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It's been over two years since Portland City Council passed an ordinance to hold taxi companies accountable for how they treat drivers and the public, and in that time, absolutely nothing has happened to implement it.

Ordinance 185721 was part of a package of reforms passed after then-mayor Sam Adams ordered a study that found shocking conditions in the taxi industry. Mostly-immigrant cabbies were working 14 hours a day, six days a week, and netting just \$6.22 an hour on average — after paying over \$500 a week to companies like Broadway Cab just to drive. [Radio Cab, a driver-owned co-op, was the one exception, where drivers earn a decent living.] Adams — heeding an appeal from a group of immigrant drivers who joined Communications Workers of America (CWA) Local 7901 — asked city taxi regulators to craft reform proposals. City Council passed the reforms unanimously on Nov. 7, 2012. Among the reforms, the City raised regulated taxi rates, increased fines on unlicensed “gypsy” cabs, outlawed kickbacks to hotel workers for steering business, and issued 50 new taxi permits to allow the CWA drivers to form a new co-op company, Union Cab. The City also increased taxi industry fees to pay for beefed up enforcement, and hired three additional enforcement officers.

But the linchpin to the reforms collected dust. That's Ordinance 185721, which declared companies like Broadway would be held accountable for performance (including customer service, environmental impact, and the value of the services they provide to drivers) when it came time to renew its permits. City taxi regulators never completed or published rules to implement the ordinance.

“Not everything got done,” says City taxi regulator Frank Dufay, though adding that the City did recently achieve another reform goal: occupational health insurance for all drivers.

But in July, the taxi regulation office was moved from the Mayor Hales' Department of Revenue to Commissioner Steve Novick's Department of Transportation. Kathleen Butler — the city manager who shepherded the pro-driver reforms — was let go. Novick tells the Labor Press it was because the City couldn't offer her a position in the new management structure at the level she wanted. Butler declined to comment publicly about the terms of her departure.

In recent decades, the one constant of Portland's taxi regulation is that change has come slowly. But change is coming now, and fast. In July, a company called Uber began operating illegally in Vancouver, Washington. In November, it announced operations in Beaverton, Hillsboro, Tigard and Gresham — jurisdictions that don't regulate taxi service.

And, on Dec. 5, it began operating in Portland in open violation of the City's taxi ordinance.

Moment of decision for the taxi industry

Encircled by Uber, Portland is preparing a top-to-bottom review of taxi regulations

Uber — backed by \$1.5 billion from Goldman Sachs, Google, and a pack of hedge funds — is at the head of a group of Internet companies that are fast disrupting the taxi industry. Others include Lyft, Sidecar, Wingz, Summon and Hailo. Uber says it's not a taxi company, but an Internet company, with a smartphone app that connects people willing to drive (at a rate set by Uber) with people willing to pay that amount for a ride.

Craigslist ads running all over the Portland metro area promise drivers can make up to \$20 hour or up to \$1,500 a week at Uber. And Uber's appeal to customers is increasing ride availability, at rates competitive with taxis. But Uber drivers in some cities are rebelling against a whole set of exploitative practices; as GQ magazine put it: “Uber operates more like a pimp than a boss.” In several cities, Uber drivers have formed quasi-union organizations affiliated with the Teamsters, and some even waged a strike this fall by turning off the app — to protest arbitrary fare cuts and the practice of blacklisting drivers based on customer reviews that are good but not stellar. And that's not to mention a succession of scandals calling the company's ethics into question, like the Uber executive who threatened to spy on and expose the private details of journalists who wrote critically about the company, or the groups of temp workers Uber hired to sabotage competitors by recruiting drivers or scheduling and then canceling hundreds of rides.

Uber also runs an aggressive political operation that slams local taxi regulations as antiquated and unnecessary. The company is banned in a number of cities and countries, and operates in other cities in violation of

the regulations.

When Uber first contacted the City of Portland, officials seemed to give it the cold shoulder, saying it could not operate in Portland unless it followed the same rules as other companies. In fact, those rules bar Uber and other upstarts for now, because the City caps the number of taxi permits to avoid the low wages and traffic con-

gestion that could come from hyper-competition. Companies are also required to operate 24-hour telephone dispatch, can't refuse a call no matter how short, and must provide handicapped accessible vehicles. None of that fits with Uber's business model.

When Uber began operating in Portland anyway, the City filed suit to enforce the law. But the regulations

themselves are now up in the air. Commissioner Novick says the City is planning a top-to-bottom review of taxi regulations to see if there's a way Uber and the other companies could operate legally, without sacrificing consumer protection or workers' interests. No stakeholders have been identified yet for the to-be-created task force, but Novick said he'd like it to get started by the middle of January, and aim to come up with a report by June.

“If we could come up with a regulatory structure where we're not limiting the number of people who participate, but we are ensuring protections for workers and consumers, that's worth looking at,” Novick said. “Then we can tell Uber and Lyft ‘we will not prohibit you from operating, although you will operate by the same regulations as everybody else.’”

In the meantime, existing taxi operators aren't waiting around; to respond to the online operators, they've signed on with the maker of a competing smartphone app. Users of the app, called Curb, can now summon a cab in Portland with a tap of a phone and be picked up by the nearest Radio or Broadway cab. Like Uber's app, it can use the phone's GPS to pinpoint a location and track the driver's arrival, and it lets customers pay the fare and tip within the app. Union Cab and Green Cab are expected to join Curb within a few weeks. Taxi companies are also requesting several hundred more permits to meet increased demand, including Union Cab, which is asking for 50 more.

“There's a crying need for new cabs out there right now,” says Dufay, the Portland taxi regulator.



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