

Portland's answer to Union Cab – taxi reform

City of Portland plans to overhaul taxi rules in September after a study found shocking labor conditions for drivers

By **DON McINTOSH**
Associate Editor

The City of Portland is working on a solution to some appalling labor conditions, but Portland cab drivers learned July 25 that details are two months away. A preliminary City of Portland labor market study released in January estimated that Portland's 900 taxi drivers commonly work 14 hour days, with no benefits of any kind, for take-home earnings averaging \$6.22 an hour. Those conditions are legal because taxi drivers are classed as independent contractors, not employees.

Portland Mayor Sam Adams ordered the study after hearing about taxi driver conditions in a February 2011 meeting with Oregon AFL-CIO President Tom Chamberlain. But City officials haven't yet determined what they intend to do about those conditions.

The City's study concedes that City regulations contribute to the problem, since they cap the number of taxi permits at 382, but dole them out to five companies, leaving drivers to compete

with each other to use the permits. Radio Cab, a driver-owned co-op, has 136 permits, and offers fairly equitable terms to drivers. But its biggest competitor, Broadway/Sassy's, charges a \$580-a-week "kitty" to drivers of its 153 permitted taxis — ostensibly for insurance, advertising, dispatch and credit card processing. Assuming Broadway pays what Radio pays to provide those services, Broadway's kitty works out to a direct transfer of \$17,000 a year from its drivers to its owners' pockets.

The other three companies — Portland, Green, and New Rose City — split the remaining 93 permits. Drivers complain that those companies are too small and undercapitalized to generate much telephone dispatch business, so their drivers mostly cruise the downtown hotel and entertainment area or wait up to two hours at the airport for fares — while still paying the companies \$425 to \$520 a week.

Taxi companies make their money by charging drivers to use the vehicle permits, which they get from the City for \$180 a year. Drivers pay the kitty whether they make money or not, and their earnings are what's left after the kitty, fuel, and car payments are subtracted. It's effectively a sharecropper system. Most drivers would work at Radio if they could, but it has only so



CWA Local 7901 president Madelyn Elder and a group of taxi drivers are asking the City of Portland for permission to operate a union cab company which would be run as a driver-owned co-op. But at the July 25 meeting of the Private For-Hire Transportation Review Board, they learned a decision is at least two months away.

many permits.

But last year, a group of 50 drivers joined Communications Workers of America (CWA) Local 7901 and asked the City for 50 permits to form a second driver-owned company, known as Union Cab.

Their request led the City's Revenue Bureau — which enforces the taxi reg-

ulations — to take a new look at how permits are issued: Is there room in the market for more taxi permits, and how should permits be distributed to best benefit drivers, the public, and the environment? Right now the City has no official criteria to judge proposals like Union Cab's. But neither does it have a compelling reason to continue the cur-

rent practice of issuing the same number of permits to the same companies year after year, with few or no performance standards.

Proposed changes to City taxi regulations are first presented to an appointed Private For-Hire Transportation Review Board, which meets every other month. Taxi drivers thought reforms would be aired at the May meeting, but it was postponed and then cancelled. So the mood was impatient at the Board's July 25 meeting, with scores of drivers filling all seats in a downtown conference room.

"This panel is losing credibility every time we show up and get postponed for another 60 days," said Broadway driver Brenda Hiatt, to the applause of drivers. "Can you tell me why this is taking so long?"

"We're not delaying because we want to delay," replied Kathleen Butler, Regulatory Division manager in the Portland Revenue Bureau. Rather, Butler explained, city officials aim to make a major improvement in Portland's taxi (Turn to Page 4)

Carpenters, Electricians, Laborers, Glaziers, Sheetmetal Workers, Floorcoverers, Bricklayers, Cement Masons, Roofers, Asbestos Workers, Millwrights, Painters, Elevators, Plasterers, Family



*IBEW & United
Workers FCU
is proud to announce the purchase
of its current location the Lincoln
Building. Ownership will
provide the Credit Union total
control over maintenance work,
vendors, and service.
Thanks for supporting us in
celebrating this powerful move
forward.*



9955 SE Washington Street
Portland, OR 97216

(503) 253-8193 * (800) 356-6507
www.ibewuwfcu.com



(International Standard Serial Number 0894-444X)

Established in 1900 at Portland, Oregon
as a voice of the labor movement.

4275 NE Halsey St., P.O. Box 13150,
Portland, Ore. 97213
Telephone: (503) 288-3311

Editor: Michael Gutwig
Staff: Don McIntosh, Cheri Rice

Published on a semi-monthly basis on the first and third Fridays of each month by the Oregon Labor Press Publishing Co. Inc., a non-profit corporation owned by 20 unions and councils including the Oregon AFL-CIO. Serving more than 120 union organizations in Oregon and SW Washington. Subscriptions \$13.75 per year for union members.

Group rates available to trade union organizations.

PERIODICALS POSTAGE PAID
AT PORTLAND, OREGON.

CHANGE OF ADDRESS NOTICE: Three weeks are required for a change of address. When ordering a change, please give your old and new addresses and the name and number of your local union.

POSTMASTER: Send address changes to
NORTHWEST LABOR PRESS, P.O. BOX 13150,
PORTLAND, OR 97213-0150



Carpenters, Electricians, Laborers, Glaziers, Sheetmetal Workers, Floorcoverers, Bricklayers, Cement Masons, Roofers, Asbestos Workers, Millwrights, Painters, Elevators, Plasterers, Family