OFFICE OF THE CITY CELTY OF OAKLAND



2009 MAY 15 PH 6: 49 1 FRANK H. OGAWA PLAZA · 3RD FLOOR · OAKLAND, CALIFORNIA 94612

Office of the Mayor Honorable Ronald V. Dellums Mayor

(510) 238-3141 FAX: (510) 238-4731 TDD: (510) 238-7629

May 15, 2008

Dear Members of the Public Safety Committee:

Taxis provide a valuable and necessary service for the residents of and visitors to Oakland. In the interest of our economy and our interest in encouraging tourism and trade, it is crucial that Oakland maintain an industry that is capable of effectively meeting the transportation needs of our diverse population, delivering service throughout the entire city, day and night, every day of the year. In addition to serving the citizenry, the taxi industry should provide equity for taxi drivers such that a stable workforce, of adequate size, will be sustainable in Oakland.

Upon making these proposals, it is clear that staff has put a great deal of work into researching the issues, soliciting input from the various stakeholders, entertaining various options, and articulating the reasoning behind the proposed changes.

The current proposals are directed at accomplishing the above goals, utilizing a variety of methods to achieve a system that is equitable for passengers, drivers, taxi companies, and the City. I remain committed to any ongoing dialogue that will be necessary to fully implement the proposed changes, and I am pleased to lend my support to the commencement of the process.

Sincerely,

Romel V. Dellama

Ronald V. Dellums Mayor



# CITY OF OAKLAND

#### AGENDA REPORT

- **TO:** Office of the City Administrator
- ATTN: Ms. Deborah Edgerly
- **FROM:** Administrative Hearing Officer
- **DATE:** May 27, 2008

RE:

1) Adopt an Ordinance Amending OMC Chapter 5.64, "Taxicabs", to:

- a) Require Companies Holding a Fleet Management Permit That Utilize Two or More Taxis to Provide Proof that the Permitted Taxis are Driven by Either the Permittee or Employees of the Fleet Management Company
- b) Require Companies to Provide to Drivers Receipts for Fees Paid to the Company by the Drivers
- c) Require Companies to Provide Drivers with Documentation on Insurance Claims for Accidents Involving a Driver
- d) Require Cameras in Taxicabs that do not have Safety Shields and Prohibit Re-tread Tires
- e) Require In-cab Signage Informing Passengers of Their Rights and the Procedure for Filing Complaints
- f) Require GPS Systems in Taxicabs
- g) Establish Additional Driver Training Requirements
- h) Issue Permits on the Basis of Service Proposals, Instead of by Lottery
- i) Increase Basic Fare Components, Add New Fare Components, and Authorize Collection from Passengers of All Mandatory Fees Paid by Drivers
- j) Place a Temporary Freeze on the Taxicab Lease Rates Charged by Taxi Companies to Drivers
- k) Authorize Administrative Citations for Violations of the Chapter
- I) Establish a Process and a Fee for the Establishment and Maintenance of Taxi Stands

m) Require that Permits Issued After May 1, 2008 be Driven a Minimum Number of Hours and Days Per Year by the Permit Holder or by Employees of the Permit Holder

- n) Allow Revocation of Vehicle permit if Vehicle Not Used More Than 10 (Ten) Days in Any 30 (Thirty) Day Period
- o) Provide Prompt Hearings on Suspended Permits
- p) Authorize City Administrator to Establish a Gasoline Surcharge Should Gasoline Prices Warrant
- q) Require Companies of Ten (10) or More Vehicles to Submit a Plan for 24/7 Coverage of City

r) Allow Transfer of Vehicle Permits Only with Sale of Company, With No Consideration for the Permit
2) Adopt a Resolution that Public Convenience and Necessity Requires the Issuance of Fourteen (14) New Taxi Permits for Ramped Taxicabs

and Thirty-six (36) New Taxi Permits for Standard Taxicabs

3) Adopt an Ordinance Amending Ordinance No. \_\_\_\_\_ CMS, the

Master Fee Schedule, to Cover Costs of the Taxi Reinspections

#### SUMMARY

In this report and the accompanying legislative amendment proposals, staff synthesized pertinent information from numerous sources, with the goal of improving Oakland's taxi industry. Oakland Municipal Code (OMC) Section 5.64.020, the "Findings and Purpose" of the OMC chapter regulating Oakland's taxicabs, defines the City's responsibility as:

"Appropriate efforts must be undertaken to ensure that taxicab companies, their employees, and drivers take all reasonable actions to ensure protection of the public health and safety when providing taxicab services; and The city's administration of taxicab regulations should not unduly burden the taxicab industry; however, the protection of the public health and safety shall be deemed paramount in the enforcement and interpretation of taxicab regulations."

Oakland's taxi industry has several segments – the taxi companies, the taxi drivers, the taxi vehicles, the City's regulatory staff, and the Oakland residents and visitors who are taxi users. Although each of these segments acknowledges serious problems in the industry, there is disagreement as to the causes and solutions. The bottom line, however, is unanimous agreement that taxi service to Oakland residents and visitors <u>must</u> be improved.

The issues of the taxi industry are complex, and there are numerous options for multi-faceted solutions. (See attachment A for a matrix of the issues and staff's recommendations.) This report contains four major categories of proposals to deal with the issues.

- 1. For those items that warrant immediate action, amend the ordinance.
- 2. Issue additional vehicle permits for ramped taxis to address the problem of inadequate service for persons with disabilities.
- 3. Issue additional vehicle permits for standard taxis to address the problems of 1) inadequate service for Oakland's population and 2) lack of adequate competition.
- 4. Amend the Master Fee Schedule to cover the cost of the nearly 600 re-inspections and violation inspections conducted annually by the Oakland Police Department's (OPD) Taxi Detail.

Provided as an attachment to this report (Attachment B) are the results of the six month audit of Yellow Cab waybills directed by the City Council in March 2007. They show a continuing pattern of either non-use of cabs (as the drivers claim) or refusal of drivers to properly fill out waybills (as the company claims) or both. Systems exist that automate the waybill process, and

they are described in Key Issues and Impacts under section 1a(5) "Resident and Customer Issues, Inability to Get Taxis and Excessive Waits, Establish an Automated System to Provide Information to Passengers and City."

#### FISCAL IMPACTS

There are three categories of proposals that, if enacted, would have fiscal impacts:

#### 1. Issuance of permits

The report recommends immediate issuance of 14 medallions for ramped vehicles to serve persons with disabilities and 36 medallions for standard vehicles to increase and improve taxi service to Oakland residents. The permitting fees involved would be \$45 for issuance of each medallion and \$350 for each vehicle operating permit, for a total of \$395 per vehicle. If new fleets were formed to manage these taxis there would be a \$150 fleet management permit fee per fleet. New drivers pay \$75 for an initial permit. The following chart summarizes the projected first year revenues from the proposed permits.

Permit	Fee	Qty	Total
Medallion	\$ 45	50	\$ 2,250
Vehicle Permit	\$350	50	\$17,500
Fleet Management Permit	\$150	51	\$ 750
Driver Permit	\$ 75	25 <sup>2</sup>	\$ 1,875
Grand Total			\$22,375

#### 2. Taxi Detail Re-Inspections

In their regulatory role, the Taxi Detail performs inspections of cabs and maintenance of taxi records. In order to recoup labor costs that are not currently covered, staff proposes changes to the Master Fee Schedule to charge \$140 for inspections in excess of the annual inspection. In 2007, Taxi Detail staff performed approximately 600 vehicle inspections in addition to the 315 inspections required for the annual renewal of vehicle permits.<sup>3</sup> It is anticipated that the re-inspection fee will act as an incentive for taxicabs to be maintained in better condition, thus reducing the number of re-inspections required. If the number of re-inspections were cut in half in 2008, e.g., to 300, \$42,000 in revenue would be generated at the proposed rate of \$140 per re-inspection.

#### 3. Taxi Stand Fee

7

A Traffic Engineering Department list from 1978 shows 40 taxi stand locations around the City. The Taxi Detail surveyed the locations previously assigned as taxi stands and determined that only 12 remain, some of which are without signs or are in need of curb paint. One additional taxi stand, plus 5 at BART stations also currently exist, for a total of 18.

٤.

<sup>&</sup>lt;sup>1</sup> Assumes five new fleets of 10 vehicles each will be formed.

<sup>&</sup>lt;sup>2</sup> Assumes that of the fifty drivers required to staff the new vehicles, half would already hold Oakland taxi driver permits and would therefore not generate new revenue <sup>3</sup> Over the first 11 meetine of 2007, the

<sup>&</sup>lt;sup>3</sup> Over the first 11 months of 2007, there were an average of 49 re-inspections per month. Projecting December re-inspections at the same level would result in 590 re-inspections for the year.

The Traffic Engineering Department has agreed to repair the stands that are currently marked but damaged. The costs for this process are not yet known. Traffic Engineering will also develop a process for accepting and evaluating applications for new stands. The Taxi Detail has submitted a list of locations where they believe taxi stands are needed, some of which are locations that were previously marked, but which fell into disrepair and eventually were completely obliterated. The list is included as Attachment C.

A proposed amendment charges Traffic Engineering with determining the annual cost of establishing and maintaining taxi stands. This cost will then be prorated over the total number of vehicle permits, added to the Master Fee Schedule, and charged as part of the annual vehicle permitting process. The cost of installing a new stand has previously been set in the Master Fee Schedule at \$186. It is unknown how many new stands will be requested in addition to those requested by the Taxi Detail. If all the previously existing stands were replaced, the City would collect \$5208 in replacement fees. No cost of taxi stand maintenance currently exists in the Master Fee Schedule.

All additional revenues generated will continue to be deposited in General Purpose Fund (1010), Traffic BFO Organization (107510), Police Permits Account (42411).

#### BACKGROUND

On February 27, 2007 staff delivered a report to the Oakland City Council's Public Safety Committee that 1) provided feedback from the biennial hearing conducted October 11, 2006 for the purpose of re-evaluating "the number of taxicab permits for which public convenience and necessity exists" and 2) at the request of the City Council's Rules and Legislation Committee provided a) an overview of the current structure of Oakland's taxi industry, b) outlined problems that have been brought to the City's attention, and c) presented areas in which improvements could be made.

The Public Safety Committee directed staff to study alternative models and make recommendations. Since then, with the invaluable assistance of a summer intern, staff has gathered data on the taxi systems of San Francisco, San Jose, and Long Beach, CA; Washington, D.C.; Newark, N.J.; and New York, N.Y. Additionally, staff met with citizen groups, taxi driver groups, Oakland's Taxi Detail, and taxi company representatives. On December 10, 2007 Council President Ignacio De La Fuente hosted a public meeting on the issue of Oakland's taxi service. President De La Fuente, Council Member Jean Quan, and staff received input from 12 speakers, held informal discussions with other attendees, and reviewed emails from members of the public who were unable to attend.

#### **KEY ISSUES AND IMPACTS**

#### 1. Resident and Customer Issues

#### a. INABILITY TO GET TAXIS AND EXCESSIVE WAITS <u>The Problem</u>

The most common complaint of Oakland residents is of excessive waits or inability to get taxis. This appears to be especially prevalent late at night and for residents who live in areas the drivers

consider to be dangerous, remote, or unprofitable. Driver safety concerns are straightforward and commonly understood. They are discussed under the topic of "Driver Issues." Remoteness and profitability concerns are more complex and are inter-connected. From a purely financial perspective, drivers are reluctant to drive a great distance to pick up a fare, particularly if the request is for a short ride. Calls for taxi service are dispatched to the nearest driver(s). If the nearest driver(s) believes the fare is too far away, he<sup>4</sup> may also be unwilling to go there due to a history of fare no-shows when too much time has passed between the call for service and the arrival of the cab.

#### **Possible Solutions**

#### 1) Dispatch System Changes, Communication

The February 27, 2007 report to the Public Safety Committee discussed several problems regarding dispatch systems. Drivers complain that because of the way the systems are set up, they cannot always know the address and therefore do not know if the call location is further from them than they believe is profitable to travel. By the time they have gone far enough into the system to see the address, the system has assigned the call to them. They claim this problem is exacerbated by poor response from the dispatchers on either the voice channel or cell phones when the driver tries to return the assignment so that it can be put out again. Additionally, drivers cannot see how long an order has been in the system.

Staff visited the Yellow/Friendly/Metro cab office where the dispatchers explained how the dispatch system works. They claim that the problem exists because there are large areas of the City where very few cabs congregate, so the dispatch system attempts to force the nearest cab to take the call. Dispatchers deny poor response when drivers call on their cell phones. During the staff visit, the dispatch supervisor called a couple of drivers in the field who confirmed that dispatch was responsive on both the voice channel and on cell phones. Dispatch believes the complaining drivers don't try to contact them but just drop the calls. Friendly's position is that, because the drivers are independent contractors, they have no control over whether the drivers decide to take calls or not.

Regardless of blame, it is the customer who suffers when drivers drop calls they have been assigned by dispatch. Staff's understanding of the dispatch system and of the accuracy of the claims by both the drivers and the companies is inadequate to make any concrete recommendations. There does not appear to be an ongoing dialog between the drivers and the companies on how to improve the setup of the dispatch system.

A recent decision from the United States Court of Appeals for the Ninth District found that drivers hired by three major Oakland taxi cab companies: Friendly Cab Company, Metro Taxicab Company and Metro-Yellow Taxicab Company, are "employees" under the National Labor Relations Act and thus able participate in collective bargaining for the purpose of negotiating the terms and conditions of their employment. If the drivers vote for official representation from a union, then the improvement of dispatch systems could be a point of

<sup>&</sup>lt;sup>4</sup> Because Oakland has no female taxi drivers, this report refers to drivers in the male gender. As was explained in the February 27, 2007 report to the Public Safety Committee, there have been some female drivers in the past. The Taxi Detail staff believes that they all quit driving due to safety concerns.

negotiation and, instead of finger-pointing, drivers and companies would have a mutual interest in improving dispatch systems to improve service.

Other problems could also be resolved with better driver-dispatch communication. Both customers and drivers complain that dispatchers give "stock" responses regarding when the driver will arrive, "10 or 15 minutes" is a standard response or, if the system is backed up, "15 to 20 minutes." Dispatchers say they can't tell how long it will take. Drivers who arrive early and find no fare, may leave before the customer thinks they have arrived. With their electronic systems and telecommunications capabilities, it seems dispatch could communicate to the driver not to arrive until the time indicated. Or preferably, the driver who accepts a call could estimate his arrival time and this could be communicated to the customer by either dispatch or the driver. This would require the companies and drivers to work together.<sup>5</sup>

"No-shows", the term for a customer who is gone by the time the driver arrives, are likely to occur when consumers have no confidence in the system. They therefore call more than one company for service, utilizing the one that arrives first. Friendly's dispatch supervisor explained that customer phone numbers are not given to drivers. While there may be legitimate privacy issues in this area, widespread lack of confidence mandates that the dispatchers take a more proactive role in notifying customers when an initial estimate is significantly incorrect. Several participants at the De La Fuente meeting voiced their belief that increased competition was the only thing that was likely to make the currently permitted companies more responsive. The issuance of additional permits to increase competition is discussed under the topic of 1.c. "Resident and Customer Issues/Serving People With Disabilities" and also under the topic of 4.c.(1) "City Issues/Monopolization (Company Dominance)/RFP for Award of Additional Permits."

#### 2) Fines

Another option is the issuance of fines. Other than permit suspension or revocation, Oakland currently provides no consequence for failure to pick up a passenger. New York's rules provide for a driver fine of \$200 to \$350 for a first pick-up refusal without just cause and \$350 to \$500 for the second within 24 months. Driver permit revocation is the punishment for a third refusal. However, until drivers are included in developing the solutions to the problems that cause them to drop fares, staff believes any fines should be levied against both the driver and the company involved. Amended section 5.64.040E imputes driver violations to the fleet management permittee.

Fines could also apply to dispatch system violations. Many citizens report rude dispatchers and unresponsiveness by the large company dispatch systems. A citizen recently reported that, when calling for a pickup from a bar at 3<sup>rd</sup> Avenue and 18<sup>th</sup> St., the Veteran's Cab dispatcher said that they were no longer serving that area! A Veterans representative denied this, claiming several

<sup>&</sup>lt;sup>5</sup> In an encouraging development, Dahr Mann, the son of the owners of Friendly Cab, Baljit and Surrender Singh, reports that he has visited the dispatch manufacturer and learned that their system is capable of tracking the position of the cab relative to the waiting customer. It can determine if excessive time has lapsed since the call or if an inappropriate route has been taken, and it can call the customer with notification that the cab is waiting. Mr. Mann plans to activate these capabilities. Additionally, Mr. Mann plans to add to the dispatch staff and focus on customer service.

specific instances of pickups at this location. However, staff received a subsequent call from the same bar, stating that, when they tried to call Veterans, the phone was not even answered. It is difficult to tell from these reports whether there is any discrimination against this location or whether these reports are just instances of generally inadequate dispatch response. In either case, it is an example of the need to establish consequences for poor service and/or create other methods, such as increased competition, to improve service.

Proposed Section 5.64.135 authorizes administrative citations for violations of the Chapter. This would utilize the City's existing fee structure<sup>6</sup> for violations that are not covered by the California Vehicle Code and that do not rise to the level of suspending or revoking a permit. Failure to respond to calls for service is an example of a violation that could be enforced by this section.

#### 3) Fare Increases

Drivers acknowledge that they are reluctant to pick up fares at some specific locations, such as grocery stores, where they expect that the rides will be very short, resulting in a low fare, often under \$5.00. This is most likely to happen when the dispatched driver, although closest in the system, is still some distance from the fare. Staff proposes a minimum \$5.00 fare, which should make these kinds of trips more attractive to drivers.

Because night calls are often mentioned as the most difficult time to obtain a cab, staff is proposing a nighttime surcharge of \$1.00. New York City uses a nighttime surcharge of 50 cents as an incentive for drivers to drive during the hours of 8 p.m. through 6 a.m. An Oakland cab user recommended the \$1.00 charge on the grounds that most of these trips are discretionary and can be budgeted by the user. Also taxi patrons are fewer in Oakland and the distances between patrons greater than in New York City.

A reduced gate for drivers willing to drive nighttime hours, would also provide drivers a financial incentive to drive during these hours. This is an issue that could be deliberated through collective bargaining between companies and employee-drivers.

Fare Component	Current	Proposed
Minimum Fare	\$ 2.24	Greater of \$5 or calculated fare
Flag Drop	\$ 2.00	\$ 3.00
Mileage	\$ .24 per 1/10 mile	\$ .26 per 1/10 mile
Waiting time	\$24.00 per hour	\$26.00 per hour
Night surcharge	None	\$ 1.00 after 10 p.m. until 6 a.m.

The current and proposed basic fare components are:

<sup>&</sup>lt;sup>6</sup> \$100 for the first citation, \$250 for the second citation, and \$500 for the third and subsequent citations within a calendar year

Oakland currently authorizes drivers to collect only the flag drop, mileage and waiting time charges. This means that the Oakland airport fee of \$2.50 per trip, bridge tolls, which vary by bridge, and other costs of travel cannot legally be collected by the driver. The proposed amendments of Section 5.64.100 authorize the addition of all government-mandated costs incurred by the driver.

Staff also proposes Council authorize other charges, currently imposed by other jurisdictions, which are included in the proposed amendments:

Small animal (except service animals)	\$1.00	Washington D.C.
Additional stops requested	\$1.00	Washington D.C.
Obtaining change	\$ .50	Washington D.C.
Luggage that keeps trunk open	\$1.00	San Francisco
% of fare over 15 mi. out of City limits	150%	San Francisco

#### 4) Require Taxi Availability at All Times of the Day and Night

Oakland's ordinance currently establishes no availability requirements, and companies such as Friendly/Yellow/Metro claim they have no control over what hours their drivers, as private contractors, choose to drive.<sup>7</sup> Staff's review of Yellow's dispatch record printouts indicated that cab levels are primarily market driven. However, there were few, and sometimes no, Yellow cabs driving during the hours between midnight and 5:00 a.m.

Cities deal with this in different ways. Long Beach simply states, "Taxicab service shall be available twenty-four hours a day by telephone through a radio dispatch service." San Jose is much more specific, with each company required to provide the following percentages of their fleets:

1. Mondays through Fridays, excluding holidays:

	, , U	•
7:00 a.m. – 9:00	a.m.	40 percent
9:00 a.m. – 6:00	p. m.	50 percent
6:00 p.m. – 3:00	a.m.	40 percent
3:00 a.m 7:00	a.m.	15 percent
olidays and weekends		

2. Holidays and weekends

7:00 a.m. – 6:00 p.m.	30 percent
6:00 p.m. – 3:00 a.m.	40 percent
3:00 a.m 7:00 a.m.	15 percent

The proposed RFP for issuance of additional permits (see page 29) would require a plan for 24/7 coverage as one of the elements of the scope of service. Additionally, proposed section 5.64.040I will require companies consisting of ten or more vehicles to submit, as part of their annual fleet permit renewal process, a plan for 24/7 coverage of the City. This coverage would apply to street cabs only, as the Port controls the number of cabs with access to the Airport. However, the Airport is considering adopting a similar scheme as it has experienced inadequate

<sup>&</sup>lt;sup>7</sup> A January 8, 2008 Ninth Circuit decision upheld the National Labor Relations Board decision that the drivers of Friendly, Metro and Yellow Cab Companies are employees, not contractors. N.L.R.B. v. Friendly Cab Co., Inc., (9<sup>th</sup> Cir. 2008) 512 F.3d 1090.

numbers of cabs at certain times of the day. Prior to the Airport adopting this type of requirement, the City and Airport will work together to ensure that the number of street cabs does not decrease further under any proposal.

#### 5) Establish an Automated System to Provide Information to Passengers and City

Oakland's only current incentive to keep cabs active is the possibility of vehicle permit revocation if a cab is not used for ten consecutive days. In the past, audits have been conducted only when problems were reported. However, the combination of ongoing citizen complaints of an inability to obtain cabs and recent driver reports of unused cabs and Oakland cabs spending their days in other cities necessitates a better system to monitor cab availability. The November 2006 Yellow Taxi Cab permit revocation hearings highlighted the City's limited ability to monitor cab usage.

Under Oakland's current ordinance, taxi drivers are required to fill out and companies are required to maintain "waybills." Waybills are documents that, for each day or shift, vehicle, and driver, show the address where the fare was picked up and dropped off, the number of miles, and the total cost of each ride. Today, these documents are hand written. If drivers do not complete the documents and companies continue to let them drive, the only other documents showing cab usage are the computer logs of dispatches. Because airport and flagged-down street pickups are not generated by the dispatch system, the computer logs are conspicuously inadequate.

Auditing and compiling information about a company's cab use, as requested by the City Council following Yellow Cab's permit revocation appeal, requires manual entry of the waybill information by Taxi Detail officers. The Taxi Detail officer who audited Yellow Cab for the six months requested by City Council, reported that the majority of the waybills were incomplete, some were obviously faked, and many were illegible. As currently structured, the Taxi Detail would be overwhelmed by regular audits of all taxi company waybills.

New York City is currently implementing systems to automatically track all of the information required on waybills, relieving drivers of the paperwork and, when needed, providing the city with accurate, accessible information. The systems additionally show passengers the route traveled and the fare, increasing the passenger's trust in both the fare and the route.

Staff strongly supports the implementation of this type of system in Oakland's cabs. In this era of technology, it is unrealistic to expect accurate, easily audited records from a manual system. However, the impact of the cost of implementing such a system warrants further study. Additionally, existing dispatch systems may have waybill generation capabilities that have not been previously utilized by the companies.<sup>8</sup> Staff will continue to study whether existing taxi dispatch systems are capable of automating the waybill process.

<sup>&</sup>lt;sup>8</sup> Dahr Mann, of Friendly Cab, believes the Friendly/Metro/Yellow dispatch system may be capable of providing the waybill system, albeit without the passenger screen. If this is the case, and existing dispatch systems can generate the waybills, the installation of additional systems to provide route information to the customer would require cost justification on that merit alone. However, it is not known whether the dispatch system generated waybills would be available only for trips initiated by the dispatch system or whether drivers could enter data about other trips into the

In the interim, requiring permitted fleet management companies that dispatch multiple taxis to provide proof that the taxis are driven by either by the permit holder or by company employees would give companies the authority to mandate accurate waybills and penalize non-compliant drivers. Companies currently claim they do not have this power, as the drivers are deemed by the companies to be independent contractors.

#### 6) Place Signage at Designated Taxi Stands and Increase Number of Taxi Stands

The number of taxi stands has decreased markedly over the years. The ordinance previously required taxicab companies to apply for stands for the sole use of that company's cabs. Now the ordinance allows anyone to apply, and stands tend to be associated with institutions, such as hotels and transportation depots. However, because taxi companies no longer take an active interest in the maintenance of the stands, they may not be replaced if they are removed for any reason. For example, construction eliminated the taxi stands at the Coliseum BART station some years ago and they have never been replaced. The Taxi Detail was unable to locate any taxi stands at the AMTRAK station. Several speakers at the December 10th hearing mentioned the lack of taxi stands as a problem.

The Traffic Services Division provided staff with a list of 40 locations where taxi stands were previously designated. The Taxi Detail surveyed these locations and found that only ten of them are currently marked as taxi stands.<sup>9</sup> Additionally, the Taxi Detail recommends that stands be located at all hospitals and several other locations that they recommend to the Traffic Services Division (see Attachment C). The February 27, 2007 staff report recommended that application forms also be provided to drivers and companies to propose taxi stand locations. Staff recommends that the Coliseum BART taxi stand be replaced as soon as possible.

An additional use for taxi stands would be the establishment of stands based upon neighborhood requests, particularly in areas where there is a concern about driver safety. Stands could be established outside convenience markets or other lighted commercial venues where there is general foot traffic and the presence of employees. Residents could then call for a cab to come to the stand at the commercial location, increasing the safety of the driver and reducing the possibility of drivers refusing to take calls for residents of that area.

City Transportation Services staff have also suggested that a taxi stand be established behind City Hall on Clay Street, functioning as a passenger drop-off point to encourage the use of the City Share cars. Additionally, Transportation Services staff noted that a stand in this location could do double duty if City government expanded the use of cabs to transport non-driving employees for City business purposes. The establishment of funding and an arrangement to pay

system. Therefore, further information is needed to assess the effectiveness of dispatch systems in providing automated waybills.

<sup>&</sup>lt;sup>9</sup> The developer of the Mash Building at 428 13<sup>th</sup> St. (at Broadway), is requesting the removal of the stands at that location, as they have been cited as discouraging potential tenants from acquiring space in the building. These are currently the closest stands for BART patrons at the City Center exit. The Taxi Detail proposes reducing the number of stands at this location from four to two and adding two stands on 14<sup>th</sup> St. between the bus stop and pedestrian crossing at the front of City Hall. The 14<sup>th</sup> St. stands would not only be BART-close but would also be available to City Hall visitors and those attending Council and Committee meetings.

for this type of service is beyond the scope of this report and is mentioned here only to show that taxi cabs may be useful to the City in non-traditional ways.

The establishment of taxi stands does not require a change to the OMC, but does require funding, as the installed cost of each taxi stand sign is estimated at \$186.00, which includes the sign, the pole, installation, and curb painting. Having known locations for picking up passengers is a benefit to all taxi companies. Staff therefore proposes amending the OMC such that the cost of adding and maintaining taxi stands be apportioned over the total number of cabs as an additional component of the annual vehicle permit renewal process. Proposed Section 5.64.120 codifies this process.

The costs associated with repairing the existing stands are unknown, as are the number of new stands that would be requested, evaluated, approved, and installed this year. After Traffic Engineering calculates the costs that have been incurred and projects the installation and maintenance costs for 2009, an amendment to the Master Fee Schedule will be presented to add the apportioned cost to the vehicle permitting fees.

#### 7) Reduce Number of Days Cabs May Be Out of Service

Under Oakland's current ordinance, taxi permits are not eligible for revocation until they have been out of service 10 consecutive days. Additionally, there is no minimum number of days per year that taxis are required to be in use. Although one would expect it to be in both the company's and the driver's interest for the cabs to be driven as much as possible, reports of unused cabs continue.

San Francisco requires the vehicle permittee to personally operate as a driver at least four hours a day on at least 75 percent of the business days each year. New York requires its taxicab fleets to operate each cab a minimum of two shifts of nine hours each day, including weekends and holidays. Independent owners must provide at least 210 shifts of nine hours each year. Permits issued by New York after 1990 require the permittee to personally fulfill the 210 shift requirement.

The purpose of all of these types of requirements is to ensure that cities obtain the fullest usage of the number of taxis they have determined are necessary. The proposed issuance of permits by RFP offers the City an opportunity to establish criteria designed to ensure fuller utilization of the permits.

Several of the proposals accompanying this report are aimed at achieving the fullest utilization of all permitted taxis. Selecting applicants based upon RFP Scope of Service criteria that include requirements for individual permittees to drive their own cabs and for all applicants to include a plan for supplying 24/7 coverage would better accomplish the purpose than the current ten day rule.

In addition to being specified as RFP criteria, the requirement for individuals who obtain vehicle permits after June 1, 2008 to personally drive the vehicles is proposed as OMC section

5.64.050F<sup>10</sup>. The requirement for fleets of 10 or more vehicles to provide plans for full coverage of the City at all times is proposed as OMC section 5.64.040I.

Additionally, as part of the annual permitting process, fleets consisting of at least ten vehicles<sup>11</sup> would be required to submit their schedule for full coverage of all shifts and all areas of the City. This topic is also covered under section 4.c.(1) "City Issues /Monopolization/ RFP for Award of Additional Permits."

Finally, staff proposes amending section 5.64.080E to allow revocation of the vehicle permit for vehicles that are out of service for more than 10 days in any 30 day period without good cause.

#### 8) Deregulation: Remove cap on number of permits issued

Having seen it work well in other cities, particularly abroad, Oakland residents have suggested deregulation as a solution to issue of a lack of cabs. This proposal assumes that the market would determine how many cabs are needed and where and when they should be deployed.

Total deregulation is not viable, as the City retains responsibility to ensure the safety of taxi transportation to residents. However, an unlimited permitting system, in which any applicants that meet the permit requirements may obtain a permit, is a possible option. Because inspections would be needed to ensure the safety of vehicles, current staffing limitations make this option problematic. However, if the inspection function is outsourced or otherwise civilianized and self-funding, the option of unlimited permits is worth further study and perhaps a monitored trial. The City Administrator's Office will continue to assess the viability and potential benefits of deregulation.

#### 9) Increase the Number of Vehicle Permits

While studying the possibility of de-regulation, a more immediate improvement in the availability of cabs could be accomplished through the issuance of additional permits. In recent years the City has refrained from adding cab permits, citing the completion of the airport expansion as the basis for whatever additions may be needed. The problem with rationalizing additional cabs on the basis of airport need is that, if citizen complaints are any indication, the greatest unmet need appears to be in the area of street cabs, the number of which would be unaffected by airport expansion.

Although Manhattan had 8.5 taxis per 1,000 residents in 2005 and cities such as Chicago, New Orleans, and Boston, with high-density downtowns and many visitors, had at least 2.4 taxis per 1,000 residents, auto oriented cities such as Los Angeles, Dallas and Houston, have fewer than

<sup>&</sup>lt;sup>10</sup> Like San Francisco drivers, Oakland drivers would be required to drive four hours per day, but unlike San Francisco, the 75 percent of days is not limited to business days, as the need in Oakland, particularly on the streets, appears to be as great or greater on weekend days.

<sup>&</sup>lt;sup>11</sup> Currently only Veterans and the Friendly conglomerate would be affected by this requirement. The proposed 50 vehicle permits, however, would be subject to this requirement. Staff's expectation is that the result of this requirement would be 24/7 coverage of the City.

1.2 taxis per 1,000 population, according to noted taxi expert, Bruce Schaller.<sup>12</sup> Oakland's current ratio, based upon a population of 415,492,<sup>13</sup> is .76 cabs per 1,000 residents. To reach even the level of 1 cab per 1,000 residents an additional 100 cabs would be needed.

Staff proposes the issuance of 50 additional vehicle permits to begin closing the gap, 14 ramped vehicles for transporting persons with disabilities and 36 regular vehicles. This would bring the cab ratio to .88 per 1,000 residents. The requirements and methodology of the proposed issuance is detailed under the topics of 1.c. "Resident and Customer Issues/Serving People With Disabilities" and 4.c.(1) "City Issues/Monopolization (Company Dominance)/RFP for Issuance of Additional Permits."

#### b. DRIVER LACK OF KNOWLEDGE AND POOR ATTITUDE

The February 27, 2007 report to the Public Safety Committee cited instances of drivers not knowing how to get to various locations in Oakland. In this day and age of GPS systems, that is not acceptable. Proposed Section 5.64.055D6 requires such systems be installed in taxicabs by June 30, 2009 and requires drivers to carry maps detailing all Alameda County streets until such systems are installed.

Oakland's ordinance currently has no provision for notifying taxi customers of their rights and of how to file a complaint or make an inquiry. Washington D.C. and Long Beach, CA require clearly visible signs to be posted in taxicabs explaining to passengers how to file a complaint. In Washington the Taxicab Commission handles complaints. Long Beach's ordinance simply specifies the "appropriate City department." Long Beach requires the notice in Spanish and English. Proposed Section 5.64.055D5 establishes this requirement and specifies that notice be given in Spanish, English, Chinese, and Vietnamese.

Good attitude is more difficult to legislate. Washington's regulations, however, establish a sanction of up to \$500, in addition to license suspension or revocation, for each determination of a violation of the rules. Newark, N.J. provides for a penalty of up to \$75 for a first violation of rules which include, "The driver. . . shall behave himself/herself in a gentlemanly manner, and he/she shall not use any indecent, profane or insulting language while engaged in such operation." A hearing is required prior to assessing a penalty.

Although no specific language prohibitions are included in the proposed amendments, the proposed Passenger's Bill of Rights confers the right to courteous treatment. Proposed Section 5.64.070L also adds a requirement for drivers to treat passengers and regulatory personnel courteously. Violations of the Bill of Rights, as well as other violations of the chapter that do not rise to the level of permit suspension or revocation would be subject to the administrative penalties proposed as Section 5.64.135.

<sup>&</sup>lt;sup>12</sup> New York City Taxicab Fact Book, Schaller Consulting, March, 2006.
<sup>13</sup> As of January 1, 2007, California Dept. of Finance.

#### c. SERVING PEOPLE WITH DISABILITIES

Oakland currently has over 4000 ADA certified residents. The Paratransit Program provides transportation vouchers to only 999 of these residents, due to limited funding. Although there are 15 ramped vehicles in this program, only four have taxi meters. Disabled residents without vouchers must therefore rely primarily on unramped taxis or private means of conveyance.

Staff recently received a report that a passenger who required a wheelchair was charged the Oakland Paratransit contract rate of \$28.00, despite the fact that she had no paratransit vouchers and the actual taxi fare for the ride would have been much lower. Both Friendly Cab and Veteran's Cab, Oakland's paratransit contractors, acknowledged that their policy was to charge the paratransit rate when those cabs were needed.<sup>14</sup> This is a clear violation of the Americans With Disabilities Act. A disabled passenger without paratransit vouchers must be charged only the metered fare.

Additionally, residents with disabilities have registered complaints regarding the unwillingness of drivers to take service animals or to take passengers who are paying for the fare with the Scrip issued by the Paratransit Program. These are violations that would now be sanctionable under the proposed amendments. Section 5.64.055D5 proposes a requirement for a Passenger's Bill of Rights sign inside the cab. The sign includes rights pertaining to persons with disabilities; the right to be assisted entering and exiting the taxi and the right to be accompanied by a qualified service animal. Passengers with disabilities also complain of drivers who refuse to pick them up and drop them off in safe areas.

These problems indicate a need for driver training regarding carrying passengers with disabilities. This requirement is proposed as section 5.64.070A3. Additionally, fines for violations of the Passengers' Bill of Rights, proposed section 5.64.135, should provide an incentive for drivers to consider passenger safety in their pick-ups and drop-offs.

The incident with the wheelchair passenger revealed that Oakland's taxi companies have very little capacity for dealing with passengers in wheelchairs who do not utilize paratransit vouchers. Veterans has no ramped vehicles except those used in the Paratransit Contract, and those ramped Paratransit Contract vehicles do not have meters. Friendly Cab has four (4) ramped vehicles that have meters, but these cabs are also used in Berkeley, reducing the availability of the vehicles for use by Oakland fares.

Cities have employed several methods to increase accessible cabs. San Francisco and Boston, among other cities, increased the total number of medallions, with the stipulation that the new medallions be reserved for accessible vehicles. San Francisco added 50 new medallions for accessible vehicles and currently has dedicated 100 of its 1,381 vehicle permits for ramped taxis.

Chicago requires all fleets of 15 or more taxicabs to have at least one accessible cab in service. A disability consultant who assessed Alameda County transportation needs recommends a ratio

<sup>&</sup>lt;sup>14</sup> The ramped vehicles utilized by Veterans to fulfill their Oakland Paratransit contracts cannot currently be used as taxis because they do not have meters.

of at least one ramped taxi for every 20 regular taxis.<sup>15</sup> In Oakland's case, at current levels, this ratio would require 16 taxis with the capability of handling passengers in wheelchairs.

The owner of Veterans Cab has protested that accessible vehicles are too costly. The City of Long Beach has addressed this concern by having the City purchase 12 ramped vans and then lease them at a nominal monthly fee to one of their taxi companies.

To ensure that ramped taxis become immediately available, staff proposes that Council authorize 14 new permits be issued as ramped taxi permits. In combination with the proposal to also issue 36 additional standard taxicab permits, this would bring the new standard taxi to ramped taxi ratio to the recommended level of 20 to one.

The assignment of dedicated permits would eliminate the need for the City to monitor whether the companies were maintaining the stock of ramped vehicles, as specific medallion numbers would be assigned, which could be easily checked by the Taxi Detail and Oakland Airport taxi starters. The details of the proposed issuance of these permits is discussed under section 4.c.(1) "City Issues/Monopolization/RFP for Award of Additional Permits."

An alternative to issuing new permits for ramped taxis would be requiring all cab companies with at least 15 permits (Friendly, Yellow, Metro, and Veterans) to obtain ramped taxis for any vehicles they replace until they reach a ratio of 1 ramped taxi for every 15 permits held. This would eventually result in 13 ramped taxis, and permits for these taxis would become permanent ramped taxi permits, i.e., the vehicles to which they were attached could not be replaced except by another ramped vehicle. Staff does not recommend this course and has not included an amendment for this option because of the length of time required to reach the desired level.

Ten Yellow Cab permits have been out of service since their revocation November 30, 2006. Although Friendly Cab, the lessors of Yellow Cab, filed a writ in Superior Court to overturn the revocation, they have not scheduled a hearing on the writ.<sup>16</sup> The immediate issuance of 14 ramped taxi permits would bring the number of available taxis back to just slightly above pre-revocation levels.

#### d. VEHICLE SAFETY STANDARDS – VEHICLE INSPECTIONS

Residents, the Taxi Detail, and the Airport's Ground Transportation Division have all expressed concerns regarding the safety of Oakland's taxis. One specific recommendation, made by the Ground Transportation Division, is to prohibit the use of re-tread tires. They believe that re-tread tires are especially perilous in cabs due to the number of miles and hard conditions under which cabs are driven. This prohibition is proposed as Section 5.64.055C9.

A more general safety concern expressed by drivers and the Taxi Detail is that new, good parts are installed on cars for inspection purposes and then swapped out after the car passes inspection. As safety standards are only effective if enforced, staff believes part swaps would be less likely to occur if random enforcement inspections by the Taxi Detail were increased. Taxi Detail

<sup>&</sup>lt;sup>15</sup> Nelson Nygaard & Assocs.

<sup>&</sup>lt;sup>16</sup> The permits were revoked for non-use.

officers could spend more time on enforcement inspections if the amount of time spent on the annual inspections required for vehicle permit renewal was reduced.

#### 1) Re-inspection Fee

Because there is currently no re-inspection fee, Taxi Detail staff have observed drivers and companies that do not maintain their vehicles according to ordinance standards and who do not correct all of the problems noted by the Taxi Detail until multiple inspections have occurred. Vehicles are frequently out of compliance upon the first inspection, requiring a second, third, or even fourth inspection. It is a waste of sworn officers' time to place them in the role of free diagnosticians.

The Taxi Detail requests and staff supports establishing a Master Fee Schedule charge of \$140 for inspections subsequent to the first annual inspection. This should function as an incentive for the taxi to be ready upon the first inspection.

#### 2) Civilianization of Taxi Inspection Services

Utilizing civilian resources to conduct annual inspections has been suggested by drivers, cab users and City staff. The argument is that trained mechanics could perform this function as effectively as sworn OPD officers, and they would free officers for enforcement activities. Drivers believe that a crackdown on rogue cabs (those that are either unpermitted or are from outside Oakland and pick up passengers in Oakland) could generate significant income for the City and also discourage these practices, which they believe significantly reduces driver income.

The Taxi Detail has expressed concern that the physical safety of civilian vehicle inspectors could be in jeopardy, as drivers often become agitated upon learning that their vehicle is suspended due to inspection failure. The concern is that civilian technicians, who do not carry weapons, could be defenseless should agitation turn to violence. The Taxi Detail admits this has not happened, but believes that is due in part to the fact that inspections are currently conducted by armed officers.

Civilian cab inspections could be conducted either by police technicians, Public Works, or by outside services. OPD already owns the equipment required for inspections, which would be available to police technicians. This option would likely require hiring at least two technicians to provide coverage at the current level. Although there is only one officer officially assigned to the Taxi Detail, the Taxi Detail sergeant and other officers in the Traffic Enforcement Unit provide backup for inspections.

Public Works also has the equipment required to perform inspections and the staff and skills to conduct inspections, as they currently handle this function for the City's vehicle fleet. Additionally, Public Works provides these services seven days a week, an increase of three days per week over the Taxi Detail's inspection availability. Increased inspection availability would not only increase the number of cabs available to Oakland customers but would also be greatly welcomed by drivers, whose livelihood depends upon the approval of City inspectors.

Converting annual inspections to an outside service would involve a process of establishing standards and selecting and monitoring providers. Additionally, many follow-up inspections are performed on vehicles that are taken out of service due to random inspections. These follow-up inspections would likely increase as the number of random inspections increased. If these inspections were also conducted by the outside service, an additional set of procedures, and possibly a separate fee structure, would be needed.

Because of the number of options and the logistical problems accompanying each, the City Administrator's Office will further study the possibility of and options for civilianizing inspections. In the meantime, adoption of the re-inspection fee should reduce the total number of inspections performed by the Taxi Detail and provide better coverage for inspections conducted.

#### 2. Company Issues

#### a. COST OF INSURANCE

Costs are a major concern to taxi companies. The cost of insurance is largely determined by the required coverage amounts, which are higher under Oakland's ordinance than those of most surrounding cities. Companies report the annual cost of insurance at \$9000 per vehicle. However, staff spoke with a representative of the insurer for Oakland's largest taxi company, which also insures many other California taxi companies. His opinion was that Oakland's insurance requirements are not excessive in view of hospitalization costs, automobile prices, court awards for damages, and other costs typically associated with accident claims. He noted that the larger cities of southern California have requirements similar to Oakland's. Staff does not recommend changing insurance coverage requirements at this time.

#### b. INSURANCE RENEWAL PROCESSING FEE

Each year, when their insurance is renewed, the taxi companies receive a new policy number. Previously, there was a \$25 fee for updating this information. The taxi companies strongly objected to this fee, and, in 2007, City Council removed the fee from the Master Fee Schedule.<sup>17</sup>

#### c. INSUFFICIENT NUMBER OF DRIVERS

In 2006, during permit revocation hearings, this issue was raised by Yellow Cab, as one of the reasons that the cab fleet was not fully utilized. They have since conducted a recruitment campaign and registered enough drivers to cover the number of Yellow Cabs in operation. However, Friendly Cab reports that it is still difficult to recruit and retain drivers. Additionally, as outlined under the topic of "Vehicle Safety Standards", the schedule of taxi classes precludes any large-scale hiring efforts. A previous staff report also noted that the cost of the gate may be a major deterrent to drivers. This factor is within the control of the companies. This is discussed

<sup>&</sup>lt;sup>17</sup> The Taxi Detail has requested re-instatement of this fee, explaining to staff that, prior to the establishment of the fee, companies changed insurance carriers so frequently that it became a significant administrative burden. The Taxi Detail believes that the fee discouraged the practice, and they are concerned that, with the elimination of the fee, these transactions will increase dramatically. Staff believes re-institution of this fee is premature. If the transactions do increase, the fee may be added. Alternatively, the Taxi Detail can analyze the total cost of processing vehicle information, including insurance renewals and, if necessary, revise their annual vehicle permit renewal fees, which are currently \$350.00. San Francisco's annual taxicab permit renewal fee is \$498.00.

further under the topic of 3.a.(1)"Driver Issues/Uncontrolled Costs - Controlled Income/Possible Resolutions/The Gate"

#### 3. Driver Issues

#### a. UNCONTROLLED COSTS - CONTROLLED INCOME

#### The Problem

Like the companies, the drivers are concerned about costs. They must pay the cost of gasoline, which, since the last change in fares in 2001, has increased more than 160 percent. When fares are paid by credit card, the large taxi companies charge the drivers a flat fee or percentage fee that exceeds that charged by the credit card companies. Additionally, because the City's fare structure does not specify bridge tolls or airport access fees, the drivers must absorb these costs or illegally pass them on to the customer.

By far, the greatest cost to drivers is the "gate", which is their weekly lease rate. Drivers report that this ranges from \$450 for cars without airport access to \$775 for Compressed Natural Gas (CNG) Cars with airport access. While one might be tempted to argue that, in our capitalistic system, costs such as these are controlled by the market, that argument fails in an industry where income is controlled by the government but costs are not, as is the case in the Oakland taxi business. The fees that drivers can charge are strictly regulated by the City and have not changed since 2001. No similar caps are imposed upon Oakland's taxi company owners.

#### Possible Resolutions

#### 1) The Gate

Three possible resolutions to the gate dilemma are: 1) mutual agreement on the gate by drivers and companies through the action of labor market forces, 2) a cap on the gate, 3) a temporary freeze on the gate. San Francisco caps the gate that can be charged per shift. San Jose reports that their drivers are employees of the companies for whom they work.

#### a) Labor Market Forces

As mentioned above, a recent Ninth Circuit decision found that drivers hired by three major Oakland taxi cab companies are "employees" under the National Labor Relations Act and thus able participate in collective bargaining for the purpose of negotiating the terms and conditions of their employment. Drivers could unionize and collectively bargain with their employers on issues including a cap on the gate.

Section 5.64.070B5 of Oakland's ordinance currently requires that, prior to obtaining a driver permit, an applicant must provide evidence that he "will be an employee of a fleet management permittee and has an offer of employment from a fleet management permittee, unless the applicant himself or herself is an individual holding a fleet management permit." This section, however, has been interpreted by both the Taxi Detail and the taxi companies to mean that, prior to issuance of a driver permit, the fleet manager must simply acknowledge that a driver will have a vehicle available to him through that fleet. After a permit has been issued, there is no requirement to prove employee status.

Proposed section 5.64.040B8 requires proof of employee status as part of the annual fleet permit renewal process. The amendment would require the fleet manager to show proof that, except for permittee-drivers, their cabs are driven by employees of the taxicab company. Such proof would consist of W2s or payroll record summaries.

The drivers' status as employees and their ability to negotiate with the companies has the potential to resolve a number of problematic issues in addition to the gate issue; e.g., dispatch system use, assignment of shifts to cover all days and hours, waybill fulfillment, and driver training, to name a few.

#### b) Cap on Gate

The second proposed solution would mandate a specified cap on the gate. A gate cap would put the City in control of both sides of the drivers' income/cost equation. Drivers proposed a cap of \$550 per week for use of an airport cab and \$300 per week for the use of a street cab, considerably less than the currently reported gates of \$700 to \$775 for airport cabs and \$450 for street cabs. However, companies must be able to make a reasonable profit, and currently the City does not review company financial records to make such a determination.

San Francisco dealt with this issue by establishing a "maximum mean gate fee" of \$85 for a shift of 10 hours or longer, <u>unless</u> the company provided certain information, including proof of Worker's Compensation Insurance and provision, upon request of the City Controller, of financial statements and accounting records. Companies that comply may charge a maximum mean gate of \$91.50 for a shift of ten hours or longer. The following table shows the comparison between gate fees paid by San Francisco and Oakland taxi drivers.

San Francisco basic gate for five (5) 10 hour shifts per week	\$ 425.00
San Francisco gate maximum if company financial information provided	\$457.50
Oakland weekly gate for airport cabs, as reported by drivers for major companies	\$ 775.00
	\$ 450.00

Oakland taxi companies claim that they are justified in charging a higher gate because most regular drivers, especially airport drivers, pay a weekly gate and therefore have access to the cab 24 hours a day, which allows them to use the cab as their personal vehicle. To the extent that this is true, the companies should be allowed to charge a premium, since these drivers do not incur the costs of purchasing or maintaining their own car.

The drivers, particularly the airport drivers, admit that they keep the cars 24 hours per day but claim that they do so because the gate is so high that they must drive more than twelve hours a day. They also say that the current gate for a twelve hour shift is so much greater than half the 24/7 gate that it is not economically feasible to lease the cab for twelve hour shifts.

If Oakland airport institutes a shift basis, as is being contemplated, while continuing to limit access to specific vehicles, companies would be forced to operate these vehicles on split shifts. At this point, a dramatically reduced gate per driver would be reasonable. Again, employee

Page 19

status and the ability to collectively bargain will facilitate resolution of these issues as changes in the system occur.

Although the gate issue may initially appear to be only a financial contracting issue, many drivers report that, at current gate levels, they must drive more hours than allowed under state law to pay the gate and still make enough money to support their families. This claim changes the gate from a private contractual issue to a safety issue that the City must consider.

Pursuant to Vehicle Code section 21702, the maximum number of consecutive hours any commercial driver of passengers can drive is 10 and no more than 10 spread over 15 consecutive hours, after which eight hours must lapse before driving again. Washington D.C. specifically prohibits taxi drivers from driving more than twelve hours in a twenty-four hour period unless the time in broken by an eight hour period of continuous rest. From a liability aspect the City may be wise to institute such a requirement. However, unless combined with other changes, such as increased rates and capped gates, this requirement would further limit driver income.

Maintaining a gate system that is fair but flexible requires attention to many variables; costs of vehicles, insurance, maintenance, and gasoline, changes in airport policies, and consumer demand to name a few. Due to the complexities and the significance of variables such as company costs, which are unknown at this time, staff cannot recommend specific gate caps. Additionally, drivers may resolve the gate issue through the collective bargaining process without the need for City involvement.

(c) Temporary Freeze on the Gate

Without any controls, income gains generated by the proposed fare increase could be quickly eroded by gate increases. Therefore staff recommends, and proposes as Section 5.64.140, that gate maximums be frozen at November 2007 levels for a period of a year from the date of adoption of the ordinance amendments. During that time the drivers' bargaining power, changes in airport cab shift requirements, and increased competition from additional permits could significantly alter the parameters of this issue. If, after the expiration of the freeze, the gate remains a significant issue, the City Administrator may conduct the financial analysis needed to establish a gate permanently controlled by City ordinance.

#### 2. Other Costs

a) Gasoline

Capped by the OMC, Oakland last increased taxi fares in 2001. Drivers bear the cost of gasoline, and they complain that the cost of gasoline has increased so greatly since the 2001 fare increase that it cuts deeply into their earnings. The Consumer Price Index and Internal Revenue Service mileage reimbursement rates substantiate this complaint.

The Consumer Price Index established a baseline for prices of consumer goods between 1982 and 1984. This is considered the 100 percent level. Between the baseline years and 2001, a period of 17 to 19 years, gasoline prices increased 24 percent. Between the end of 2001 and the

end of 2006, a period of only five years, gasoline prices have increased an additional 96 percent, or almost double the 2001 level.<sup>18</sup>

The per mile auto reimbursement standards set by the Internal Revenue Service take a more comprehensive view of the cost of maintaining and operating a vehicle than just the cost of gasoline. In 2001 the rate was 34.5 cents per mile. The rate for 2007 is 48.5 cents per mile, a 41 percent increase. This is probably a better guide for setting taxi fares, as it should allow a hardworking driver to pay his expenses and still make a living. The major expenses are the gate, which takes into account all of the company-paid costs of maintaining the cab, plus gasoline.

A taxi fare consists primarily of the flag drop, which is the amount that registers on the meter as soon as the trip commences, and the mileage rate. A 41 percent increase in Oakland's current \$2.00 flag drop would result in a flag drop of \$2.82. Flag drop rates in the cities studied ranged from \$2.20 in Long Beach to \$3.10 in San Francisco. Both San Jose and New York City have a \$2.50 flag drop.

An IRS mileage reimbursement based 41 percent increase in Oakland's current mileage rate of \$2.40 per mile would result in a mileage rate of \$3.40 per mile. The per mile rate of cities studied ranged from \$2.00 in New York City to \$2.50 in San Jose.<sup>19</sup> A rate of \$3.40 per mile would be considerably higher than any of the cities studied or any of twenty-four major cities, whose January 2006 rates were published by the transportation consulting firm Schaller Consulting at www.schallerconsult.com.

Finding an appropriate balance between the flag drop and the mileage rate increases is important. Representatives of Oakland's taxi companies and drivers have proposed a flag drop of \$3.00 and a per mile rate of \$2.60, explaining that this would generate at least a \$5.00 fare for any trip over eight tenths of a mile, approximately the distance from Oakland City Hall to Jack London Square. At Oakland's current rates this trip generates a fare of \$4.08, and the fare does not reach \$5.00 until the trip reaches one and a third miles. This proposed fare increase should encourage street drivers to respond to calls at grocery stores and other locations where their experience has taught them the ride is likely to be short and the prospect of picking up a return trip passenger is small.

According to MapQuest, the distance from Oakland Airport to City Hall is 9.35 miles. Assuming there was no waiting time and excluding any other charges, the fare, at the proposed rates, would be \$27.31, compared to the current fare of \$25.44. A \$1.87, or 7%, increase in the cost of a taxi ride from the airport since 2001 does not seem excessive. Staff supports the proposed \$3.00 flag drop and \$2.60 per mile fare. Staff also proposes a minimum fare of \$5.00 as an incentive to drivers for short trips, such as from grocery store to home, the trips Oakland residents have reported as the most difficult daytime service to receive.

Another tactic, specifically aimed at offsetting high gas prices, is a gasoline surcharge that is activated when gasoline prices in the local area exceed a threshold level. These surcharges are

<sup>18</sup> www.bls.gov/cpi/cpi\_dr.htm#2007

<sup>&</sup>lt;sup>19</sup> Although not included in the study of other aspects, Marin County cabs have a \$3.00 per mile rate.

established for a limited period of time. At the end of the period, if the gasoline price has dropped below the threshold, the surcharge is lifted. Washington D.C. established a \$1.50 gasoline surcharge for a four month period when gasoline prices spiked. Because of the recent spike in gasoline prices and uncertainty about potential future increases, staff proposes as amended section 5.64.100D a \$1.00 per trip surcharge that would be authorized by the City Administrator and that would expire 90 days after authorization.

#### b) Credit Card Fees

The OMC currently does not require taxis to accept credit cards, and it does not restrict credit card fees. Drivers complain that the companies charge fees as high as 10 percent or \$10.00 for the processing of fares paid by credit card and that the drivers are sometimes not paid the fare until the credit card company pays the taxi company. At the airport, if drivers are unwilling to accept credit cards, they are sent to the end of the queue.

Cities address this issue in different ways. San Francisco does not allow either the customer or the driver to be charged a fee for the payment of a fare by credit card. The taxi company, therefore, absorbs the fee, generally two to three percent of the fare, charged by the credit card company. New York City does not allow the customer to be charged a fee but authorizes companies to collect up to five percent of the credit and debit charges incurred by a driver. Although staff has not found a city that authorizes the customer to be charged, an additional option would be authorization of a customer charge, either a percentage or flat fee.

Proposed ordinance section 5.64.100C provides three options for Council's consideration: 1) company absorption of the fee, 2) passage to the driver of the actual fee charged, or 3) charge to the driver of not more than 5%. Because of the current imbalance of power between the companies and drivers, and because the contours of the employer-employee relationship are yet to be defined, staff supports absorption of the fees by the taxi companies.

#### c) Accident Damage

The City does not require companies to maintain insurance that would cover damage to their own vehicles. Therefore damage to a taxi becomes a cost of the company doing business. While it may be rational for companies to charge drivers for damage that is determined to be the driver's fault, drivers complain that they are charged regardless of fault. They also claim that they sometimes cannot obtain receipts for these payments, leading them to believe that the companies may be collecting from the insurance company of the at-fault driver as well as from the taxi driver. The companies dispute the claim that they refuse to provide receipts.

Proposed section 5.64.040E requires companies to provide drivers with receipts for all payments at the time of payment and, upon request, to make information regarding insurance claims available to drivers involved in an accident determined not to be the driver's fault.

### b. AIRPORT ACCESS

Airport access is the second major point of contention among drivers. The Port of Oakland controls which taxis have access to the Airport and limits regular access to 120 specific vehicles. These cabs are denominated "Airport cabs" and the other 194 cabs are denominated "Street

cabs." The gates charged for Airport cabs are considerably higher than those charged for Street cabs; \$750 - \$775 for Airport cabs and \$450 for Street cabs.

Although the Airport grants access to Street cabs during peak traffic periods of the week, many Street drivers feel it is impossible for them to make a living without regular airport access. Airport drivers reply that providing access to all drivers would destroy their livelihoods and they would not be able to pay their higher gate. Los Angeles employs a hybrid system in which street drivers are given instance-by-instance authorization to pick up fares who have made specific reservations with them. This functions as an incentive for street drivers to develop their clientele, but does not permit them to cut into the general airport business. The Taxi Detail reports that Oakland tried this method and abandoned it. However, this trial was at least seven years ago and the method may be worth re-visiting.

Newark N.J. has a system that could provide better equity for all drivers who desire airport privileges. Airport access is granted to 350 of Newark's 600 cabs, but each airport license is effective for only one year. This system would allow rotation of the airport privilege. However, since the City does not control this, we can only make recommendations. Staff recommends that the City/Port Liaison Committee take up this issue and consider changes that provide better driver equity while maintaining adequate airport and street coverage.

#### c. SAFETY CONCERNS

#### 1) Safety Shields - 30 percent already required

OMC section 5.64.070 mandates, "Drivers shall not refuse a reasonable request for service from any legitimate customer." An exception is provided. "Service may be refused when, in the opinion of the driver, accepting a passenger would threaten the safety of the driver." These driver safety concerns are valid, as the recent (October 2007) shooting of a San Francisco taxi driver attests.

Some but not all cabs contain safety shields between the driver and the passenger. Safety shields are required in at least 30 percent of taxicabs in companies with three or more permits. Newark, New Jersey requires all cabs to be equipped with bullet-resistant steel plate shields. Prior to 2001 Oakland required a safety shield in all cabs operated at night.

The staff report accompanying the 2001 ordinance modification noted that one driver had been shot and killed prior to the safety shield requirement and one after, but that in both cases the shooter was not seated in the rear seat of the cab. Drivers and companies queried do not feel that requiring more safety shields would necessarily improve safety. Therefore, staff recommends no change to the current safety shield percentage requirement.

#### 2) Cameras

Drivers have requested that the cabs be equipped with cameras to improve their safety. They feel strongly that this is a necessity. Proposed OMC section 5.64.055B1 would require cameras in taxis that do not currently have safety shields. Washington D.C. similarly requires either a safety shield or a camera, unless the cab driver is the holder of the vehicle permit. If a camera is used, Washington requires that only images of the rear seat be captured, which would not address the concern of danger from someone who is not a passenger. The proposed amendment,

therefore, requires the cameras to continuously record the passenger seating area and the area immediately outside the driver's window.

#### d. "Rogue Cabs"

Oakland street taxi drivers complain that cabs from other cities, which are legally barred from picking up passengers in Oakland, operate on Oakland's streets with impunity, significantly damaging both the income flow and morale of Oakland drivers. They believe that this occurs because Oakland does not enforce their laws to the degree that other cities do. Staff has confirmed that numerous unpermitted taxi companies advertise to Oakland residents in the Yellow Pages and on the internet. These cars are seen regularly on Oakland streets.

Drivers have requested that the City Administrator assist Oakland drivers by 1) enlisting the cooperation of nearby cities that also restrict pickups to their own permittees and 2) writing to the unpermitted taxi companies that advertise to Oakland customers, putting them on notice that what they are doing is illegal and explaining the consequences of violation. Cooperation with other cities could take the form of mutual agreements to suspend drivers convicted of illegal pickups. The consequences of illegal pickups are stiff fines, totaling more than \$1000, for driving without an Oakland driver's permit, taxi permit and fleet permit.

Both of these strategies will require enforcement to be effective. Civilianizing the routine inspection function will free Taxi Detail officers and create more time for rogue cab crackdowns, a significant justification for civilianizing the inspection function. However, at the current staffing level of the Taxi Detail,<sup>20</sup> it may be necessary for additional officers in the Traffic Operations Section of OPD to assist in regular sting operations until foreign cabs have the same reverence for, or fear of, Oakland that Oakland drivers currently have for Berkeley, San Francisco, and other cities that better enforce their taxi laws.

Looking at the bigger picture, taxi users would prefer a regional approach, in which cities would establish mutual agreements to admit taxis from surrounding cities. A first step could be reciprocity for accessible (ramped) vehicles and/or allowance for pickup after a fare has been dropped off in the City. This would reduce the very inefficient practice of cabs "returning empty." It would also be an incentive for drivers to maintain accurate waybills, as their proof of legitimate trips in other cities. This is a long-term solution, which, like de-regulation, will continue to be a subject of review by the City Administrator's Office, in cooperation with other area cities.

#### e. Unjustly suspended permits

The City Administrator's Office has received multiple complaints from drivers who believe that their permits have been either unjustly or incorrectly suspended. When their permits are suspended they cannot work and they therefore have no income during the suspension period. Most often, they are in the double bind of being required to continue paying their lease fees

<sup>&</sup>lt;sup>20</sup> The Taxi Detail is staffed by one Sergeant, one Officer and one Police Records Specialist.

during the suspension period. The situation is exacerbated by the four-day, Monday through Thursday, work week of the Taxi Detail, particularly if the suspension occurs on a Thursday.

The grave financial consequences of suspension and due process considerations require a process for determining as quickly as possible whether permits have been properly suspended. Amended section 5.64.080F would provide a permittee, who is contesting suspension of a permit, with a hearing within twenty-four hours of appealing the suspension.

#### 4. City Issues

#### a. PROBLEMS WITH THE CURRENT PERMIT ADMINISTRATION SCHEME

#### 1) No Individual Permittee Driving Requirement

As noted above, San Francisco requires vehicle permittees to personally operate their vehicles for a substantial amount of time. This requirement alone ensures that most permitted cabs are in regular use. Under Oakland's current system, vehicle permits are issued by lottery, and the lottery imposes no restrictions on lottery entrants. Persons with no interest in driving cabs or in the taxi business in general may enter the lottery. If they win, they lease their permit either to someone who wants to drive a cab or to a large company. In cases where the original permittee is leasing to a large company, the company, in turn, leases to a driver. This system results in two layers of overhead expenses being included in the gate charged to the driver.

Staff proposes the replacement of the lottery system with a Request for Proposals (RFP). A criterion of the RFP, also codified as amended OMC section 5.64.080E, is that individuals awarded new permits must personally drive the vehicle a minimum of four hours per day, 75 percent of the business days of the year. The RFP is further discussed under section 4.cl(1) "City Issues/Monopolization (Company Dominance)/RFP for Issuance of Additional Permits."

#### 2) Sale of permits

A 2001 amendment to the Taxi chapter of the OMC authorized permit holders to sell their permits outright, contrary to the basic premise stated in OMC section 5.64.050, which states that "Vehicle permits issued by the city are the property of the city. ..." Prior to the 2001 amendment, a vehicle permit could only be transferred "incidental to the sale or devise of the taxicab business with no consideration being exchanged for the permits." According to the staff report accompanying the 2001 amendment, it was adopted at the urging of taxicab companies.

The ability to transfer vehicle permits outright allows lottery winners, who have invested nothing in the development of their permit, to experience the windfall of selling the permit at an exorbitant price. In a recent permit revocation hearing, the buyer of a permit begged the Taxi Detail to allow him a second opportunity to pass the driver's test so that he would not lose the \$65,000 he invested in purchasing a street cab permit!

Staff proposes re-amending OMC section 5.64.050D to allow transfer of permits only in conjunction with the sale or devise of a company. This would encourage permit holders to invest in their permits and to realize a return on that investment. Permit holders who received permits by lottery and then merely leased the permits to other companies would not be allowed to sell the permits, and the permits would return to the City upon the death of the permit holder

The current transfer method also has the effect of concentrating additional power in the hands of the larger companies. Lottery winners who do not operate their own permits frequently lease them to the City's larger companies. When the permit holder desires to sell their permit, the company to whom they are leasing is the likely buyer. For several years Council has been concerned about the monopolization of Oakland's taxi industry. Allowing the sale of vehicle permits solely upon payment of a transfer fee increases this problem.

In addition to generating windfall profits for some permit sellers, the OMC currently imposes no requirements on the seller of the permit. The Taxi Detail encourages permittees to check the requirements and allow the Taxi Detail to explain the requirements to buyers prior to transferring permits. However, the revocation hearing for the buyer who did not pass the driver's test, described above, points out that permit holders have no incentive to provide this information to prospective buyers.

Strict enforcement of the taxi ordinance can leave naïve buyers without a permit and with no recourse except to sue the seller for non-disclosure. When this occurs the City also loses the availability of that cab until all of the requirements are met, a process that realistically may take several months. The current Taxi Detail paperwork chain starts the ten-day clock<sup>21</sup> when the buyer and seller present their transfer paperwork to the Taxi Detail. Among other requirements, a qualified fleet manager must be selected and a fleet management package submitted, the transfer must be noticed in the newspaper, and at least one permitted driver must be assigned to drive the vehicle prior to the expiration of the ten days.

To remedy the dual problems of "duped" buyers and taxis out of service for extended periods of time, under amended section 5.64.050D, the City would not recognize vehicle permit transfers until all requirements for completing the transfer were met. This would provide incentive for the seller to assist the buyer with the processes, would give the buyer the opportunity to understand the full extent of the requirements prior to completing the transaction, and would keep the taxi in service in the interim.

Combining non-recognition of incomplete transfers with the requirement that individual permit holders drive their own vehicles and the requirement that a vehicle permit transfers only with the sale of a company would serve several purposes:

- 1) Reduce the number of situations in which permittees profit from the transfer permits that are then either revoked by the City for non-use or are out of use more than ten days while the new permittee attempts to fulfill the requirements;
- 2) Increase the number of cabs in regular use;
- 3) Reduce the number of situations in which drivers must pay a gate or a fee to a permit holder before the drivers can profit from their driving;
- 4) Reward those who invest in the business structure necessary to operate a vehicle permit a car, radio, insurance, etc.;
- 5) Return permits to the City for re-issue when the permit holder has made no investment toward productive use of the permit.

<sup>&</sup>lt;sup>21</sup> The maximum amount of time that a vehicle can be out of service before the City commences permit revocation proceedings is 10 days.

#### 3) Inefficiency of Awarding Vehicle Permits on the Basis of Individual Lottery Winners

In 2001 twenty-nine vehicle permits were awarded by lottery, the majority going to people who had no other vehicle permits. Most of these permits were for street cabs, and most went to people who planned to drive the cabs themselves and who therefore started their own companies

This permit issuance has not created the desired effect. The drivers are disgruntled, and residents have not seen a noticeable increase in cab availability.

The drivers claim that they were promised airport privileges, and that they cannot make a living as street drivers. Although staff has found no evidence of a guarantee of airport privileges, prior staff reports on the taxi industry have noted that a re-evaluation of cab requirements would be conducted upon completion of the Oakland Airport expansion. This type of commentary may have lead the drivers to believe that airport privileges would be imminently forthcoming.

As to their claim that they are unable to make a living on the street, these drivers claim that they have no dispatch services. This is not factually accurate, as the Taxi Detail requires all cab companies to register their dispatch number as part of their annual fleet permit renewal process. However, for these independent drivers, their dispatch services seem to be nothing more than answering services. Additionally, many of these one-driver companies have no visible presence in the phone book, on the internet, or any other marketing vehicle.

San Jose requires the ownership of at least five vehicles to obtain a taxicab license. Although it is not expressly stated, this requirement acknowledges that capitalization at a significant level is needed to successfully operate a taxicab business. Expenditures such as a staffed dispatch system are not possible for individual operators.

The five vehicle minimum also facilitates San Jose's time-of-day minimum vehicle percentages requirement discussed above under topic 1.a.(4). With five vehicles and a few extra drivers, each company has enough cabs to meet the city's minimal requirements.

Although Oakland cannot retroactively impose a multi-car requirement for obtaining vehicle permits, a requirement to associate one's vehicle with a larger organization could improve the efficiency and availability of individually permitted cabs. Staff therefore proposes to replace the lottery system with the issuance of permits to those that best meet the criteria established in a Request For Proposals (RFP). The proposed RFP criteria for issuance of new permits would require proposals for groupings of ten cabs to ensure organizational benefits for new permits. Collectives of individual drivers could present proposals and could hold permits individually. Criteria of the RFP, such as days and hours coverage and dispatch systems, would require them to function as a company, and the company would receive the fleet permit.

#### **b. REPLACEMENT OF CABS**

Oakland's ordinance does not cap the number of years or maximum mileage at which a cab must be replaced. Although the Taxi Detail denies having a maximum age or mileage policy, taxi companies claim that the Taxi Detail requires replacement of cabs over 10 years old or

registering more than 350,000 miles. Staff has confirmed that numerous inspection records are marked "Last Year" on vehicles meeting the 10 year or 350,000 mile criteria. No other reason is specified on the inspection records.

Washington D.C. allows cabs up to eight years old, and San Jose allows cabs up to the lesser of ten model years, five usage years for pre-owned vehicles, or 400,000 miles. The Oakland Airport does not permit cabs that are more than five years old and, although it would seem wise for the City and the Airport to establish consistent standards, the five year cap may not be necessary for cars that are driven only on City streets, as trip distances are shorter, thus accumulating fewer miles over five years. On the other hand, short trips are harder on engines.

Taxi Detail staff should be instructed to either formalize their policy as a safety standard pursuant to their authority under Section 5.64.055B or discontinue its use. Under the latter choice, the Taxi Detail could still require vehicle replacement, but on the basis of safety concerns specific to a vehicle. Staff recommends that, if a formal standard is established, the mileage limit be increased, to prevent vehicle ownership from being prohibitively expensive.

#### c. MONOPOLIZATION (COMPANY DOMINANCE)

Of Oakland's 315 permits, Mr. Baljit and Mrs. Surrinder Singh control 174 (55%). Mr. and Mrs. Singh own 102 Friendly Cab permits, they lease 41 Yellow Cab permits from the permittee, and they are the fleet manager for 31 permits owned by Mrs. Singh's mother.

Since at least 1987, OMC section 5.64.110 has capped the number of taxi permits issued to one company at thirty percent. However, the section does not and cannot require the surrender of permits already in use, and there is no prohibition of ownership by relatives. Staff proposes amending Section 5.64.110 to extend the cap to relatives of the tertiary degree.

While there are efficiencies of scale to be gained in grouping multiple vehicles into a single operation, there is a point at which that operation can become too dominant to operate in the best interests of the citizens of Oakland. That tipping point may be achieved when an entity acquires a controlling (51%) interest in the total number of permits.

The recent revocation of ten Yellow Cab permits on the basis of lack of use highlighted one type of problem created by excessive control. Ostensibly, the use of cabs would seem to be a marketdriven function – the greater the need the greater the supply. As prior sections of this report point out, the situation in Oakland is much more complex.

With fares capped at 2001 rates and both gate fees and cost-of-driving expenses increasing, the ability to make a profit, and therefore the incentive to drive a cab, particularly a street cab, is decreased. Airport cabs continue to be in demand, indicating that, although there are complaints of decreasing profits and increasing gate fees, drivers believe they can make an acceptable income by simply sitting in line at Oakland International Airport.

Other than the potential for revocation, the cab company has little incentive to keep all of their cabs in use. As long as they are making a profit on the operating cabs, there is little to gain by dropping the gate on the unused street cabs to make them more financially attractive to drivers.

And because the number of cabs is capped, there is no fear of legal competitors entering the marketplace. As citizen complaints attest, Oakland's residents are the losers in this type of financial dynamic.

The recent revocation procedures also revealed that a significant number of Yellow Cabs with Oakland permits were being used primarily outside of Oakland. While the Singhs are free to operate cabs in any jurisdiction where they may legally do so, if the vehicles have Oakland permits, Oakland's intent is for them to be primarily available to Oakland residents. If this is not realistic, the Singhs should return the excess permits to the City or sell them to someone who would use them. The Taxi Detail suggested increasing the number of cabs operating in Oakland by amending the ordinance to disallow vehicles operating under Oakland permits to operate in cities that do not have permit systems. Staff has not included such an amendment in the current proposals, as it would prevent an Oakland driver from returning with a fare after dropping an Oakland resident in a City that does not issue permits. This would be inefficient, and staff has presented other proposals aimed at increasing the number of taxis on the street.

Without action by the Council, the situation may get worse before it gets better. The Singhs have not been inclined to voluntarily divest themselves of any permits and are, in fact, fighting the revocation of the ten Yellow Cab permits in court. Additionally, their contract on the remaining 41 Yellow permits states that "At the conclusion of the term of the lease. . . Baljit Singh and Surinder Singh shall have the option of purchasing all of the stock of DOLCO, Inc." (The corporation that does business as Yellow Cab.) The absorption of these permits into the conglomerate would further undermine the Council's intent in establishing the 30% ownership maximum rule.

#### 1) RFP for Issuance of Additional Permits

Deregulation may be the ultimate answer to the problem of inadequate service due to monopoly, assuming the safety needs of Oakland's citizens would be met. As previously mentioned, the City should continue to evaluate the option of de-regulation. However, a more immediate resolution of the dominance problem is needed.

The issuance of additional permits for street cabs has the potential to dramatically improve taxi service in Oakland by providing opportunities for enthusiastic entrepreneurs, thereby reenergizing the entire industry and encouraging existing companies to increase their competitive advantage by adding to and improving services. The issuance of additional permits can also address the problems that the City has experienced with the open lottery system and with sole proprietors. Staff therefore proposes that Council authorize an RFP with the following minimum parameters:

- > Authorize issuance of 50 additional taxi vehicle permits/medallions
- > Fourteen of the 50 vehicle permits would be for ramped vehicles
- Applicants would submit proposals on operation of at least ten vehicles and in ten vehicle increments
- > Applicants could propose operation of ten ramped vehicles

- If the proposal was for other than all ramped vehicles, the ratio of standard to ramped vehicles would be 9 to 1.
- Applications would be accepted from either companies or collectives of individual drivers. Applications from driver collectives must include notarized statements from taxi drivers holding California taxi driver permits that, if awarded a vehicle permit, they would personally drive the vehicle at least four hours a day, 75 percent of the days of the year.
- Applications must provide proof that the applicant pool has adequate capital to purchase regulation cabs and a dispatch system and to initiate operations prior to making a profit.
- Applications must include a plan for the deployment of vehicles to provide 24/7 coverage of all areas of Oakland
- > Applications must include customer service standards and a complaint processing plan

At the recent hearings held by Council President De La Fuente, and in numerous emails received by staff, residents suggest additional competition as the solution to the ills they believe are due to excessive dominance by one company.

The introduction of additional cabs into the system would reduce the percentage of industry control in the hands of one company. It may also provide an incentive for them to reduce their holdings further, particularly of medallions that are not in regular use. Because the Airport, not the City, determines which cabs may access the airport, the new permits would be street cab permits, thus infusing a large number of cabs into the area of greatest unmet need. It would also bring the ratio of cabs to residents into closer proximity with that of other similar urban cities.

#### d. TAXI DETAIL STAFFING

#### 1) More Officers Needed for Enforcement?

The Taxi Detail sergeant believes that at least two additional dedicated officers are needed to do an adequate job of both inspections and enforcement. Civilianization of the inspection function would increase enforcement capacity, as previously discussed. However, the duration of insufficient enforcement capacity has encouraged fleet managers to use substandard parts and permit cab deterioration in order to minimize costs. Another result of insufficient enforcement is the blatant presence of many "foreign" or "rogue" cabs. To correct both of these conditions, enforcement must be the expectation, not the exception.

Given the City's challenges in police staffing, additional Taxi Detail officers may not be a realistic way of creating an expectation of enforcement of safety standards within Oakland's taxi community. With "the protection of the public health and safety" as the City's paramount responsibility, staff recommends OPD devise a way of utilizing current staff, at least until there is evidence of greater compliance in both areas. Periodic "crackdown" projects by the Traffic Operations Section of OPD may resolve both the sub-standard vehicle and rogue cab issues. Patrol officers could easily identify rogue cabs by the lack of an "Oakland Taxi Cab" bumper sticker and could cite those seen picking up passengers, the method Oakland drivers claim is used by other Bay area cities.

#### 2) Administrative Staff

There is a voluminous amount of paperwork involved in the annual permitting of 314 vehicles, 66 fleets, and 670 drivers, as well as inspections. Very little of the system is automated, and all

)

of it is done by one long-term administrative staff person. Civilianizing inspections will not resolve taxi down time that is based upon the Taxi Detail's four day work week since the Taxi Detail administrator must sign off on inspections, and, although she is a civilian, she also works a four day week. Additionally, it will not address the problem that other permitting functions halt when the Taxi Detail administrator is sick or on vacation. The bottom line is that the administration of taxi permits, as currently structured, results in significant down time of many Oakland cabs that desire to be in operation.

Because administration of taxi permits is critical to the livelihoods of hundreds of taxi drivers, as well as to the goal of keeping as many taxis as possible in operation, the City Administrator is reviewing options for increasing the availability of Taxi Detail administrative services to at least the standard business week of Monday through Friday. This could be accomplished by converting the current position to a five-day schedule or by assigning the recently trained backup person to cover the fifth day on a regular basis. Either change would provide an additional day of service to Oakland's permittees and increase the number of operational taxis at no additional cost to the City

#### SUSTAINABLE OPPORTUNITIES

**Economic:** The proposed fare increases should have an immediate positive affect on the taxi drivers' ability to earn a reasonable income, without having to work an unreasonable, possibly illegal, number of hours. However, without either a freeze on the gate, the weekly fee that the majority of drivers pay to rent a cab, or the power to negotiate with the companies on said gate fee, these gains could be quickly eroded by increases in the gate.

Although the proposed fare increases are relatively small and not out of line with other Bay Area jurisdictions, they could still negatively impact the poor and those on fixed incomes who are not eligible for or not included in the City's Scrip subsidy program.

Changes that improve the availability of taxicabs should have a positive impact on the City's general economy by encouraging those who rely on cabs to utilize cabs more frequently in their daily activities, which include shopping and participation in other local economic activities.

The ability of the drivers to negotiate with the companies presents a sustainable method of resolving many of the issues raised in this report. However, the City's major taxi company claims that recognizing drivers as employees may put them out of business.

*Environmental:* At the meeting hosted by Council President De La Fuente one speaker noted that taxicabs are a vital mode of transportation for residents who do not own automobiles. As more residential units are developed in central Oakland and other areas near employment and nightlife activity hubs, taxis contribute to a healthier environment by reducing the need for additional vehicles that emit greenhouse gasses and that create the traffic jams for which the Bay Area is infamous. Reliance on taxis will only occur, however, if the availability and reliability of taxi service improves through the adoption and enforcement of the proposed initiatives.

*Social Equity:* Taxicabs are an important mode of transportation for those with low incomes. Although the proposed fare increases would negatively impact those with low or fixed incomes, it is hoped that the increases are small enough that the impact will not be prohibitive.

The proposals accompanying this report include provisions to help both taxi companies and taxi drivers achieve a fair rate of return.

#### DISABILITY AND SENIOR CITIZEN ACCESS

In addition to those who choose a lifestyle that does not involve owning a personal vehicle, taxicabs are a significant transportation resource for persons with disabilities and for the elderly who no longer drive or who do not drive at night. Several provisions of this report and the proposed amendments are directed at improving service to these constituencies. Others are directed at increasing round-the-clock availability of taxis.

#### ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council:

- 1. Accept this report
- 2. Select from the options presented in amended section 5.64.100C for handling credit card charges and then adopt the Proposed Amendments to the Taxicab Ordinance (OMC Chapter 5.64)
- 3. Adopt the proposed changes to the Master Fee Schedule
- 4. Adopt the Resolution increasing the number of taxi medallions by 50 (14 for ramped vehicles, 36 for standard vehicles)

Respectfully submitted,

Barbara B. Killey

Barbara B. Killey Assistant to the City Administrator

APPROVED AND FORWARDED TO THE PUBLIC SAFETY COMMITTEE.

Office of the City Administrator

Attachments: A - Matrix of Taxi Issues and Staff Recommendations

- B Results of Waybill Audit
- C Taxi Stand Locations Proposed by the Taxi Detail

#### INDEX

SUMMARY	2
FISCAL IMPACTS	3
1. Issuance of Permits	3
2. Taxi Detail Re-inspections	. 3
3. Taxi Stand Fees	. 3
BACKGROUND	4
KEY ISSUES AND IMPACTS	4
1. RESIDENT/CUSTOMER ISSUES	4
a. INABILITY TO GET TAXIS AND EXCESSIVE WAITS	4
Possible Solutions	
1) Dispatch System Changes, Labor Force Changes, Communication	5
2) Fines	6
3) Fare Increases	7
4) Require Cab Availability at All Times of the Day and Night	8
5) Establish an automated system to provide information to passengers and City	9
6) Place Signage at Designated Taxi Stands and Increase Number of Taxi Stands	10
7) Reduce Number of Days Cabs May Be Out of Service	11
8) De-regulation: Remove cap on number of permits issued	12
9) Increase Number of Vehicle Permits	12
b. DRIVER LACK OF KNOWLEDGE AND POOR ATTITUDE	13
c. SERVING PEOPLE WITH DISABILITIES	14
d. VEHICLE SAFETY STANDARDS	15
1) Re-inspection Fee	15
2) Civilianization of Taxi Inspections	16
2. COMPANY ISSUES	17
a. COST OF INSURANCE	
	17 17
b. INSURANCE RENEWAL PROCESSING FEE	
c. INSUFFICIENT NUMBER OF DRIVERS	17
3. DRIVER ISSUES	18
a. UNCONTROLLED COSTS/CONTROLLED INCOME	18
1) The Gate	18
a) Labor Market Forces	18
b) Cap on the Gate	19
c) Temporary Freeze on Gate	20
2) Other Costs	20
a) Gasoline	20
b) Credit Card Fees	22
c) Accident Damage	22
b. AIRPORT ACCESS	22
c. SAFETY CONCERNS	23
1) Safety Shields	23
2) Cameras	23
d. ROGUE CABS	24
e. UNJUSTLY SUSPENDED PERMIT	24
4. CITY ISSUES	25
a. PROBLEMS WITH CURRENT PERMIT ADMINISTRATION SCHEME	25
1) No Individual Permittee Driving Requirement	25
2) Sale of Permits	25
3) Inefficiency of Awarding Vehicle Permits to Individual Lottery Winners	27
b. REPLACEMENT OF CABS	27
c. MONOPOLIZATION (COMPANY DOMINANCE)	28
1) RFP for Issuance of Additional Permits	29
d. TAXI DETAIL STAFFING	30
1) More Officers Needed for Enforcement?	30
2) Administrative Staff	30
SUSTAINABLE OPPORTUNITIES	31
1. Economic	31
2. Environmental	31
3. Social Equity	32
DISABILITY AND SENIOR CITIZEN ISSUES	32
ACTION REQUESTED OF THE CITY COUNCIL	32

# Attachment A TAXI ISSUES AND STAFF RECOMMENDATIONS

Stake- holders	Issue	Staff Recommendation	OMC Sec, Task Force, RFP, Other	Staff Report Page(s)
Customers				
	Inability to get taxis and excessive waits	Require fleet plans for cab availability 24/7 in all areas of City	5.64.040I	8, 12,30
		Fare minimums and increases as incentive to drivers	5.64.100A	7, 20-21
		Administrative citations (fines) for failure or refusal to pick up customer and for discourteous treatment	5.64.135	6-7, 13
		Establish process for requesting, installing, maintaining, and funding taxi stands	5.64.120	10-11
		Issue 50 additional permits (14 ramped and 36 standard vehicles)	RFP	12, 14, 29
		Increase companies' accountability for establishing schedules by requiring that vehicles utilized by companies be driven by permit holder or company employees	5.64.040B8	5, 18-19
		Require permits issued after May 2008 be driven minimum hrs by permittee or employee of permittee	5.64.050F	11
		De-regulation – remove cap on number of permitted cabs	Further Study	12
		Reduce number of days cabs may be out of service	5.64.080E	12
		Impose fines for pickup failures, and other violations, on both companies and drivers	5.64.040E	6
	Driver lack of knowledge and poor attitude	Passenger rights and complaint process posted in cabs	5.64.055D5	13, 14
		Courtesy requirement	5.64.070L	13
		Require GPS systems in cabs, county maps prior to installation	5.64.055D6	13
		Fines for violations that do not rise to the level of permit suspension or revocation	5.64.135	6,13,14
		Automated system that provides routing and other information to passenger	Further Study	9
	Lack of service for persons with disabilities	Require driver training on this issue	5.64.070A3	14
		Issue 14 new permits for accessible (ramped) vehicles	RFP	15
		Passenger bill of rights	5.64.055D	14
	Safety	Prohibit re-tread tires	5.64.055C9	15
·		Civilianize inspection process to free up officers for random safety checks	City Administrator	16
		Re-inspection fee to encourage better maintenance	MFS	16
	· · · · · · · · · · · · · · · · · · ·	Maximum odometer mileage and/or car age	Taxi Detail Safety Std.	27-28
Drivers				
	Cost of "gate" (weekly lease of cab from a company)	Temporary freeze on gate	5.64.140	20

.

# Attachment A TAXI ISSUES AND STAFF RECOMMENDATIONS

Stake- holders	Issue	Staff Recommendation	OMC Sec, Task Force, RFP, Other	Staff Report Page(s)
		Require vehicle permits issued to individuals after June 2008 be driven by those individuals	5.64.050F	11
		OMC cap on gate	Further Study	20
	Safety	Cameras	5.64.055B1	23
	Cost of gasoline	Fare increase	5.64.100A	7, 20-21
		Gasoline surcharge	5.64.100D	21-22
	Credit/debit card fees	Cap fee or prohibit charging fee to driver	5.64.100C	22
	Inability to collect airport fee, bridge tolls, etc.	Allow collection of all mandated fees	5.64.100B	8
	Payment for vehicle damage that is not their fault	Require companies to provide insurance claim info	5.64.040E2	22
	Lack of receipts for other payments to company	Require companies to provide receipts for all payments	5.64.040E1	22
	Unjustified suspension of permits	Require hearing within 24 hours	5.64.080F	24-25
	Lack of airport access		Port controls	22-23
City				
	Sale of (vehicle) 'permit only' violates rule that permit is property of City, provides windfall to disinterested permit holder, creates gray market for permits	Allow permit transfer only with sale of company, with no consideration for the permit	5.64.050D	25
		Require individuals awarded permits to personally drive the vehicle	RFP Criteria 5.64.050F	29-30 11
	Sale of permit prior to buyer meeting requirements creates potential for extended cab downtime, loss of investment	City approval of transfer only after completion of requirements	5.64.050D	26
	Excessive industry dominance by few companies	Extend prohibition of more than 30% control to 3rd degree relatives	5.64.110	28
		Increase competition by issuance of 50 new vehicle permits	RFP	29
	Inadequate administrative availability	Increase availability of Taxi Detail administrative services	City Administrator	30-31
<b>.</b>	Invisibility of single-cab, sole-proprietor taxi companies	Replace lottery w/ RFP requiring proposals on 10 vehicle groupings	RFP criteria 5.64.080E	27, 29

.

# RESULTS OF TAXI DETAIL AUDIT OF YELLOW CAB WAYBILLS AUDIT PERIOD 03/03/07 – 10/05/07 (217 days)

Number of Days Driven in Audit	Taxi Numbers	Total	
Period <sup>1</sup>			
0	101, 105, 144, 148	4 .	
1	141	1	
2	111, 135, 147	3	
3	149	1	
5	113	1	
6	109, 134	2	
. 7	102	1	
8	106, 117, 143	3	
9	136	1	
10	107, 131	2	
11 .	100, 130, 137	3	
13	103, 104, 138	3	
14	114	1	
16	140	1	
. 17	128	1	
18	139	1	
20	133	1	
23	145	1	
26	142	1	
30	146	1	
50	112	1	
53	116	<b>g</b> 1	
. 56	110	1	
62	132	1	
88 .	108	1	
90	129	1	
96	115	1	
107	150 .	1	

<sup>&</sup>lt;sup>1</sup> Number of Days Driven is based upon the number of days for which valid, complete waybills were submitted for the taxi numbers listed.

## OPD TAXI DETAIL'S RECOMMENDED NEW TAXI STAND LOCATIONS AND RE-LOCATIONS

- 1. Remove two stands from 13th Street off Broadway and place two stands on 14<sup>th</sup> Street, next to the BART exit, just west of Broadway. Provides higher visibility and access to City Hall and Civic Center.
- 2. Place at least one stand near Hawthorne and Webster Street to service Summit Hospital and medical buildings in area.
- 3. Place at least one stand on Howe Street to service Kaiser Hospital and adjacent medical buildings.
- 4. Place at least one stand in area of Harrison Street and 20<sup>th</sup> Street to service Kaiser Plaza and Ordway office buildings. Currently, there is one stand on 19<sup>th</sup> Street just east of Harrison Street, but is not visible from the major buildings at 20<sup>th</sup> Street due public park facility.
- 5. Recommend one or more stands at foot of Broadway to service Jack London Square, i.e., Waterfront hotel, movie theater, restaurants )
- 6. Move two stands on south side of San Leandro Street in front of burger stand servicing Coliseum BART, to same side as BART, and increase to four stands. Such a move would reduce complaints from local businesses on south side of street and enhance user safety by eliminating need to cross busy street to get to stands.

2000 MAY 15 PM 6:49

APPROVED AS TO FORM AND LEGALITY ralok City Attorney

# OAKLAND CITY COUNCIL

ORDINANCE NO.\_\_\_\_\_C.M.S.

## Adopt An Ordinance Amending Oakland Municipal Code Chapter 5.64 To

A) Require Companies Holding A Fleet Management Permit That Utilize Two Or More Taxis To Provide Proof That Permitted Taxis Are Driven By Either The Permittee Or Employees Of The Fleet Management Company

**B)** Require Companies To Provide To Drivers Receipts For Fees Paid To The Company By The Drivers

C) Require Companies To Provide Drivers With Documentation On Insurance Claims For Accidents Involving A Driver

D) Require Cameras In Taxicabs That Do Not Have Safety Shields And Prohibit Re-Tread Tires

E) Require In-Cab Signage Informing Passengers Of Their Rights And The Procedure For Filing Complaints

F) Require GPS Systems In Taxicabs

G) Establish Additional Driver Training Requirements

H) Issue Permits On The Basis Of Service Proposals, Instead Of By Lottery

I) Increase Basic Fare Components, Add New Fare Components, And Authorize Collection From Passengers Of All Mandatory Fees Paid By Drivers

J) Place A Temporary Freeze On The Taxicab Lease Rates Charged By Taxi Companies To Drivers

K) Authorize Administrative Citations For Violations Of The Chapter

L) Establish A Process And A Fee For The Establishment And Maintenance Of Taxi Stands

M) Require That Permits Issued After June 1, 2008 Be Driven A Minimum Number Of Hours And Days Per Year By The Permit Holder Or By Employees Of The Permit Holder

N) Allow Revocation Of Vehicle Permit If Vehicle Not Used More Than 10 (Ten) Days In Any 30 (Thirty) Day Period

**O)** Provide Prompt Hearings On Suspended Permits

P) Authorize City Administrator To Establish A Gasoline Surcharge Should Gasoline Prices Warrant

Q) Require Companies Of 10 Or More Vehicles To Submit Plan For 24/7 Coverage Of City

**R)** Allow Transfer Of Vehicle Permits Only With Sale Of Company, With No Consideration For The Permit

WHEREAS, the protection of the public health and safety are the paramount considerations in the interpretation and enforcement of taxicab regulations; and

WHEREAS, the Port of Oakland, where only permitted Oakland taxicabs are authorized to pick up passengers, has recommended that re-tread tires be prohibited to increase the safety of taxicabs; and

WHEREAS, based upon the experience of other cities, taxi drivers believe that in-car cameras will help protect their safety; and

WHEREAS, in response to the City's stated need for increased taxi availability to all parts of the City at all times and for accurate waybills to show taxi usage, the major taxi companies respond that they cannot meet the City's need because they cannot control the drivers operating under their fleet management permits; and

WHEREAS, the City's unmet need for increased taxi coverage and accurate reporting of taxi usage justifies the use of its police power to require ongoing proof of employee status for drivers who are not vehicle permit holders so that companies have the ability to manage the drivers to meet the City's coverage and reporting requirements; and

WHEREAS, drivers have complained that they are unable to obtain receipts for all of the charges billed them by the taxi companies, including payments for accident damage that is not the driver's fault; and

WHEREAS, receipts are necessary in order for drivers to claim these charges as business expenses; and

WHEREAS, residents and visitors have complained about their experiences with Oakland cabs; and

WHEREAS, passengers with disabilities have complained of drivers' refusal to allow service animals and to assist the passenger with entering and exiting the cab; and

WHEREAS, in order for the City to enforce violations of the taxicab ordinance and assist in improving the experience of taxicab passengers, the City must be aware of such violations and problems; and

WHEREAS, in-cab signage explaining passenger's rights and the complaint process would facilitate timely reporting of violations to the City; and

WHEREAS, driver training in knowledge of Oakland, safety, appearance, customer relations, and transporting passengers with disabilities should improve the experience of the Oakland taxicab passenger; and

WHEREAS, residents and visitors have complained of driver's lack of knowledge of their destination in the City; and

WHEREAS, Global Positioning Systems (GPS) can provide directions to addresses in the City; and

WHEREAS, the lottery system for issuing taxicab permits has resulted in a large number of permits held by persons who have no interest in Oakland's taxi business; and

WHEREAS, permit holders can then lease the permits to Oakland taxi companies, increasing the concentration of permits in a few companies; and

WHEREAS, the Oakland taxi companies can then lease the permits to drivers, creating two layers of cost before the permit is put to productive use; and

WHEREAS, the lottery system imposes no requirements on the utilization of the cab, except that it cannot be out of use for ten consecutive days; and

WHEREAS, replacing the lottery system with a system that issues permits on the basis of proposals that best fill the City's needs, as outlined in the request for such proposals, would provide a method of resolving problems and filling gaps in the system; and

WHEREAS, the City controls the fares and charges that taxi drivers can collect; and

WHEREAS, the cost of living and particularly the cost of gasoline has increased greatly since the last fare change in 2001; and

WHEREAS, drivers are required to pay, but the current ordinance does not permit drivers to collect, government-mandated fees such as airport charges and bridge tolls; and

WHEREAS, although the City controls the fares that drivers can charge, the City does not control the rates that drivers must pay to lease their taxis from taxi companies; and

WHEREAS, many drivers complain that the lease rates are too high for them to make a living without driving in excess of the hours allowed by law; and

WHEREAS, the companies counter that the lease rates are required for them to continue in business; and

**WHEREAS**, the City could not determine fair lease rates without more information on the finances of the companies; and

WHEREAS, a temporary freeze on raising lease rates would allow time for the study of company finances or for the establishment of lease rates that are mutually agreed upon by the companies and the drivers; now, therefore

## THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

**SECTION 1.** It is the intent of the City Council in enacting this ordinance, to improve the safety of Oakland's taxicab industry, the availability of taxis to residents and visitors, and the quality of the consumer's experience with Oakland taxicabs.

**SECTON 2.** The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this ordinance.

**SECTION 3.** The City Council finds and determines that the adoption of this Ordinance is exempt from CEQA under Sections 15061(b)(3) of the State CEQA Guidelines and authorizes the filing of a Notice of Exemption with the Alameda County Clerk.

<u>SECTION 4.</u> Oakland Municipal Code Chapter 5.12 is hereby amended to read as follows; additions are indicated by <u>underscoring</u> and deletions are indicated by <u>strike-through type</u>; portions of the regulations not cited or not shown in underscoring or strike-through type are not changed:

Oakland Municipal Code Chapter 5.64 is amended as follows:

Chapter 5.64 TAXICABS

5.64.010 Title.

5.64.020 Findings and purpose.

5.64.030 Definitions.

5.64.040 Fleet management permit.

5.64.050 Vehicle permit.

5.64.055 Operating permit.

5.64.060 Spare taxicabs.

5.64.070 Driver permits.

5.64.075 Temporary driver permit.

5.64.080 Permit administration.

5.64.090 Insurance requirements.

5.64.095 Controlled substance and alcohol testing certification program.

4

5.64.100 Fare structure.

5.64.110 Public convenience and necessity.

5.64.120 Taxicab stands.

5.64.130 Taxicabs from other municipalities.

5.64.135 Violations

5.64.140 Temporary freeze on fees charged by taxi companies for lease of cabs

#### 5.64.010 Title.

This chapter shall be known as the taxicab standards ordinance. (Ord. 12034 § 1 (part), 1998: prior code § 5-29.1)

#### 5.64.020 Findings and purpose.

The City Council of Oakland does find that:

A. Taxicabs provide an essential component of the public transit system which serves the city; and

B. Taxicabs are operated by private companies which utilize public rights-of-way in the delivery of their service; and

C. Appropriate efforts must be undertaken to ensure that taxicab companies, their employees, and drivers take all reasonable actions to ensure protection of the public health and safety when providing taxicab services; and D. The city's administration of taxicab regulations should not unduly burden the taxicab industry; however, the protection of the public health and safety shall be deemed paramount in the enforcement and interpretation of taxicab regulations. (Ord. 12034 § 1 (part), 1998: prior code § 5-29.2)

#### 5.64.030 Definitions.

The following words and phrases, whenever used in this chapter, shall be construed as defined in this section: "Chief of Police" shall mean the Chief of Police or his or her designee.

"City Manager" "City Administrator" means the City Manager City Administrator or his or her designee. "Driver" means every person driving a taxicab as defined by this chapter.

"Driver permit" means the annual permit issued by the Chief of Police which authorizes the recipient to drive a taxicab for a specified fleet manager within the city.

"Fleet Management Permit" means the permit issued by the Chief of Police which authorizes the overall operation and management of all taxicabs using the same name and vehicle color combinations.

"Fleet manager" means that person designated by the holder of the fleet management permit as the person responsible for all operations under the fleet management permit.

"Operating permit" means the permit, issued by the Chief of Police, which evidences that a vehicle designated by the Chief of Police to operate for a specific fleet has been inspected and certified to operate as a taxicab.

"Owner" means any person, partnership, cooperative, corporation, firm, or association who is named as the registered owner of a vehicle which is used as a taxicab in the city, including but not limited to, receivers or trustees appointed by any court.

"Taxicab" means every passenger vehicle designed for carrying not more than eight persons, excluding the driver, used to carry passengers for hire, and which is operated at rates per mile or upon a waiting time basis or both. "Taxicab" does not include ambulance vans ("ambuvans") or limousines.

"Taximeter" means a mechanical or electronic device by which the charge for the hire of a taxicab is automatically calculated, either for distance traveled or for waiting time, or both, and upon which such charge is plainly registered by means of figures indicating dollars and cents and which is visible in the rear passenger compartment.

"Vehicle permit" means the permit issued by the Chief of Police to qualified taxicab owners which authorizes them to operate taxicab vehicles meeting established standards within the city. (Ord. 12034 § 1 (part), 1998: prior code § 5-29.3)

#### 5.64.040 Fleet management permit.

A. It is unlawful for any person, partnership, cooperative, corporation, firm, or association to engage in the business of operating or managing a taxicab company, fleet, or taxi service in the city without first obtaining a fleet management permit as specified by this section.

5

B. Application for a fleet management permit shall be filed with the Chief of Police. The form and contents of such application shall be specified by the Chief of Police; however, the following shall constitute the minimum requirements to qualify for a fleet management permit:

1. Proof that the fleet management permit applicant has insurance which satisfies the requirements of Section 5.64.090 and which is adequate to cover all vehicles permitted under the name and vehicle colors for which the applicant is responsible;

2. Designation of a manager to whom all correspondence and official notices may be directed and who is authorized to and is responsible for the conduct of all business with city officials charged with enforcing the provisions of the Chapter. The fleet manager is subject to the approval of the Chief of Police and shall be subject to the same requirements as permit holders under subsections E and F of Section 5.64.080;

3. Disclosure of the names, residence, and business addresses of the designated manager, all directors, officers, partners, and associates directly or indirectly holding a financial interest in the applicant and the proposed fleet management permit. A copy of the current, valid fictitious business name certificate under which the applicant does, or intends to do, business;

4. A complete description of the fleet's proposed operations, including a radio-dispatching service provided either by the applicant or another party under contract, including all licenses for the operation of all radios whether directly or by contract. Failure to operate according to the proposed terms shall be considered a violation of this chapter;

5. Authorization from the Chief of Police to use a proposed color scheme for each vehicle in the fleet;

6. Proof that the fleet's operations are conducted in conformance with zoning laws;

7. A list of all vehicle permits that the fleet management permittee will manage.

8. If the taxicab company, fleet or taxi service seeks to utilize two or more vehicles, except for vehicles driven solely by the holder of the applicable vehicle permit, proof that the vehicles utilized by the taxicab company, fleet, or taxi service are driven by employees of the taxicab company, fleet or taxi service.

C. Fleet management permittees are required to maintain for a period of not less than one year all records pertaining to the fleet manager's operation and management, including but not limited to all waybills completed by drivers, all dispatch logs, all vehicle inspection records, driver training records, passenger complaints, citation records, leasing records, and insurance records. Fleet managers shall make available for inspection, Monday through Friday from nine a.m. to five p.m., all such records. Fleet managers shall take reasonable efforts to ensure the completeness and accuracy of all records. Any records which are determined to be inadequate, inaccurate, or any request which is not complied with may result in the suspension or revocation of the fleet management permit pursuant to section 5.64.080.

D. Fleet management permittees shall make available badges for use by all permitted drivers which drivers shall wear at all times. The badge shall be of a type approved by the Chief of Police.

E. Fleet management permittees shall be responsible for all aspects of the fleet management and day-to-day management operations, including but not limited to drivers and vehicles operated under the fleet management permit. Any violation of any provision of this chapter by a driver or vehicle may be grounds for suspension or revocation of the fleet management permit pursuant to section 5.64.080, and any violation by a driver or vehicle may also be imputed to the fleet management permittee for the purposes of prosecution of violations pursuant to section 6.64.135;

1. Fleet managers shall provide to drivers receipts for all fees collected from said drivers.

2. Upon driver request, fleet managers shall provide all information and documentation on insurance claims filed or processed for accidents and/or other vehicle damage in which said driver was involved.

F. The Chief of Police may deny the granting of any fleet management permit if the applicant has been convicted of any crime, taking into consideration the nature and circumstance of the conviction, the age of the applicant at the time of conviction, the time elapsed since the conviction, and any evidence of rehabilitation.

G. Fleet management permits issued under the provisions of this chapter shall be effective for the calendar year for which the permit is issued only. All fleet management permits shall expire on December 31st of the year for which the permit is issued. Fleet management permits must be renewed annually by the fleet management permittee by submitting a completed application with required documents as set forth in this section no later than November 15th. H. Any person, partnership, cooperative, corporation, firm, or association in receipt of a fleet management permit shall designate one person as the fleet manager. The fleet manager shall be jointly and severally liable with the fleet

management permittee for all acts and omissions arising from the operation of the fleet. <u>I. Fleets consisting of ten (10) or more vehicles shall, as part of their annual permit renewal process, submit a plan</u>

for providing taxi coverage to all parts of the City twenty-four (24) hours per day, seven (7) days per week.

#### 5.64.050 Vehicle permit.

A. It is unlawful for any person, partnership, cooperative, corporation, firm, or association to operate or permit to be operated a taxicab within the city without first obtaining a vehicle permit as specified by this section. Application for a vehicle permit shall be made on a form specified by the Chief of Police.

B. Upon approval of written application, the holder of a vehicle permit may permanently transfer the permit to a substitute vehicle provided that all provisions of this chapter are met to the satisfaction of the Chief of Police.C. Upon written application to the Chief of Police, the holder of a vehicle permit may transfer operation of his or her permit to a different fleet management permittee provided that written consent is first obtained from the new fleet manager and the Chief of Police. Vehicles transferring operations from one fleet management permittee to another are subject to inspection by the Chief of Police before such transfer may be approved.

D. Vehicle permits issued by the city are the property of the city and shall not be sold, assigned, bequeathed, leased, or transferred, expressly or by operation of law, unless the <u>City Manager City Administrator</u> determines that such sale, assignment, or transfer is made to a proposed permittee who is in compliance with the taxicab operating requirements of this chapter. Vehicle permits may be assigned or transferred upon the payment of the vehicle permit transfer fee in the master fee schedule or <u>and</u> incidental to the sale or devise of the taxicab business with no consideration being exchanged for the permits. <u>A vehicle permit transfer will not be recognized by the City unless and until all other requirements of this chapter for operating the vehicle have been met.</u> However, nothing contained in this section is intended to impair a valid contractual obligation regarding the temporary transfer of interest in a vehicle permit if such contractual obligation was entered into prior to the effective date of the ordinance codified in this section. Whenever at any time after the initial issuance of permits to a business entity, or at any time after the entity was last required to evidence compliance under this provision, there has been in the aggregate a transfer of fifty-one (51) percent or more of the ownership interest in the entity, the entity may be required by the Chief of Police to evidence at the time of the effective date of the ordinance codified in this section is extended to the taxicab permittee requirement of this chapter. A complete copy of each contractual agreement in existence at the time of the effective date of the ordinance codified in this section shall be provided to the Chief of Police within thirty (30) days.

E. Prior to the issuance of a vehicle permit, every applicant for a vehicle permit shall file with the Chief of Police a statement, giving the name, address, and telephone number of the taxicab fleet management permittee through which taxicab service is to be made available to the public pursuant to the permit for which application has been made. No vehicle permit shall be registered to more than one fleet management permittee. All outstanding permittees must file such a statement with the Chief of Police within thirty (30) days of the effective date of this chapter.

F. Any new vehicle permit issued and any existing vehicle permit which is transferred, assigned, or sold pursuant to this section on or after June 1, 2008 shall be subject to the following requirements: The holder of the permit or the employees of the permit holder shall drive the vehicle at least four (4) hours per day a minimum of seventy-five (75) percent of the days of the year.

**F**<u>G</u>. The Chief of Police shall issue a metallic medallion for each vehicle permit issued pursuant to this chapter upon compliance with the insurance requirements of Section 5.64.090. During all hours of operation of a taxicab the medallion shall be secured as designated by the Chief of Police and shall be clearly visible from the exterior of the taxicab. The medallion issued for any vehicle shall be surrendered to the Chief of Police at any time that the insurance for that vehicle does not meet the requirements of Section 5.64.090, or at any time the vehicle permit is suspended, and shall be restored to the permittee when proof of insurance is provided to the Chief of Police or evidence is provided to the Chief of Police that the condition(s) giving rise to the suspension has been corrected. Every taxicab permit holder shall pay the city a sum to cover the cost of producing and processing each such metallic taxicab medallion as may be issued to him or her. Such fees shall be paid at once, upon issuance, in an amount set in the master fee schedule; provided, however, that such medallions may be transferred between vehicles in accordance with the provisions of this chapter. Any out-of-service taxicab or spare taxicab vehicle with a permit from the city which is driven on the city streets and ways shall display such sign or signs as shall be designated by the Chief of Police indicating that such vehicle is out of service. (Ord. 12340 § 1 (part), 2001; Ord. 12100 (part), 1998; Ord. 12034 § 1 (part), 1998; prior code § 5-29.5)

#### 5.64.055 Operating permit.

A. Application for an operating permit shall be filed with the Chief of Police. The form and contents of the application shall be specified by the Chief of Police; provided, however, the following standards constitute the minimum requirements to qualify for an operating permit:

1. Written acknowledgment by the manager of a fleet management permittee that the vehicle for which the operating permit is issued is authorized to operate using the color scheme and name of the fleet management permittee and that the fleet management permittee assumes responsibility for the operation of the vehicle;

2. Proof that the vehicle is covered by the insurance of the fleet management permittee;

3. Presentation of a city business tax certificate which demonstrates that such tax is not delinquent for the current year or any previous year;

4. Presentation of a valid certificate of registration for the vehicle issued by the California Department of Motor Vehicles. The permit applicant must be named as the registered owner of the vehicle;

5. Proof that a taximeter of a type approved by the Chief of Police has been installed in the vehicle and has been certified by the County of Alameda Bureau of Weights and Measures subsequent to its installation in the vehicle; 6. Proof that the vehicle is equipped with a two-way radio, in good working order, to be used for taxicab service dispatch purposes, and that the applicant has all applicable licenses for the operation thereof;

7. Disclosure of the names, residence, and business addresses of the owner(s), all partners, and associates directly or indirectly having a financial interest in the ownership of the vehicle or the operation authorized by the operating permit for which application has been made. A certified copy of any fictitious business name certificate, evidence of publication, and an affidavit of publication, under which the applicant does, or intends to do, business;

8. State of California Certificate of Compliance - Brake Adjustment which is valid at the time of the annual inspection;

9. State of California Certificate of Compliance - Motor Vehicle Pollution Control which is valid at the time of the annual inspection;

10. State of California Certificate of Adjustment -Lamp Adjustment which is valid at the time of the annual inspection;

11. The above certificates must be dated within sixty (60) days of the date of the inspection by the Oakland Taxi Detail.

B. Applicants for an operating permit must demonstrate that the vehicle meets specified safety and equipment standards. The Chief of Police shall publish safety and equipment standards and/or reference other standards with which each vehicle must comply. Such safety and equipment standards must include the installation of a protective partition of a type approved by the Chief of Police in the vehicle. The protective partitions may be of a fixed or rolldown design, and their installation applies only to taxicab companies with three or more vehicle permits, and must be installed in no less than thirty (30) percent of that company's vehicles. Taxicab drivers may request to drive taxicabs that do not have safety shields therein. Employing taxicab companies shall provide taxicabs without safety shields to requesting taxicab drivers if such taxicabs are available.

1. Except for vehicles driven solely by the holder of the vehicle permit, taxicab companies with three or more vehicle permits shall install cameras capable of recording the passenger seating area and the area immediately outside the driver's window in taxicabs without safety shields. Such cameras shall be installed when vehicles are replaced, but no later than one year from the adoption of this ordinance.

C. The Chief of Police shall conduct an inspection of all vehicles for which permits are granted under the provisions of this chapter prior to the issuance of an operating permit and at regular annual intervals thereafter on a schedule to be determined by the Chief of Police.

Such inspections shall determine compliance with all applicable laws and standards. Standards for such inspections as set by the Chief of Police shall include the following:

1. Any door, window, hood, or trunk which fails to open or close securely;

2. Peeling defaced, or improperly repaired exterior decals, lettering or numbering;

3. Exterior paint or color schemes which are different from those approved by the Chief of Police pursuant to Section 5.64.040(B)(5) or which are not maintained in the condition originally approved by the Chief of Police;

4. Dirt, broken fixtures, or other conditions in the passenger compartments which could soil or tear a patron's clothes;

5. Rust, dents, or tips in the vehicle's exterior which are more than trivial, or missing components, including, but not limited to, chrome, rubber strips, or other component parts which might snag tear, or injure a driver, pedestrian, or passenger. Any such damage will be considered to be more than trivial when single or multiple areas of damage affect an aggregate area of at least three linear feet of the cab exterior. The measurement of each damaged area will be taken between the two most widely spread points of the affected surface;

6. Dirty luggage compartments or luggage compartments which are maintained in condition which would soil or damage baggage;

7. Driver or passenger compartments which have litter or trash;

8. Torn or improperly repaired upholstery, headliners or floor covering;

8

9. Re-tread tires

910. Safety standards as published pursuant to the provisions of subsection B of this section.

D. All taxicabs operating within the city shall have signs containing the following information permanently affixed to the vehicle:

1. On the exterior sides of the vehicle shall appear the name of the fleet management permittee, the insignia of such permittee, and the telephone number of the fleet management permittee. The size and location of vehicle numbers shall be designated by the Chief of Police.

2. On the exterior sides of the vehicle shall appear the vehicle permit number in a size specified by the Chief of Police.

3. On the exterior sides of the vehicle, and within the interior of the vehicle in a location readily visible to the passenger, shall appear a sign which states "Driver carries only \$5.00 in change."

4. Within the interior of the vehicle, and in a location readily visible to the passenger, shall appear a sign which states the name of the fleet management permittee, such permittee's address and telephone number, and the vehicle number. The name of the driver shall be posted on a sign, readily visible to the passenger, following the words, "Your driver is". The fares authorized by this chapter shall be listed and the sign shall state, "Drivers may collect only these posted fares." In addition the sign shall state "Oakland Police Department, Taxi Unit, 455 - 7th Street, Oakland, CA 94607 (510) 777-8527. Such sign shall be no smaller than four eight by six ten inches in size.
5. Within the interior of the vehicle, and in a location readily visible to the passenger, shall appear a sign titled

## Passenger's Bill of Rights. It shall include the following:

- a. You have the right to be treated courteously.
- b. You have the right to be taken to your destination by the most expeditious route.
- c. You have the right to be picked up and dropped off at a safe location.
- d. You have the right to have your baggage, not exceeding fifty pounds, placed in the trunk of the taxi.
- e. You have the right to pay only the posted fare. Tipping for good service is encouraged.
- f. Passengers with disabilities have the right, upon request, to be assisted entering and exiting the taxi.
- g. Passengers with disabilities have the right to be accompanied by qualified service animals.

In addition the sign shall state, "Complaints and comments may be filed with the Oakland Police Department Taxi Detail Unit or with the Oakland City Administrator. Please specify the vehicle number and driver name." The telephone numbers and email addresses of the Taxi Detail Unit and the Oakland City Administrator or designee shall be included on the signs.

6. No later than December 31, 2008, a global positioning system (GPS) capable of generating point-to-point directions shall be available and functional in the vehicle at all times. Prior to the availability of the GPS system, all vehicles shall carry complete maps of Alameda County.

57. Within the interior of the vehicle shall appear a copy of the operating permit. The form, contents, and location of the operating permit shall be designated by the Chief of Police. A vehicle permittee shall be issued a decal for each vehicle upon full completion of the annual vehicle permit renewal and vehicle inspection.

E. In addition to the annual inspections provided for in subsection C of this section, and as authorized under the California Vehicle Code, the Chief of Police may cause spot inspections to be made of any taxicab vehicle, provided that at the time of such spot inspection the vehicle is in service and not transporting a paying customer. If the taxi vehicle fails to pass the spot inspection, the vehicle permit and operating permit may be suspended pursuant to Section 5.64.080F.

F. Any individual who affixes or removes an operating permit without the permission of the Chief of Police shall be in violation of this chapter. It is unlawful for any person to operate or permit to be operated a taxicab within the city without having an operating permit affixed to the vehicle. Any taxi driver permittee or fleet management permittee found in violation of this paragraph may have their permit suspended or revoked pursuant to Section 5.64.080. G. All citations issued for violations of subsections (C)(1) through (C)(9) of this section, inclusive, shall require the person to whom the notice to appear is issued to produce evidence which is satisfactory to the Chief of Police that the vehicle has been made to conform with the requirements of this chapter within thirty (30) days.

H. Operating permits shall be renewed annually on a date to be set for each permit by the Chief of Police; provided, however, that the renewal date so set shall be within ninety (90) days from the calendar anniversary of the date on which the vehicle was last inspected and passed. Such renewal date shall also be within thirty (30) days of the date the registration for that vehicle is renewed with the California Department of Motor Vehicles. (Ord. 12340 § 1 (part), 2001; Ord. 12034 § 1 (part), 1998)

#### 5.64.060 Spare taxicabs.

A. Every taxicab fleet management permittee under this chapter shall be entitled to one spare taxicab permit for every five vehicle permits registered with the Chief of Police as operated by or in association with such taxicab fleet management permittee as determined by the Chief of Police annually commencing on January 1, 1988; provided, however, that every taxicab fleet management permittee shall be entitled to a minimum of one spare taxicab permit. In determining the number of spare taxicab permits to which a fleet management permittee is entitled, such permittee shall receive one additional spare taxicab permit if the number of vehicle permits registered for such permittee is three or four permits greater than any number evenly divisible by the number five. Each such permit may be utilized only with a taxicab vehicle registered with the Chief of Police and operated under the provisions of this chapter. Such permits shall not be transferable or assignable either expressly or by operation of law.

B. Spare taxicab permits may be used only when: (1) a spare taxicab authorization order has been issued by the Chief of Police based on a temporary public transportation need which justification shall be set forth specifically in the order; or (2) a fleet manager notifies the Chief of Police in such form as the Chief of Police may require that a specifically identified regularly permitted taxicab is out of service and that a specifically identified designated spare taxicab vehicle shall replace it.

C. Spare taxicab authorization orders issued by the Chief of Police shall activate all spare taxicab permits and shall be given in writing and filed with the <u>City Manager City Administrator</u>. Holders of spare taxicab permits may be notified orally, by telephone, telegram, facsimile, or by any other convenient means of communication that such an order has been issued and filed. Such orders shall specify an effective time and date and a termination time and date, but shall remain in effect in no case for a duration greater than ten consecutive days. Spare taxicab authorization orders may be extended beyond a ten consecutive day duration only with the written concurrence of the <del>City Manager</del> City Administrator.

D. Every spare taxicab vehicle for which a permit is issued shall be inspected at least once each year on a schedule determined by the Chief of Police under the standards set forth in section 5.64.055 and also shall be subject to spot inspections under the provisions of Section 5.64.055E.

E. No spare taxicab shall be operated unless at the time such vehicle is placed in service, and at all times while such vehicle remains in service, it is covered by a policy of insurance in such amount(s) as shall satisfy the requirements of Section 5.64.090.

F. The medallion as described in section 5.64.050 shall be placed in the spare taxicab when that spare taxicab is in operation as authorized by the Chief of Police. (Ord. 12034 § 1 (part), 1998: prior code § 5-29.6)

#### 5.64.070 Driver permits.

A. It is unlawful for any person to drive a taxicab for hire within the city without first obtaining a driver permit as specified in this section.

B. Application for a driver permit shall be filed with the Chief of Police. The form and contents of the application shall be specified by the Chief of Police; however, the following constitute the minimum requirements to qualify for a driver permit:

1. Presentation and maintenance of a valid California Driver's License;

2. Written acknowledgment by the manager of a permitted fleet management permittee that the applicant is authorized to drive vehicles operated and managed by that permittee;

3. Proof of completion of a training course approved by the Chief of Police including but not limited to training in knowledge of Oakland, safety, appearance, customer relations, and transporting passengers with disabilities.

<u>34</u>. Satisfactory completion of an examination approved by the Chief of Police demonstrating knowledge of the streets, ways and principal public places in Oakland, the traffic regulations of the city, and the provisions of this chapter. All taxicab drivers shall receive <u>and provide proof of training annually on safety</u>, appearance, customer relations, <u>transporting passengers with disabilities</u>, and promoting the city of Oakland;

4. Evidence that the driver is covered under the insurance policy covetring the fleet management permittee under whom the driver operates;

5. Evidence that the applicant will be an employee of a fleet management permittee and has an offer of employment from a fleet management permittee unless the applicant himself or herself is an individual holding a fleet management permit;

6. Evidence that a person has tested negative for drugs and alcohol through an approved drug and alcohol testing provider within thirty (30) days prior to submitting their driver permit application. A positive test result is grounds for denial or revocation of a driver permit;

7. The Chief of Police may deny the granting or renewal of any driver permit if the applicant has been convicted of any crime, taking into consideration the nature and circumstances of the conviction, the age of the applicant at the time of conviction, the time elapsed since the conviction, and any evidence of rehabilitation.

C. Drivers shall take the most direct route possible that will carry passengers safely, lawfully, and expeditiously to their desired destination.

D. Drivers shall not refuse a reasonable request for service from any legitimate customer. Service may be refused when, in the opinion of the driver, accepting a passenger would threaten the safety of the driver.

E. All persons driving taxicabs are required to post their driver permit within the taxicab as directed by the Chief of Police and in full view of passengers. All persons driving taxicabs shall wear their driver's badge provided by the fleet management permittee as set forth in Section 5.64.040D.

All persons driving taxicabs shall wear their driver's badge, provided by the fleet management permittee as set forth in Section 5.64.040(D), on their most outer garment and in a clearly visible fashion.

F. Drivers shall maintain waybills which fully and accurately report all fares paid and distances traveled while hired by a passenger. Waybills shall be deposited with the fleet manager for filing. Such waybills shall contain the following information:

1. The driver's name;

2. The correct date;

3. The vehicle permit number;

4. The time each paid trip is begun and completed, entered contemporaneously;

5. The origin and destination of each paid trip, entered contemporaneously;

6. The amount of fare paid for each trip.

G. Fleet management permittees may require drivers to complete a vehicle inspection report in conjunction with other required waybill information.

H. Upon request, drivers shall present their permits or waybills to Police Department officials, the vehicle permit holder, or the fleet manager.

I. Upon request, drivers shall issue to any passenger a receipt for the fare paid for hiring the taxicab.

J. No driver shall permit any taxicab to be parked unattended in any taxi stand for a period of time in excess of five minutes.

K. Every driver shall operate the taximeter to correctly indicate whether or not the taxicab is available for hire, and shall turn the taximeter on at the beginning and off at the end of each trip. Persons operating a taxi vehicle shall not accept fees or compensation for taxi services in an amount other than that indicated on the taximeter at the end of a trip except for services rendered pursuant to the city of Oakland's paratransmit program.

L. Drivers shall treat passengers and regulatory personnel courteously.

 $\underline{LM}$ . Driver permits shall be renewed on the birthday of the permit holder each year. Driver permit renewal applicants must show compliance with subsections 5.64.070(B)(1), (B)(2), and (B)(4) through (B)(6) of this section, in order to renew his or her driver permit. If a driver permit is not renewed as set forth above, it shall be deemed to have lapsed. No driver shall operate a taxi while his or her driver permit is lapsed.

Any driver permit which has lapsed for thirty-one (31) to sixty (60) days may be renewed upon the payment of a fee of one hundred seventeen dollars (\$117.00). Any driver permit that has lapsed for sixty-one (61) days or more shall not be renewed, but instead that driver must file for a new driver permit and will be considered a new driver permit applicant.

 $\underline{MN}$ . Test results pursuant to mandatory drug and alcohol testing set forth in subsection (B)(6) of this section shall be released directly to the Chief of Police if the test results concern a taxi driver permittee or taxi driver applicant who is self-employed. The Chief of Police shall notify any company leasing a taxi vehicle to any taxi driver permittee of any positive test results. If the test results concern any taxi driver permittee employed by any fleet management permittee, the test results shall be released to the fleet management permittee. The fleet management permittee shall notify the Chief of Police of any positive test results.

NO. If the taxi driver permittee or taxi driver permit applicant holds a fleet management permit'in his or her name, then he or she shall pay the cost of the testing. If the taxi driver permittee or taxi driver applicant is or will be employed by any fleet management permittee, the fleet management permittee shall pay the cost of the testing, which cost shall not be passed on to the driver, except in the event of a positive test result, in which case the taxi driver permittee or applicant may be charged for the cost of the test by the fleet management permittee.

 $\Theta \underline{P}$ . Test results shall not be released without the taxi driver permittee's or applicant's consent, except as set forth above or as authorized or required by law.

PQ. Each driver permit issued pursuant to this section must state the fleet management permittee's name on the face of the permit. In the event the taxi driver's employment is terminated for any reason, such driver permit shall be

void. The Chief of Police shall be notified within ten days of the termination of employment of any permitted driver, and the driver permit must be returned to the Chief of Police.

QR. Denial of a driver permit application is a final decision and nonappealable. An applicant whose driver permit application is denied must wait sixty (60) days from the date of a denial before he/she may reapply. Any application received prior to the sixty (60) day expiration period will not be acted upon until expiration of the sixty (60) day period. (Ord. 12340 § 1 (part), 2001; Ord. 12100 (part), 1998; Ord. 12034 § 1 (part), 1998: Ord. 12027 § 1 (part), 1998; prior code § 5-29.7)

#### 5.64.075 Temporary driver permit.

The Chief of Police may grant a ninety (90) day temporary driver permit to an individual whose application for a permanent driver permit is pending. A temporary driver permit shall be in the possession of the applicant while operating a taxicab. Temporary driver permits may not be extended beyond the ninety (90) day period. (Ord. 12100 (part), 1998)

#### 5.64.080 Permit administration.

A. The Chief of Police is designated as having responsibility for the administration of the city's taxicab regulations. The Chief of Police is authorized to develop standards and procedures which are necessary to implement the requirements of this chapter. Because of the special requirements of the taxicab industry, the issuance of permits specified in this chapter shall not be subject, with the exception of Section 5.64.090, to the provisions of Chapter 5.02, unless specifically so provided in this chapter.

B. Any person, partnership, cooperative, corporation, firm, or association is entitled to apply for a fleet management permit, a vehicle permit, or a spare taxicab permit. Any natural person is entitled to apply for a driver permit. A separate application is required for each permit specified in this chapter. Each permit application must be accompanied by the appropriate fee as specified in the master fee schedule and shall be payable to the city. C.1. Every fleet management permittee shall notify the Chief of Police of any change in the information originally supplied on the permittee's permit application form within ten days of any such change.

2. Fleet management permits shall expire upon the failure to pay the annual city business tax.

3. Application for renewal of any permit issued under the provisions of this chapter shall be made in the conformity with, and shall contain such information as may be required by, rules prescribed by the Chief of Police. Each renewal application must be accompanied by the appropriate fee specified in the master fee schedule and shall be payable to the city.

D. The Chief of Police shall have the discretion to impose the penalties specified by this chapter or to revoke or suspend the any permit issued under this chapter of any taxicab driver for good cause, after a hearing. "Good cause" shall include, but shall not be limited to, violations of this chapter or standards promulgated by the Chief of Police pursuant to the provisions hereof, or violations of the California Vehicle Code, or violations of pertinent federal, state, or local laws. Such hearings shall be noticed and held pursuant to Sections 5.02.080, 5.02.090, and 5.02.100 of this code.

E. Vehicle, operating or fleet management permits issued under the provisions of this chapter may be revoked or suspended according to the provisions of Sections 5.02.080, 5.02.090, and 5.02.100 of this code. Any vehicle permit that is not used in Oakland for a period of ten consecutive days more than ten (10) days in any thirty (30) day period may be revoked pursuant to the foregoing sections unless good cause for abandonment is shown. Any permit revoked under this provision may be reissued by the City Manager City Administrator, awarded upon criteria established by a Request for Proposals (RFP), in an order determined by lot after one hundred twenty (120) days. F. If, in the judgment of the Chief of Police, suspension of any permit specified in this chapter is necessary to protect the public health and safety, including but not limited to compliance with the insurance requirements of this chapter, the Chief of Police is authorized to suspend permits permptorily on an emergency basis. An appeal of an emergency suspension may be made informally to the Chief of Police, who shall hear such appeal within twenty-four (24) hours. Emergency suspensions will expire when the conditions which forced the suspension are corrected to the satisfaction of the Chief of Police. An emergency suspension shall last no longer than fifteen (15) days. However, an emergency suspension may be renewed by the Chief of Police if the condition or conditions on which the suspension was made continues.

G. If, in the judgment of the Chief of Police, the impoundment of a taxicab is necessary in association with the emergency suspension of a vehicle permit or of an operating permit, such impoundment is authorized. H. All permit holders are required to maintain their current business and home address on file with the Police Department's Taxi Unit and to give written notification of any changes thereof to such Taxi Unit within ten calendar days thereof. I. The City Council may, upon finding that there is an urgent public need, waive or modify by ordinance any or all of the requirements of this chapter and authorize the Chief of Police to issue temporary permits to operate taxicabs, without exacting any fee. Such permits will be revocable at any time for any reason by the Chief of Police. Such temporary permits shall not be revoked in conformity with subsections D and E of this section, but instead shall be revoked immediately on written notice to the holder of the temporary permit. Such revocations are final and nonappealable. (Ord. 12340 § 1 (part), 2001; Ord. 1203 § 1 (part), 1998: prior code § 5-29.8)

#### 5.64.090 Insurance requirements.

A. It is unlawful for any fleet management permittee or any holder of a vehicle permit to operate or allow to be operated any taxicab unless a valid insurance policy, indicating that a motor vehicle liability policy is in effect which covers such taxicab, has been filed with the Chief of Police. The insurance policy must be issued by a company holding a certificate of authority to do insurance business in the state of California, or by a company doing business through an authorized surplus lines broker. Such insurance shall remain in full force and effect at all times for each taxicab permit; provided, however, that the fleet management permittee may temporarily suspend coverage for any covered vehicle not actually in service or being operated on public streets or ways provided that written notice to the Chief of Police has first been provided by the fleet management permittee.

B. An insurance policy evidencing motor vehicle liability insurance made by a company doing business through an authorized surplus lines broker shall have on it an endorsement substantially as follows:

It is agreed that in the event of a dispute as to the validity of any claim made by the insured under this insurance policy, or in the event of any suit instituted by the insured against the company upon this contract, the company hereon will submit to the jurisdiction of the courts of the State of California, and will comply with all legal requirements necessary to give such courts jurisdiction; and for this purpose said company hereby appoints

at \_\_\_\_\_\_Street, \_\_\_\_\_, California, its agent for the purpose of service of process; and in any suit instituted against the company upon this contract, the company will abide by the final decision of the courts of said State and settle accordingly.

C. The motor vehicle liability policy required under the provisions of subsection A of this section shall name and insure the registered vehicle owner, the fleet management permittee, any permitted taxi driver, and any other person using or responsible for the use of any such vehicle, with the consent, express or implied, of the owner or fleet management permittee, against loss from liability imposed upon such owner or fleet management permittee by law for injury to, or death of, any person, or damage to property growing out of the maintenance, operation, or ownership of any taxicab, to the amount of limit of one million dollars (\$1,000,000.00) on account of injury to or death of any one person, and of fifty thousand dollars (\$1,000,000.00) for damage to property of more than one person, and of fifty thousand dollars (\$50,000.00) for damage to property of others resulting from any one accident. The amounts set forth above shall be per occurrence and shall not be in the aggregate. D. Every insurance policy required under the provisions of subsection A of this section shall certify that the motor vehicle liability policy shall not be canceled, nor the policy limits thereof changed, except upon thirty (30) days' prior written notice to:

Traffic Division, Taxi Unit Oakland Police Department 455 Seventh Street Oakland, CA 94607

Such motor vehicle liability insurance shall be continuing liability up to the full amount thereof, notwithstanding any recovery thereon; and such insurance policy shall so certify. The Chief of Police is authorized to impose additional requirements for the form or content of any insurance policy, provided the additional requirements are not inconsistent with or prohibited by the provisions of this chapter or with state law.

Each fleet management permittee shall be required to provide the Chief of Police with written notice within thirty (30) days of any changes or amendments to an insurance policy.

If at any time there arises a question as to the existence, continued validity, adequacy, or sufficiency of a motor vehicle liability policy, the Chief of Police may temporarily suspend the fleet management permit or vehicle permit in accordance with Section 5.64.080 and/or may require the registered owner of the motor vehicle or the fleet management permittee named on the policy, or both, to replace such policies within ten days with other policies which meet the requirements established by this chapter. If the owner, fleet management company, or both fails to

replace the insurance policy or policies within the said ten-day period with sufficient policies the Chief of Police may then continue to suspend or revoke the permits issued to the owner, fleet management permittee, or both in accordance with section 5.64.080.

In the event that an insurer has amended or changed a policy four times from the date of its issuance, the fleet management permittee shall be required to file a new, reissued insurance policy with the Chief of Police within thirty (30) days after the effective date of any fourth amendment or change.

E. The following endorsement shall be made a part of the comprehensive motor vehicle liability policy in the exact language listed below:

The city, its Council members, officers, agents, and employees are hereby added as additional insureds.

F. Every fleet management permittee or holder of a vehicle permit shall provide to the Chief of Police written notice within ten days of any final judgment being entered against him or her or against any taxicab company or vehicle under his or her control if that judgment arises from any accident or injury occurring within the limits of the city or if the person injured entered an Oakland permitted taxicab in the City regardless of where the accident occurred. Failure to provide such notice is grounds for revocation of the fleet management permit or vehicle permit in accordance with Section 5.64.080. Failure of a fleet management permittee or taxi vehicle permittee to satisfy a final judgment arising under the conditions heretofore set forth herein within six months of entry of such judgment shall be grounds for revoking the fleet management permit under which the vehicle permittee operated, revoking the vehicle permit, or both.

G. Failure to comply with the insurance requirements set forth in this section shall be grounds for revocation pursuant to Section 5.64.080. (Ord. 12034 § 1 (part), 1998: prior code § 5-29.9)

#### 5.64.095 Controlled substance and alcohol testing certification program.

Pursuant to California Government Code Section 53075.5(E)(3)(A), a mandatory controlled substance and alcohol testing certification program in compliance with the terms and procedures set forth in Title 49 of the Code of Federal Regulations Part 40, Section 40.1 through 40.111 is added to and incorporated in this chapter by reference as if fully set forth in this provision. (Ord. 12100 (part), 1998)

#### 5.64.100 Fare structure.

A. Rates, fares, and charges for taxicabs and taxicab service shall be as set by the City Council by ordinance. Effective January 1, 1992 July 1, 2008:

Flag drop (excluding mileage)	<del>\$2.00</del>	<u>\$3.00</u>	
Mileage	· <del>0.2</del> 4	<u>0.26</u>	each 1/10 mile
Waiting time	<del>24:00</del>	<u>25.00</u>	per hour
Minimum fare	i.		Greater of \$5,00 or taximeter calculated fare
Oakland Airport fee			Fee set by Oakland Airport
Night surcharge		2.00	Trips commencing after 10 p.m. until 6 a.m.
Small animal (except service an	<u>nimal)</u>	1.00	
Additional stops requested		1.00	
Obtaining change		.50	
Luggage that forces trunk open		1.00	
% of fare over 15 mi. out of Cit	у	150	

B. Taxicabs may collect any fee that they are mandated by a governmental or regulatory body to pay. Taxicabs may also collect the applicable bridge toll for toll bridges crossed, regardless of whether the crossing is in the direction that charges the toll.

C. Passengers shall not be charged a fee for the use of credit cards, nor shall [Option 1] drivers be charged by taxi companies for passengers' use of credit cards. [Option 2] drivers be charged more than the fee charged by the credit card company for passengers' use of credit cards. [Option 3] drivers be charged more than five (5) percent for passengers' use of credit cards.

D. Upon a determination by the City Administrator that a gasoline surcharge is warranted due to the cost of gasoline, a surcharge of \$1.00 per trip will be put in effect for a ninety (90) day period. A sign at least five (5) inches by seven (7) inches shall be posted in the interior of each taxicab, stating the amount of the surcharge, the beginning and ending dates, the section of the Oakland Municipal Code upon which the surcharge is based, and a phone number to call to confirm the validity of the surcharge.

**B**<u>E</u>. The Gity Manager City Administrator may approve lower fares from those heretofore established if such lower fares, including group rides and shared rides, are set forth in a written agreement entered into between any fleet management permittee and programs benefiting persons over the age of sixty-five (65) or persons whose mobility is restricted as a result of a physical disability. Agreements must be able to be readily monitored by the Chief of Police and must result in the reasonable reduction of taxicab fares from those heretofore established to be charged to senior citizens.

 $C\underline{F}$ . Except as authorized under subsection B of this section, no driver shall accept an additional passenger without the prior consent of any passenger who has already hired the taxicab.

 $\overrightarrow{DG}$ . It is unlawful for any person to hire any taxicab or to enter and obtain a ride in the same, and to thereafter depart from such taxicab without paying to the driver the legal fare. (Ord. 12340 § 1 (part), 2001; Ord. 12034 § 1 (part), 1998: prior code § 5-29.10)

#### 5.64.110 Public convenience and necessity.

No permit to operate a taxicab in the city shall be granted unless there are not already issued and outstanding a number of permits equal to that for which the City Council shall declare that there exists public convenience and necessity. The <u>City Manager City Administrator</u> shall hold public hearings before November 1, 1998 on the number of taxicab permits for which public convenience and necessity exist, and hold hearings on each successive second anniversary thereafter. The <u>City Manager City Administrator</u> shall report the findings of the public hearing to the City Council shall determine whether to accept or reject the recommendation of the <u>City Manager City Administrator</u>.

Taxicab vehicle permit applications shall be accepted on the second business day following a declaration of public convenience and necessity by the City Council, and shall be processed and granted or denied in an order determined by lot on the basis of criteria established by a Request for Proposals. Under no circumstances shall the number of vehicle permits issued per company or owner, including relatives to the tertiary degree of a company or owner, exceed thirty (30) percent of the total number of permits authorized. However, this section shall not require the surrender of any permits already issued. Each taxicab vehicle permit application shall remain in effect only until the next scheduled hearing on public convenience and necessity, and shall then expire. Nothing in this section shall be deemed to limit or interfere in any way with permits issued and outstanding on the effective date of this provision. (Ord. 12340 § 1 (part), 2001; prior code § 5-29.11)

#### 5.64.120 Taxicab stands.

Upon written application, the Traffic Engineer shall designate throughout the city open places to permit any taxicab to stand while awaiting employment. Such application shall state the number of taxicabs for which the permit is sought and the proposed location of such stands. Such application must be accompanied by the written consent of the person primarily affected by reason of the fact that the taxicabs shall stand in front of the premises either owned or occupied by him or her or in which he or she is otherwise interested. Not more than three taxicabs shall be permitted to stand upon either side of a street within the limits of any one block unless otherwise designated by the traffic engineer. No permit shall be issued for any stand to be located within seventy-five (75) feet of another such stand on the same side of the street unless otherwise designated by the traffic engineer. No fleet manager shall permit any vehicle operated by him or her and no driver shall cause any such vehicle to stand while awaiting employment in any place other than a stand designated by the Traffic Engineer. It is unlawful for the driver of any vehicle, other than a driver of a taxicab to park or leave standing such vehicle in any taxicab stand. The Traffic Engineer shall identify all such stands with a posted distinctive sign, identifying the space and the number of taxicabs allowable in said stand for taxicab use and shall paint the curb adjacent to the stand white. The cost of taxi stand identification and maintenance shall be determined by the Traffic Engineer and established in the Master Fee Schedule, prorated over the total number of vehicle permits, and collected in the annual vehicle permit process. (Ord. 12034 § 1 (part), 1998: prior code § 5-29.13)

#### 5.64.130 Taxicabs from other municipalities.

The driver of a taxicab authorized to operate in any municipality other than the city may transport passengers from such municipality to a destination within or beyond the city limits of the city of Oakland, provided that the driver of such taxicab shall not seek or accept passengers within the city of Oakland. (Ord. 12034 § 1 (part), 1998: prior code  $\S$  5-29.14)

### 5.64.135 Violations

A. If the Chief of Police or his/her designee determines that a violation of this Chapter has occurred, he/she may issue an administrative citation, pursuant to Oakland Municipal Code Chapter 1.12. Such citation may be issued in addition to any other applicable legal, injunctive, or equitable remedies.

B. The recipient of an administrative citation may request an administrative hearing to adjudicate any penalties issued under this chapter by filing a written request with the City Administrator, or his or her designee. The City Administrator, or his or her designee, will promulgate standards and procedures for requesting and conducting an administrative hearing under this chapter. Any determination from the administrative hearing on penalties issued under this chapter will be final and conclusive.

5.64.140 Temporary freeze on fees charged by taxi companies for lease of cabs

Upon adoption of the ordinance, the fee charged by taxicab companies to drivers to lease a cab from the company, also known as "the gate", shall not exceed the level charged as of November 30, 2007. This freeze shall expire one year after the adoption of the ordinance. A violation of this section is grounds for revocation of the company's fleet management permit.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_\_, 20\_\_\_\_\_,

## PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE NOES-

ABSENT-

ABSTENTION-

ATTEST:

LaTonda Simmons City Clerk and Clerk of the Council of the City of Oakland, California

DATE OF ATTESTATION:

# Notice & Digest

#### An Ordinance Amending Oakland Municipal Code Chapter 5.64, "Taxicabs"To

- a) Require Companies Holding a Fleet Management Permit That Utilize Two or More Taxis to Provide Proof that the Permitted Taxis are Driven by Either the Permittee or by Employees of the Fleet Management Company
- b) Require Companies to Provide to Drivers Receipts for Fees Paid to the Company by the Drivers
- c) Require Companies to Provide Drivers with Documentation on Insurance Claims for Accidents Involving a Driver
- d) Require Cameras in Taxicabs that do not have Safety Shields and Prohibit Re-tread Tires
- e) Require In-cab Signage Informing Passengers of Their Rights and the Procedure for Filing Complaints
- f) Require GPS Systems in Taxicabs
- g) Establish Additional Driver Training Requirements
- h) Issue Vehicle Permits on the Basis of Service Proposals, Instead of by Lottery
- i) Increase Basic Fare Components, Add New Fare Components, and Authorize Collection from Passengers of All Mandatory Fees Paid by Drivers
- j) Place a Temporary Freeze on the Taxicab Lease Rates Charged by Taxi Companies to Drivers
- k) Authorize Administrative Citations for Violations of the Chapter
- 1) Establish a Process and a Fee for the Establishment and Maintenance of Taxi Stands
- m) Require that Permits Issued After May 1, 2008 be Driven a Minimum Number of Hours and Days Per Year by the Permittee or by Employees of the Permit Holder
- n) Allow Revocation of Vehicle permit if Vehicle Not Used More Than 10 (Ten) Days in Any 30 (Thirty) Day Period
- o) Provide Prompt Hearings on Suspended Permits
- p) Authorize City Administrator to Establish a Gasoline Surcharge Should Gasoline Prices Warrant
- q) Require Companies of Ten (10) or More Vehicles to Submit a Plan for 24/7 Coverage of City
- r) Allow Transfer of Vehicle Permits Only With Sale of Company, With No Consideration for the Permit

This is an ordinance amending Oakland Municipal Code Chapter 5.64 to require that companies holding fleet management permits and operating two or more taxis provide proof that the permitted taxis are driven by either the permittee or by employees of the fleet management company, require companies to provide to drivers receipts for fees paid to the company by the drivers, require companies to provide drivers with documentation on insurance claims for accidents involving a driver, require cameras in taxicabs that do not have safety shields and prohibit re-tread tires, require in-cab signage informing passengers of their rights and the procedure for filing complaints, require GPS systems in taxicabs, establish additional driver training requirements, issue vehicle permits on the basis of service proposals instead of by lottery, increase basic fare components, add new fare components and authorize collection from passengers of all mandatory fees paid by drivers, place a temporary freeze on the taxicab lease rates charged by taxi companies to drivers, authorize administrative citations for violations of the chapter, establish a process and a fee for the establishment and maintenance of taxi stands, require that permits issued after May 1, 2008 be driven a minimum number of hours and days per year by the permittee or by employees of the permit holder, allow revocation of vehicle permit if vehicle not used more than 10 (ten) days in any 30 (thirty) day period, provide prompt hearings on suspended permits, authorize City Administrator to establish a gasoline surcharge should gasoline prices warrant, and require companies of ten (10) or more vehicles to submit a plan for 24/7 coverage of City, and allow transfer of vehicle permits only in conjunction with the sale of a company, with no consideration for the vehicle permit.

2

OFFICE OF THE CIT T CLERT 2000 MAY 15 PH 6:49

Approved as to Form and Legality

## OAKLAND CITY COUNCIL

Resolution No. \_\_\_\_\_C.M.S.

## RESOLUTION THAT PUBLIC CONVENIENCE AND NECESSITY REQUIRES THE ISSUANCE OF FOURTEEN (14) NEW TAXI MEDALLIONS FOR RAMPED TAXICABS AND THIRTY-SIX (36) NEW TAXI MEDALLIONS FOR STANDARD VEHICLES AND AUTHORIZING THE CITY ADMINISTRATOR TO REQUEST PROPOSALS IN ORDER TO AWARD THE NEW MEDALLIONS ON THE BASIS OF PROPOSALS THAT BEST MEET THE TAXI SERVICE NEEDS OF THE CITY OF OAKLAND

WHEREAS, persons with disabilities have reported difficulties obtaining accessible (ramped) taxicabs in Oakland; and

WHEREAS, Oakland has capped the number of permitted taxicabs at 315; and

WHEREAS, with only four accessible taxis of the total 315 permitted taxis, the current ratio of accessible cabs to standard cabs, one to 78, is far below the minimum of one accessible cab to 20 standards cabs recommended by experts on serving persons with disabilities; and

WHEREAS, the issuance of additional permits for accessible vehicles can immediately remedy the lack of availability of such transportation for Oakland residents and visitors with disabilities; and

WHEREAS, past analyses of potential need for additional taxis have focused on the airport and its expansion; and

WHEREAS, numerous Oakland residents and visitors have reported difficulties obtaining taxi service on the surface streets of Oakland; and

WHEREAS, with a population of over 415,000, Oakland has a ratio of .76 taxis per 1,000 residents which is considerably lower than cities such as Boston and Chicago with dense downtowns and many visitors which have a ratio of at least 2.4 taxis per 1,000 residents, and auto oriented cities such as Los Angeles and Houston which have a ratio of about 1.2 taxis per 1,000 residents; and

WHEREAS, the issuance of fifty (50) new permits would bring this ratio to .88 taxis per 1,000 residents, significantly increasing the number of taxis available; and

WHEREAS, the issuance of additional permits would also increase competition in Oakland's taxicab industry, providing an incentive for improved service from existing taxi companies as well as new taxi companies; and

WHEREAS, the lottery system previously utilized for the issuance of taxi permits has resulted in permit holders that have no interest in Oakland's taxi system, concentration of permits in Oakland's large companies through leases of permits held by disinterested lottery winners, invisibility to the general public of many taxicabs operated by sole proprietor permittees; and many gaps in the taxi service available to Oakland residents and visitors; and

WHEREAS, issuing the new permits on the basis of a Request for Proposals would provide the City with an opportunity to establish proposal criteria to fill the gaps and to select the proposals that best do so; now, therefore, be it

**RESOLVED**, that public convenience and necessity require the issuance of additional taxicab permits; and be it

FURTHER RESOLVED, that fourteen (14) new medallions be immediately authorized for accessible (ramped) taxicabs, and that these permits be reserved for accessible taxicabs only; and be it

**FURTHER RESOLVED**, that thirty-six (36) new medallions be immediately authorized for additional standard cabs; and be it

**FURTHER RESOLVED**, that all additional revenues generated through the issuance of new permits will continue to be deposited in General Purpose Fund (1010), Traffic BFO Organization (107510), Police Permits Account (42411); and be it

**FURTHER RESOLVED**, that the City Administrator generate a Request for Proposals including, but not limited to the following criteria for applicants responding to the Request for Proposals:

- Proposals must be for the operation of a minimum of ten vehicles and in ten vehicle increments.
- > Applicants may propose operation of ten ramped vehicles.
- If the proposal is for other than all ramped vehicles, the ratio of standard to ramped vehicles shall be 9 to 1.
- Either companies or collectives of individual drivers may submit proposals. Proposals from driver collectives must include a notarized statement from each taxi driver holding a California permit who is a member of the collective that states that, if awarded a vehicle permit, he or she would personally drive the vehicle at least four hours a day 75 percent of the business days of the year.
- Proposals must include proof that the company or driver collective has adequate capital to purchase regulation cabs and a dispatch system and to initiate operations prior to making a profit.
- Proposals must present a plan for the deployment of vehicles to provide 24/7 coverage of all areas of Oakland.

Proposals must include customer service standards and a complaint processing plan;

and be it

**FURTHER RESOLVED**, that the new permits be issued on the basis of the proposals that best meet the criteria set forth above.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

### PASSED BY THE FOLLOWING VOTE:

AYES - BRUNNER, KERNIGHAN, NADEL, QUAN, BROOKS, REID, CHANG, AND PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS City Clerk and Clerk of the Council of the City of Oakland, California

OFFICE OF THE CITY CLERN OAKLAND 2000 MAY 15 PH 6: 2-	APPROVED AS TO FORM AND LEGALITY			
ORDINANC	E NOC.M.S.			

AN ORDINANCE AMENDING ORDINANCE NUMBER 12809 C.M.S. (MASTER FEE SCHEDULE), AS AMENDED, TO ESTABLISH AN INSPECTION FEE FOR TAXICAB INSPECTIONS REQUIRED IN EXCESS OF THE ONE INSPECTION INCLUDED IN THE INITIAL PERMITTING AND ANNUAL PERMIT RENEWAL PROCESSES

WHEREAS, Oakland's Master Fee Schedule currently provides a fee for the initial permitting and annual renewal of operating permits for Oakland taxicabs; and

WHEREAS, that fee includes one inspection; and

WHEREAS, no provision is made for inspections required in excess of one annual inspection; and

WHEREAS, re-inspections are required when, upon the first inspection, taxicabs fail to meet Oakland's maintenance and safety standards or when violations of these standards are cited during operations by Oakland Police Department personnel; and

WHEREAS, the number of these re-inspections has increased to the level that they exceed the number of inspections included in the permitting fee; and

WHEREAS, the result is a great deal of unreimbursed Oakland police officer time and inability of officers performing such inspections to provide productive police services; and

WHEREAS, the lack of a re-inspection fee provides no incentive for taxi drivers and companies to maintain their vehicles to Oakland's standards, but rather, encourages some to utilize the Oakland Police Department as diagnosticians; now, therefore

## THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

**SECTION 1.** The Master Fee Schedule as set forth in Ordinance Number 12809 C.M.S., as amended, is hereby amended to establish a re-inspection fee for re-inspections in excess of the first inspection included in the initial permitting and annual renewal of taxicab operating permits, as set forth in Exhibit A, attached hereto and made a part hereof.

**SECTION 2.** All revenues generated through the re-inspection fees will continue to be deposited in General Purpose Fund (1010), Traffic BFO Organization (107510), Police Permits Account (42411);

<u>SECTON 3.</u> This ordinance shall be effective immediately upon final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption by the Council of the City of Oakland.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_, 20\_\_\_\_,

## PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST:

LaTonda Simmons City Clerk and Clerk of the Council of the City of Oakland, California **EXHIBIT** A

## **POLICE SERVICES**

City of Oakland Amendment to the Master Fee Schedule

## FEE DESCRIPTION

Fee <u>U</u>nit

## AC. TAXICAB PERMIT FEES

2. Operating Permit, and Spare Vehicle Permit <u>e. Inspections After One (1) Initial or Annual Inspection</u> <u>140.00</u> Inspection

# Notice & Digest

AN ORDINANCE AMENDING ORDINANCE NUMBER 12809 C.M.S. (MASTER FEE SCHEDULE), AS AMENDED, TO ESTABLISH AN INSPECTION FEE FOR TAXICAB INSPECTIONS REQUIRED IN EXCESS OF THE ONE INSPECTION INCLUDED IN THE INITIAL PERMITTING AND ANNUAL PERMIT RENEWAL PROCESSES

This is an ordinance amending the Master Fee Schedule to establish an inspection fee of \$140.00 per inspection for inspections that are required in excess of the one annual inspection that is included in the initial permitting and annual permit renewal processes.