

SUPPLEMENTAL Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer
William F. Sherry, AAE

SUBJECT: TAXICAB SERVICE MODEL
SUPPLEMENTAL MEMORANDUM

DATE: 11-16-07

Approved

Date

11/16/07

COUNCIL DISTRICT: Citywide

REASON FOR SUPPLEMENTAL

The purpose of this memorandum is to respond to questions posed by City Council to staff regarding the reallocation of Airport Taxicab Company Permits and the associated requirements of eligibility to participate in the reallocation process; and, to publicize the deadline by which taxicab companies must have 15 licensed taxicab vehicles and 15 permitted taxicab drivers (as previously approved to participate in the reallocation process proposed for January 1, 2008).

BACKGROUND

Notification of Airport Taxicab Company Permit Reallocation Process

The following information provides a chronological history of the dates, documents, discussions and notifications associated with the reallocation of Airport Taxicab Company permits.

February - March 2004 – As part of the review and approval of the Taxicab Service Model Study, the Taxicab Advisory Team (TAT) discussed and debated at length the key recommendations of the Taxicab Service Model, including the method of reallocation of Airport Taxicab Company permits based upon non-Airport trips, as well as the 15 vehicle and 15 driver requirement to be eligible following the two year transition period. The Taxicab Service Model Study outlined the reallocation methodology based upon non-Airport trips, including the 15 vehicle and 15 driver requirement on pages i, ii, 38 and 39. The Building Better Transportation Committee (BBT) discussed the reallocation methodology at its February 2003 meeting.

April - May 2004 - Staff report, which was approved by the Building Better Transportation (BBT) Committee and City Council on May 18, 2004, described the method of reallocation based upon non-Airport trips, including the 15 vehicle and 15 driver requirement to be eligible after the two year transition period. The reallocation methodology is specifically referenced on pages 7 and 11 of the March 29, 2004 staff report. Staff was directed to present the methodology

for distribution and adjustment for Airport Taxicab Company permits for review by the BBT in the fall of 2004 after discussion with the Taxicab Advisory Team.

July 8 - 9, 2004 – Staff distributed via e-mail to the Taxicab Advisory Team (TAT) a draft “Methodology for Adjusting Airport Access Contracts” for discussion and feedback at the TAT meeting of July 9, 2004. The draft was reviewed and feedback was received. The document clearly described the method of reallocation based upon non-Airport trips, including the 15 vehicle and 15 driver requirements to be eligible. Notes from the meeting indicate widespread attendance and showed that discussion occurred on the “Methodology.”

August 13, 2004 – TAT meeting was held. Discussion topics included Airport access permits, contracts, alternative vehicle fuel requirements and incentives.

September 8, 2004 – Letter received from Golden Star, Santa Clara, National, Alpha, Net, California, Milpitas and City taxicab companies in regard to the distributed “Methodology of Distribution of Airport Access Contracts.”

September 9 - 10, 2004 – Staff distributed through e-mail to TAT the agenda for the September 10 TAT meeting, including the Methodology of Distribution of Driver and Airport Access Contracts. The requirement to have 15 vehicles and 15 drivers to be eligible for the reallocation was discussed along with the length of the initial transition period. The sign in sheet indicates that a majority of taxicab companies were represented including Golden Star, United, Yellow, Alpha, California, City, National and Rainbow.

September 24, 2004 – Email to Jim Ortbal from Scott Strickland (representative of California, Alpha, Net and Santa Clara taxicab companies) commenting on the requirement for 15 taxicabs for future distributions of Airport taxicab company permits.

October - November 2004 – The BBT Committee at its October 4 and November 1, 2004 meetings, and the City Council at its November 16, 2004 meeting, reviewed and approved various taxicab policy matters including the provisions outlining the future Airport taxicab company permit reallocation process. The attachment to staff’s September 22, 2004 memo was the “Methodology for Adjusting Airport Access Contracts” that included the following language:

1. Following an initial 2-year period, a reallocation of company Airport Access Permits will occur. In subsequent years, this reallocation will occur annually.
2. Allocation will be proportional to the amount of non-Airport trips performed in the prior year at each company.
3. Each taxicab company must maintain 15 permitted drivers and 15 vehicles in order to receive Airport Access Contracts in any reallocation process after the initial 2-year period.

The BBT staff memo and notice of the October 4, 2004 BBT meeting was sent to the TAT on September 29, 2004. The BBT staff memo dated October 25, 2004 and notice of the November

1, 2004 BBT meeting was sent to the TAT on October 28, 2004. The memo discussed the “primary reason that staff suggested that each licensed taxicab company receive a minimum distribution for the two-year transition period was to provide each company with an opportunity to grow and succeed during the two year transition to the new taxicab service model.”

November 10, 2004 - Staff e-mailed the TAT a notice of the November 16, 2004 City Council meeting where the “Methodology for Adjusting Airport Access Contracts” was approved.

June 23, 2005 – Letter from the Airport to each taxicab company notifying them that all taxicab company owners interested in operating at the Airport must attend a mandatory meeting to describe the requirements of the service agreement. Meetings were held July 5 and 6, 2005. Staff distributed the taxicab company agreement for individual taxicab companies. The document discloses the requirement for payment of fees and the Airport Clean Fuel Vehicle Policy, the basis of the 25% clean fuel vehicle trip requirement.

July 21, 2005 – Letter from the Airport to future taxicab permit and contracts holders (e.g. drivers, companies) thanking them for participation in industry meetings held earlier in July 2005 regarding the permit and contract requirements. Changes were requested by participants on language to Exhibit A, Airport Clean Fuel Vehicle Policy.

September 22, 2005 – Letter sent to each taxicab company notifying them that they must attend one of two meetings discussing taxicab trip reporting required under Section 7 of the agreement between the City and taxicab companies. Meetings were held on September 28 and 30, 2005.

September 23, 2005 – TAT Agenda item to discuss “Company Driver data requirement for off-airport trips.” Reviewed with TAT data requirement for off-airport trips with sample spreadsheets handed out, purpose of collecting data and notification for companies to attend special training sessions on September 28th or 30th at the Airport to answer questions about the data reporting requirements. Hand outs included the sample excel spreadsheet indicating the data fields that needed to be filled out for all permitted drivers (Airport and non-Airport permittees), dispatch and flag drop trips, origination and destination codes (a sample sheet of codes was handed out). The distribution included alternate day access calendars. The method of reallocation based upon non-Airport trips was discussed and is included in the meeting notes.

September 28 - 30, 2005 – Two meetings were held to discuss detailed reporting requirements for off-Airport data. Distributed same spreadsheets, calendar, origination/destination codes for trips, and discussed why reporting data accurately is important (to properly capture the trips completed by drivers for off-Airport trip compliance and to record all company trips so they receive credit during the reallocation of Airport Taxicab Company permits in 2007). September 28, 2005 attendance - Yellow, Rainbow, Alpha and California Cab. Sept 30, 2005 attendance – Milpitas, Net, USA Express, City, Golden Star, National, Santa Clara and United Cab.

October 4, 2005 - Letter to the taxicab company owners indicating that at the September 23, 2005 meeting, company/driver data requirements for off-Airport trips was presented. The letter included an attachment showing the minimum data that should have been submitted by the 10th day of the month for the previous month's activity. That data included company name, date of

trip, permit #, (in column was listed airport and non-airport permit numbers, Airport access Y/N, dispatch or flag drop trip, time of trips, origination of trip, and destination of trip).

November 8, 2005 – Letter from the Airport to taxicab drivers, and taxicab company owners reiterating the implementation of the Clean Fuel Vehicle Policy effective November 8, 2005.

March 23, 2006 – Letter from Airport to all taxicab company owners in regard to non-compliance with taxicab service obligations on and off the Airport with reference to Section 4.5 of the Airport access permit service obligations.

April 7, 2006 – Letter from Airport to taxicab drivers and company owners describing the key goals of the Taxicab Service Model. The letter included reference to the goal that 25% of trips from the Airport be made by clean fuel vehicles. Included were action steps to address industry concerns and ensure that the industry was aware of the analysis of the data generated through the taxicab service model. Attached to the memo was the “Enforcement Procedure-Trip Service Obligations.”

January 19, 2007 – TAT Agenda item to discuss the Reallocation of Company Airport Access Permits and the meeting minutes indicate that the allocation will be based on each company's percentage of overall off-Airport trips, and that companies must have 15 vehicles and 15 drivers to be eligible to participate.

Deadline for Licensed Taxicab Vehicles and Permitted Drivers for Reallocation

If the City Council proceeds with the reallocation of Airport taxicab company permits on January 1, 2008 as proposed by Mayor Reed and Councilmember Liccardo, a deadline of December 3, 2007 has been established to provide sufficient time for companies to schedule any necessary vehicle inspections and driver permitting to meet the 15 licensed vehicle and 15 permitted driver requirement. Any taxicab company not meeting the requirement will not be eligible for Airport taxicab company permits. Those companies would still be eligible to operate at the Airport through pre-arranged customer pick up and attracting drivers with Airport permits. On December 10, 2007, the Airport Department will issue an updated reallocation of Airport taxicab company permits based upon Council action on November 20, 2007 and the December 3, 2007 deadline for vehicle inspection and driver permitting.

PUBLIC OUTREACH

Significant outreach has occurred with taxicab industry stakeholders on the reallocation process.

HONORABLE MAYOR AND CITY COUNCIL

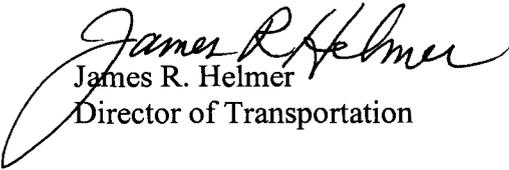
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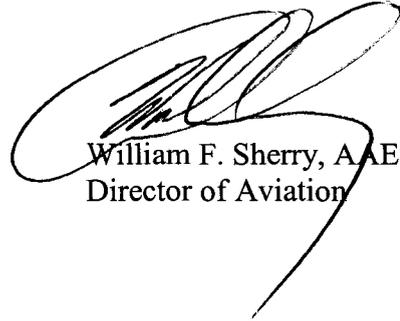
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COORDINATION

This report has been coordinated with the Police Department and the City Attorney's Office.


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