

PORTLAND CABBIES UNITE

Facing greedy companies and unresponsive City officials, immigrant taxi drivers called the union

By **DON McINTOSH**
Associate Editor

Behind the wheel on the streets of Portland, there's a group of 900 drivers who work 12 hours a day, six or seven days a week, with no paid vacation or sick days, no retirement benefit, and no health benefits of any kind, not even workers' compensation — for an average wage of \$6.22 an hour. They're taxi cab drivers, and those details of their working conditions are among the highlights of a city report that Mayor Sam Adams ordered after meeting with drivers and their union allies. Based on 250 interviews and over six months of research, the report lays the groundwork for reforms that are expected to be proposed this month.

The story begins a decade ago with a taxi driver uprising. On Sept. 6, 2001, a hundred Broadway Cab drivers went on strike to protest a \$100-a-week increase in the weekly kitty — money drivers have to pay to the cab company, supposedly for insurance, marketing, credit card processing, and dispatch. After rallying outside Broadway headquarters, they drove to City Hall and parked their taxis on Fourth Avenue, filling the street and blocking traffic. They demanded that City Council do something. But nothing came of it.

But after the strike, drivers say, strike leaders quit or were fired, one by one, until only one remained: Kedir Wako.

Like so many of the drivers, Wako is a new American. In 1990, Wako was a 19-year-old veterinary student in Shashamane, Ethiopia, when his government began sweeping up young people for service in a two-front war against Eritrea and a group of rebels. Wako fled, walked two months to reach the Kenyan border, and spent the next two years in the Thika refugee camp. Sponsored by the International Rescue Committee, he arrived in the United States in December 1995. He was able to bring over his Ethiopian girlfriend, and they married. To support their growing family, Wako worked at a Portland nursing home, and later ran an airport shuttle business. But an airport crackdown on shuttles put him out of business, and he ended up at Broadway Cab in 1998.

For immigrants like Wako, \$4,500 is the price of admission to the American Dream. A three-year-old Crown Victoria police cruiser with 100,000 miles can be purchased at auction for \$3,000, and for another \$1,500 be put into service as a taxi cab, where it can last another three or more years.

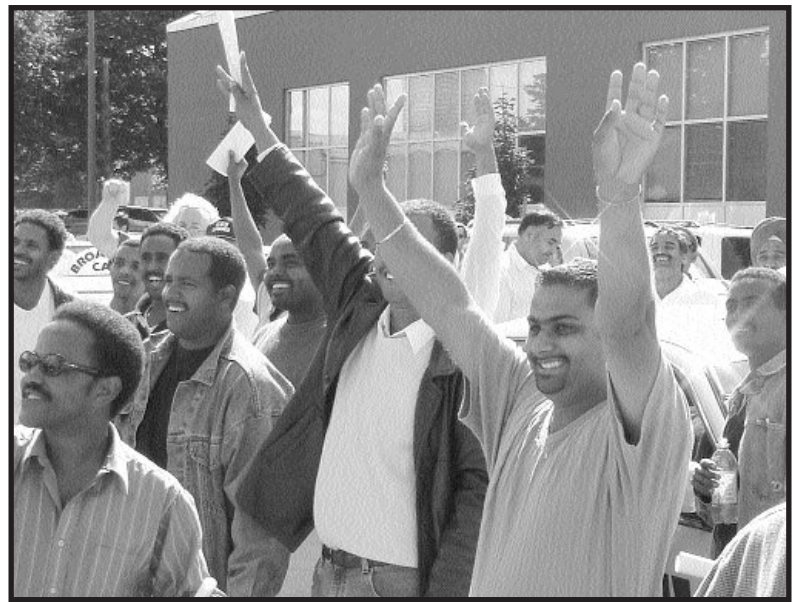
As a cab driver, you work for yourself and set your own hours. But making a living is another matter.

Taxi drivers face competition from all sides. Town cars and shuttle vans skim the cream — airport customers — while “gypsy” cabs, unregulated cabs that come into Portland from the sub-

urbs, compete for downtown pickups. Portland taxi regulations say suburban cabs may drop off passengers in Portland, but not pick them up. Shuttles are supposed to take groups only, and only to hotels. Town cars, or “executive sedans” in city parlance, must be reserved an hour in advance and are barred from charging less than \$50 for rides to and from the airport. But cab drivers say all these rules are violated. And to make matters worse, some downtown hotel doormen steer customers only to drivers who pay them a kickback. [The City is cracking down on that practice.]

Meanwhile, taxis are tightly regulated. Drivers must get a permit and maintain a clean driving record. Cars must be less than 10 years old, and have a fare meter. And Portland, like many other cities, limits the size of the taxi fleet to promote stability. The City issues only 382 taxi vehicle permits, and doles them out to the same five companies year after year. To receive vehicle permits, cab companies must provide taxi service city-wide, 24 hours a day, seven days a week; must have a dispatch system that can provide “reasonably prompt” response to telephone requests for service; and may not refuse any request for service within the city. Two-thirds of the permitted taxi fleet must be in service at all times, and no more than two-thirds of those can be within a mile of the airport at any given time.

Taxis are a vital public service, which is why the City regulates them. They help tourists, business travelers and residents get around, let bar patrons get



Taxi drivers rally outside Broadway Cab in 2001.

home without driving intoxicated; and get the sick and elderly to grocery stores and doctor's appointments. City taxi regulations protect the public, but do little to protect drivers; the City limits fares drivers charge the public, for example, but doesn't limit the kitty payments that companies charge drivers.

The City report, entitled “Taxi Driver Labor Market Study: Long Hours, Low Wages” is blunt: The kitty is the biggest cause of drivers' low net income and long working hours, and the City's system for granting taxi permits contributes to drivers' poor conditions. “The oversupply of drivers relative to the limited number of tightly-held taxi permits creates artificially poor market conditions for drivers,” the report says, “with too few incentives for companies to provide adequate services at reasonable costs to drivers.”

The one exception to the poor conditions is Radio Cab, the City's only driver-owned co-op. There, drivers work eight hours a day, five or six days a week, and income is significantly higher, in part because the kitty for drivers who own their own taxis is \$250 a week.

By contrast, the kitty is about \$425 a week at Portland Taxi, \$500 a week at New Rose City Cab Company, \$520 a week at Green Taxi, and \$580 a week at Broadway Cab and its subsidiary, Sassy's Cab. Not surprisingly, most drivers want to work at Radio, but there are only so many vehicle permits to go around. Radio, with 136 permits, is one of Portland's two big companies; the other is Broadway Cab, which has 136 permits, but also owns Sassy's Cab, which has 17. The others are much smaller: Green Taxi has 48, Portland Taxi has 26, and New Rose City has 19.

Alone among the cab companies, Broadway also makes significant income from penalties and fees. Ranging from \$10 to \$100, they are charged to drivers for things like investigating customer complaints, extending the kitty

payment deadline or late payment, for tickets or accidents, for failing to pick up an accepted trip.

City code says companies can't charge drivers simply for using the permit — the charges must be for services. But that appears to be what's happening.

The City estimates Broadway is collecting just under \$4 million a year from the kitty alone (not counting its fines and fees). Broadway does less advertising and has fewer dispatchers than Radio. So assuming that Broadway pays the same for insurance as Radio, the \$330 a week difference suggests a profit that tops \$2.6 million.

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And that works out to be a direct transfer of \$17,000 a year from some of the Portland area's poorest residents to one of its wealthiest. Who owns Broadway? Not a single Broadway driver interviewed for this story knew. The company says on its website that it's owned by “a small group of private investors.” Businessman Sho Dozono — who ran against Sam Adams for

mayor in 2008 — was one of those investors, but he sold his interest in the company. Today, according to City records provided in response to a public records request, Broadway's owners are Thomas G. Saunders (80 percent), Brad Whittle of Denver (16 percent), and local manager Raye Miles (4 percent).

“Who's he?” asked Tom Alexander, Radio Cab's director of business services, when told Tom Saunders owns his biggest competitor. [Alexander has been in the Portland taxi business since 1970.] State corporate records connect Saunders to nine privately-held corporations that own apartment complexes and commercial real estate around Portland.

After seeing fellow ringleaders fired, Wako lay low for a while. But in 2008, he began meeting one-on-one with fellow drivers at the various cab companies to launch a new effort: the Portland Drivers Self Help Association. A kind of

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