is that it somehow be posted so that when you get in the car you see them, but we're not requiring that they remain consistent.

**Hockaday:** Correct.

**Fish:** Alright.

**Hales:** Other questions? I know we want to move to testimony. We also -- whoops, maybe he's not still in the room -- we also have the chairman of the task force here, so we may need to ask him questions later, but we might have additional questions for staff when we move to deliberation later.

**Fritz:** I do just have a question about what we just discussed with taxis. How is somebody who's approaching a taxicab line supposed to know how much each cab is going to be charging them?

**Hockaday:** The taxis would need to notify the passenger before that passenger is in the vehicle.

**Fritz:** So the customer is supposed to go to each of the cabs in the line to ask how much the ride would be? [laughter] [applause]

**Hockaday:** Sure.

**Novick:** Well, I would submit that currently if you're going to buy gas, you have to go to each gas station in turn to find out what the price of gas is at that station. [groaning]

[applause]

**Hales:** Folks, folks, please -- we ask you just give her a thumbs-up or down if you agree with her, and same to me and same to anybody else in the room. Let's keep it civil and quiet enough to hear each other. Any further questions? Thank you all very much.

Obviously, stand by. Now, I believe we had both a sign-up sheet for organizations and for individuals, is that right?

**Moore-Love:** Correct.

**Hales:** How many do you have in each category?

**Moore-Love:** I have nine people representing organizations and I have 82 individuals signed up.

**Hales:** My suggestion -- if the Council likes this -- is we take the organizations first, because it'll only take a little more than half an hour, and then move to individuals, just so we hear from those representing groups of people. So unless there's some objection to that, let's take the organizations first in order.

**Moore-Love:** The first three from the organization list, please come on up.

**Hales:** Come on up. Good evening. Go ahead, Raye.

**Raye Miles:** My name is Raye Miles and I'm the president of both Broadway and Sassy's. When it comes to this topic and process, I feel like I'm in an episode of the Twilight Zone. But despite all evidence and testimony to the contrary, despite an abysmal track record in other cities, we're about to enter into a trust-based relationship with Uber.

April 21, 2015

The most astonishing aspects of this relationship are that the City is going trust Uber to do their own background checks. In Houston, an Uber driver was a convicted felon and was arrested for raping a female passenger. Houston's criminal record background checks detected numerous crimes by prospective Uber drivers, ranging from aggravated robbery to driving on a suspended license. Uber argues the city process takes too long, but if taking a little extra time on vetting drivers prevents even one sexual assault, isn't it worth it? And Houston isn't the only market with issues. The state of California is suing Uber for misleading passengers about their background checks, which gives passenger a false sense of safety.

This City is also going to trust Uber to provide promised data so that transportation issues can be studied. This is despite ongoing battles in New York and Boston, where Uber has refused to provide data or has been accused of providing incomplete or inaccurate data.

Uber is also going to be allowed to provide less insurance than the City has required for decades of the private for-hire transportation business. It seems patently unfair and not in the best interest of citizens.

On the topic, the City maintains it does not have enough data to properly analyze the situation. None of the truly alarming issues -- which I consider to be insurance and background checks -- are affected by the pending data requests. These are public policy issues that have not been adequately addressed.

On the topic of accessible service, I would note the City has not asked the cab companies for data. If you had, I could have told you that in March 2015, Broadway Cab's average response time in the city of Portland was 14.3 minutes. During that same period, the average response for a wheelchair accessible trip was request was 23.4 minutes. Not perfect, but also nowhere near the catastrophic numbers that have been tossed around.

And you're probably wondering why I haven't provided this information earlier, and I would say to you that I've tried. I've emailed information to both Commissioner Novick's Office and the task force, but it's never clear whether or not that information gets through. I think in both instances it gets lost in a stack of paperwork.

You see, there is a big difference between throwing information into the stacks of information and being given a seat at the table. It has been abundantly clear while there were no seats at the task force table, Uber has had a direct line into City Hall.

I am not resisting change to the industry. As I've said before, I do believe the time has come for Portland to embrace unbranded taxis, but we need to do it right without undue harm to the taxi drivers. Portland has one chance to get it right, and this is it. When you start to negotiating with \$40 billion out-of-state corporations at night, it stops being about good public policy and starts to be about corporate greed. Thank you.

**Kedir Wako:** Good evening. My name is Kedir Wako from Union Cab. I've been a cab driver since 1998, and I'm still driving part-time. There is just a few things I want to say that aren't fair. I've been present a few times.

One is about the camera. The camera is not only for the safety of the drivers, it's the safety of the public and the safety of your children. If one of your children, your daughter or son, get a ride into Uber and then a stranger like in Denver, Colorado, who gave a ride to a lady to the airport and dropped her at airport and went back and robbed her home. Nobody is [indistinguishable] that person. So, that's not only for the safety of the driver.

Also, it's not fair when cab drivers going to cab companies going to paying \$920 per camera, and the \$40 billion capital company doesn't require a camera. It's about the driver permit. Driver permits are for cab drivers. Cab drivers pay \$100 a year per driver. That's also displayed where the public can see so they can identify who's the driver. If the life of

April 21, 2015

that customer is at risk, they know the identity. In addition to the cab companies, they do have the number displayed on the vehicle and also the color of the cab company.

In addition to that, you identify the driver -- who's the driver including his first and last name and actually another CD numbers.

This is going to make the city in jeopardy. There is not any way as a cab driver for 17 years am -- [indistinguishable] -- the reason I'm saying this is the cab drivers if you give them green light today, all who try to get a ride from Fred Meyer to home for \$5 is going to be ripped off. What they call the price gauge, like Uber -- cab drivers are going to do that. Drivers are going to charge old ladies \$5 maybe charged by a cab drivers \$100. That is going to be another question on the public, not only of cab driver or cab companies only, it's the public issue also.

I'm still asking -- my [indistinguishable] are proud to get a four years to get a 50/50 permit, thanks to some item. Please don't take it away from me. I want to feed my kid. I have outstanding kids who's going to graduate this year and going Lewis and Clark next year. One day, she will be one of you guys.

Please be fair. Let's do fair. We want to compete. We don't have an issue of Uber not to enter in the city, we just want to be fair. Let them play by the same rules, the same rules should apply. Let them get \$500,000 insurance. We want to do it. Please, let's be fair. That's how it has to work. Thank you very much.

**Hales:** Thank you.

**Fritz:** Can you tell me -- what's the take-home pay average of your drivers?

**Wako:** Our drivers -- it depends on the cab company -- what do you pay. The rate is also -- it's not only what you work, it's also what you pay to the company. It depends on the kitty. But according to this plan, the driver is going to go home for nothing. They're not going to take home because a cab business is not like Fred Meyer or Safeway. The cab business is the driver has to make money, pay for the gas, and then pay for the car payment and then pay to the company. And what they take home is after that --

**Fritz:** Let me just interrupt you, though. When you were forming Union Cab, it was because of that challenge. For Union Cab, about how much are they taking home?

**Wako:** They're taking home a least maybe \$60 to \$85 after all expense.

**Fritz:** Per day or per week?

**Wako:** Yeah.

**Fritz:** \$85, OK.

**Fish:** And are they classified as employees or independent contractors?

**Wako:** They are the owner of the company and they're independent contractors, too.

**Fritz:** Thank you.

**Hales:** Thank you. Good evening.

**Steve Entler:** Hi, my name is Steve Entler, I'm the general manager the Radio Cab, Oregon's finest driver-owned company since 1946. [applause] The innovation task force has made numerous recommendations to City Council in an effort to allow TNCs entry into the city of Portland market and also recommend changes to the existing vehicle for-hire code so that TNCs are not allowed an unfair advantage over the existing taxi companies. After reviewing the proposed regulatory changes that will be in place for the 120-day test period, I feel that the fairness goal is falling well short of its intended mark. The number of inequities are almost too many to list here, but I will point out a few that I have quickly noticed.

The permit fees for taxi companies, vehicles and drivers, is disproportionately higher than what is charged to TNC companies. Each TNC will be charged a flat fee of \$20,000 for the 120-day period. This fee will be in inclusive of an unlimited number of vehicles and driver permits that may or may not be reported by the company. Radio Cab

April 21, 2015

and its drivers will pay roughly three times that amount during that same period of time by a combination of a company fee, vehicle fees, driver permit fees, and vehicle change fees.

The driver permitting process for TNCs will be much easier and quicker than the process for obtaining a taxi driver permit. TNC drivers apply directly with their company and then the company simply reports to the City that the driver is qualified and has fulfilled the City requirements. Taxi drivers are required to apply for a permit directly with the City, exactly as they were doing before, eventually getting the permit issued by the City and they pay the fees directly and individually to the City, same as before.

The only revisions made to the ordinance involve the process for driver skills training, everything else remains essentially unchanged -- at least as far as I can discern from the proposed code.

I believe firmly that the process for permitting taxi drivers is proper and should be the proper process for permitting TNC drivers as well. Driver permitting should be handled by the City of Portland, period, not by a TNC company. If a TNC driver that has been approved by his company assaults a passenger, will a corporate executive from San Francisco serve prison time as a substitute for the driver that he vouched for? I kind of doubt it.

TNCs will be required to submit aggregate and anonymized data to the City, focused on transportation accessibility and service to help the City improve access to the for-hire transportation. Examples of relevant data may include the following: type of ride requested -- whether its wheelchair or not -- trip origin zip code; trip destination zip code; identification of every request that is unfulfilled. Taxi companies are required to enter into an agreement with the City to provide the same thing. This puts taxi companies at a disadvantage because of numerous types of dispatching and trip initiations. Taxi companies don't usually track those items in that manner, whereas it is easy for a TNC to extract those items in that form from their app. Since all data is anonymized, there will be no way to verify accuracy of the contact nor will there be any reward to be gained by any company for accurate data reporting.

The civil penalty schedule lists fines for 16.40.450 B through E log entries -- I assume this means data entry. 16.40.450 F log availability -- I assume this means data availability. And there is no penalty for inaccuracies or omissions.

I believe that the code revisions have also inadvertently affected another part of the for-hire industry. 16.40.450 B actually deals with limousine and executive sedan requirements. It requires information on every trip, not aggregate and not anonymous.

**Hales:** OK, we'll get the staff to review this.

**Entler:** It requires customer name, passenger name, date and time of initial reservation, date and start times of trips, initial and destination addresses, and the fare amount paid. There are penalties involved with accurate detail submission by these companies, but not TNCs or taxi companies. That seems very unfair. Maybe the code revisions need a little more work. Maybe they have been rushed a little too much. Thank you very much.

**Hales:** Thank you. Make sure you get those to Ken while you're here, if you could, so he could review those code sections.

**Miles:** Can I say one quick thing? I did hear late this afternoon that what may have occurred in Houston was a result of the code language saying "no conviction within 10 years" and that language should be changed. There are legal terms for it but "no conviction in 10 years or whenever they were recently incarcerated" -- so it needs to be 10 years beyond any incarceration time. And if you wanted to entertain changes, that should be cleaned up. Does that make sense?

**Hales:** It does -- we'll check that. Thank you. Next three?

April 21, 2015

**Brooke Steger:** My name is Brooke Steger, I'm the general manager for this region at Uber. First of all, thank you, Mayor Hales, and thank you to the commission for looking into this issue. I know it is very complex and that there have been lots of questions, so we thank you deeply for the time and energy that you've spent on this. We also thank the task force for the amazing amount of time that a citizen-driven task force has put into uncovering and digging into issues such as TNCs and the for-hire industry here in Portland.

At Uber, we support reasonable regulations that are focused on safety: background checks, vehicle inspection, and insurance. And I believe the core of these recommendations put forth in front of you today encompass that. We are a huge supporter of safety and we are very deeply committed to following the regulations that are put forth. And so, I want you to know that this is very important to us and we will work very closely with the City of Portland to make sure that we are following this and addressing any concerns that are out there.

We are strongly opposed to the amendment that was proposed today on insurance. This is something that both the task force looked into deeply, that City staff has also looked into, and the insurance proposed has actually been passed by numerous states across the country. It just came out of the house in Washington state last week, and we expect this to go into law in Washington state and we also hope that Oregon state will follow the same insurance recommendations, but we do not want to hold this up any longer. And we believe -- and so do a lot of other states in the country -- believe those insurance requirements are 100% sufficient.

As you've seen over the last few days and over the last months, we've been blown away by the amount of public support that has been voiced for TNCs in the city of Portland. Last year, there were over 12,500 people that voiced their support. In the last couple of days, we had a new petition where almost 5000 people have signed that. We know that there have been hundreds of emails and people reaching out to you in support of options like this. So, we're blown away by the amount of support that we've seen from Portland as a whole and the residents here.

We've also seen the hospitality and the restaurant industry reach out in support. And yesterday, the leaders in the technology community also reached out in support of ride sharing services here, which we were very, very pleased about. But more importantly, we're floored by the support of the drivers that we partner with here that we will partner with here in Portland. We think it's extremely important for the City to offer this opportunity to them -- a flexibility opportunity, the ability to go back to school while also driving on a platform like Uber. It's very, very important to them, and I think as you see here, a lot of them are here today and want you to bring this opportunity to them and bring safe and reliable rides to their city. Thank you very much for all of your commitment and we look forward to working with you.

**Hales:** Thank you very much.

**Fish:** Brooke, I just have one question.

**Steger:** Of course.

**Fish:** So, you're here representing Uber. You heard the dialogue, the exchange earlier about what happens if a driver doesn't meet the certification requirements. So if we learn that a driver doesn't have the insurance, the car isn't inspected, doesn't have a business license or all of the requirements that you're going to certify, is Uber prepared to commit that driver will be barred from the platform until those deficiencies are corrected?

**Steger:** So, from the insurance, we will carry a primary policy for period one and period two and three. That policy will be turned over to the City and can be reviewed by risk management. So, there is absolutely no time a driver that is on the platform will not have

April 21, 2015

insurance. So, you can always verify that there will be. We also like to verify that they have personal insurance, however, there will always be insurance and you guys will be able to verify that real time.

Vehicle inspections and background checks 100% before a driver can come onto the platform. The vehicle has to be inspected and we have to have that vehicle inspection on file, and same with the background check. Those are done on an annual basis by default and there is absolutely no way a driver is coming onto the platform with business licenses. We really see that as a relationship between the private business and the City of Portland. However, we have discussed this at length with the City of Portland and are committed to ensuring that drivers have business licenses on the platform.

**Fish:** And just to that point, if the City notifies you that a driver does not have a business license, will you take the driver off the platform?

**Steger:** I think that's something we can work on with the City, yes. [booing]

**Hales:** Folks, please.

**Novick:** Ms. Steger, I think that's pretty important.

**Fish:** I didn't realize that was a squishy. [laughter] That sounds like an erosion of what was represented to us earlier. At some point, we'll have to get a clarification, because the expectation of this Council is that if you're notified that a driver doesn't have a business license, they will not have access to the platform.

**Steger:** And I think it will be our responsibility to follow whatever -- if that is in the recommendations or in the agreement that's formed, then we will have to comply with that.

**Fritz:** You said that you like to check that a driver has private insurance. Is that not part of your verification?

**Steger:** We do take on the insurance -- the individual policy of the driver. However, I just wanted to reiterate the fact that when a driver is on the platform, they will always have insurance via our insurance policy.

**Fritz:** But you do require that they provide with you a copy of their valid vehicle insurance?

**Steger:** That's correct.

**Fritz:** Thank you.

**Hales:** OK. Next?

**Stephen Kafoury:** Mr. Mayor, members of the Council, my name is Stephen Kafoury, I represent the Transportation Fairness Alliance. I have a very simple message for you this evening, and that is do it right the first time.

Although this is billed as a pilot project, you're actually making many final decisions here. You will not have a second chance to clean up mistakes for many years. I say this based on the history of many American cities which deregulated their for-hire transportation services and much later reregulated them but suffered during the meantime. Do not deceive yourselves that the next couple of months you will be gathering data and making final decisions based on that data.

In the proposal right now, you're making all the final decisions. There's nothing but details left to fill in. Once you allow TNCs what they want, you cannot later go back and restrict them. It's trite to say it, but once the genie is out of the bottle, you can't put it back in. Your experience with Airbnb should be a good lesson for you here -- 94% noncompliance and a belated attempt to go after these people with a company that cannot be reined in after it once is allowed in.

Uber came to Portland illegally and it seemed the only way to stop them was to promise Uber to review its regulations and modify them so that they could operate here legally. Of course, Commissioner Novick had already planned to review the taxi regulations after he received the Transportation Bureau, but there's no question that the timing and urgency was driven by this promise to Uber.

April 21, 2015

Now, Uber has a lot of nice folks here, and I know you guys have got a great PR outfit -- and you know that when they get 10,000 people to sign petitions, that doesn't happen by accident. But I think you're very much aware also that Uber has a corporate culture that resists any government regulation. Their illegal entry into Portland is not an anomaly. Cities from Braintree, Massachusetts to Eugene, Oregon have sued Uber for illegally operating in their cities.

Uber is under fire for breaking rules all over the globe. If you have any questions about that, take five minutes and Google "Uber regulation issues" and you'll have more than you can read the rest of the day. Keep this in mind as you go through the proposals, and I'm going analyze a few of them for two issues: public safety versus Uber convenience.

First, allowing Uber all by itself to certify compliance for permitting its vehicles. Portland has always tried to guarantee public safety by having the City staff certify vehicles and required inspections. Why are we lowering this standard? Because Uber thinks it's more convenient.

Now, let's take a look. What is the record of Uber's self-certification? In just one recent example, the mayor of Houston this month complained to Uber in a letter, quote, "the City of Houston enforcement personnel reported that during routine enforcement activities around the city, they frequently encountered Uber drivers operating on the Uber platform who were not licensed by the City." She said this is not acceptable and creates a substantial risk to the safety of the riding public. An analysis of the Uber vehicles -- all of which were self-certified by Uber -- found 2000 cars in the city of Houston were out of compliance.

Next is a major gimme to Uber that shows how its insistence on self-serving convenience wins over public safety. In this proposal, Uber will be allowed to self-certify driver background checks. Has anyone checked the record of Uber's background checks? Ask the district attorney of San Francisco, who is suing Uber over the issue of incomplete background checks. The mayor of Houston recently gave Uber a couple of days to clean up its act after an Uber driver -- who passed its self-certification background check -- raped a passenger. The city then conducted its own background check and discovered many drivers with prior convictions, including many serious offenses. To quote from the city report, "despite assurances from TNCs that commercial background companies conduct criminal background checks at least comparable to the ones run by municipalities, in fact, these background checks are incomplete."

And what was Uber's response? You might say -- you might think they would have said, "oh, you're right, our background checks have some holes in them. We should go through the City process." You would be wrong. Instead, Uber complained that the City process was too time consuming and too cumbersome for the drivers. In fact, Uber then went to the Texas legislature, asking to it prohibit Texas cities from enacting strict legislation on their own. Luckily, that bill failed last week. However, similar legislation has passed in other states. Just recently, Idaho -- after Boise kicked Uber out -- and the state legislature in Idaho said, "no, you can't have more strict regulation than we have."

**Hales:** Stephen, I'm going ask you to wrap up soon. Submit that, if you will, in addition.

**Kafoury:** I'm going to read it, if I may, Mr. Mayor. I'll be quick.

**Hales:** OK. Please, quick.

**Kafoury:** A quick check of backgrounds will find out that there are many ways that drivers can beat Uber's background check process. Check this yourself.

The other major issue is insurance. We've already talked about the level of insurance, I won't go over that, but it's totally outrageous to cater to the desires of a \$40 billion company that places at risk the lives and limbs of passengers to innocent third

April 21, 2015

parties and refuses to provide adequate insurance. The question here besides the inadequacy of the amount of insurance during phase one is who actually has the obligation to purchase insurance.

You've heard it said that Uber is going to cover this. Read again what your proposal is. It says in there that either TNCs or the drivers or both will have primary insurance. First, how can both have primary insurance? If one or the other has primary insurance, it's not primary.

Second, the problem -- and you've heard it over and over again -- the drivers will have insurance. There is no insurance for drivers. Your own staff told you that at the innovation task force. There is no driver insurance. I just talked to our insurance man just a few minutes ago when somebody said something about this new company coming in with -- whatever they call it, some kind of fancy insurance. The excess coverage, I think -- something like that. That's not going to apply to individual drivers. That may be something that TNCs can buy, but the individual drivers can't. Their commercial insurance -- the one that you say we're going to check and see if they have insurance -- their own insurance policy does not cover them when they are driving for Uber. No companies -- State Farm, any of those other companies -- do not cover the drivers while they're driving for Uber. They can't buy regular commercial insurance, that's like 10 times as much as regular insurance. None of these drivers have regular commercial insurance.

If you don't require the TNC to have insurance, those people may be uncovered. Maybe, maybe not -- we don't know. But it's your job to not guess or hope that people are covered. The citizens of Portland are depending on the City Council to protect them, and it's your obligation to ensure that TNCs have coverage by mandating that TNCs are going to have coverage. There's no other way to do it.

**Hales:** Thank you very much. [applause]

**Kelli Amico:** Hi, there, Mayor and members of the Council, thank you. My name is Kelli Amico and I represent the Transportation Fairness Alliance. I'm a PR consultant, and one thing I've learned in my time with this fine group is that every taxi driver has a face and they have to show that face when they report to duty.

Uber drivers in New York drive drunk so passengers don't have to. It's a pretty big accusation, isn't it? But if you do a little digging on the internet and on Twitter feeds, you'll discover for yourself that there be many, many complaints of Uber drivers driving drunk. According to a random sample study conducted by a New York Observer, journalist details of the incidents are consistent. The drivers are erratic, they speed and swerve, and in some cases, they even reek of alcohol. They never did show up to see a person -- a supervisor -- as they checked in, did they?

In a few cases in which Uber passengers actually issued complaints to Uber, what did the 41-billion-dollar company do? It provided these passengers with a \$25 credit toward future rides. Good thing the passengers lived to get those vouchers. Interesting is it, that Uber is so proud of its mad study? Perhaps a little more vetting and supervision will glean a positive impact on Portland's city streets. I urge you, please, to proceed cautiously before allowing hundreds of uninsured, underinsured, unregulated, and unsupervised drivers to hit Portland's streets.

**Hales:** Thank you. [applause] OK, let's take the next three, please. We have another TNC represented here, so after we get done with these other groups, I'll call her. Before we get to individuals, I mean. Go ahead, please.

**Darin Campbell:** Good evening, Mr. Mayor and members of the commission. My name is Darin Campbell. I am the elected private for-hire driver representative. I serve proudly on the transportation board of review, and we are charged with looking at all the new companies' requests for new permits for taxicab increases.

April 21, 2015

Recently, I'm sure you're probably aware that we're sending you three new companies to look at. We have approved over 292 permits, one of which is EcoCab, which is Mr. Knori's company -- sitting to my left. Those people all went through an extensive process. And then I can tell you that there's a company called Orange Cab that works in the suburbs. And Orange Cab -- I don't have the most recent data, but they have tens of thousands of dollars in fines. They've attempted to request taxi permits in the City of Portland and our regulatory staff has diligently denied that request. The reason is because they've acted outside the scope of regulation of the laws of the City of Portland, they have outstanding debt, and they have shown themselves to not be a trustworthy company that's going to follow the rules.

Now I look at Uber and I look at Lyft, and according to the Better Business Bureau, they have F ratings. They have numerous complaints across -- not only across the country, but worldwide. There's constant problems with how they do business, how they interact with their drivers, how their drivers interact with the public, and it's countless. Every single day, I get multiple, multiple reports of stories from every corner of the globe on something new that has been reported on that an Uber driver or a Lyft driver has done behind the wheel or to a customer or to an innocent bystander, or that Uber has done something denying coverage -- the list goes on and on. And my question to you is why entertain the idea, let alone bend over backwards to try and get Uber and Lyft into the city when they've got such a terrible track record?

I'm not saying that all TNCs are bad, and there's room in this city for TNCs. But this group has a proven track record of being absolutely terrible. Thank you. [applause]

**Fish:** Can I ask you just one question? Because we haven't had a ton of testimony from members of our existing regulatory body that regulates this industry. But we've been told that there has been a reluctance to embrace change and to consider reforms to the industry. So my question is, has the existing regulatory body previously taken up the question of whether we should deregulate the cab industry?

**Campbell:** Commissioner Fish, I appreciate -- I believe that there's been rumors of those conversations. But I would like to address one thing, and that is when Uber first came to the private for-hire transportation board in regards to the one-hour waiting rule and the \$50 minimum for town cars, they were greeted with -- we are going to take up this with a subcommittee, scheduled subcommittee time, had members come have a meeting in which Uber did not show up to state their case.

**Fish:** OK, I probably did not state my question artfully.

**Campbell:** OK.

**Fish:** Has the board previously been asked to take up the question of whether we should deregulate the industry generally and have they done some analysis? We have a task force that's done some analysis, we've had Council deliberations, but has the board previously taken up the question of deregulating the industry?

**Campbell:** To my knowledge, no.

**Hales:** Another question, if I could follow up. I hadn't heard about this controversy or this problem with Orange Cab -- is that what you called them?

**Campbell:** Yes.

**Hales:** Where are they licensed?

**Campbell:** They are not.

**Hales:** So they are based somewhere out of the city of Portland?

**Campbell:** They work in the suburbs of Portland.

**Hales:** But there's no suburb that regulates cabs?

**Campbell:** No.

**Hales:** OK, thank you.

April 21, 2015

**Campbell:** Much like Uber is operating now.

**Fritz:** So these drivers could potentially sign on to drive with Uber.

**Campbell:** Yes.

**Fritz:** You've mentioned there's a process where you're going to be sending the Council approvals for three new cab companies?

**Campbell:** Yes.

**Fritz:** When is that happening?

**Campbell:** I'm not sure when it's going to be on your schedule. However, our last meeting, which was about two weeks ago -- we forwarded you Portland taxicab -- or Portland yellow taxicab -- independent taxicab, and rainbow taxicab for a total of 250 permits requested.

**Fritz:** Thank you for your work. My understanding that is we're not, Commissioner Novick, proposing any changes to 16.40.160, which is issuance of company permits. I'm just wondering --- we're deregulating but we're not deregulating? I don't really understand that.

**Campbell:** It's very confusing to me as well, Commissioner Fritz.

**Hales:** Thank you. Next, go ahead.

**Megan Schrader:** Good evening, Mayor Hales and members of the commission. Thank you for the opportunity to speak today. My name is Megan Schrader, I'm here both as resident of Southeast Portland but also as the executive director of an organization called TechNet here in the northwest region. TechNet is a 70-plus based member institution or organization of technology companies that promotes the growth of the innovation economy.

There's a plethora of benefits to increasing transportation choices in our city, but I think I'll focus on two that are unique transportation networking companies. One is the entrepreneurial opportunities that they provide. Portland is lauded around the nation for being a place where people, no matter how quirky their interest may be, can find a place for themselves and can make a life for themselves. And transportation networking companies add another tool in that toolbox for them, whether they may be artisanal coffee roasters or microbrewers in their spare time, they could also pick up a few hours here and there for driving for a transportation company. So, it really provides flexibility they wouldn't traditionally have with an alternative like a cab company because they can work whenever they want for however long they want. And it really adds to the perception that Portland being a city where people can be innovative in how they decide to create economic opportunities for themselves.

I'd also say that as Portland focuses on becoming a technology hub and wants to compete with cities like Austin or Boston or Seattle or San Francisco for the small but very rapidly growing pool of software developers and engineers, those types of people want to live in a city where they have options like transportation networking companies, and that's what makes Portland a competitive city for those people to locate in.

So, I would urge you to support the pilot program. I would also like to briefly talk about the amendment that was proposed which, you know, I would be hesitant to pass. As you all know, legislation changes as it goes through the legislative process and there are discussions currently because of the national insurance compromise, which was created with both major and leading insurance companies, an insurance association, and the transportation networking companies to be a compromise. And that's the language that's in the current underlying proposal. The Oregon legislature -- the bills go a little bit farther than that, and there are discussions now on how that can be brought into the national insurance compromise. So, I would be hesitant to move on that but to please allow this pilot to play out and really see the benefits of transportation networking companies.

**Hales:** Thanks very much. Good evening.

April 21, 2015

**Ron Knori:** Good evening. Ron Knori with EcoCab. Thank you for allowing me to speak, Council. I have a prepared statement but I'm just going speak frankly, if that's OK.

The first issue that I have with these proposed amendments is pricing. The TNCs are so large and they have so much money that they can afford to just come in and charge whatever they want whenever they want to, and it's going to really hurt I think the daytime taxi drivers out there. I think currently -- what's Uber charging, \$1.60 a mile, something like that. They can really undercut during the day and then they can surge price at night to make up for it. So, I'd like to see, if we could, an amendment to the proposed changes that offers fair and equitable pricing across the board at a minimum of \$2.60 a mile. That way, TNCs and taxis are playing by the same rules. I do agree that by allowing all of these TNCs into the market that prices should be deregulated, but there should be a minimum.

The second point that I'd like to make is that the penalty section for TNCs for noncompliance seems to be pretty weak, in my opinion. These companies have so much money that they'd just laugh at a \$1500 fine. So given their past track record, I would maybe make the penalty a little higher. And you may want to consider setting up an escrow account of sizeable money that the City of Portland and these transportation network companies can share so that if they don't comply, the City Council can make their noncompliance very painful for them from a financial point of view -- and I'm talking in the millions of dollars.

**Novick:** Sir, can I ask a question?

**Knori:** Yes, sir.

**Novick:** Wouldn't your argument about big companies undercutting small companies apply to any aspect of the marketplace? I mean, Fred Meyer is owned by a big national company. Should we require them to set minimum prices so they don't undercut local grocery stores? [applause]

**Knori:** Well, we have choices with which grocery store we go to. When there's only one grocery store to go to, the prices are going to be really expensive.

**Fish:** I would actually argue -- if we were going to go down this path -- that since a majority of this Council has thought bringing Walmart into Portland is not a good thing, I would simply say that there are certain kinds of companies by virtue of their business practices we don't think fairly compete against our local businesses. That's why a majority of my colleagues have tried to keep Walmart out of the city.

The question I have for you though, sir, is that we've talked a lot about a level playing field and I know we're all committed to it. But still, my sense is that your circumstance is different from a lot of other people because you're the last guy in in terms of having a company. You played by the rules, and now the actions we're about to take during the 120-day period may put you out of business. When I raised that with someone recently, they said, "well, in fairness, Ron knew this was on the horizon." So, is that true? Did you incur the kinds of expenses you did both on the regulatory side, the compliance, and meeting our requirements knowing within a matter of months we were likely to change the rules and put you out the business?

**Knori:** First of all, I don't think you're going to put me out of business and EcoCab is not going out of business. I wouldn't be here if I thought I was going to.

**Fish:** Alright -- change the rules.

**Knori:** However, I just believe the rules need to be fair and without a level playing ground for charging, I think it's -- it gives a very big out-of-state corporation a lot of power to just come in and charge whatever they want. I'm simply -- there should be some sort of a minimum because they can just come in and undercut the competition. I'm not worried about my company, I'm worried about price gouging with regards to consumers, and I'm really concerned about the fairness to both entrants, including the TNC drivers. They make

April 21, 2015

a percentage of whatever's brought in, so I don't see why you would not like to have some sort of a guarantee they are going make some sort of a living wage.

**Fish:** Thank you.

**Hales:** Thank you very much. We interrupted you, did you get your points in?

**Knori:** That escrow account -- make sure it's nice and sizeable for them. [laughs]

**Hales:** Thank you very much, Ron.

**Knori:** Thank you for your time. Before we move to individuals, I do want to call up Annabel Chang from Lyft because she many have something to say but I think Council may have some questions for you. I'll give you a chance to make a statement if you want, but then I'll have some questions.

**Annabel Chang:** Absolutely. Hi, good evening again, it's good to be here. My name is Annabel Chang, I am the west coast public policy manager for Lyft.

To us, this is all about increasing transportation options for Portland residents and I'm really humbled to say over the last week or so, hundreds of emails have poured into your offices I'm sure, and we've had all of these incredible Portland residents show up here spending hours of their day to come and talk to you about how much they want this option in their city. And I think that really speaks to their commitment to being a civic participant and also being able to voice how they feel about policy being made in their own city. So, I'm really just very honored and very humbled by the folks that have come here today.

Lyft is about community and it's about connections. And I just think there's something really exhilarating that we've been able to come up with the technology that uses what we already have -- our existing cars, our existing seats -- to solve long-standing problems that have sometimes taken billions of dollars to take a chip off, and now it's happening quickly because technology is allowing it to happen. I want to make sure it's very clear that ride share has many faces. And you can see all the faces here -- the folks wearing green shirts that say PDX Loves Ride Sharing.

The bottom line is that it's about growing the transportation pie. That's what it is, and that's what I hope some of our fellow participants in the transportation industry can see. If you look at it through a narrow lens -- so for example, if were to Google "best recipe for bacon lime cupcake" I'm going to find that. If you look through things through a narrow lens, you're going to find what you're looking for. So I think some of the things that are being discussed are viewed from a very narrow lens.

But if you step back and say, "what does this actually mean for the city of Portland and the Portland region and possibly the state of Oregon?" is your bottom line increasing transportation options for Portland residents. And not only transportation options, but also economic opportunity. I was really honored to meet someone outside who said he is a musician and an artist and he wanted to do this on the side. I've been in many Lyfts where I've had artists who actually had their music playing and were like "hey, check it out when you get a chance!" And I think that's the magic of what Lyft can do when you connect neighbors together.

I just want to say that Lyft is a young and humble company, and we are here to work with you. We want to grow with you. In looking at the TNC permitting process, there is a very big stick, and that big stick is that our permit can be suspended or revoked at any time if we aren't complying. I just want to make that very clear that we understand that and we would strive obviously to keep that permit active and work with you. So again, ride share is about many of its participants, and we want to be sure to be part of your community. Thank you.

**Fish:** Annabel, your presentation before the Council has been markedly different from some other people who represented TNCs, partly in how forthcoming you've been and

April 21, 2015

also how quickly you have embraced the suggestions and proposal that have been presented to you without qualification. I'm beginning to sense there is a real difference in the marketplace. For example, have you operated -- has Lyft operated illegally in the City of Portland?

**Chang:** No, we have not.

**Fish:** And have you been sued by the City of Portland about any of your business practices?

**Chang:** No, we have not.

**Fish:** And do you intend to allow drivers who are not in compliance with our City Code to have access to your platform?

**Chang:** No, we do not.

**Fish:** And do you have any concerns about sharing the data we're going to request in order for us to do our reasonable enforcement of our code?

**Chang:** And as I have mentioned before, as a lawyer, I will say that there is one caveat that I would add. We would want obviously want certain items to be under seal. But in other terms, when it's anonymized and aggregated, in allowing for the City to do better transportation planning, better understanding of what this whole climate is about, then certainly, absolutely. I think we've entered into nondisclosure agreements with certain state agencies all across the United States and part of it is just protecting that proprietor information. But other types of information to help City planning, help transportation planning, help sustainability planning -- absolutely.

**Fish:** Just generally, can you explain to me why when I did Google your company there are in relative terms there are so few entries about your company in an adverse position with local governments around the country?

**Chang:** Well, we are a smaller company, so I do want to clarify that. We are also just national, so that obviously brings down the Google hits. I do think without question, our view and our vision has always been -- and I have been a public servant for many years of my life, as well -- we want to work with you. I know what it's like to be on the other side -- although I've never been an elected before -- what it means to be able to work with companies and try to get to a resolution. The key for me as a public servant had always been, what is the greater good for the public? What is a greater good for our constituencies and our residents?

**Fish:** And do we have a commitment from Lyft that if at the end of the 120-day period the City Council determines this is not in the public interest for us to continue that you will discontinue your operations?

**Chang:** I would be extraordinarily disappointed if that was the case. If there is no legal authority to operate, I think that would make it very difficult.

**Hales:** I have a couple questions. And I meant to ask Ms. Steger this, but I understand from previous testimony that Uber is operating in some or maybe many of the other 25 cities that ring the City of Portland. Are you operating elsewhere in the state or in southwest Washington at this point?

**Chang:** We are waiting for you!

**Hales:** [laughs] You want us to be first, OK.

**Chang:** We are waiting for you. We would love to be able to have the entire Portland region be one cohesive market. So absolutely, we are waiting for you.

**Hales:** OK. My other question is, you aren't international but you are national. You're operating in a number of other cities. How does this proposal in front of us in terms of the level of regulation compare to what you're experienced with elsewhere, and are there any other concerns with the nuances or concerns with the approach that we're taking? Obviously, you're willing to go along with it, but how does it compare to other cities? Are

April 21, 2015

there some things we should learn from them in your opinion as an operator that we haven't learned yet?

**Chang:** Absolutely. To be totally frank, there are better and there are worse. And in the markets where there have been worse regulations -- I mean, overly burdensome ones that basically undermine the entire ride share model -- we have left those markets. But there are also markets where the rules much more understood our existing model and kept with it. I think Portland right now is trying to strike of balance between looking at the interests of its residents and existing companies. I think there is some room to tweak, but one of the things I think is really interesting about Portland is the request for data. I think that really goes show that Portland is trying to see how technology can help advance transportation planning. I do think that -- to be frank -- some of the existing marketplace participants should want to be able to do that as well. I think it gives the City a bigger and clearer picture and I think that the imposition on TNCs to do wait times should be looked at more broadly across the industry.

**Hales:** Thank you. Any other questions?

**Fritz:** Will Lyft require the drivers to give you their business license numbers before you allow them on the platform?

**Chang:** I'd love to address that. Just today, we just sent out a text to all of our driver applicants to get them to sign up for the business license.

**Fritz:** Thank you. And is it possible for a female passenger to request a female driver?

**Chang:** Not at this time, but I will not that there is an interesting thing about the way the platform works, because you have the photo. I have heard of, you know, certain women deciding that if it's late at night they would rather have a female driver pick them up, they will decline the match that they've received. So, it's possible.

**Fritz:** Well, with technology being what it is, that might be something to offer.

**Chang:** That brings a really interesting point. Lyft actually was based on the idea -- our cofounders basically wanted this to be a women-based company and only wanted to serve women, but their investors said that doesn't make sense to cut your client base right in half.

**Fritz:** You're actually cutting your client base -- maybe not in half, but there's a great percentage of women who wouldn't ride with a stranger.

**Chang:** Yeah, you know, I think that's actually changing. The reason why I say that is because 65% of our passengers are women.

**Fritz:** Thanks.

**Saltzman:** I just wanted to follow up on the question Commissioner Fritz asked you. You said you sent out something to your drivers urging them to get a business license --

**Chang:** Yes, absolutely.

**Saltzman:** But you didn't say you're going to be dropped from the platform if you don't.

**Chang:** I think that right now, we're currently working on getting that as close as possible. It's a pretty smooth process -- I've looked at how it works, it's about five minutes. We definitely aspire to have every single person get a business license in the next few days.

**Saltzman:** So you wouldn't be opposed if we made that a retirement of this temporary program? That the driver must provide a business license to the TNC?

**Chang:** Yeah, no, absolutely. We've basically seen the proposal and we agree with the proposal.

**Saltzman:** What I'm suggesting is a little different from that proposal, though. I'm saying that -- at least my understanding of the proposal is that business license will be provided to us, the City, if the driver --

**Chang:** Right, so --

April 21, 2015

**Saltzman:** -- reveals that. And we can also enforce it against the driver if we happen to pull over a driver and, "say show us your business license" and you don't have one.

**Chang:** Yes, absolutely --

**Saltzman:** -- but I don't think our requirements -- correct me if I'm wrong -- say that any driver must provide you a business license prior to them being accepted on your platform.

**Chang:** My understanding is -- to be totally clear -- we are requiring everyone to get their business license during the application phase right now.

**Saltzman:** Requiring.

**Chang:** Yes, we are requiring that.

**Saltzman:** They would be dropped as a Lyft driver if they don't have --

**Chang:** Well, they wouldn't be activated.

**Saltzman:** Activated. OK, thank you.

**Hales:** Any questions? Thanks very much.

**Chang:** Thank you.

**Hales:** Let's turn to individual testimony. Thanks, Ms. Chang. And again, folks, I know this is going to be hard. Because we have a lot of folks here to speak, we're going to ask you to confine your remarks to one minute. And I know that's hard to do, but try to be really focused. Thank you.

\*\*\*\*\*: I've done a lot of preparation, I'd like to respectfully ask that we --

**Hales:** You both got to speak at the last hearing, and we've got literally 80 people signed up that want to speak tonight. Can you just try to confine yourself --

**Wynde Dyer:** I'll try my hardest. Hi there, I'm Wynde Dyer and thank you for the opportunity to speak, especially after outburst last time. I apologize for that, and thank you for letting me be here.

That outburst was precipitated by misinformation that was shared and I'd like to talk about that -- just one point about that. This \$6.22 thing is BS, I've gotta be frank with you. I was homeless living in a car for nine months due to no fault of my own before I became a cab driver. Within two months, I had a two-bedroom apartment with hardwoods and big windows, it was pet friendly. And I currently bring in 35 to 45 an hour after expenses. I also lease my car out to individuals -- who are also formerly homeless -- now, thanks to the taxi industry. So, this industry has saved my life and the lives of others, and I'm very much looking forward to buying another vehicle and continuing to sponsor other formerly homeless individuals into this industry. I will not be able to do that if I become homeless again.

We have seen in San Francisco that since Uber reached saturation, taxi drivers have seen a decrease in 35% to 80% in their fares. Yet, those drivers for the taxi companies are still making 30% to 60% more than Uber drivers because Uber cuts its prices to push out the competition, which puts its drivers at an economic disadvantage. Drivers are protesting around the company and around the world based on the employment practices or not employment practices of this company. And I encourage you to please learn from other jurisdictions, learn from the lives of your Portland cab drivers who are most certainly making a lot more than \$6.22 an hour.

**Hales:** Thank you. Good evening.

**John Orr:** Good evening. You know, I think the issue --

**Hales:** Oh, put your name on the record again.

**Orr:** My name is John Orr, proud driver for Radio Cab. I also make a little more than \$6.30 an hour. [laughter]

So, you know, the track record -- I want to stress the importance of insurance because the track record of Uber is terrible. An Uber driver struck and killed a 6-year-old girl I think in San Francisco, Sofia Liu. And when they were sued over that, they denied

April 21, 2015

liability. It was during this period one that we talk about so much, while the driver was driving illegally and using a cell phone, which against California law, and I believe is against Oregon law and which is a necessity. There's not enough parking spots downtown and in the Pearl to have a thousand Uber cars here on a Friday or Saturday night without drivers driving around the busy areas looking for rides. They're going to need to hit a button on their touch screen to accept a ride. That in itself is inherently illegally to operate effectively as an Uber or Lyft driver in this town until they have a physical piece of mounted hardware with a button you can do without having to look at a phone, find a place on your touchscreen to hit, and use a cell phone, a portable electronic device.

Real quick -- spoke with Dan of Propel Insurance. The second question asked by insurance companies now when they have a claim is, "do you work for a TNC?" Because that excludes you from coverage. Now, situations could arise. I just found two instances where one customer was robbed at gunpoint and another where a woman was raped by people posing as Uber drivers or people driving under someone else's Uber account. In the case of somebody driving under someone else's Uber account, this is by the lack of oversight, as Mr. Kafoury discussed, I think it was -- maybe Darin also -- oh, it was Amico -- but the lack of onsite management.

Lack of onsite management means you could have people posing as somebody else and using that platform. In that case, the personal insurance will deny the claim and since the platform was misused, so will Uber. So because of a potential action the City could take, we could have people in accidents harming other pedestrians, harming other vehicles, taking someone's life and no insurance company to compensate for that.

I think in the case of someone losing their life, \$100,000 limit plus \$200 of excess liability coverage is not enough to compensate this little girl's family for her life and reconstructive surgery on her mom's face from the incident in San Francisco.

**Hales:** I will ask you to stop there because you've gone a couple minutes over your time. Thank you. Thanks. Go ahead, please.

**Jeanette Thiebert:** Thank you. My name is Jeanette Thiebert. Yes, I am a taxi driver. Local governments in more than 20 cities have enabled and removed regulations on fares, licensing, accessibility requirements, and these cities include Atlanta; Indianapolis; Milwaukee, Wisconsin; Kansas City; Phoenix; San Diego; Oakland; Seattle; and, yes, our fair Portland.

However, deregulation in these cities have proven over again for -- deregulation in these cities proved to be a failure for many reasons, and in just a matter of years, almost every city reregulated taxi market because -- just a few of the reasons -- prices increased, vehicle quality decreased, average age of the vehicle increased, fares became confusing and unpredictable for passengers, accidents increased due to an increase of inexperience and sometimes untrained drivers -- [beeping] -- traffic density increased due to an influx of cars and more cars on the road and more cruising activity. Even air quality decreased.

We're talking -- we have the data. We did this in the mid-'90s. If you want to know exactly the timeframe, I would be happy to put you in touch with people involved in that decision. Mayor Hales, I think you had it right. We need to measure twice and cut once. We've only measured once. This is not the time.

**Hales:** Thank you very much.

**Thiebert:** I will provide for you -- this is my driver permit. On the corner, there is my driver number. That is on record. That is affiliated with my tax history for the last -- I don't want to tell you how many years -- it's more than 10. And you have my permission on record to look and I have declared everything.

April 21, 2015

**Hales:** Thank you. Thanks very much. We have a tradition here of calling people with disabilities, and we haven't done that. So, I want to do that next instead of going to the sign-up sheet.

**Orr:** Mayor Hales, I just have one brief point I forgot to mention.

**Hales:** Quickly.

**Orr:** I think if we need -- if we're going to go towards deregulation like Mr. Novick is in strong support and you seem in the air about -- you know, for a number of reasons, for the sake of the existing drivers that want to be able to make a living or have time to transition to something else if they're priced going to be priced out of this. Also for the sake of safety, we should do that gradually. The reason is with 500 now 750 licensed cabs in the city of Portland, we've never seen like -- what's Uber and Lyft's estimate? Like 1000 to 2000 people wanting to drive for them? And Friday, Saturday night, there's going to be a lot. You might have 1000 almost brand new semi=professional drivers out on the streets cruising the Pearl and Northwest. I mean the first six months driving as a cab driver -- I have only been in it a year and it's a really difficult time. You have loud drunk people in your trunk telling you to turn halfway through the intersection. [laughter]

\*\*\*\*\*: Your trunk? [laughter]

**Orr:** It's hard. There's a lot of distraction and there's -- you know, you don't want that many brand-new drivers flooding the streets all at once. This needs to be a gradual thing. Also, I couldn't rent a car until I was 25. Radio wouldn't hire me when I was 25. I was 30-something when I applied. I think having that many brand-new drivers. Also the increase risk of drivers under the age of 25.

**Hales:** Thank you.

**Orr:** Thanks for your extra time, sir.

**Hales:** Again, we have a tradition here of calling people with disabilities regardless of whether you're in favor or against what's in front of us. If anybody would like to take that privilege please come forward.

**Moore-Love:** Is Mr. Wolfe here?

\*\*\*\*\*: [inaudible] you said "put drunks in the trunk" --

**Orr:** Drunks in my trunk? Cool! I meant in the passenger's seat.

**Hales:** We knew. We knew you didn't put them in the trunk. They might have deserved to be in the trunk --

\*\*\*\*\*: That's what Ubers do to guide dogs.

\*\*\*\*\*: So I've heard.

**Hales:** Give us your name and then proceed. Thanks for coming.

**Tony Seth:** OK. Name is Tony Seth, local tax-paying disabled person. I would be probably one of the most shocked people if someone would have told me that I could actually do my own transaction in a cab and know exactly what my fare is, and by gosh, how much I want to tip the driver if they even deserve one.

I couldn't do that for many years and I've been here now since '88. I can do that now, thanks to Radio Cab. Give yourselves hand. Because you are the only cab company that I know about now -- I could be wrong -- that provide a completely accessible terminal that I can use any time I want. And it will work. And I don't know that even other local cab companies, maybe they have that or not but I am pretty sure that Uber doesn't. And I don't think they really care. And whether they do or not, just knowing their track record as I do from what I have heard --I kind of like knowing that just because I cannot see the person's registration, business information that needs to be displayed for a sighted person, I don't have that luxury. And I don't think a lot of the other blind people who work and pay taxes and do what we do just the same as you -- we can't just walk to the nearest gas station like that other person admitted that maybe they can do that. That's great. When our driver

April 21, 2015

shows up, we want to know that -- in fact, we shouldn't have to wonder if they have killed someone. [laughter] And you know what? I don't. Thank you, Radio Cab, for that. [applause]

\*\*\*\*\*: You're welcome.

**Seth:** Believe me. And I wasn't even paid to say this. So, 40 million dollars? None of it's mine.

**Hales:** Thank you very much.

**Seth:** You are welcome.

**Fritz:** Thank you for being here.

**Hales:** We appreciate you coming. Ma'am, you're next. Welcome.

**Cheree Heppe:** Mr. Mayor, City Council members, ladies and gentlemen, my name is Cheree Heppe. I work and commute to Portland and I take taxis sometimes. And blind people use conventional taxis but often experience discrimination in the form of ride refusal when accompanied by dog guides. Without knowing the actual meter charge, blind riders may encounter enhanced taxi fares.

Through the use of smartphone apps, a company such as Uber lets blind people check car arrival times, verify fares, and invoke a clearly-defined resolution process. Since blind people need transport and cannot drive, the Uber ride share option offers usable transport for blind people and others in the community. And I was not paid to say this, either. [laughter] Thank you for this opportunity to comment.

**Hales:** Thank you very much. We appreciate you coming. Thank you. Good evening.

**Dan Payton:** My name is Dan Payton. I'm a potential driver for Lyft and also a passenger. I would say, what do we have right now? I feel like we need more options and more competition. I feel like this country is founded on the free marketplace and letting people compete for what's the best service.

Right now, if I need to catch a taxi, I have to call a couple days in advance. Sometimes, the availability is not there. I'm usually told on the phone, "hey, give us a couple-hour window before or after, try and be as flexible as you can" and sometimes they can't show up. Other companies I've dealt with, you can see the ground through the floor. The equipment isn't safe. And honestly, I want more options, essentially, and the ability on an individual driver basis to be able to know what other people have said about this driver and their equipment. It would be very handy for me coming back from surgeries and maybe not be completely coherent being able to say, "hey look, this person has given 50 different rides, this person is cool" as opposed to getting in a vehicle with someone that I have no idea exactly what the deal is. But I feel like having more options will reduce wait times, help out with reliability.

And honestly, our public transit system -- buses pass me up because they're crowded. There physically isn't room. Five or six people would have to get off for me to get on. And the TriMet lift program basically told me when I'm in my power chair, I can't use their system because my combined weight with my chair and me is too heavy.

I feel like I'm kind of excluded from many of the transportation options that are out there and I would really like to see many more available. There's a lot of things that probably need to be hammered and worked out, but I encourage you to think about the passengers and what will help benefit us.

**Hales:** Thank you. Thanks very much for coming. Appreciate it. Anyone else that would like to claim that privilege and come on up now early? If not, then let's go back to the sign-up sheet. Good evening. Welcome.

**Ashton Root:** Good evening, my name is Ashton Root and I urge a yes vote going on through this 120-day trial period. A specific thing I wanted to point out is that it was my personal experience over the last few days, I wanted to sign up for Lyft and so I went to

April 21, 2015

their website. They immediately texted me and said, "come on in to our office" very nice and prompt right through texting. And I have an awesome car, it's a 2003 Ford Fusion hybrid that had everything right with it except for when I got to the vehicle inspection area. The vehicle inspector provided by Lyft came out and said, "no, you know what, I'm going to put you down for fail because your front tires need to be changed." I was told just last week during an oil change that I probably had 2000 miles left on them. So I tried to talk to the guy and say, "come on, give me a pass here and I'll get them changed." He said, "no, that's not the way we work here at Lyft. Go get new tires and come back in." So I did that. Went to good old Les Schwab, went in today and I got my passing grade. So, they are very stringent upon their vehicle safety. And then after that, I was sent this text that simply said get your license as soon as possible and for the confirmation email to Portlanduser@Lyft.com. So, Lyft is really being stringent with potential drivers there. I applaud them and they're obviously want to work with the City. So, I hope you guys do that and approve this 120-day trial period.

**Fritz:** Did you say your vehicle was 2003?

**Root:** 2013.

**Fritz:** Did you know -- does your private insurance cover you if you're a commercial driver?

**Root:** I did call State Farm and they said, yes, they would cover me if I died in an accident within a Lyft drive.

**Fritz:** OK. Thank you.

**Hales:** Good evening. Welcome.

**Cynthia Smith:** My name is Cynthia and I am a potential Lyft driver. I have been approved. I'm a resident of Vancouver and we're also not operating there until this goes through. I can identify a good opportunity when I see it, and I believe this will be a great thing for our community. I believe that having Lyft drivers is going to free up a lot of parking and a lot of traffic. I know that they don't agree with this, but in my experience, if people get rides with Lyft, they won't need to drive their own cars and that will be freeing up a lot of parking. I personally just paid upwards of \$11 to come to this meeting. In addition, I wanted to get a ride from a taxi here to come so I didn't have to pay for parking. It was upwards of \$80 to come. I can't afford that. So, I ended up parking and paying for my parking. I just would really be interested in seeing this go through and starting working with this, and I really hope that you guys agree. Thank you.

**Hales:** Thanks for coming. Good evening.

**David Binning:** Good evening. My name is David Binning and I'm not affiliated with anyone here. I'm a bartender. But I'm here because I think Portland's transportation system is a civic embarrassment.

I've worked here as a bartender for 10 years and I used to call cabs for customers or try to call cabs for customers. I can't do that, because I will spend five minutes on the phone on hold while I'm trying to do my job. Dispatch will hang up without giving an arrival time, and a half hour later the customer will come back to me and say, "why don't we have a cab yet?" This is bad for individuals; it's bad for locals, obviously; it's bad for travelers; it's especially bad for people who don't own cars. It's bad as well for workers, for people like me who lose income because of this. It's bad for small businesses who lose income because people can't get to their business to spend money or can't leave once they have spent money. Finally, it's bad for the city because it does encourage drunk-driving. Friends of mine drive drunk because they know that at 2:00 in the morning, the buses aren't running and they can't rely on a cab. I bike drunk because I know that at 2:00 in the morning I can't rely on a cab.

April 21, 2015

The taxi industry says there are plenty of cabs except at peak times. That's like saying in the restaurant you have plenty of food except at dinner. If you can't provide the service when people need it, you aren't doing your job.

The taxi industry also says that a flood of people entering the industry will drive down wages, and I think that's a real concern. However, I would think more about what that means. If there is a flood of people trying to join the industry, that means we have a flood of people in Portland who are being kept in worse jobs or in no jobs by City regulation. I think some of those people are here tonight. And by trying to avoid a race to the bottom, we're just holding those people underwater.

Commissioner Fritz, I know that you're concerned with local business owners and local workers more so than with international companies, and I think that's right. But I hope that you're concerned with all of us, whether or not -- not just those who already have jobs in the current taxi industry, but all of us whose livelihoods are affected by transportation in Portland.

I don't know what the best possible set of regulations is. I do know that in the years I've lived in Portland, I've seen the existing cab companies for years if not decades try to maintain the status quo of inadequate service. And I'm excited and hopeful to see the City finally moving forward.

**Hales:** Thank you. Thank you all very much. [applause] next three, please. Welcome. Good evening.

**Stephen Lovejoy:** My name is Steve Lovejoy, I've been a Radio Cab driver for almost six years. Everybody that went before me covered a lot of what I was going to talk about, so I'm not going to waste your time being redundant here.

I have an issue with the 120-day period that we're going on -- specifically, the background checks. Clearly, if we look online you can see that Uber's background checks -- they are third party background checks -- have issues. If you're applying for a background check online, how can we verify who you are? I could apply for a background check and say I was Jim Morrison. I mean, there's no way of telling who you are. The district attorney of San Francisco said, if you can't verify who you are doing the background check on, the background check is worthless. So, we're going to run 120-day program with a bunch of people that seconhand and shoddy background checks -- it just doesn't seem fair.

If you look at all the cities and all these problems that have come up with Uber with the sexual assaults and the assault -- and the list goes on and on, I don't want to waste your time -- but the one common theme I think we're seeing here is these are all jurisdictions that Uber's already operating in, either legally or illegally. So I have to ask you, how big of a sample size do we need to realize that this third-party thing is not -- it's just a way of them getting drivers through so they can keep them on the road.

It is my opinion that it's incredibly foolish that if we would let a company come in here and monitor their own background checks when it's the same company that barged right in the doors of Portland, it's a company that openly breaks the law in cities all over the world, it's a company that Mr. Novick once upon a time referred to that he said that he thought of the Third Reich every time he heard their name. And now we're just going to welcome them with open arms and let their third party background checks be efficient? What happens if in this 120-day incubation period one of our citizens is assaulted or raped by a TNC driver? How are we going to explain that?

I think that they should be required to go to the same background checks that the cab drivers having going through for decades. It definitely would weed it out. In addition -- real quick -- I have never spoken and I would like an extra 40 seconds.

**Hales:** OK.

April 21, 2015

**Lovejoy:** I moved to Portland 21 years ago. And on the second day that I lived here, I knew this was where I would spend the rest of my life. It was that easy. And I've in that 21 years have loved and embraced Portland to my core. I have been a big fan of you, Mr. Hales, in your planning and your streetcar. I shook your hand at the opening of the streetcar many years ago. And I find it very disturbing that now that the air in Portland has changed and you are willing to risk the incomes of thousands of drivers and their families all based on kowtowing to a big bully cab company from San Francisco. Thank you.

[applause]

**Noah Ernst:** Hi, my name is Noah Ernst, I'm a superintendent at Radio Cab Company and I drove for Radio Cab for a couple of years at night. And I just want to say if Portland is indeed the "city that works," let's get this right the first time. Let's not be rushed and get it wrong. The genie really will never go back in the bottle, and if we don't have the time now to do it right, when will we have the time to do it over?

We don't need a 120-day trial period. We have had the ability to learn from other jurisdictions for years. The only purpose a 120-day trial period will serve is to allow Uber and Lyft to do whatever they want. That's it. We're not going to learn anything new. What could we learn that we cannot learn from a 180 other cities in the United States and around the world? Is Portland really that different?

We have learned from other jurisdictions what works and what doesn't. We have learned that once Uber starts operating, municipalities are virtually powerless to get them to stop and powerless to get them to comply with regulations -- even that they have agreed to -- and the lawsuits over data sharing in Boston and New York are evidence of that. We have learned if Uber doesn't like regulations, it just doesn't follow them. And that's true of their drivers and of the company, and that's demonstrated by when we had a news crew ride along yesterday, an Uber driver pulled up in front of them with the Uber sticker on his car and his Uber bottled water and picked up a passenger in Portland right in front of a news crew. They don't follow regulations. They don't believe in and they don't care for. They don't listen to regulations imposed by cities. And where can we look to know that that's true? Portland.

**Hales:** Thank you. Go ahead, please. [applause]

**Erika Jones:** Hello, my name is Erika Jones -- thanks, Noah -- and I am a proud driver for Radio Cab Company. I have been with Radio for about five years. I worked the night shift. I'm here to talk about visibility of vehicles.

Radio Cab vehicles are black and white, "Radio Cab" plastered right down the side. Broadway are yellow, with yellow and back splat down the side. What we've learned is about 90% of all complaints registered against taxis come from non-riding public. Because we're visible. You know, if we make a silly move on the street, someone gets on the phone, calls it in. And this is possible because the public can identify the taxis by their exterior vehicle markings. Uber vehicles do not have any exterior markings, except for a small thing in the window that you can buy online from \$5.95 from Amazon because I looked it up this morning. [laughter] Let's turn the page.

Colorado. Colorado public utilities commission says that all Uber vehicles or TNCs will have visible markings on the outside. If they don't, it's a \$1000 fine. It's not negotiable, it's \$1000. They need to be visible. They operate in cities unmarked. Let's take Madrid, Spain, for instance.

**Hales:** OK, I want to wrap up because again, we're trying to get more people and we're not succeeding.

**Jones:** I know, I know, but here's the deal. I'm a citizen and I'm allowed to have my say and I'm going to have my say. In Madrid, they are still operating illegally, despite the city

April 21, 2015

telling them that they cannot. If an Uber driver is caught in Madrid, his car is forfeited and sold at public auction. The driver is then fined \$22,500. In short -- I'll wrap up.

These are the points that we should make today. Uber is intentionally deceptive. Uber is noncompliant. Uber has a continued global history of bad business practices. Please make Uber and all of the TNCs follow the rules in Portland that the rest of obvious to follow. And Mr. Novick, just for you, the shopping deal -- everything you buy from the shop in the way of food is regulated by the USDA. Every time that you go to a restaurant, your server and your cook has to have a food handler's card. That's regulated by the City. Thank you.

**Hales:** Thank you very much. Thank you. [applause] Next three. Let's go with these two and then call some more.

**Linda Raab:** I'm Linda Raab. And I don't really have a dog in this fight -- but yeah, I guess I do. The dog in my fight is you, the city of Portland, and all the people in this room. I mean, when was the last time you guys looked at this panel up there? They've got one panel from when it was called the clearing, back when Overton and Stark were here. And then you have another panel back in 1852, I think was the first one. That's when Mr. Saltzman's family got here, about 10 years before mine in 1862. And there's a Portland of picture when his family and my family arrived, and then we have another pictures of Portland as it is now. And I really don't want to see a fourth panel up there that says, "the City of Portland, a subsidiary of Uber." [laughter] [applause]

Uber is not going to bring anything to this town. They're not going to sponsor the Rose Festival. They are not going to put a float in the Rose Festival. I think Radio Cab had a float in the festival one year, they sponsored a float. They also have a turkey project, I believe, to give food boxes to the people that don't have food right around Christmas time. Uber's not going to do that. They don't want to be part of the fabric of this town.

Look at all the other big -- I'm not against corporations by any means. Look at Alaska Airlines and what they've done for the Timbers. OK, you can't knock that. But look at the Trail Blazers and the Moda Center and Providence and Alaska Airlines, Southwest Airlines was doing the Rose Festival for a while. PGE was doing Starlight Parade. Uber is not going to do that. All they want to do is come into Portland, get their 20% profit from people that work hard and probably apparently aren't going to be insured, and be unaccountable. That's not what I want in my city. That's not what we should want in our city. We're better than that. This is Portland. I mean, I have had a lot of opportunities to leave over the last 150-so years. I'm sure Mr. Saltzman's family did, too. But we always come home. Because this is Portland. This is the City I love.

**Hales:** Thank you very much. [applause] Go ahead, please.

**Bert Fox:** Hi, my name is Bert Fox. I've been driving taxi for 35 years and I've never been in an accident. I would also like to say -- [applause] -- about the lady up here who was blind -- I have never once ever heard of a cab driver overcharging a blind person. It does not happen. OK.

Many years ago, I heard Earl Blumenauer speak of the importance of livability in Portland. He said one way is we as individuals collect in this community for livability is for us to buy local and keep local money circulating. He used Walmart as a bad example -- excuse me -- as a bad idea, saying, "why should we be sending our money to Arkansas? We could use it here."

Early on, Uber was compared to Airbnb, but a better comparison is Walmart. Low-paying jobs without benefits, the practice of undercutting prices so local stores go out of business, and profits flow to the richest people in the world. Why should we choose a 40 billion-dollar company to bully their way into our city and write the rules?

April 21, 2015

Even if Uber does agree to require their drivers to have business licenses and pay their taxes, our taxi drivers are required to pay. There is no reason to believe this will happen or prove it has happened. These bullies have a catch-us-if-you can mentality backed by 40 billion dollars of swagger, lobbyists, and a mean of hiding whatever they choose.

Public safety is a key component to livability. Why should we allow our citizens and the vital tourist industry to be at the mercy of an entity that we have no reason to trust? I'll bring up the Houston thing again -- because it's been brought up a number of times. A Houston man had just been released from 14 years in prison, is hired an Uber driver, and passed their background check. He raped a woman passenger in three orifices, was picked up by police, and immediately confessed. Career criminals do not confess to anything. Maybe he thought going back to prison was better than driving for Uber.

[applause]

**Hales:** Go ahead.

**David Gibson:** Hello, Mr. Mayor and Commissioners, my name is David Gibson. Quickly -- you can't see very well -- this is why I drive my three-year-old. I drive for Uber. And if for any reason this doesn't go well, I don't have time to wait anymore. I'm selling my house and leaving and going to Seattle because there aren't other good jobs. I don't live in Portland, I live in Dalles. But I am an Oregonian, I came here after I got out of the Marine Corps. I've been here 25 years, most of that in Portland. I like country life a little better so I moved an hour down the road but stayed an Oregonian. I spend my time for dinner, sports, whatever -- I come to Portland and spend my money here. But I will have to leave because I can't get a \$35 an hour job or \$25, and Uber is something like that. I don't want to work for the cab companies because the reputation that they claim that Uber has they all have. I get people -- I've had 1500 people ride in my car and they hate the cab companies. So, this mudslinging -- I'm not going to get into that.

Quickly, the mention about us having to drive around -- we don't have to drive around. We don't have to park visibly. We can park off behind commercials, that don't matter, we can park in a Safeway parking lot. We can park over by Greyhound. We don't have to park anywhere special because the app does it all for us. The hands-free aspect -- mine has a magnet on the back, it's on the dash. It beeps. It's easier to answer than a phone call and I would answer a phone call with the hands-free. It beeps, I touch it anywhere, I don't have to look at it. I can then pull over and see where the ride is and go that way or just start the map with another one touch. So, it's a very simple thing already, the hands-free. I mean, there's no such thing as 100% hands-free. I can't say, "Jeeves, get the call for me" but yes, I just hit it and I go on.

There's been several not quite lies but misconceptions about how Uber works. Don't need to drive around. We don't need to look for customers. The customers come to us. We just -- like I said, we don't have to park on First and Main. We can park way out on Yeon, we can park wherever. We need to be in the vicinity of the action, we don't have to be right in the middle of the action.

**Hales:** That's helpful. Thank you very much. Thank you all.

**Fritz:** Mr. Gibson, have you asked your private insurance company if they will cover you?

**Gibson:** I'm going away from Pemco. USAA does. At the end of the month, my current Pemco payments are done and expired and I'm going with USAA. They do cover -- they do not cover while you are on that, it has to be Uber's insurance.

One other quick thing I wanted to tell you -- while you guys were talking about business licenses and everything, Ms. Steger mentioned -- I.T. is a little ahead of her -- Uber already has it on there to put your business license in. You have to put your

April 21, 2015

inspection in, your business license in, your driver's license -- even though the personal insurance doesn't cover, they still insist that you have it.

**Fritz:** But won't accept your application unless you put all -- are all those fields required?

**Gibson:** Correct. I have -- the business license isn't required for everyone because not everyone works in Portland. But it's required to be on there and then I'm sure that they are going to require that. Because they can activate or deactivate. If you go to Eugene right now, you cannot turn on because they've been banned from Eugene for that.

**Fritz:** Thank you.

**Hales:** Thank you very much. Good evening.

**Delilah Jones:** Good evening, Mayor Hales and the Commissioners. My name is Delilah Jones. I was born and raised here in Portland, and I have been driving with Radio Cab as an owner-operator for the last six and a half years. I am proud to say it's a very good company to work for and with.

I have major reservations on specifically the insurance, as some of you as well have discussed. I don't see any reason to change the regulations that exist. They've protected our citizens for decades. The regulations have evolved over the last 100 years, and even down to just the most minimal superficial thing of signage. Right? It's a paint job. It's so superficial, and yet that right there alone was the reason that three women on December 14th of 2014 in Boston in three hours were sexually assaulted. They called for an Uber. They were standing on the sidewalk. A car stopped. They said, "are you my Uber?" They said, "yeah, hop in." And they were sexually assaulted. They weren't the Uber drivers. And the reason that they got into the car is because there was no signage required for Uber.

The city of Chicago and Boston have recently rolled out a panic button for their passengers because of a string of rapes and assaults by Uber drivers on unsuspecting passengers, but the fact is, if you don't get in the right car, it doesn't matter. And furthermore, you know, I could run into someone on the street in my personal vehicle, and you would never know that I was working.

And the background checks, why would we change the rules for that? My permit expires at the end of this month -- my personal driver's permit. Do I have to renew it? If Uber's doesn't have to go and spend \$100 to get a background check and a driving record check, then why do I?

**Hales:** Thank you. Thank you very much. [applause]

**Nona Carrasco:** My name is Nona Carrasco and I drive for Radio Cab. One thing I wanted to kind of bring out today was the fact that I'm a female cab driver. I'm working in an industry that is one of the top five most dangerous occupations in the world, and I'm a female.

When I became a cab driver, when I was even thinking about it -- my grandmother -- I come from a 16-year background in social work -- and my grandmother was very concerned about my safety and she made me promise to do the research before I did this. And the thing is, when I went in, I went through the background check -- and that's already been gone over. When I get into my cab, I get into a cab that is specifically assigned to me. I can't get into somebody else's cab, and nobody else can get into my cab. I get into my cab and I sign in with my driver number and my password, and from there on, I go.

From that point on, I am 100% insured. There's no tier thing. I'm insured from the time I get into my cab until the time I get out of my cab. I have back-facing and front-facing cameras in my cab. I have GPS in my cab, not in my phone. If I'm an Uber driver and you're going to take me hostage, you can grab my phone, throw it out the window, and nobody's going to know where I am at. There's no tracking system. [applause] In my cab, if I'm in trouble, I have an emergency button that's a secret button in my cab that alerts dispatch that I'm in trouble. They immediately look for me. Every cab in my fleet gets the

April 21, 2015

message "find radio 65 and report location." If I'm not found, every cab in our city, every fleet will get a message to find Radio Cab number 65 and report location. My cab is big, black, white, lights all over the place. Everybody knows what a Radio Cab looks like. The cops know.

Real quick -- there's some weird stuff going on with my cab back when it was a Crown Vic. It's now retired. It's a Scion. And for some reason, the lights kind of "are they on?" so I turned them off and turned them back on and I saw that it was on. A cop did a U-turn and pulled me over. He had me get out of the cab and he was asking me if I was OK. He thought I flashed him.

**Hales:** That's great. Thank you. [applause]

**Mukfar Abdow:** Good evening, our Mayor, our Commissioners. My name is Mukfar Abdow. I used to be cab driver. I know the problems they have.

First, now I'm ready to buy a house in Portland, the 450 I give every week for this company or particular person to save to buy my own future in life -- that 450 plus there was 100 something. They take us the kitty when we made a small mistake, they take from us, they fine us. Those all I want to save my kid. I have a five kid -- to save them to buy a house. Plus, we pray already time ago that Portland, god bring to challenge company. For this, they always put down the immigrant people. They always push us and then the problem is the cab driver, he has 12 hours. He has to be pay 450 plus the gas, plus everything. All the time you worry about the radio has noisy -- all this like it makes you accident. That's why when you go Radio Cab or Broadway, they have more accident. Because of confusion, the person was thinking how I pay.

But we have now good opportunity. I can go school. I can buy a house. And then plus our own people, Portland people we serve cheap. People like cheap stuff we're serving, plus the communication. They already have my picture. I have their phone. There is not -- last time I was driving my customer, they sit here, "we don't worry. No stress." When I was driving taxi, I was worried like, "what are you going to do to me?" I have the cash or something. So all the time there is a too many worries. Because if you don't pay 400 something, what are you going to do? How you save your kid? All that money now -- we're saving 80%. It coming back us to. It's not going back.

We have a small net. We are fishing in the town so there is the big guys behind me has a big net putting on top of me, so whatever I give he takes me from behind me. Plus, now it's our future price, our future is the Uber. Plus, like the cab companies -- I know even they don't hire one of you -- when they know their system, they don't hire you plus it's like now can we go back to you --

**Hales:** I need to you wrap up because we're running out of time.

**Abdow:** OK. So it's like old system. This -- my kid, my future, they going to, they like to play on the phone. So instead of this radio plus all this noisy, plus the 450, I give this person like he don't work, he sleeping in his bed. Now, must accident causing because you have a limit time. You have to run. Plus, when I work in normal work -- so if I start a job at 8:30, if I work like 8:25, people driving crazy get accidents. But this one is open opportunity. Anytime you sleep, nobody behind us. We wake up any time. We clean ourself, we go work. It's like a clean professional friendly like a cheaper everything. Even I can't imagine what I say. That's why we have green. This is good. And love we have here. We need your vote today -- [applause]

**Hales:** Thank you very much. Let's take the next three, please. Let's take these two and then we will see. Go ahead, please.

**Suzanne Cummings:** Mr. Mayor, Commissioners, thank you so much for your hard work. We brought our son tonight, and this has been his first exposure to a City Council meeting. And it sounds like it's a tremendous work. Thank you so much.

April 21, 2015

**Hales:** Just give us your name.

**Cummings:** Suzanne Cummings. My husband and I, we own a small business on Alberta Street. We have a yoga studio. And it's a wonderful business and we don't make much money. And we have done it for 12 years for service. And we are very involved in the community. And we need more money. We have odd hours. I teach a 5:30 a.m. class, we teach a 6:30 p.m. class. We want to serve the community.

We've applied to be Lyft drivers and possibly Uber drivers. And I have to admit, I'm sure no cab drivers in this room have ever given a bad fare, but I've had some interesting cab rides, that's for sure. And I've talked to cab drivers outside that have said during this introductory trial period they're gonna see how it shakes out, too. Maybe they'll cab drivers, maybe they'll be Uber drivers, maybe they'll be Lyft drivers because they will see how it goes.

\*\*\*\*\*: No --

\*\*\*\*\*: We love making money --

**Hales:** Ok, folks -- hey, folks.

**Cummings:** The yoga studio game has changed. Groupon changed our game tremendously, and we had to adapt. I so respect you for trying to look at it front end. I was very sad that Trader Joe's did not open in my neighborhood on Alberta Street. It got bogged down in details.

My experience with Lyft, like someone mentioned earlier, has been tremendous. I was worried about safety. They said "never say hi, I'm your Lyft driver. Ask for the person's name." That name should match what I see -- and not with my hands -- I haven't done it yet. And there's precautions in place. I don't have to drive at night. I can drive when my son's in school. I've been very impressed. I've never had a background check before. I'm excited. Times have changed, the game has changed, and we have to adapt for it.

I've heard some nasty things about Uber tonight that I didn't know, so I'm hoping that your hard work is going to raise the bar for them as well. One point I do want to make is that they are so successful, this \$40 billion -- I wish I'd invented it, I really do -- they are so successful because it's needed. They're so successful because people are using the service. Thank you.

**Hales:** Thank you. Welcome. [applause]

**Derek Cummings:** Mayor, Commissioners, thank you for all of your hard work. My name is Derek Cummings and I'm married to my lovely wife Suzanne. And thank you for all your hard work.

I'm hearing a lot about leveling the playing field, and I think that that's an awesome focus. And I think the -- whose responsibilities is it? Is it the taxi drivers to come up to Lyft or Lyft to come down? I think we need to meet somewhere in the middle. And from what I've seen -- my short experience with companies like Lyft and Uber -- is that they're being very diligent, requiring proof of driver's license and insurance and vehicle inspections and background checks by third parties -- not their own companies, but third parties -- and I think that they've shown a tremendous willingness to play and it seemed very interested in being part of a dialogue with the City of Portland.

And I think a lot of this has to do with the fear of change. I mean, technology is swooping in. It's hard to keep up with how much advances are being made in technology and I can just imagine how Ma Bell felt when Verizon came in. You know, when I was a little kid there mused eye used to be pay phone on every street corner, and now you just pick up a phone. And the technology is scary and I think it's very threatening to an old industry like the taxi industry. Been around forever and now there's changes coming, and it's pretty damn scary.

April 21, 2015

I'm sad that the taxi industry has to resort to bringing -- obviously, it's a very serious allegations and things people have happened -- you know, there's been rapes, there's been terrible things that have happened -- but to me that's fear being brought into the equation. And don't think there's really any place for that. And I'm sad to see that being used as "this why we shouldn't consider this forward thinking" and I hope you will consider passing this 120-day period so that we can test it and see.

**Hales:** Thank you. Thank you very much. Thank you both, and your son. Let's take the next three, please. Whoever would like to go first.

**Janet Weiser:** I'll go. My name is Janet Weiser and I wanted to say thank you first of all for all the hard work you have put in. I am an Uber driver and I've been driving since last August when they came in. I will make this really quick. I did go through my background checks, I did have to submit all of my paperwork before I was authorized to drive. I did have to pass everything. I do have insurance. I'm in the process of changing over to USAA, who will be insuring ride share drivers during those odd hours that everybody was concerned about. The insurance companies are catching up and they are willingly writing new policies and trying to find a way to accommodate this new technology and the new drivers.

I'm a mother, I have two teenagers. I have a small business of my own. And Uber has given me the ability to accommodate a better life balance with scheduling. I can drive early in the morning, I can drive late at night. It has been able to give my family the finances that we needed when my husband got laid off during a downsize in his company. I have been the only bread winner and I increased my driving hours and increased our bottom line. We have avoided bankruptcy and saved our home. This has been huge for me as a mother.

What it brings to Portland is the ability to come down to Portland and safely play, spend our money, safely go home again to be able to do that at 2:00 in the morning. I really want to implore you, please give this a chance. Uber has been fabulous to me, and I am also signing on to do Lyft.

**Hales:** Thank you. Thanks very much. [applause] Welcome.

**Amy Hall:** My name is Amy Hall, and I joined on with Uber last January and I'm looking forward to be able to have the competition to work for Lyft and Uber. There have been a ton of questions asked and, yes, my insurance company knows and they're fine with it. Uber did a third-party criminal background check. I hear people -- they're just waving all these things, like, "oh, they don't do this and they don't" and like, the raves and things -- it just makes me feel like they're grasping at things because they're afraid. And modern technology is here to stay.

Remember, all of us -- I mean, our age group -- we never thought -- I mean, Kodak was just a household name. And the company is no more. And that's what I fear, and I've had this feeling of sadness in my heart for cab companies, but innovation comes. So what you guys are doing are saying, "let's give this a try," and you're looking at innovation and saying, "let's look forward and let's give it a try," and that's what I want to ask you to do on my behalf. Because I as a single mom have increased my income and been able to stay home more with my daughter, and that's the most important thing about me being able to tap into this business.

**Hales:** Thank you. Thank you very much. Thanks. Welcome.

**Blake Carson:** Thank you. Blake Carson. Since we're sharing stories, I make more than \$6.22 an hour. I am the only bread winner in my family, and I have two children as well. Full-time cab driver, operator-owner.

Having the following regulations are critical to ensuring public safety. Your social security number needs to be ran through, you need have 24-hour no questions asked

April 21, 2015

insurance, you need accountability. We have these in place right now and without these, it allows for the following events. Six-year-old Sofia Liu was in a crosswalk on New Year's Eve when an Uber employee hit and killed her. He was on the tier one considered insurance. It was not covered. Uber does not cover it because it is null and void.

Uber's terms and conditions -- you waive your rights and you release the company from all liability claims damages. Pretty much, you can't do anything to them. In the case of Roberto Chicas, he was assaulted by his Uber driver on his way home from work with a hammer. He had over \$100,000 in hospital bills that have not been paid by Uber since technically the app cannot assault you. Ironically, his driver did pass the background check, but Duncan Eric Burton did not -- and that's the man in Houston, Texas -- 14 years federal prison cocaine charge. He would still be driving today if he wasn't in jail for allegedly assaulting a customer.

So, what good is deregulating an entire industry of tax-paying people? What's the next industry that's going to be deregulated because of innovations? Doctors? Lawyers? Electricians? Teachers? Bus drivers? Food carts, bars, restaurants? Deregulation only causes confusion and is in no way of permanent solution to a temporary problem.

As a cab driver, if you deregulate me I will not comply. I will still charge whatever the meter says. I will continue to pay my City taxes. I will continue to get me background check done, and I will get my permit done every year same as I have been doing for the last seven years. I will not compromise my integrity on behalf of Uber's agenda.

**Hales:** Thank you very much. [applause] We'll take three more and see where we stand. Go ahead, Ms. Starr.

**Jennifer Starr:** Hello. My name is Jennifer Starr and I am a proud lease driver for Radio Cab. I am grateful to have the opportunity to speak before you today. I love my job, I love the people, and I love the City of Portland. I am also the sole provider for my household. I alone must earn the money to keep a roof over my head; nutritious food and prescription medications for my body; health insurance; and all the other incendiaries that many people take for granted and even many more struggle to maintain.

Please be assured that neither I nor the majority of my colleagues have any fear of a new transportation company entering into the Portland metro area. The concern we are faced with is the liberties and favoritism that this particular corporation is being afforded with no apparent merit. As a matter of fact, this particular corporation has numerous demerits to its name, up to and including countless lawsuits for allegedly robbery, assault, and rape.

Everyone in this room and the majority of adults in this country understand the unquestionable need for regulation. Every manner of business has some sort of regulations. These regulations are in place to ensure a positive transaction between the operator and the consumer, and that both are safe and satisfied with the exchange between the two. Heavy insurance coverage from the moment that a customer steps into a coffee shop or a transportation vehicle has been a nonnegotiable regulation for many decades.

I understand the most recent solution to be announced to the public is deregulation. I cannot comprehend why this idea is even being entertained as a good idea. The idea of deregulating multiple transportation companies that have existed in Portland from just a few years to 40-plus years is unbelievably counterintuitive. The logistics required to deregulate existing private for-hire transportation company rates is an enormous undertaking.

With the population explosion of Portland and the increased demand for transportation services, we do, in fact, welcome with open arms other transportation companies into our eternally-expanding market. However, a level playing field is the only

April 21, 2015

way to let the American dream live on. Please keep in mind as you cast your votes today the majority of the private for-hire transportation workers you may be placing at risk of losing their livelihood, some -- the sole provider for their households -- are actual voters, taxpayers, and long-time residents of this beautiful city. We are Portlanders. Thank you. [applause]

**Hales:** Thank you very much.

**Brian McAuley:** My name is Brian McAuley. First thing I kind of want to point out there's been a lot of like attacking of a certain company rather than the whole movement of like the drivers for-hire or whatever it be. But one thing I see is this is just really like a revolution of an already-existing industry. Just an improvement moving along with the technology and such.

Personally for me, I'm a musician and an actor, and I've been working retail and doing customer service since I was 16, 25 now, nine years pushing on 10. And I just kind of see something as like where I can kind of control my own schedule, so I can actually get to auditions, get to shows, get to doing those other things that can actually then benefit the economy more, spend my money out with local businesses, and then maybe discover some other things by meeting other people -- what else is going on in the city? Learn more and see more of the city and suggest more, make more friends, maybe more connections, be more of a community.

**Hales:** Thank you very much. Good evening, welcome.

**Jim Pohrman:** Hi, Jim Pohrman. Thank you, Commissioners. I just want to mention something I have not heard as part of this discussion at all so far, which is the long-term effect on Portland's economy of the transportation network companies, specifically Uber who one year ago announced they intend to replace all their drivers with autonomous self-driving vehicle as soon as they feasibly can. Two months ago, they announced a multi \$100 million robotic center they are opening in Pittsburgh. They hired pretty much everybody from the robotics department at Carnegie Mellon University and they are moving as quickly as they can to replace all their drivers with autonomous drone taxis.

Currently, this industry we are talking about whether you drive for a cab company or for one of these TNCs brings money into Portland's economy from visitors and recirculates it with locals. When that goes through, all of that money will go into the hands of a small number of very wealthy people in Wall Street and Silicon Valley. Thank you. [applause]

**Hales:** I think before we move forward, there were a couple of people that were called but didn't make it down in time. Is that right?

**Moore-Love:** I think everybody came --

**Hales:** Was there anyone's whose names were called who didn't get a chance to come up? I promised the Council that we would move to deliberations at 8:00, and I think we should do that, although I know there's still some folks that would like to speak -- you were called?

**Fritz:** Don't people have a right to speak if they came?

**Hales:** It depends on the Council's willingness to stay.

**Saltzman:** Ready to deliberate.

**Hales:** I think we're ready to deliberate. Folks, I appreciate everybody. We can't always accommodate everyone. So, we're going to call some folks up for questions. We are going to call some folks back up for questions. I think we wanted to get Ken McGair and Bryan back up, and perhaps representatives of the TNCs because there were questions. Is that right? Let's start with Bryan and Ken and Michael.

**Saltzman:** I have some questions.

**Hales:** OK.

April 21, 2015

**Saltzman:** So, I guess I should have asked earlier, but we talk about TNC trade dress signage?

**Hockaday:** Correct.

**Saltzman:** I am assuming that's something more than a logo. I mean, it's an identifier that a car, an automobile, and a driver have passed muster?

**Hockaday:** That's the company branding --

**Saltzman:** Is that different than a logo? Is there a --

**Mcgair:** That's what make the car identifiable to the passenger and identifiable to the public, identifiable to enforcement officers who are on the street. It is their trade dress and we will require it be affixed to the vehicle and visible from some distance when the cars are operating.

**Saltzman:** But there is any kind of identifying number? So, if I was a pedestrian and I was almost mowed down by one of these vehicles --

**Mcgair:** The identifying number will be issued -- would be the business license number, which we require to be inside the vehicle during operations.

**Saltzman:** Well, that's not really visible, right? That's presumably in a glove box or something.

**Mcgair:** Correct.

**Jacobs:** For the vehicle, it would be the driver's plate number on the vehicle.

**Mcgair:** The license plate, which matches with the application that the driver and passenger are connected.

**Saltzman:** OK. And then I spoke with -- during one of our -- I guess thinking about the business license issue, I want to propose an amendment that requires that the business license either be submitted to the company by the prospective driver or submitted to the TNC company by our Revenue Bureau once a person has applied and received a business license. If you want me to word smith it, I will, but that's the intent.

In other words, we don't rely on certification from the TNC that the driver has a business license, or we don't rely on "if we catch you without your business license, we've got you." It's an absolute condition for doing business as a driver and as a TNC that the driver must provide a business license to that company before they can be permitted, just like a safety check, just like back ground check.

**Mcgair:** Understood. Because you are directing Director Treat to promulgate rules, that could be an amendment to the resolution as a direction for her.

**Fritz:** Second.

**Saltzman:** OK. To the resolution.

**Mcgair:** Yeah.

**Saltzman:** OK.

**Fritz:** And that there be a mechanism so that if you don't get activated on the application if you haven't provided that.

**Saltzman:** Yes, exactly. Those were my questions.

**Fritz:** I have a few. We heard that a cab driver pays \$100 a year for a permit and that some of them will be expiring in this four-month trial period. Will they be required to get a new permit?

**Novick:** Commissioner, I think that we need to suspend the renewal fee for the duration of this pilot, and I'd like to know how we can most expeditiously do that. Mr. Mcgair, can we amend the resolution to direct Director Treat to include that in the regulations?

**Mcgair:** The permit fee, Commissioner, for taxi drivers is in the code. It's in .590 of the fee table. And that would be a code change via the ordinance, an amendment to the ordinance.

**Novick:** Can we file that for next week?

April 21, 2015

**Fritz:** We can move that amendment now and we can vote on it.

**Hales:** I'm sorry, catch me up. What's the amendment you're proposing, Commissioner Novick?

**Novick:** To suspend the permit renewal fees for taxicab drivers for the duration of the pilot. I'm just trying figure out procedurally what's the best way to do that.

**Mcgair:** You can either amend the code via amendment, or you could refile an ordinance. I would point out that the 120 days is a four-month period -- is that right -- so a third of the year you would be -- two-thirds of the taxicab driver permits have already paid for that renewal, so this would only apply to a third of them, approximately.

**Novick:** So, in order to avoid postponing this whole process for another week or weeks, do you think that we could pass this resolution today and then file a very narrow temporary code change for next week?

**Mcgair:** Yes.

**Novick:** That's what I would propose doing.

**Fritz:** Thank you. So, my next question is about the \$20,000 fee proposed for the transportation network companies. We heard from Radio Cab that they'll pay three times that in fees over the 120-day period. So, how did you settle on \$20,000?

**Hockaday:** So, all of our fees should be based on true cost recovery to administer the program. In evaluating the private for-hire permit fees, we discovered that they are not actually based on true cost recovery. In phase two, the task force asked staff and staff has intended to completely recalculate all permitting fees and to include fees for all modes of for-hire operators in the final recommendations, which will be presented to you come about July. So, those can be implemented into City Code so we will have cost recovery for all permitting fees.

For the \$20,000, that was an estimate based on staff's analysis of the administration that would be required to issue permits for the TNCs and to do auditing and enforcement actions.

**Fritz:** We've heard that Lyft has far fewer drivers than Uber. Is the \$20,000 a flat fee, or is it dependent on the size of the company and the number of permits you're expecting?

**Hockaday:** For the pilot program, that is a specific \$20,000 flat fee for all TNC operators.

**Fritz:** That doesn't seem fair. If some companies have far more drivers, if you're looking at cost recovery, what's the expected enforcement mechanisms and how much that is going to cost for you to be checking on these companies?

**Hockaday:** We are not planning for the pilot program to add any more resources to private for-hire program, so though costs for the program will remain the same.

**Fritz:** What is the enforcement mechanism? How many people will you have checking?

**Jacobs:** There are currently five regulatory program specialists who are out enforcing, plus we have the administrator who can enforce.

**Fritz:** So we're going to have a thousand more drivers and not going to have any more people checking?

**Mcgair:** I think part of that is the auditing function, that we will randomly audit the certification lists and the drivers lists. So, we have that as well. But on the street, they have six.

**Jacobs:** I would also like to point out we are looking to add some administrative help so we can move some of the administrative work that the current regulatory specialists are doing can be put on the administrative help and they can focus more on enforcement efforts.

**Fritz:** How does a company like Curb, which is a transportation network company which uses taxicabs -- it's basically the app that gets somebody like me to get to a taxi driver rather than an Uber or Lyft driver. Would they have to pay \$20,000 as well?

April 21, 2015

**Hockaday:** They are not a transportation network company. They are a third party dispatch provider. They're partners with permanent taxi companies.

**Fritz:** So they would not have to pay anything?

**Hockaday:** Correct. We currently do not have any fees specifically for a third-party dispatchers.

**Fritz:** OK. My next question is about -- it was raised about the age of the driver. Our regulations say 21 -- which having had three children just past 21, I would be nervous about any of them being a taxi drivers. Why do we pick 21 rather than 25?

**Jacobs:** It's in the current code.

**Mcgair:** For taxis and LPTs.

**Fritz:** Can we impound Uber cars? The mention was we could tow --

**Mcgair:** As part of the ordinance, we have proposed some civil forfeiture language that strengthens our position legally in terms of impoundment of vehicles. So, the long answer is yes. [laughter]

**Fritz:** OK.

**Mcgair:** Or short, I guess.

**Hales:** Long hearing, show answer.

**Fritz:** My final question might be for some of -- are all cab companies required to GPS in all of their vehicles?

**Hales:** Are they required to have GPS? Or do they typically --

**Jacobs:** I don't believe that's a requirement in our code.

**Fritz:** It's not a requirement but it's a practice that all the cabs do have GPS?

**Hales:** Typically do.

**Fritz:** Because, colleagues, I have learned to the detriment over the last seven months that that's incredibly important in figuring out when a crash occurred is to have that GPS in a commercial vehicle. I'm wondering if that doesn't show up on a personal cell phone but it does show up on a GPS. If when is the app on, when is the app off -- which phase are we in -- how are we going to know in the transportation network cars where they are and when an incident happened?

**Hockaday:** For transportation network companies? You're asking how will the City know where the drivers are?

**Fritz:** Yeah. How do you pinpoint when a crash happens? If there's all these three different phases of when different coverage applies, in a crash situation, how do you pinpoint when the crash happened?

**Hockaday:** You can take a look at all of the activity that's occurred on the platform and determine what event in the real world occurred based on the different activities on the platform.

**Fritz:** But you wouldn't know whether the car had hit another car just before pressing the button or just after pressing the button?

**Hockaday:** I'm sorry, I need some clarity on your question. What button and who's pushing the button?

**Fritz:** The driver of the transportation network company has to tap their screen, as we heard, in order to accept a ride. There's no -- without the GPS, which tracks real time situations, there's no way to tell when the crash happens.

**Hockaday:** I think a TNC representative will better answer that --

**Hales:** We'll call them back up, so why don't we save those technical questions for them. Other questions for our team?

**Fish:** I have a question foreshadowing what I think will be our discussion we'll have next, and that is -- well, two questions. One is if the resolution passes, when does the Director intend to promulgate and issue interim rules?

April 21, 2015

**Hockaday:** She will be immediately directed to do so, so that can be taken up as soon as tomorrow.

**Fish:** OK. And when is the earliest a TNC could come in and seek a permit?

**Hockaday:** That would be based on the Director actually instituting the administrative rules to institute the policy, and it would be dependent upon the companies applying for a permit, staff reviewing the permit application, and either issuing a recommendation to the Commissioner-in-Charge to approve or deny that application.

**Fish:** What's your sense, Bryan, in terms of the time -- how much time will it take -- once you've established the rules and the process, when is the earliest that you anticipate a permit issuing?

**Hockaday:** It could be a matter of days. It could be a matter of days.

**Fish:** You have the agreement already drafted that sets forth all the requirements?

**Hockaday:** The principles presented to you today are significantly -- would essentially serve as those administrative rules. There would not be significant changes with the exception of amendments that Council would like to incorporate tonight.

**Fish:** And the written agreements that the TNCs have to enter into, those have been drafted?

**McGair:** They are in the process of being drafted and they're not finalized, but that would be -- as you mentioned, Commissioner -- something that would have to be done before the company permit is granted. There's also the issue of their insurance policies and the additional endorsements. We'd like to have that as well so that takes sometimes a few days.

**Fish:** But for purposes of the pilot period, the administrative rules will be what is described as guiding principles?

**Hockaday:** Correct.

**Fritz:** So does the ordinance waive the usual administrative rule process?

**Hockaday:** The ordinance itself?

**Fritz:** Yes.

**McGair:** The ordinance applies to the code changes for taxicab companies. The resolution -- it doesn't waive any kind of normal administrative rule process. That process is already set out in terms of an interim administrative rule in the code under 16.45.20 J. We're simply applying that rule-making authority the Director already has in an interim capacity.

**Fish:** So, technically -- just procedurally here -- the resolution adopts the rules and the ordinance makes changes to the code?

**McGair:** Correct.

**Hales:** The resolution directs the ordinance be adopted.

**McGair:** Correct. It doesn't adopt any rules, it directs the Director to promulgate rules.

**Fish:** And the ordinance makes changes to the code?

**McGair:** Correct.

**Fish:** What is the effect -- if the Council adopts the resolution but not the ordinance tonight, what is the effect of the legal landscape?

**McGair:** The resolution -- the Director would then be directed to promulgate rules under the guiding principles in the resolution. And I'm sorry, the second part of your question was and does not adopt the ordinance?

**Fish:** Yeah. The ordinance as I read it is an emergency ordinance.

**McGair:** The code remains un-amended, non-amended. Chapter 16.40 stays as it is.

**Novick:** Mr. McGair, wouldn't that have the effect of continuing the fare regulation on the taxicab companies?

**McGair:** It would have the effect of continuing the fare regulation and all other regulations that are currently on taxicab companies.

April 21, 2015

**Fritz:** So if we wanted to do them both together but not as an emergency, we would delay acting on the resolution for 30 days.

**Mcgair:** Is that a legal question or a statement? Yes.

**Fritz:** That's an option.

**Mcgair:** That's an option.

**Fish:** And then the legal question that will come up if that comes up is, under 16.40.520, there has to be a finding that a failure to act promptly will result in prejudice to the public interest or the interest of the affected parties. So, what would be that prejudice to the public interest?

**Hockaday:** It's critical that the City regulate all private for-hire transportation operators. So, without that ability to regulate, the regulators, who are providing nearly the same service and without having the rules apply similarly across the board, the City would be disadvantaged in that way.

**Mcgair:** Frankly, Commissioner, we have operators, TNCs operating in the city right now. They are dropping off passengers every day. So, there are unregulated TNC drivers in the city right now, and I guess that would be a potential prejudice to the public.

**Fish:** The fact they are currently operating?

**Mcgair:** That they're currently unregulated and we'd like to get them under a regulatory scheme.

**Fish:** But let's take the Uber and Lyft. They have testified at a prior proceeding that they will not operate in Portland until we pass authorizing legislation, correct?

**Hockaday:** That's what they testified to, yes.

**Fish:** That's what they told the Council --

**Hockaday:** Correct.

**Fish:** -- they will not operate until we give them the green light. Who are the other companies that are operating illegally?

**Hockaday:** Here in the city of Portland?

**Mcgair:** I'm sure there are. We've heard testimony of outside taxicab companies dropping off in the city of Portland. So I mean, I can't speak to all the enforcement, but I'm sure there could be.

**Hales:** Other questions at this point for these three resource folks? So, let me have you stand aside for a minute and let's call back up representatives of the two TNCs that we've heard from this evening. I think Ms. Chang left, but Michelle [indistinguishable] is still here on behalf of Lyft and Ms. Steger is here on behalf of Uber. I think there's some more questions based on the discussion. Yeah, Ken, you should stay handy. Thank you.

**Saltzman:** Again, I don't have a question. I'm just saying I would like to have as part of the -- probably better fits under the private for-hire program under section 12 -- language that would say, "as a condition for the TNC permit, the TNC must require a driver's license, valid business license number in order to access the platform." That's the best I could draft at this hour.

**Steger:** Can I make a comment on that?

**Hales:** Please. That's why we asked you up.

**Steger:** So currently, the driver that testified was correct in that we have already sent out emails about the business license. We have been offering that in person in some of our in-person/driver interactions. We even had some people filling it out via paper. So, we've definitely committed to having drivers have their business licenses. It's also important for --

**Saltzman:** Yeah, but I think --

**Steger:** -- and I also wanted to add that we will commit to the deactivating drivers who did not have their business license.

April 21, 2015

**Saltzman:** So you would deny access to the program if they do not have the business license?

**Steger:** Correct.

**Saltzman:** Great. I wanted to memorialize that language in the right place.

**Hales:** I think Ms. Chang indicated something.

\*\*\*\*\*: Correct. And just for the record, because I am at City Council, I am a registered lobbyist in front of the City of Portland, so I want to make that clear for the record. And I'm not an operations or legal or in general counsel, but my clear understanding is that currently, Lyft is working nonstop to make sure every single one of their drivers get their business licenses. They've had great compliance already today from the text they sent to every single driver who expressed interest. They are planning to bring a computer in their office in Southeast Portland so that when new drivers are coming in tomorrow or the next day to get their vehicle inspection, the very next thing they will do is go to the computer and sign up for their business license. And so, their clear intent is to ensure that all of their drivers get their business license. They will work with the City to make sure that happens, and if it doesn't happen, they will be prepared to do what the City's enforcement mechanisms are.

**Saltzman:** That's great to hear, I just want to have language --

**Fish:** Let's be clear. This amendment mandates something that particularly Uber has been reluctant to agree to, so are we clear about what this amendment does and from a regulatory point of view, your permit hinges on providing this information?

**Steger:** Yes. And we always have stated that we will support and follow whatever regulations are put into place. [laughter]

**Saltzman:** My suggestion was under number 12 --

**Hales:** In the ordinance or the resolution? Sorry.

**Saltzman:** In the ordinance --

**Mcgair:** In the resolution, Commissioner.

**Fish:** The guiding principles.

**Saltzman:** Oh, I'm sorry. That's the resolution?

**Fish:** The resolution.

**Saltzman:** Yeah, number 12 says that permits are required for transportation network services. Again, I would just add a sentence in there, a free standing sentence that says, "as a condition for receiving a TNC permit, the TNC must require a driver's valid business license as a precondition to access the platform." And I think Commissioner Fritz more or less seconded that.

**Fritz:** I did second that. Because that actually does then give us our own independent ability to -- we know who the drivers are, so we will then be able to check to see whether the list we're given are complete or not.

**Hales:** OK. Any further concerns with that? The language clear? Anything else we need to ask of these TNC reps or Mr. Mcgair? Are you ready to go ahead and proceed to consider the amendments and then see if we want to act on the resolution? OK. Thank you all very much.

**Fish:** Thank you.

**Hales:** We have, I believe, three amendments -- if I've captured them all correctly -- which is first the one you proposed earlier this evening, Commissioner Fritz. Second, suspending the driver renewal fee for the duration of the pilot project; and third, this condition you just articulated, an amendment to principle number 12 regarding requiring a valid City business license prior to accessing the platform.

**Saltzman:** And for the TNC to receive its permit.

**Hales:** Yes.

April 21, 2015

**Novick:** Mayor, actually as to suspending the permit renewal fee, that's something that is in code, so that's not an amendment to the resolution, that's something I plan to bring as a stand-alone as soon as possible.

**Hales:** OK, so you will bring that back as a subsequent proposal. Alright. So, the only two amendments to the resolution -- just trying to keep this straight -- the only two amendments to the resolution that we want to discuss and vote on are the one you proposed, Commissioner Fritz, and the one you just proposed, Commissioner Saltzman?

**Fritz:** Right. And we should probably -- if I might suggest amend the ordinance, because otherwise you'd have to have another public hearing on the amendment.

**Hales:** I'm sorry, say that again?

**Fritz:** If the ordinance is amended at a later date, that requires another hearing. And while the 40 people who didn't get to testify might like that, I suspect that -- [applause] -- the outcome wouldn't be any different.

**Hales:** Your suggestion is?

**Fritz:** After we voted on these two amendments to the resolution, we also vote on amendment to the code so that that's --

**Hales:** OK, we can do that.

**Ian Leitheiser, Deputy City Attorney:** To be clear, I don't think we have a motion to amend the code on the table yet. Now, if somebody wants to make one, that's up to the body. But what I think Commissioner Novick was saying is he would bring a separate item to specifically amend the code to a later Council session.

**Novick:** Well -- OK, my question is, can I move to amend the code today and can we attach an emergency clause to that amendment and pass it today?

**Leitheiser:** I think you can. If you want to try to wordsmith it and today, there's nothin' stopping you.

**Hales:** Let's take this in order then, and first act on the proposed amendments to the resolution. First, we have Commissioner Fritz's amendment that says it would be an additional resolved in the resolution that says, "be it further resolved that the pilot program will not commence before the state of Oregon has completed rule-making ensuring that appropriate insurance coverage is available to all Oregon transportation network company drivers during all periods of vehicle operation." Any further discussion about that amendment?

**Fritz:** If I might speak to the motion, Mayor. We have heard today that some drivers for the TNCs are aware that they don't have adequate personal coverage and switching companies. They haven't yet done that. The state of Oregon is intending to fix this problem but they haven't yet. So, delaying until they have fixed it would seem prudent and reasonable to protect the citizens of the state of Oregon and particularly the citizens of Portland so that drivers who are driving commercially not only have adequate coverage -- which \$50,000 is not adequate coverage in my opinion -- but second of all, are protected if they and their families get terminated by their insurance company.

**Hales:** Thank you. [applause] Commissioner Novick? Folks, let us deliberate now.

**Novick:** Commissioner, the state legislation would protect drivers from having their insurance terminated?

**Fritz:** Yes, indeed it would. Would you like me to read the proposed language? It will take me a minute to find it. This is in House Bill 2237. It's on section four, part seven, and it would say -- it currently says "an owner's insurance policy for private passenger motor vehicle may not be cancelled, voided, terminated, rescinded, or non-renewed solely on the basis that the vehicle has been made for personal vehicle sharing pursuant to a vehicle policy sharing program" and they are going to add "or that the vehicle's registered owner

April 21, 2015

has made the available for the vehicle available for the vehicle owner or designated operator to actively participate in a transportation network company."

**Novick:** OK. Looking at your amendment -- which seemed to be directed that ensuring that appropriate insurance coverage is available -- and I didn't realize that you were saying that you're waiting on the legislature to protect drivers from violating the terms of their insurance policy.

**Fritz:** It's both the protection -- which, by the way these bills would require the three times the minimum coverage rather than twice the minimum coverage -- but it's also that then the drivers are protected. Because many of them don't know that they are not covered under their personal insurance and that their personal insurance for their whole family might be cancelled if they're in an accident while they are driving commercially.

**Novick:** Do we have any guarantees that these bills will pass?

**Fritz:** Well, no. And still, we should not be moving forward on a pilot project that actively puts citizens at risk when we know that there's insurance issue. [cheers] [applause]

**Hales:** Folks, folks, I asked you to let us talk, OK? Let us deliberate. Other discussion about this amendment? Are you ready to vote on the amendment? OK. Let's take a roll call vote on the amendment, please.

**Roll on amendment.**

**Fish:** Aye.

**Saltzman:** No.

**Novick:** No.

**Fritz:** Aye.

**Hales:** No, I'm not going to support this amendment. [applause] I think we have to regulate the level of insurance here and all of us have waited for the state legislature to wait in vain before. No. The amendment fails. Let's move on to the other amendment, which is Commissioner Saltzman's amendment. Here's my version of the language -- see if I captured it correctly -- which is revisions to number 12 in the principles that says, "as a condition for receiving a transportation network company permit, the transportation network company must require a valid City business license prior to accessing the platform." Did I get that right?

**Saltzman:** Yeah.

**Hales:** Further discussion or questions about that proposed amendment? OK. Then let's take a roll call vote on that amendment, please.

**Roll on amendment.**

**Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye.

**Hales:** That's approved. So, ready to move forward on the resolution itself? OK. Roll call vote on the resolution.

**Fish:** I'm sorry. Was there another --

**Hales:** No. That's the code, not to the resolution.

**Fish:** Before we get to the resolution, you're taking a vote now on the merits of this matter?

**Hales:** On the resolution itself, and then we'll pick up the ordinance.

**Fish:** So I don't lose the thread -- Commissioner Novick, your amendment is going to be to what?

**Novick:** It's to the ordinance as opposed to the resolution.

**Fish:** So why aren't we taking that up now if it's an amendment?

**Novick:** Because there's two separate issues, the resolution and the ordinance.

**Fish:** After we vote on the resolution we come back to your amendment?

**Novick:** Exactly.

**Fish:** OK.

April 21, 2015

**Hales:** Now let's take a roll call, please.

**Item 388 Roll.**

**Fish:** Well, I want to begin by thanking Mayor Hales and Commissioner Novick for managing a very complicated process under a -- shall we say -- challenging timeline. I have found the public process informative and productive, and it's helped shape my view of this issue. I also want to thank the citizen committee that worked diligently to forward thoughtful recommendations to the City Council.

Tonight, I'm going to focus largely on Uber for two reasons. If this matter was simply about Lyft, I would probably have a different view. And to my knowledge, Lyft has not operated illegally in our community. Now recently, my office has been flooded with emails, tweets, and phone calls from people joining the Uber chorus, and they include the "Oregonian" editorial board, the Portland Business Alliance, the travel industry, tech companies, members of my family, and others. As my colleagues know, however, I have been a skeptic from the beginning.

Let me be clear about something. I am no apologist for the taxi industry, which I think would benefit from competition and which could use significant service improvements. And I say that as someone that -- because I no longer have a car -- uses taxis along with buses and MAX and other kinds of transportation. At the same time, I am not anti-ride share. But I don't like bullies. And I don't care for people in businesses that act like the rules don't apply to them.

A valet once told Winston Churchill he was very rude and he responded, "yes, but I am a great man." Unfortunately, that's Uber's business model. They operate illegally in cities around the globe while claiming they are great and innovative company. That, in fact, what is they did here in Portland. In fact, it's a metaphor for our economy as a whole -- the big and powerful play by one set of rules while everyone else plays by another set of rules. I was struck recently that a number of Wall Street firms that were bailed out taxpayers during the Great Recession reported record profits. At the same time, one of the families featured in American Winter right here in Oregon is facing the foreclosure of their home.

I've applied a number of filters to this process, and my decision-making has been guided by a set of values about a level playing field, about protecting low-income families and people with disabilities, about protecting health and safety of riders, and about ensuring compliance with our laws. Thanks to the Mayor and Commissioner Novick, we've seen measurable progress in all of these categories, progress that has frankly eluded cities across the country. In fact, by executive order, I'm asking a vote to handle all my negotiations in the future. Except for the insurance issue and some of the other regulatory pieces, I'm frankly less concerned when, not if, my 22-year-old daughter uses Uber.

But something still troubles me about companies that don't play by the rules, and here are some examples. Despite what we've heard throughout this process, Uber is currently operating illegally in cities across the globe. Operating in a way that puts the public at great risk because there's no regulatory framework.

Uber's user agreement is one of the most anti-consumer documents I've ever read. It disclaims liability and it shifts legal risks to drivers and passengers. That may be the new economy, but we don't have to embrace it. And they're using the best lawyers across the country to enforce the terms of their one-sided agreements.

Let's look at Americans with Disabilities Act, something that we celebrate as a community. Uber says that it doesn't apply to them. They dismiss it and say, "we're not a public accommodation and we're not a transportation service." And when the Justice Department got involved, they just added more lawyers. Really? Uber classifies their drivers as independent contractors. They're not owners and they're not employees. And for

April 21, 2015

those of us who care about maintaining wage standards, last I checked, it means they don't have any rights to organize and to fight for better wages and conditions.

Now, Uber has said the right things throughout this proceeding and there's an old adage: "Fool me once, shame on you. Fool me twice, shame on me." Well, that adage applies to another so-called innovator in our community -- part of the sharing economy -- that's called Airbnb. They're another Silicon Valley juggernaut making money hand over fist, and even after we worked with them to establish regulations for operating legally in our city and the Mayor welcomed them on reasonable terms, 95% -- by the last estimates -- of hosts are still not complying with our laws, so we can't guarantee that guests are safe. Airbnb says all the right things, but they still grant access to their platform to hosts who refuse to follow community standards. Uber, I might add, is belatedly saying all the right things. In fact, they're being lauded now for taking a kinder, gentler approach in Portland. At the end of the day for me it's deeds, not words, that matter, and their track record speaks loudly about their corporate ethics.

On the basis of the record before us, I'm not ready to green light an experiment in deregulation where things could go horribly wrong for consumers. Until Uber and other companies like them demonstrate they are willing to change their ways, and operate by reasonable rules, I'm not ready to welcome them to Portland. I believe that -- [applause] --

**Hales:** Folks -- please --

**Fish:** Please. I believe in the concept of trust, but verify. It will take more than an army of publicists and strategists, political consultants, and a loud social media campaign to trust me -- excuse me -- to convince me to trust Uber. They will have to earn my trust over the next 120 days. I respectfully vote no. [applause]

**Saltzman:** This has been something -- I guess to the extent that there's choosing sides, I guess I don't really have a dog in this fight. I think that this is a reasonable undertaking to have this 120-day period to allow ride sharing to find it -- either prove itself or fail. And I do worry about impacts. In fact, if I had to choose a side, I'd probably side more with taxicab companies and drivers, just because you've got a lot more color and character than I've seen so far, and I've always found that to be the case.

So, I have a lot of empathy for the taxicab industry, but I also appreciate the points Commissioner Novick and Mayor Hales have made about the case for heavy regulation in the light of sort of the changing economy, the changing preferences of Portlanders for how they want to get around from point A to point B. There's a lot more choices now, and people want those choices. And I believe while I do have concerns about -- nobody has answered -- nobody has assured me this won't be a race to the bottom in terms of wages for drivers, and I think but that's something we are going to have to find out in the ensuing 120 days. And I guess -- I feel that we're on pretty solid ground as a City, that we have legal authority to permit and govern the operation -- just as we do with cab companies -- of TNCs. So, the extent the fear the genie can't be put back in the bottle, I think we're on pretty solid ground if, in fact, that turns out to be the direction we need to head into.

But I don't know that answer, and that's why I am prepared to support undertaking this 120-day experiment that Commissioner Novick and Mayor Hales have worked hard on, and I think it's something that we'll see, and I will certainly not be shy in speaking up if I feel that there are things that need to be corrected as we learn through this 120-day period of experimentation --

\*\*\*\*\*: How much does it cost to pay the Mayor --

**Saltzman:** -- I vote aye.

**Hales:** Hey, folks, cut it out.

April 21, 2015

**Novick:** I'm an old-fashioned guy. Like Commissioner Fritz, I am unlikely to ever take one of these so-called "ride sharing" rides. Heck, I still haven't gotten over the adoption of the designated hitter by the American League in 1973.

I don't like Uber. I appreciate that they've been behaving themselves, but until they fire the guy who said he wanted to create a slush fund to blackmail journalists, I'm going to keep on saying I don't like Uber. But we are not voting today on whether we like Uber, we're voting on whether to allow a particular business model to operate, which is a different question. If Uber or Lyft or anybody else or any taxi companies break the law, then I have no problem going after them and enforce the law, just like I had no problem going after Uber in December and fining them, and they paid the fines.

I know that people have concerns about letting this business model in, but there's a couple of points that I think people need to know. As to background checks, we asked Police Chief Larry O'Dea if he was satisfied with a third party background check procedures and he said he was. Now, no background check is going to prevent any bad thing from ever happening. Uber drivers have done bad things. Taxi drivers have done bad things. If you Google "taxi drivers assault," you will find examples of taxi drivers assaulting people in Winnipeg, in Denver, in Nashville, in London -- that's what comes up in the first page. That doesn't mean that we should ban taxis, it just means we can't prevent all bad things from happening.

I have to say that I was a bit skeptical myself when in December the Mayor was confident that we could come up with a way for the TNCs to operate in just a few months. I wasn't sure that we could satisfy my concerns in that period of time, but we've had tremendous work from the task force that we appointed. We've had tremendous work from staff. We've been informed by a lot of public discussion. So, I think that, to my surprise, we are ready to start an experiment which does provide for fair competition. And again, I do think of it as an experiment.

I think that government should occasionally move ahead and do something that it's not sure is going to work while reserving the right to modify it. We shouldn't take the attitude that whatever we adopt new rules, those are rules that exist forever. Heck, we adopted a tree code not that long ago, and I had conversations with Commissioner Fritz recently that some of the rules in the tree code probably need to be changed. They aren't cast in stone. It could be at the end of 120 days, we will conclude that these temporary rules should not be cast in stone.

Again, I very much appreciate the work of the task force. I very much appreciate the testimony of everybody pro and con in this experiment who testified. I think that as the Mayor said, we've done something unique in Portland. We didn't roll over when Uber came to town illegally, we fought back and then we insisted --

\*\*\*\*\*: [indistinguishable]

**Hales:** Hey -- people --

**Novick:** That we follow a long line of regulations before they're allowed to operate. And what I'm especially proud of is that we are insisting that the TNCs meet a standard of service for people with disabilities.

So, I recognize that people have a lot of concerns. People have a lot of concerns about any kind of change in anything. And Commissioner Fish has talked about how people who made investments in the current model might feel disadvantaged by a change to the model. Well, unfortunately, whenever government changes any type of regulation, then there will be some people who feel unfairly treated. It usually happens the other way, that you adopt new regulation that is apply to people in the future that didn't apply to people in the past. And the people, for example, who cut down their trees before the tree code was in vogue, they sort of have an advantage over people who now that the tree

April 21, 2015

code is in place can't cut down their trees. There's always going to be some sort of time inequity. But we are doing our level best here to ensure level playing fields, I think that we've succeeded. We will see how this goes over the next few months, and I vote aye. [applause] [boos]

**Hales:** Folks, please let the Council vote. We've listened for 12 hours, it's time for us to make our decision.

**Fritz:** First, I apologize for the 30-plus people do who didn't get to speak tonight. That's not our usual way of doing things, and I would have stayed here for much longer because I appreciated what each of the people who did speak had to say. You gave us your own personal stories, pro or con, for both sides and that was very helpful to me.

The resolution before us is getting closer to the level playing field that has been aimed for, and I commend Commissioner Novick not only in sticking through this process but in getting to a majority of the Council supporting it. I believe we're closer, but we're not there yet.

We have indeed retained some of the essential components of our private for-hire standards -- for instance, 24/7 service, nondiscrimination policies, and the proposal is much better in accessing accessibility thanks to the task force, particularly Sue Stahl and the Commission on Disability looking at the Portland Equal Access Plan. Instead of a vehicle standard, it's a service standard, and I'm pleased that we're moving forward with that in this next phase and not waiting on that. So, thank you very much for doing that.

It's important to note we have authorized nearly 300 new permits in the past couple of months, and we were set to authorize a few more. I wonder why any taxi company would want to do this at this point with not the level playing field. But with folks who have been unhappy with cab service, help is or was on the way, whether or not the companies who have the authorization for those permits continue to buy the cars, get the permits for the drivers or not remains to be seen.

My main concern -- although I have several main concerns on this -- but the one that strikes closest to my heart is the lack of adequate insurance company coverage. It's irresponsible for us to open our citizens up to potentially losing their own and their families' coverage, and it's unconscionable to put drivers on the road with inadequate insurance policies that put the City and the public at risk.

Twenty-nine weeks ago tomorrow, my husband was killed in a car crash. And the commercial driver that was involved in the crash has yet to accept responsibility, and so I'm having to sue. The private driver who was on his way to work had relatively good coverage at \$300,000 per incident. Unfortunately, two people were killed and two people were injured in that crash, and so I have yet to receive a penny from that policy because it's a maximum of \$100,000 per person, and 400 into 300 doesn't go.

So, the proposal that's on the table of \$50,000 for a death is insulting. And that's what was a maximum of a crash of \$100,000 is completely inadequate. My friend Cary Fairchild had hospital bills of more than \$100,000 in the incident on September 24th. I am so sad for the inevitable issues that are going to come up like the child in San Francisco, where there's going to be arguments about whether the app was on, and there's going to be arguments about what time the crash happened, and where the cars were. And that's not acceptable at all.

We also don't note impact of this experimental period on the livelihood of full-time taxi drivers and on the families that they're supporting. And indeed, the part time drivers might not be any better off in the long term, because Uber drivers in Seattle were protesting last week about diminished wages they are seeing as a result of Uber's rate-slashing practices. Uber sets the rates. So, there is the question of, are Uber drivers employees or are they independent contractors? If it turns out they are employees, then

April 21, 2015

they will be subject to Portland sick-time law, and I hope Uber and Lyft are ready to implement that so that those drivers will at least receive some benefits even though they don't get many.

Taxi drivers and local business owners who rely on passenger fares to support their families are more important to me than out-of-state corporations. And frankly, they're more important to me than part-time drivers who don't depend on this way of earning a living. I won't compromise the safety of drivers, passengers, and other road users.

There's many more questions that need to be answered. For instance, the fiscal impacts of this. We don't know -- I mean, there's no projection of what the impact is of decreased funding from the taxi companies, and most business license -- although it's important to get the business licenses, and I very much appreciate Commissioner Saltzman's amendment -- business license taxes don't kick in until you earn \$50,000 in a year. So, the shifting of the work to many part-time drivers is going to mean less income for the City, and we should have figured out what that is.

I have never been more conscious of my role as the only woman on the Council than as part of this debate. The fear I've been taught since I was a little girl -- "do not get into cars with strangers." And I very much appreciated the Radio Cab driver, the female driver who talked about the dual cameras in her cab and the GPS and the instant radio call and the safeguards for the drivers and the passengers that we have in our current taxi system. So, you can bet your bottom dollar that I will continue to be a taxi customer, and I just hope that this deregulation doesn't mean that there won't be inadequate taxi coverage for people like me who are never going to get into a stranger's car.

I believe we're operating under a false sense of urgency and bowing to the pressure of a particular company -- and indeed, as will be seen in the next discussion under the ordinance -- we could be doing in a more rational and reasoned and thoughtful way that would allow the state insurance to catch up before we implement it, and we're not doing that. By supporting this resolution, I would be endorsing a proposal that is riddled with ambiguity, inequity, and assumptions without the real information that we need to move forward, so unfortunately, I have to vote no.

**Hales:** First, this is a change that none of us wanted. The cab companies didn't want it, I didn't want it, and frankly, I certainly didn't see it coming in the last year or so. It's a change that, like a lot of change that's all around us right now, is coming pretty fast. If you look around our city and you see how much change is happening just to the landscape, you can see why it's hard to change. And I remember when cell phones weren't this size but they were about this size. This thing is going to be a museum piece pretty soon itself. So, this change is very fast and the question is, can government keep up to it? And that's what we are attempting to do here.

Now first of all, this isn't a referendum on cab companies' popularity or unpopularity, and it's not a referendum on Uber or Lyft or anyone else's popularity. It's a government trying to regulate in a different world. I have actually nothing but good experience with the cab companies in Portland. I've used them for years, and I used them long before I had any kind of title in front of my name and I always got courteous service and excellent service, and I appreciate them very much. My father drove a cab.

I have no particular love for any of the transportation network companies. In fact, I was in Commissioner Novick's office when an executive of one of those companies called us and told us that they were going to begin operating illegally and he told them that we would throw the book at them, or something to that effect. And we did. And as he said, they ceased operations and paid their fines. And my first conversation with Uber was, "we'll discuss a process by which we think about our regulations after you stop breaking

April 21, 2015

the law." And that's the way it should be. And they did stop breaking the law and we worked on our regulations.

We write regulations because not everyone will follow the rules, and we write regulations for the future we want with an eye on bad behavior in the past. And that's what this effort has tried to do. We regulate developers even though some people would build a house that would never endanger anyone or always be a credit to the neighborhood, and we regulate restaurants even though most cooks would try really hard to serve healthy food that's safe for people. So, we have to regulate this industry, both cabs and this new thing of transportation network companies.

I think that what this task force came up with and with our staff who have worked so hard -- Bryan, Josh, Ken, Mike -- thank you for an enormous amount of work on a very sophisticated proposal.

Two things that I really want to note again. One, cities around the world are dealing with this challenge of, do they surrender and just let it happen? Do they try to hold the door closed and keep it out permanently? Or do they write regulations that attempt to fit this new thing into the structure of what government does? And again, that's what we've tried to do here. It's not perfect. But in this case, the perfect is the enemy of the good. We could try something, and we could try this. Because it's a good beginning. Should we change it when we find out that things don't work? Sure, just like we've done with the building code thousands of times. So, I'm not sure that we're getting it right the first time, but I think we could start.

The second thing I want to reiterate is that we love Portland. And we focus on Portland and we think we're the center of the world. But if you could call up the map on your phone and go up to a little higher altitude, you'd see that we're surrounded by Vancouver and Camas and Washougal and Gresham and Happy Valley and West Linn and Lake Oswego and Tualatin, Wilsonville, Tigard, Beaverton, Forest Grove, Hillsboro, and Banks -- all of which are incorporated cities in which these TNCs operate with no regulation whatsoever. I think we're doing a lot better than that.

I think what we're doing is regulating this responsibly in a first attempt. It probably isn't perfect, but I think it is good and we should try it and we should watch very carefully the fortunes and livelihoods of our cab companies because they're an important part of our local transportation system and all of us care about that and we care about the drivers. And so we've got to watch this carefully to try to do as little harm in this change as possible.

But to wait for the perfect -- or worse yet, wait for the legislature -- means that we are simply be passed by just like that whole circle of cities that I just described to you who've been passed by and who are now waiting for us to do something. So, we're going to try it, and then we are going to adjust it, and then we're going to make it work. And I am proud that Portland is being a leader here and that we're sticking our neck out. It's what we should do. We could remember everyone, particularly the most vulnerable of all, and particularly think about what this is going to do for the disabled, because TNCs have agreed to nothing like anywhere in the world for how it deals with disabled riders. So, I think we are making progress here. I'm ready to make more but for now, we have to remember -- above all, try something. Aye. [cheers][applause] [boos] Now, let's move to the ordinance, and Commissioner Novick.

**Novick:** Mayor, I would actually like to ask Mr. McGair to come back up and help me phrase my amendment. So Ken, what I'm trying to figure out here is whether we can temporarily waive the renewal fees so that people get sort of a new permit for the duration of the pilot. So, if it comes up for renewal during the pilot, they get an automatic -- they get a no-fee renewal until at least the end of the pilot.

April 21, 2015

**Mcgair:** We could do that in the code. I don't know off the top of my head where it goes, Commissioner. What I would suggest doing -- perhaps the simplest way is to simply strike the fee out of the fee table. We're going to have to revisit everything at the end of the 120 days potentially anyway, and we could at that point put the renewal fee back into the fee table, if that works.

**Hales:** Mike, do you want to come up, too? I thought we might want to bring PBOT staff up.

**Mcgair:** That would essentially take the fee out of the fee table. We're talking -- depending on how the pilot program works -- of making permanent code changes to address TNCs in chapter 16.40, and we could put the fee back in at that point in time.

**Novick:** Michael, what do you think of that?

**Jacobs:** I would concur with that approach. That would be amending 16.40.590, which is the fee table.

**Hales:** Folks, if you're having conversations, please go outside so we can keep working. Go ahead, Michael, sorry.

**Jacobs:** So that would be amending 16.40.590, which is the fee table, and it would be the taxi driver renewal fee of \$100.

**Novick:** So we would strike that?

**Jacobs:** Yes. At least during the duration --

**Novick:** Right.

**Fish:** Second.

**Fritz:** I don't have that --

**Hales:** That is where? I'm sorry, what's the code section again?

**Jacobs:** It's not included in the ordinance.

**Mcgair:** It's not included -- we hadn't previously amended 590, the fee table, so that's not included as part of your exhibit. But it's .590. It's in the table, it's the driver renewal fee.

**Hales:** So we can do that here procedurally?

\*\*\*\*\*: Yes.

**Hales:** The motion is to remove -- to delete that driver fee table from section 590?

**Mcgair:** Just the renewal fee, I believe.

**Jacobs:** The renewal fee and I would probably say waive it for the 120-day period.

**Hales:** I'd prefer that than taking the table off the ordinance. I'd prefer we include a provision that says this renewal fee is waived for the duration of the pilot project.

**Fritz:** Is it a renewal fee or is it charged on the first permit as well?

**Jacobs:** I believe we're talking about the renewal fee. There is a straight charge for the initial permit.

**Fritz:** Right, but we're not going to be -- [speaking simultaneously]

**Hales:** So the question is if they're new taxi drivers being permitted during this time period, you would want them to have the same opportunity for a no fee --

**Fritz:** Right. We're trying to level the playing field, then nobody should have to --

**Hales:** I hear you, I tend to agree with that.

**Mcgair:** We could do that.

**Jacobs:** We could waive both fees.

**Hales:** That is alright with you, Commissioner Novick? That makes sense to you?

**Novick:** Yes.

**Hales:** For the duration of the pilot project, we will not charge renewal fees or new driver fees either for TNC drivers or taxi drivers. Is that right?

**Fish:** Second.

**Hales:** That's a motion and a second to amend the code to make these changes.

**Fish:** Amend the ordinance.

April 21, 2015

**Hales:** Well, we're actually amending the code, adding that amendment to the ordinance.

**Fish:** Right.

**Hales:** I think we got it.

**Fish:** We got it.

**Hales:** Further questions about the proposed amendment? Let's take a roll call vote on that amendment to the ordinance.

**Roll on amendment.**

**Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye.

**Fish:** Mayor, before we go to vote on the ordinance, I just want to clarify something. It is the intent of the sponsor that the ordinance is a companion to the resolution?

**Novick:** Yes.

**Fish:** And it is the intent of the sponsor that by adopting the ordinance, we ensure that some of the rules that you have proposed equally apply to both entities?

**Novick:** Exactly.

**Fish:** Mayor Hales -- the benefit of our audience -- the resolution has just been adopted which means the Council -- a majority of the Council -- has said we are going forward with 120-day period. The ordinance now conforms the law to make it -- to ensure to that the extent there's a level playing field, rules are equally applied to both parties.

**Hales:** That's right.

**Fish:** I intend to support the ordinance even though I opposed the resolution because I do not think it is appropriate -- since it has an emergency clause -- to punish the taxi companies now that the Council has said we're moving forward with this. I want to make sure it's as level a playing field as possible. So, I will vote in favor of the ordinance even though I opposed the resolution.

**Fritz:** I'm not going to vote in favor of the ordinance.

**Hales:** OK. Well, if Commissioner Fritz does not intend to vote for the ordinance, then that means that it will not pass tonight because it has the emergency clause on it. So, procedurally, that means we would either vote and reconsider or remove the acknowledge clause now. Would you support its removal?

**Fritz:** Sure.

**Hales:** OK. I hear a motion from Commissioner Fritz to remove the emergency clause. Is there a second?

**Novick:** Second -- a reluctant second.

**Hales:** Any questions about the impact of that?

**Fish:** My understanding -- and I appreciate the right of all my colleagues to take principled positions, but I think this one has the perverse effect of punishing a class of people who didn't support the resolution to begin with. I would be reluctant to support this since it delays by 30 days the implementation of one set of rules which were designed to be companion rules to the administrative rules. And I would -- aside from whatever principle objection someone has, I'd need to understand why we would put one class of transportation providers at a disadvantage to others now that the resolution has passed.

**Hales:** Yeah, virtually all of the effect of this ordinance is on the taxicab companies trying to conform them to the less-regulated environment of the 120-day pilot project.

**Fish:** Well, Mayor, counsel has advised me that it is exclusively directed to taxi companies

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**Hales:** Exclusively, OK.

**Fish:** And it is modifying the code. Again, I didn't support the resolution, but I think it would be grossly unfair at this point to set up two sets of rules with a 30-day delay for one set of rules when the intent of the ordinance, as read I it, is to level the playing field.

**Hales:** Understood. Commissioner Novick?

April 21, 2015

**Novick:** I mean, just to spell things out, one result of taking the emergency clause off is that pursuant to our resolution, the TNCs won't be subject to fare regulations, but for 30 days, taxi companies will be so bound.

**Hales:** OK.

**Fritz:** Commissioner, the taxi companies are going to keep with their fares anyway because they want to provide as consistent service to their customers. This could have been avoided by waiting for 30 days so that we could have done them both together, but since you've chosen not to do that, I'll just leave.

\*\*\*\*\*: We love you, Amanda.

**Hales:** Further discussion? Roll call vote on the motion to remove the emergency clause.

**Roll on motion to remove emergency clause.**

**Fish:** No. If we vote it down, we can then vote --

**Saltzman:** No. **Novick:** No. **Hales:** No.

**Hales:** Is there a motion to reconsider?

**Fish:** No, that's on the motion, Mayor. The ordinance is now before us.

**Hales:** It's late, my apologies. Now, we have not removed the emergency clause, we will vote on the ordinance as it stands.

**Item 389 Roll.**

**Fish:** Aye.

**Saltzman:** I forgot my earlier remarks to also thank the task force and the staff of Commissioner Novick's Office and Mayor Hales' Office and the Portland Bureau of Transportation, and I'm sure the Revenue Bureau had a hand in here, too. Aye.

**Fish:** Mayor Hales, excuse me -- as you did the tour of the region, why did you leave Vernonia out?

**Hales:** [laughs] Oh, boy, am I going to pay for that.

**Novick:** Thank you, Commissioner Saltzman. I'd also like to thank Bryan Hockaday of my staff and Ken McGair and Michael Jacobs and Frank Dufay and everybody in PBOT who's worked on this. And my profuse thanks to the members of the task force who labored more mightily over a shorter period than any task force that I'm familiar with. And again, thank you very much to everybody, whether they be TNC supporters or taxi drivers or taxi executives or the citizen potential customers for their testimony. Aye.

**Hales:** Aye. It's approved. Thank you all very much. We are adjourned.

At 9:10 p.m., Council recessed.