

City of Alexandria, Virginia

MEMORANDUM

4
4-12-03

DATE: APRIL 8, 2003

TO: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: PHILIP SUNDERLAND, CITY MANAGER

FROM: RICHARD J. BAIER, P.E., DIRECTOR
TRANSPORTATION AND ENVIRONMENTAL SERVICES

SUBJECT: TAXICAB INDUSTRY REGULATION

During discussion of the Taxicab Task Force Report and related issues at its February 25 meeting, Council requested additional information be provided by staff including:

1. Updated/expanded statistics on the availability of taxicabs in other jurisdictions and how consideration of day vs. resident populations affect these statistics.
2. Additional information on options to implement a dispute resolution process.
3. Strategies to reduce the number of taxicabs in service.
4. Alternatives to increase enforcement and related cost implications.
5. Ways to increase the supply of ADA accessible cabs.
6. Comments on the AUTO proposal.

This memorandum responds to items two through six. Item one was addressed in a previous memorandum.

Dispute Resolution Process

The Taxicab Task Force, the Traffic and Parking Board and staff have recommended establishing an alternative dispute resolution (ADR) process in the local taxicab industry. The purpose of an ADR process would be to provide a fair and impartial mechanism for settling certain disputes between drivers and the companies. The taxicab industry is somewhat unique in that the majority of its workers, the drivers, act as independent contractors. As a result, they have little leverage with the companies when it comes to the termination of contracts, the charging of stand dues or their disciplining of drivers. Although there were no specific cases cited at the Task Force meetings, general issues were raised and some drivers do complain about arbitrary company action.

Staff has recommended that in order for the dispute resolution process to be fair and impartial, the City should be further removed from the process. If the City were involved, it could be

perceived as being biased. The executive branch of government typically is not involved in contractual disputes between contractors and contracting agencies in other regulated industries such as cable TV or electric utilities. Contractual disputes are private matters and beyond the role of executive government. In addition, staff does not have the expertise or resources to mediate disputes.

Staff suggests the dispute resolution process be established in the City Code, as the City Attorney has advised is permitted. All companies holding a certificate of public convenience and necessity and all drivers holding a taxicab driver's permit would be obligated to participate in the ADR process.

The ADR process should include three steps. The first would be an internal grievance process, and the second and third would define the type of dispute that is subject to its provisions, and should be administered by an impartial third party.

The first step of the process would require the driver to submit a complaint in writing to the company. The company would then appoint a member of its management, who has not been involved in the particular dispute, to conduct an informal hearing and render a written decision. If the matter is not resolved to the satisfaction of the driver, the driver could elect to move to the second step.

The second step of the process would have the dispute heard by an impartial third party mediator. Here, the parties would try to settle the dispute through mediation before resorting to the third step. Unless the parties agreed otherwise, the mediation would be administered by the American Arbitration Association under its Commercial Mediation Rules. If the dispute is not resolved through mediation and settlement, then the matter could proceed to arbitration or litigation.

As to the expenses of mediation, the American Arbitration Association Commercial Mediation Rules state the following:

"The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator and representatives of the AAA, and the expenses of any witness and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by both parties unless they agree otherwise."

The third step of the process would have the dispute heard by an impartial third party arbitrator whose decision, following a hearing, would be binding on the parties.

The necessary changes to the Code implementing this ADR process would need to be written in such a way to afford the same protection to taxicab owner/drivers and drivers who lease a cab from an individual. In Alexandria there are individuals who own a single cab or a small fleet of taxicabs that operate under the colors of an established cab company. These cab owners then lease their cabs to other drivers. The Code would need to be modified in such a way to accommodate disputes between cab owners and drivers leasing their cabs.

As discussed at the Task Force meeting in January and February, 2002, dispute resolution is not new to the Alexandria taxicab industry. Several companies already have language in their contracts with drivers to provide this process. For example, Diamond Cab's Independent Contractor Agreement has the following clause:

"MEDIATION AND ARBITRATION. *Any dispute, controversy or claim arising out of or relating to this contract, or breach thereof, as well as non-contractual claims will be submitted to mediation administered by the American Arbitration Association under its Commercial Mediation Rules, if both parties mutually agree. If, and to the extent that, any such dispute controversy or claim has not been settled through mediation, it will, upon the filing of a Request for Arbitration by either party, be referred to and finally determined by arbitration from the American Arbitration Association under its Commercial Arbitration Rules. The dispute, controversy or claim referred to arbitration will be decided in accordance with the laws of the Commonwealth of Virginia. The arbitrator's decision will be final and binding and judgment may be entered thereon. In the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator's award, or fails to comply with the arbitrator's award, the other party is entitled to the costs of the suite including a reasonable attorney's fee for having to compel arbitration or defend or enforce the award."*

Reducing the Number of Taxicabs

Today, up to 645 taxicabs are permitted to operate in the City of Alexandria. These operate under the combined authority of 38 Certificates of Public Convenience and Necessity (certificates). Six of these certificates, each permitting operation of a specified maximum number of taxicabs, are issued to the six companies currently operating in the City. The City issues an individual "certificate card" for each taxicab that is authorized by these six certificates. In addition, there are 32 certificates issued to individual taxicab owners. These certificates were grandfathered in 1982 when the City began issuing certificates to the taxicab companies rather than individual taxicab owners. Under the current Code, grandfathered certificates are required to be affiliated with an authorized taxicab company and, generally, must be returned to the City if the holder transfers to another company or leaves the Alexandria taxicab industry. The 645 taxicabs currently authorized to operate in Alexandria are distributed as follows:

Yellow Cab	212
Diamond Cab	156
White Top Cab	116
VIP Cab	58
King Cab	57
Columbus Cab	46

Available information indicates that Alexandria has an excess supply of taxicabs currently in operation. (See March 31, 2003, memorandum regarding availability of taxicabs in other jurisdictions.) Strategies that could be used individually or in combination to reduce the number of taxicabs in service include:

1. Across-the-board reduction in the number of authorized taxicabs;
2. Adjustment of the authorized number of taxicabs during the annual survey of economic conditions of the taxicab industry; and
3. Partial suspension of certificate card transfers to replacement taxicab vehicles.

The first two of these alternatives were presented in the December 23, 2003, Taxicab Task Force Report and the January 24, 2003, staff report to Council, and are not further addressed in this memorandum.

An additional strategy to reduce the number of taxicabs in service is to suspend, for some period of time, the transfer of certificate cards to replacement vehicles as taxicabs are retired from service. Annual turnover due to vehicle replacement is estimated to be 10 to 12 percent of the current taxicab fleet. A certificate card transfer policy permitting reassignment only to replacement vehicles in excess of a five to ten percent annual reduction target would reduce the operating taxicab fleet by 25 percent (approximately 160 vehicles) over a period of three to six years. This approach to reducing the operating taxicab fleet could be modified to encourage acquisition of ADA accessible vehicles by permitting a higher replacement rate if the replacement units meet ADA accessibility criteria. Fixed vehicle age and mileage service limits (discussed below) should be established if this taxicab reduction strategy is adopted in order to avoid overextension of vehicle service lives.

Regulation and Enforcement

City code currently contains a range of regulations that form a basis for enforcement of taxicab operations. Primary among these are:

1. Provision of Taxicab Service
 - a. Certificate of Public Convenience and Necessity
 - b. Hack License
2. Passenger Fares and Charges
3. Driver Manifests
4. Adequate Public Service
 - a. 24-hour service
 - b. Radio dispatch
 - c. Local business office
 - d. Minimum fleet of 10 taxicabs
5. Vehicle Equipment and Condition

Code regulations pertaining to the provision of service and passenger fares (Nos. 1 and 2) are being closely enforced. One aspect of these regulations that could be more effectively applied is the annual survey of economic conditions in the taxicab industry, and the related opportunity to adjust the number of authorized taxicabs operating in the City. Due to a lack of detailed information on the local industry's operations and performance, it has been necessary to base decisions on the number of taxicabs on more generalized information sources. With renewed enforcement of the requirement to maintain driver manifests (discussed below), this information deficit can be readily eliminated.

A significant shortcoming in current enforcement concerns the requirement that drivers maintain and submit daily service manifests to the taxicab owners. For a number of reasons, enforcement of this code provision has substantially ceased. These manifests, if available, would provide a range of information and data that would allow the City to more closely monitor the operation and economic condition of the local taxicab industry. Resuming enforcement of this requirement to obtain meaningful information would necessitate increased field enforcement to ensure manifests are properly and accurately maintained, and additional staff effort to extract and analyze the pertinent economic data and performance statistics. With some support from the Police Department's Traffic Unit, the Hack Office feels adequate field enforcement can initially be provided with no increase in personnel. However, the effort required to manage and analyze information provided by the daily manifests will require additional staff resources; enforcement staffing may require adjustment in the longer term. With the information that can be obtained from accurately maintained manifests, the City will be better equipped to understand and effectively regulate the local taxicab industry, and to determine the proper number of taxicabs that should be operating in the City.

The adoption of age and mileage limits for taxicab vehicles could improve public service and better utilize available enforcement resources. Currently, the City Code does not limit the maximum age or mileage of taxicab vehicles, relying on the findings of semi-annual inspections by City staff and annual state inspections to determine when a taxicab vehicle must be replaced. In contrast, many jurisdictions have imposed age and mileage limits on taxicab vehicles. In Montgomery County, taxicab vehicles must be retired after six model years or 200,000 miles of service, whichever comes first (one additional year of service can be administratively permitted). In Arlington County, any taxicab seven model years old or with 350,000 miles must be retired. A similar limit in Alexandria would permit inspections by City staff to be conducted on an annual, rather than semi-annual basis, which would allow staff time to be redirected to other enforcement activities each year. In addition, age and mileage limits would help facilitate development of an ADA accessible fleet and/or provide for an orderly reduction in the number of authorized taxicabs, as noted elsewhere in this memorandum.

ADA Accessible Taxicabs

Several communities in the Metropolitan Washington area that are served by taxicabs that are accessible to the disabled. It is worthwhile to note how these vehicles came into service in these communities. The experiences of Arlington and Montgomery Counties are instructive.

In Arlington County, the taxicab industry consists of 655 taxicabs operated by five companies. The companies hold all taxicab certificates, and it is estimated that companies own 80% to 90% of the taxicab vehicles. A few years ago, taxicab operators asked the County to issue more certificates. The County recognized that there was a demand for accessible vehicles, both by those using the County's STAR system for people with disabilities and by others. The County decided to issue additional certificates with the requirement that some of the new cabs were accessible. As a consequence, two operators added accessible taxicabs to their fleets, with 20 being operated by one operator and five by another. The vehicles initially employed were used minivans converted to taxicab service. These converted vehicles have not proven to be reliable in service.¹

In Montgomery County, the taxicab industry consists of 580 taxicabs operated by four companies, with all licenses held by the companies. The companies own approximately 75% of the cabs and 25% are owned by drivers. In 1989, the County was asked to issue additional licenses to cab operators. In doing so, the County instituted a policy requiring that 20% of any new cab licenses granted by the County had to be for accessible vehicles. While a few operators had accessible vehicles when this was instituted, this policy has been largely responsible for the 66 accessible taxicabs now operating in Montgomery County.

Alexandria's DOT program provided over 13,000 trips on accessible vehicles between March 2002 and February 2003. Clearly, therefore, there is a demand for accessible for-hire vehicle service. This is especially the case for travel on short notice when 24-hour advance reservation as required by DOT is not possible and during periods when DOT service may be unavailable.

If the City wishes to encourage Alexandria-based cab companies to provide ADA accessible vehicles, it should consider several issues. The City has a large number of taxicabs, which are almost entirely owned by individual owner/drivers. Also, the City does not limit the age or mileage of taxicab vehicles. As the City considers reducing the number of taxicabs in service, it could allow a smaller reduction if the non-retired vehicles were ADA accessible.

Possibly the largest impediment to implementing accessible taxicab requirements is the cost differential between Alexandria's existing taxicabs, which can be around \$5,000 for a used taxicab, and accessible units, which are almost \$38,000 for a new minivan. Some type of financial incentive is probably necessary to encourage this additional investment, either offered

¹ Shortly after minivans became popular highway vehicles, it was discovered that they were ideal vehicles for conversion into accessible taxicabs. These vehicles could be modified to provide handicap access from either the back or the side of the vehicle, and could simultaneously transport both people in wheelchairs and other customers, thus permitting mixed-use service. These accessible vehicles can carry three to four ambulatory customers and one to two people in wheelchairs. The cost of these vehicles varies considerably, with new units costing approximately \$38,000, and units built on a used chassis costing approximately \$25,000. The service record with used converted vehicles has not been particularly good.

by the taxicab companies in order to increase fleet size, or the City in order to encourage the acquisition of accessible minivans for taxi service.

Staff recommends that Council endorse the concept of providing a reasonable level of ADA accessible vehicles in the City-wide taxicab fleet and instruct staff to submit a specific implementation plan that is consistent with the disposition of currently pending regulatory changes.

AUTO Proposal

The Alexandria United Taxi-drivers Organization (AUTO) submitted a position paper to Council responding to the options for changes in taxicab industry regulations that were developed by Taxicab Task Force and offering an alternative proposal for owner-operator control of the certificates issued by the City. The number of drivers represented by AUTO is not specified in this document, nor has any information on the size or composition of this group been received by staff. However, the position paper notes that it was "written collectively by twenty-five leaders chosen by the drivers."

AUTO proposes that (1) certificates be issued to individual taxicab owner-operators, (2) some companies be permitted to operate without dispatch service, (3) a two-tier system not be instituted, and (4) a certificate recall not be undertaken. With the exception of the first of these four items, no discussion or supporting arguments are offered. Therefore, no staff comments can be provided beyond those previously submitted to Council.

AUTO proposes that certificates remain the property of the City, but be assigned to individual owner-operators as follows:

Certificates remain the property of the City, but every certificate currently in use be assigned to the owner-operator of the cab to which it is currently assigned.

- A. *Going forward, control of the certificate will be assigned to the owner-operator of the cab.*
- B. *The owner-operator of the cab must affiliate with a company or coop. If the owner-operator changes his/her affiliation to a different company, the owner-operator takes the certificate with him/her.*
- C. *In order to obtain the certificate, the owner-operator must show (in his/her name), the following: (1) Hack license; (2) Cab registration and Virginia Authority Insurance Registration Card; and (3) Evidence of driving (manifests).*
- D. *One certificate per person. Those who currently own more than one cab will be grandfathered. For those who currently own more than one cab, as each of the additional cabs is sold, the certificate will be assigned to the new owner-operator, one per owner-operator.*
- E. *The certificate can be transferred with the cab when the cab is sold, and to the new cab when a cab is replaced.*
- F. *The number of certificates will be limited to 647.*

With regard to this proposal, staff offers the following comments:

1. AUTO offers no indication of the public interest benefits that would result from adoption of this regulatory change. Lacking reasonable expectation that the public would be better served under this proposal, staff cannot support it.
2. The proposal offers no mechanism to ensure a reasonable level of industry stability, which is a matter of public interest. The proposal permits "at will" transfer of drivers among companies and/or coops which could lead to service disruptions; indeed, it could result in a cab company, at one time, losing all its drivers and its ability to replace those drivers (since it would no longer have any certificates). Staff believes the public interest would not be served by the frequent changes in certificate-holding drivers' affiliations with taxi companies.
3. The proposal provides for automatic transfer of certificates when taxicabs are sold or replaced. This would move the City into a medallion system since certificates would be bought and sold on a "certificate market." Staff opposes this.
4. A fixed number of certificates are established by the proposal. With this, the City would lose the ability to periodically review and adjust the number of authorized taxicabs. Maintaining reasonable balance between service demand and taxicab supply is clearly in the public interest.

The preceding comments are based on AUTO's proposal as submitted to Council in February, 2003. Staff understands that AUTO's proposal may be modified. However, no additional information has been received.

cc: Tom Culpepper, P.E., Deputy Director, T&ES
Bob Garbacz, Division Chief, Transportation, T&ES
Sgt. Paul Story, Police Department
James Oaks, Hack Inspector, Police Department

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4-12-03

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 31, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: PHILIP SUNDERLAND, CITY MANAGER

FROM: RICHARD J. BAIER, P.E., DIRECTOR
TRANSPORTATION & ENVIRONMENTAL SERVICES

SUBJECT: TAXICAB INDUSTRY REGULATION

During discussion of the Taxicab Task Force Report and related issues at the City Council meeting on February 25, 2003, Council requested additional information be provided by staff. This included:

1. Updated/expanded statistics on the availability of taxicabs in other jurisdictions and how consideration of day vs. resident populations affect these statistics.
2. Additional information on options to implement a dispute resolution process.
3. Strategies to reduce the number of certificates.
4. Alternatives to increase enforcement.
5. Ways to increase the supply of ADA accessible cabs.
6. Comments on the AUTO proposal.
7. Information on the cost of enforcement

This memorandum responds to the first of these requests. The other matters will be addressed in subsequent memoranda during the current week.

Attached for Council consideration are:

1. A summary of taxicab availability statistics for various jurisdictions prepared by staff based on information published in the *Taxicab Division Fact Book 2002*, Taxicab, Limousine & Paratransit Association (TLPA), August 2002.
2. Statistics on the availability of taxicabs on a per capita basis for various jurisdictions as reported in *A Review of Taxi Operations, City of Norfolk, Virginia* (Norfolk Study), September 30, 1998. This information was provided to the Taxicab Task Force during its deliberations.
3. Slides from a Task Force presentation on December 4, 2001 summarizing the taxicab availability information obtained from the Norfolk Study.

In reviewing these materials, Council should note that based on the most recent information available after the Taxicab Task Force meetings, the District of Columbia now has a higher number of taxicabs per capita than does Alexandria. Alexandria is currently the second highest in the number of taxicabs per capita among reporting U.S. jurisdictions.

Based on data from the 2000 Census, staff examined how consideration of day rather than resident population affects these statistics for "inside the beltway" jurisdictions. The table below summarizes staff findings on this issue.

Jurisdiction	Licensed Taxicabs	2000 Population		Taxicabs per 1000 Pop.	
		Resident	Day	Resident	Day
Alexandria	645	128,000	132,000	5.04	4.89
Arlington	655	189,000	237,000	3.47	2.76
District of Columbia	6,200	572,000	983,000	10.84	6.31

Notes:

1. Populations rounded to nearest 1,000 persons.
2. Day populations estimated from census-reported resident population, employed residents and employed nonresidents.

If you should have additional questions or need for information, please contact Tom Culpepper or me at 703-838-4966.

- Attachments:
1. Licensed Taxicabs in Selected Jurisdictions
 2. A Review Taxi Operations (Norfolk Report)
 3. Taxicab Task Force Presentation

cc: Michele Evans, Assistant City Manager
Tom Culpepper, P.E., Deputy Director, T&ES
Bob Garbacz, Division Chief, Transportation, T&ES
James Oakes, Hack Inspector, Police Department

Licensed Taxicabs in Selected Jurisdictions

City	State	Population (1,000's)	Licensed Taxicabs	Taxicabs per 1,000 Pop.
Washington DC Metropolitan Area				
Washington	DC	573	6,200	10.82
Baltimore	MD	650	1,157	1.78
Glen Burnie	MD	150	70	0.47
Montgomery County	MD	768	565	0.74
Prince George's County	MD	900	775	0.86
Alexandria	VA	120	645	5.38
Arlington County	VA	180	655	3.64
Fairfax County	VA	1,000	525	0.53
Loudoun County	VA	200	40	0.20
Prince William County	VA	260	110	0.42
<i>Average for DC Metro Area</i>				2.24
Other Virginia Jurisdictions				
Charlottesville	VA	50	80	1.60
Hampton	VA	146	48	0.33
Newport News	VA	200	85	0.43
Norfolk	VA	237	250	1.05
Roanoke	VA	150	55	0.37
<i>Average for Other Virginia Jurisdictions</i>				0.66
Other Jurisdictions				
Anaheim	CA	1,500	800	0.53
Los Angeles	CA	4,000	1,931	0.48
San Diego	CA	1,200	910	0.76
San Francisco	CA	775	1,381	1.78
Clearwater	FL	900	550	0.61
Miami	FL	2,000	1,989	0.99
Tampa	FL	1,000	484	0.48
Atlanta	GA	4,125	1,600	0.39
Chicago	IL	2,800	6,600	2.36
Bowling Green	KY	60	20	0.33
Detroit	MI	850	1,310	1.54
Minneapolis/St. Paul	MN	643	270	0.42
St. Louis	MO	1,500	1,200	0.80
Charlotte	NC	500	700	1.40
Winston-Salem	NC	170	60	0.35
Buffalo	NY	310	350	1.13
New York	NY	8,000	12,187	1.52
Canton	OH	90	13	0.14
Cincinnati	OH	460	600	1.30
Columbus	OH	562	375	0.67
Montgomery County	PA	150	75	0.50
Philadelphia	PA	1,500	1,441	0.96
Willow Grove	PA	170	35	0.21
Columbia	SC	450	105	0.23
Spartanburg	SC	250	40	0.16
Memphis	TN	900	230	0.26
Nashville	TN	440	407	0.93
Dallas	TX	2,500	2,000	0.80
Houston	TX	1,800	2,245	1.25
<i>Average for Other Jurisdictions</i>				1.01
<i>Average for All Jurisdictions</i>				1.13

Source: Fact Book 2002, Taxicab, Limousine & Paratransit Association (TLPA), August 2002.

Taxicab Division Fact Book 2002

Produced and published by
Taxicab, Limousine & Paratransit Association
3849 Farragut Avenue
Kensington, Maryland 20895
(301) 946-5701

Member Price: \$15.00
Non-Member: \$72.00

August 2002

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A Review of Taxi Operations

City of Norfolk, Virginia

by Ray A. Mundy, Ph.D.

September 30, 1998

TENNESSEE TRANSPORTATION
& LOGISTICS FOUNDATION

TTLF

Table 5				
Taxicabs Per Population 1997				
(Norfolk, VA and surrounding area) Source: 1997 Taxicab Fact Book, ITLA				
City	State	Population (000's)	# Licenses	Taxicabs per 1,000 Population
Alexandria	VA	120	598	4.98
Arlington	VA	175	605	3.46
Bethel Park	PA	43	80	1.86
Charlotte	NC	500	700	1.40
Charlottesville	VA	80	85	1.06
Raleigh	NC	210	221	1.05
Covington	KY	50	51	1.02
Philadelphia	PA	1,500	1,441	0.96
Norfolk	VA	258	235	0.91
Newport	KY	40	36	0.90
Smithfield	NC	30	25	0.83
Durham	NC	150	121	0.81
Louisville	KY	450	350	0.78
Myrtle Beach	SC	45	35	0.78
Reading	PA	65	50	0.77
Toledo	OH	400	300	0.75
Mount Pleasant	PA	8	6	0.75
Wilmington	NC	100	70	0.70
Columbus	OH	562	375	0.67
Washington	PA	20	12	0.60
High Point	NC	70	41	0.59
Huntington	WV	50	28	0.56
Montgomery County	PA	150	75	0.50
Pittsburgh	PA	1,250	600	0.48
Fairfax County	VA	900	432	0.48
Nashville	TN	440	200	0.45
Paducah	KY	56	25	0.45
Newport News	VA	200	85	0.43
Prince William County	VA	250	90	0.36
Hampton	VA	137	49	0.36
Dayton	OH	280	100	0.36
Winston-Salem	NC	170	60	0.35
Henderson	KY	23	8	0.35

(Norfolk, VA and surrounding area) Source: 1997 Taxicab Fact Book, ITLA

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City of Alexandria, Virginia

MEMORANDUM

~~1-28-03~~
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4-12-03

DATE: JANUARY 24, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: REPORT OF TAXICAB TASK FORCE AND CONSIDERATION OF
OPTIONS RECOMMENDED BY TASK FORCE

ISSUE: City Council receipt of Taxicab Task Force report and consideration of the options recommended by the Task Force for changes in taxicab industry regulations.

RECOMMENDATION: That City Council:

- (1) Receive the Taxicab Task Force Report (Attachment 1), which includes the Task Force's options regarding changes to taxicab industry regulations;
- (2) Receive the results of the Traffic and Parking Board's review (discussed below in this memorandum) of the Taxicab Task Force Report and recommended options;
- (3) Receive this memorandum which sets out the results of staff's review of the Task Force Report and recommended options; and
- (4) Docket the Taxicab Task Force Report and recommended options for public hearing at Council's Saturday, February 22 public hearing meeting and, thereafter, consider whether to adopt any of the options.

BACKGROUND: On June 26, 2001, City Council established a Taxicab Task Force to review the Alexandria taxicab industry and develop recommendations for possible regulatory changes. The Task Force was charged with consideration of a number of concerns raised by some drivers, primarily relating to control of the certificates of public convenience and necessity which authorize the operation of taxicabs in the city. The Task Force consisted of: two representatives of Council, Vice-Mayor William Cleveland and Councilwoman Joyce Woodson; one representative of the Traffic and Parking Board, Tom Walczykowski; one representative of the Alexandria Commission on Persons with Disabilities, Chet Avery; two representatives of taxicab drivers, C. I. Dodhy and Randy Stephens; and two representatives of taxicab companies, John Muir, Yellow Cab, and Ken Aggrey, White Top Cab. Support staff was provided by Transportation and Environmental Services, Office of the City Attorney, and the Police Department's Hack Inspection Unit.

Beginning in 1975, certificates of public convenience and necessity ("Certificates"), which authorize the operation of taxicabs in Alexandria and without which a cab may not be operated in the City, were issued directly to the owners of individual taxicabs. By having individual taxicab owners (who were also drivers in most cases) directly accountable to the City, it was felt that the industry and its service to the public could be well regulated. At this same time, the City required each taxicab to be operated under the "colors" of an approved taxicab company, and assigned to each taxicab company a certain number of taxicab "slots" based on the company's showing of need (i.e., the number of taxicabs needed to provide adequate taxi service in the City). These slots were in turn assigned by companies to cabs whose owners had received a Certificate from the City.

Under this regulatory scheme, holders of Certificates (i.e., the owners of certificated cabs) were allowed to transfer with their cab from one to another taxi company at any time, provided that (1) the company from which the Certificate holder wished to transfer provided a letter to the City stating the he/she was in good standing with the company, and (2) the company to which the Certificate holder wished to transfer provided a letter to the City stating that it would accept the Certificate holder and it had an open slot which it would assign to the cab of the transferring Certificate holder. Also, under this regulatory scheme, since Certificates were in the hands of the owner-drivers who had substantial ability to move from one to another taxi company, it fell largely to the City, rather than the companies, to receive and investigate passenger complaints and to regulate driver conduct.

In 1982, the City transferred control of the certificates from the owner/drivers to the taxicab companies. The primary reasons for this change were (1) to improve the quality of taxicab service to the general public, and (2) to reduce the City resources required to address passenger complaints against the drivers and to manage the growing number of individual owner/drivers. Service complaints from the public had been increasing, and many new taxicab companies were being formed. This state of the industry was evidenced by the many taxicab matters (usually in the form of passenger complaints) that regularly occupied substantial portions of the meetings and time of the Traffic and Parking Board. In effect, by virtue of the regulatory scheme then in effect, the City had become a personnel office for the local taxi industry, expending significant staff time and resources investigating service complaints, disciplining taxi driver behavior, screening potential drivers, and otherwise managing the increasing number of drivers. For these reasons, beginning in 1982, the City Council revised the taxicab regulatory scheme, and began to assign to the taxicab companies the certificates of public convenience and necessity, along with the responsibility to manage the City's taxi drivers.

During the Traffic and Parking Board's 1994 annual hearing on the state of the taxicab industry, the United Taxi Cab Operators Association (UTOP) offered a proposal that would return the assignment of Certificates to the owners of taxicabs. That report was the subject of discussion for several years. On January 25, 1997, Council rejected the UTOP proposal, by a vote of 6 to 1. (A copy of the memorandum is attached as Attachment 2.)

At its January 24, 1998 meeting, City Council considered and tabled a UTOP proposal to create a working group to review taxicab issues.

In June 2001, again in response to UTOP concerns, Council established a Taxicab Task Force to review taxicab issues and offer recommendations for regulatory improvement. In the attached Taxicab Task Force Report, five options for regulatory change have been proposed for Council consideration.¹

DISCUSSION: A significant issue considered by the Task Force was the control of the certificates of public convenience and necessity. Related issues were driver income, return on investment and treatment, the non-enforcement of City regulations on taxicab companies, the large number of certificates that are issued by the City and some fare-related concerns. Finding that no single measure satisfactorily addressed all issues, the Task Force recommended that Council consider the following options:

1. Institute a two-tier taxicab system, one tier for local dispatch and airport cabs and one tier for airport-only cabs.
2. Institute a Certificate recall in order to create a Certificate pool.
3. Require cab companies to provide drivers with a dispute resolution process.
4. Appoint taxicab industry representatives on the Traffic and Parking Board.
5. Methods, developed by staff, for issuing Certificates directly to long-term taxi drivers.

The Traffic and Parking Board considered the Task Force report at a special meeting on October 21, 2002. Considering each option separately, the Board made the following recommendations:

1. Two-Tier System. The Board recommended adoption of this option.
2. Certificate Recall and Certificate Pool. The Board recommended rejection of this option.
3. Dispute Resolution Process. The Board recommended adoption of this option, and asked staff to define and recommend who would pay for the use of outside parties in the process.
4. Industry Representation on the Traffic and Parking Board. The Board recommended rejection of this option.
5. Issuance of Certificates to Drivers. The Board recommended rejection of this option.

On January 24, 2003, four Task Force Members submitted a memorandum to Council presenting their views of the options presented in the Task Force Report. (A copy of this memorandum is attached as Attachment 3.)

¹ In August 2002, the Tenants' and Workers' Support Committee began providing assistance to taxicab drivers. Staff understands that the Committee is developing a proposal to permit drivers to hold their own certificates. As of this date, staff has not received any proposal from the Committee.

The City's function and responsibility as regulator of the taxicab industry is to protect the public interest by ensuring the existence of sufficient, affordable, convenient and high quality taxi service throughout the City, while avoiding the existence of arbitrary and artificial inequities within the taxi industry. With this function and responsibility in mind, we offer the following analysis and views on each of the options recommended by the Task Force.

1. Two-tier taxicab system with airport-only cabs and local dispatch-and-airport cabs.

Staff does not support implementing a two-tier system due to recent changes in the local taxicab industry. The primary reason for recommending a two-tier system was to address the fact that the City Code requirement for 24-hour dispatch service was not being provided by the smaller taxi companies and was not being enforced by the City. The two-tier system was a way to eliminate the inequity that some companies were meeting the code requirement and incurring the expense of 24-hour dispatch service, and other companies were not.

Recently, however, the three taxi companies that had been operating without 24-hour dispatch service established a joint office in the City with 24-hour dispatch capability. As a result, all taxicab companies in Alexandria are now, or are soon expected to be, in compliance with the code's 24-hour code requirement. Thus, staff does not believe that a two-tier system is now needed or would offer sufficient public benefit to warrant its adoption and the changes it would impose upon the current City taxi industry. It should be noted that the smaller cab companies and many drivers expressed opposition to the recommended two-tier system.

2. Certificate recall and creation of Certificate pool. The Task Force proposed a recall of five percent of the existing Certificates as a way to create a pool of certificates that could be used to increase flexibility in managing the taxi industry or that could be assigned individual drivers (see Option 5 below). Staff supports reducing the number of taxicab Certificates,² but recommends that it be done through the Traffic and Parking Board as part of the annual process now set out in the City Code for reviewing the number of issued Certificates, rather than with a special certificate recall.

During the past decade, the number of Certificates has been increased more than the corresponding demand for taxi service and, as noted (see note 2) the current per capita number of certificates in Alexandria is higher than in other jurisdictions. Through tighter regulation, the number of certificates can be better managed and brought into a better alignment with the

² The current number of Certificates issued by the City is 645. This amounts to 4.9 Certificates for every 1,000 residents of the City. According to a 1997 survey for the *1997 Taxicab Fact Book*, Alexandria was reported to have the highest number of taxicab certificates per 1,000 residents of all reported jurisdictions. In the Washington, D.C. metropolitan area, Arlington was reported to have 3.46 certificates per 1,000 residents, the second highest number reported, and Fairfax County was reported to have 0.48 certificates per 1,000 residents. The Philadelphia metropolitan area and New York City were reported to have 0.96 and 1.5 certificates per 1,000 residents, respectively.

demand for taxi service in the City. Moreover, if the total number of certificates were reduced, the supply of taxi service in the City would be correspondingly reduced and the earning potential of individual drivers would increase. Staff feels that the number of issued Certificates likely needs to be reduced over time, and recommends that this be accomplished (or at least that the consideration of this reduction occur) through the process currently in the Code that calls for an annual staff review of the economic condition of the taxicab industry and the presentation of that review and any recommendations to the Traffic and Parking Board. A reduction in the number of certificates in this manner will provide as much, if not more, regulatory flexibility as the Certificate recall process proposed by the Task Force and accepted by the Board. Moreover, if justified by service demand, this process enables the City to issue additional Certificates to meet that demand.

3. Dispute resolution process. Staff supports requiring that a formal dispute resolution process be available for resolving significant disputes between companies and drivers. The Task Force contemplated implementing this process by requiring that a dispute resolution provision be included in all company/driver contracts. Staff feels the dispute resolution process should be established in City Code to ensure a uniform requirement and its uniform application. In this manner, all companies holding Certificates would be required, as a condition to holding their Certificates, to provide for their drivers a uniform dispute resolution process. The nature of this process would be set out in guidelines issued by the City at the time the requirement for a process was added to the City Code. Those guidelines, it is envisioned, would define the types or nature of disputes that are subject to the required resolution process, and would require that the process itself contain at least two parts or steps. The first would require drivers to submit their complaint in writing to the company, which would then appoint a member of its management who is not a party to the particular dispute to meet with the driver. The second would occur if the dispute is not resolved to the satisfaction of the driver as a result of the first step meeting, and would have the dispute heard and decided by an impartial, third party. The Code or the guidelines would define the manner in which the cost of these third parties would be paid.

4. Appointment of taxicab representatives to Traffic and Parking Board. Like the Board itself, staff does not support this option. Since the Certificates were transferred to the companies in 1982, the Traffic and Parking Board hears taxicab-related matters on an infrequent basis. In order to maintain balanced company/driver representation, two of the seven Board seats would have to be "assigned" to the taxicab industry, which would not be commensurate with the amount of Board time typically spent on taxicab issues. Staff feels that it would be more appropriate for the Chairman of the Traffic and Parking Board to appoint a special committees to hear taxicab related issues on an as-needed basis. These committees would consist of a few Board members, would receive input on the questions at hand from taxi drivers and companies, as well as consumers and special user groups (such as the Alexandria Commission on Persons with Disabilities), and make recommendations to the full Board.

5. Issuance of certificates directly to long-term drivers. Like the Board, staff does not support this option.

A certificate recall was proposed as a way to make some of the existing certificates available for possible assignment to a select group of long-tenure drivers (see Item 2). Based on the proposed five percent recall, a maximum of 31 certificates would be available for assignment among more than 1,000 drivers. Any benefits provided by driver-held certificates would accrue to only about three percent of the current drivers. The narrowly-held distinction among drivers that would result from this option would not provide any general driver benefit, eliminate any regulatory inequity or protect the regulated public interest.

The apparent purpose in assigning Certificates to drivers was (i) to provide these drivers with an asset -- i.e., something possessing real value -- that could be sold at retirement and (ii) to increase the negotiating power of these drivers with taxi companies.

With respect to the "asset" purpose, it is important to note that, in 1982 when the City began issuing Certificates to taxi companies rather than drivers, Council decided to "grandfather" the drivers who then possessed taxi Certificates, meaning that they were allowed to continue holding their Certificates. However, under rules then in effect, which remain in effect today, those drivers were not allowed to sell or transfer their "grandfathered" Certificates when they decided to leave the taxi industry. Rather, they were required to return the Certificates to the City unless a transfer to the company with which they were affiliated was approved by the City Manager. In other words, even under the City's pre-1982 regulatory scheme, driver-held Certificates were not allowed to be sold; in this sense, therefore, Certificates have never been an asset that have accrued value for, and were capable of delivering real value to, the drivers who held them. Thus, if Certificates were now to be directly issued to drivers and to be permitted to be sold by drivers on a "Certificate market," this would represent a an entirely new regulatory scheme that has never been in effect in the City.

Based on limited financial data available to staff, an Alexandria taxicab Certificate, if allowed to be sold in an open market, might obtain \$5,000 to \$10,000. This estimate is based on the recent sale of an Alexandria taxi cab company.³ This is obviously an amount far less than taxicab "medallions" in New York City which have a market value in excess of \$100,000. Of course, in New York, the demand for cab service is substantially larger than in Alexandria, and the number of cabs per capita is substantially lower than in the City. Even if driver-held Certificates were allowed to be sold, therefore, their value does not appear to be substantial.

Issuing certificates to drivers may improve their negotiating position with the companies if Certificate-holding drivers were able to unilaterally transfer with their Certificates to other companies. However, we question the wisdom of increasing the negotiating position of a few

³ The recent sale of a local cab company, whose assets were solely its Certificates, involved a sales price that reflected a value of approximately \$5,000 for each Certificate.

drivers, vis a vis the companies, which is what Options 2 and 5 call for, but not the far larger number of drivers who will not be holders of Certificates. Moreover, we believe the provision of a dispute mechanism (Option 3) will improve the negotiating ability of all drivers.

Finally, we do not support issuance of Certificates to drivers, whether to a few or all, because there is no significant, legitimate public policy reason to do so. As earlier indicated, the City's goal in regulating the taxi industry is to protect the public interest by ensuring the existence of sufficient, affordable, convenient and high quality taxi service throughout the City. For at least the past 15 years, this goal has been achieved under the current regulatory scheme. For years, both the supply and quality of taxi service delivered throughout the City has been quite satisfactory. In short, staff believe there is no need, in order to enhance the quality of the City's taxi service, to alter in a very fundamental way the nature of the regulatory system that, for almost two decades, has delivered high quality taxi services to the citizen of Alexandria.

ATTACHMENTS:

Attachment 1. Taxicab Task Force Report

Attachment 2. January 10, 1997 Memorandum to City Council from F. Andrew Carroll, III,
Counsel for UTOP

Attachment 3. January 24, 2003 Memorandum to City Council from four Task Force Members

STAFF:

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Taxicab Task Force

Prepared by: T&ES Staff

October 21, 2002

Revised December 10, 2002

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History of Taxicab Industry

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Revised 12/23/02

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EXECUTIVE SUMMARY

This report contains the findings developed by the Taxicab Task Force. The Task Force dealt with one main issue and six related issues. The main issue was the control of the Certificates of Public Convenience and Necessity (certificates). The related issues were: 1) driver income; 2) driver return on investment; 3) driver treatment; 4) non-enforcement of regulations; 5) excessive certificates; and 6) fare related issues.

The Task Force considered seven options for the Alexandria taxi industry. These options were: 1) do nothing and continue operating with the existing system; 2) implementing a medallion system; 3) implementing a two-tier system with two types of taxicab service - airport only cabs and local dispatch cabs; 4) an employee-owned cooperative taxicab company; 5) a City-owned taxi company; 6) a full-service taxicab firm; and 7) the UTOP proposal.

After careful consideration, the Task Force determined that no one option addressed all the issues. Therefore, the Task Force developed the following five recommendations:

- 1) Institute a two-tier system where there are two categories of taxicabs - airport cabs and local radio-dispatch cabs. The airport taxicabs would only pick up passengers from the airport and would not take passengers from the City to the airport or work the local cab stands. The local radio dispatch cabs would handle everything else and would be able to pick up at the airport;
- 2) Institute a certificate recall to create a certificate pool. The purpose of the certificate recall is to create a pool of certificates to increase flexibility in managing the taxi industry. The goal is to recall five percent of the certificates over a two-year period and place those certificates into a pool. If needed, the certificate recall would be continued after the second year. Once the certificates are in the pool several things could be done. If there were more than enough existing certificates to meet the demand for taxi service, the certificates in the pool could be retired. The certificates in the pool could also be reissued to help start up an employee-owned taxi company or given to a specific group of drivers meeting certain criteria such as years of service.
- 3) Change the City Code to require that the cab companies incorporate a dispute resolution process to handle disputes between drivers and the cab companies. The City Code would be revised to require that cab companies include language in their driver contracts specifying that disputes between drivers and the companies be dealt with through the American Arbitration Association under its Commercial Mediation Rules, or a completely independent person when disputes can't be mutually resolved.
- 4) Have dedicated taxicab representatives on the Traffic and Parking Board. A person from the taxi industry would be appointed to the Traffic and Parking Board. The proposed board member could be either a driver or someone from a taxi company. This would not be a new seat but simply replace one of the existing Board members when their term expires. **Alternatives to address taxicab industry representation would be to appoint two representatives from the**

industry to the Traffic and Parking Board (one from the companies, one from the drivers) or to create a standing committee of the board, with a charge of advising the board on taxi industry matters, which would have representative of taxi companies and a representative of drivers on it.¹

5) The Task Force recommended that staff develop a concept to issue certificates directly to long-term drivers who have driven an Alexandria taxicab for many years. Per the Task Force recommendation, staff developed the following two options: 1) Long-term drivers be issued a grandfather type certificate; or 2) Drivers be issued "free agent" type of certificate.

In option one, the long-term (e.g., eight years)² drivers would be issued one of the 31 certificates in the certificate pool created by the certificate recall. This certificate would entitle the driver to all of the rights that the existing grandfather certificates provide. It needs to be pointed out that the existing grandfather certificates only allow a driver to operate a taxicab under the colors of an existing Alexandria taxicab company. In certain situations the grandfather certificate provides some flexibility to move the certificate between companies. The certificates would be issued on a driver seniority basis. It also needs to be noted that neither the City or the cab companies have records indicating the longevity of the drivers.

In option two, drivers meeting certain criteria³ would be issued one of the 31 certificates in the certificate pool. This certificate would allow drivers to move freely between companies once every year. The free agent certificates will not be transferable between drivers and so can only be used by the driver who the certificate was issued to. The selection criteria defining which drivers are issued the certificates would be developed to force accountability onto the drivers. First, only drivers with vehicles less than five years old would be issued a free agent certificate. If a certificate holder's vehicle becomes older than 5 years old, the certificate will be revoked and issued to another driver. Second, the certificate holder cannot have any legitimate complaints against him or her. If a legitimate complaint is raised and found valid by the Traffic and Parking Board, the certificate will be revoked and issued to another driver. Third, the certificate holder

¹ This addition is in response to Councilwoman Joyce Woodson's comment, "Since these two groups don't get along, nor have similar agendas, I don't see one representative for both groups. Probably one from each."

² This change is in response to Councilwoman Woodson's comment, "How many years?" The number of years should represent a driver who has invested significant money and time in the industry. A period of five to 10 years appears to meet this factor, and hence a term of eight years is given, as an example, in the text.

³ In response to Councilwoman Woodson's comment, which addressed the second option presented in the text and was "No--should be based on years of service only." The first option in the text is based on years of service only; the second option is intended to provide an alternative means of allowing drivers to move between companies.

would be required to drive under the colors of an established Alexandria taxicab company. Lastly, the certificates would be issued to drivers in all six cab companies based on the percentage of cab slots a company has of the total number of cabs authorized to work in the City. Based on this, the number of free agent certificate holders each company would initially have would be as follows: Columbus would have two free agents; Diamond would have seven free agents; King would have three free agents; VIP would have three free agents; White Top would have six free agents, and Yellow would have 10 free agents.

The advantage to drivers of holding their own certificate is that the certificate provides tremendous leverage when dealing with the cab companies. The only income a cab company has is revenue from the stand dues charged to the drivers. The more certificates a company has, the more revenue the company can collect from the drivers. Consequently, if a driver has control of a certificate, the driver can take that certificate and move to another company, thus, leaving the first company with one less certificate to collect stand dues from. ~~Most companies will then lower stand dues and overlook many customer complaints in an effort to keep the driver from moving the certificate to another company.~~⁴

⁴ The striking of this language is in response to Councilwoman Woodson's comment, "not reasonable conclusion - more likely drivers will be treated more respectfully and stand dues will pay for something."

INTRODUCTION

On June 26, 2001, a Taxicab Task Force was established to investigate the Alexandria taxicab industry and develop recommendations for improvement. This report contains the recommendations developed by the task force. The task force dealt with one main issue and six related issues. The main issue was the control of the Certificates of Public Convenience and Necessity (certificates). The related issues were: 1) Driver income; 2) Driver return on investment; 3) Driver treatment; 4) Non-enforcement of regulations; 5) Excessive certificates; and 6) Fare-related issues.

History of The Alexandria Taxi Industry

There is a long history associated with control of the certificates. From 1974 through 1982 the certificates were held by the drivers. Having the drivers hold the certificates created a number of problems. Service to the public began deteriorating, passengers were being over charged, many new taxicab companies began opening up, the Traffic and Parking Board heard many, many taxicab complaints running late into the night. Because of all these problems, the certificates were assigned to the taxicab companies in 1982. Since the taxi companies have held the certificates the problems of the past were virtually eliminated.

At the October 24, 1994, annual hearing of the Alexandria Traffic and Parking Board on the State of the Taxicab Industry, the United Taxi Cab Operators Association, Incorporated (UTOP), made a request to change the holder of the certificates from the taxicab companies to the taxicab owners. Chairman Schumaier indicated that the Taxicab Subcommittee would meet to discuss the proposal. The UTOP proposal was never adopted.

On January 25, 1997, City Council considered the UTOP proposal that the City issue taxicab certificates to individual taxicab owners rather than taxicab companies and enable taxicab drivers to transfer from one taxicab company to another every two years. The Council voted 6 to 1 to maintain the way in which the City issues taxicab certificates. At the January 13, 1998, City Council legislative meeting, Vice Mayor Euille asked staff to include an item on the Saturday, January 14, 1998, Council docket to create a working group to review the issues raised by UTOP and provide Council with a report by the end of 1998. This was tabled by City Council and no action was taken.

Explanation of Existing Operations

The Traffic and Parking Board has jurisdiction over taxicabs and their owners and operators in Alexandria. The Board regulates the number of cabs allowed to operate in the City as well as hears complaints.

Alexandria's existing taxicab system consists of six privately-owned taxicab companies with a combined total of 645 cabs in operation. The number of taxicabs that each company operates is

regulated by the number of certificates the City issues through the Traffic and Parking Board to each company. The cab drivers operate as independent contractors to the cab companies. The cab driver owns and maintains the taxi while paying the taxi company stand dues in exchange for services provided by the company. The stand dues are a fixed amount, not related to the number of hours a cab operates or the income a cab earns. All fares are earned and kept by the driver. Some drivers lease their cabs to other drivers during the times when the driver/owner is not driving the cab. Some of the taxi companies own several cabs which are leased to drivers; however, most drivers prefer to own their own cab. Some of the drivers also own a small fleet of cabs which they lease to other drivers. The companies deal with most complaints, must keep certain records, and are required to maintain a 24-hour dispatch service.

The demand for taxi service in Alexandria is not sufficient to support all six cab companies having an independent dispatch service as required by Code. A 24-hour-a-day, seven-day-a-week dispatch service is expensive to operate - too expensive to be feasible for the smaller cab companies. Consequently, several of the smaller cab companies do not have dispatch service and their cabs operate primarily out of the airport. There are three 24-hour dispatch companies providing full service and three airport-oriented companies that do not have the 24-hour dispatch required by City Code.

Some of the companies have also entered into contracts to provide social services transportation service.

Description of the Taxi Business in Alexandria

The Alexandria taxi industry is an income-based industry, not a growth-based industry. The only form of income available to the taxi companies is revenue generated from stand dues collected from the taxi drivers. The only way to increase revenue is to increase stand dues or increase the number of taxicabs in operation. This is different than most other industries in that most industries have growth potential. That is, the value of the company increases over time. This is not the case with an Alexandria taxicab company. The value of an Alexandria taxicab company is mainly dependant on the income-generating capability of the company.

The Alexandria taxicab companies have taken two approaches to operation. The larger companies have invested in dispatch centers and entered into para-transit contracts to generate increased revenue for the taxi drivers. If the taxi drivers earn more money, the companies can charge higher stand dues. The smaller companies have taken a minimalist approach by providing limited support services to the drivers and charging much lower stand dues than larger companies.

DRIVERS ISSUES

The Taxicab Task Force found that there were six main issues that concerned the drivers. These issues were: 1) Driver income; 2) Driver return on investment; 3) Driver treatment by the cab companies; 4) Non-enforcement; 5) Excessive certificates; and 6) Miscellaneous fare related issues.

Driver Income

The drivers are concerned that driver income is too low for the amount of money invested. The drivers must purchase their vehicle, while also paying for stand dues, gas, maintenance, insurance, and other operating costs. The Task Force had no data on actual driver incomes to evaluate.

Driver Return on Investment

The drivers are concerned that they get very little return on their investment. The driver must purchase the vehicle and pay all the operational costs for that vehicle. Typically, it will cost a minimum of \$4,000 to \$5,000 to purchase and equip a taxicab. As with most assets, the vehicle depreciates in value. When the driver chooses to leave the industry the driver has very little equity - only the value of the vehicle. While, at the same time, the driver bears a certain amount of risk. For example, if the vehicle breaks down the driver bears the repair costs and the vehicle is not generating any income because the vehicle is not in operation. However, even with an inoperable vehicle, the driver is still expected to pay the weekly stand dues to the taxi companies. Although this scenario is not different than many other business, the drivers perceive that they bear a disproportionate share of risk for the amount of money they must invest. The drivers are of the impression that while the driver bears most of the risk and realizes no increase in equity, the companies have very little risk yet increase in equity.

Driver Treatment

The drivers are concerned that they are not treated fairly by the cab companies. The drivers perceive that the cab companies have considerable power to do as they wish with the driver. While on the other hand, the drivers are stuck because they have had to purchase a vehicle and if they choose to leave the company, they still may need to make loan payments on the vehicle. Since the drivers act as independent contractors to the cab company, the company can terminate the contract at any time.

Non-Enforcement

The issue of non-enforcement of the regulation requiring that all cab companies provide a 24-hour dispatch service came up. This was a difficult issue because all of the companies claim to provide the dispatch service. The companies in question claim that they have dispatch but that

the drivers turn off the two-way radio so that it is difficult for the company to dispatch calls. The drivers, on the other hand, claim that because they never get dispatched the two-way radios in the cabs are just turned off.

Excessive Certificates

There is considerable concern over the number of certificates. This was a particularly sensitive subject because while the airport was closed, all the airport cabs came into the City where there was not sufficient rider-ship to support the larger number of cabs. For comparison, Alexandria has five cabs per 1,000 population, Arlington has 3.6 cabs per 1,000 population, Washington D.C. has 10 cabs per 1,000 population, and New York City has 1.5 cabs per 1,000 population. Decreasing the number of certificates would serve to increase the workload of the remaining cabs, thereby increasing income for the drivers.

Fare Related Issues

There were two fare-related issues that were considered - the minimum age for paying passengers and the cost for handling luggage. Both of these issues have been acted on.

OPTIONS CONSIDERED

In dealing with these concerns the task force considered a number of alternative "remedies" including: 1) keeping the existing system; 2) a medallion system; 2) a two-tier system; 3) an employee-owned cooperative company; 4) a City-owned company; 5) a full-service company; and 6) the UTOP proposal to issue the certificates directly to the taxi drivers. The following is a brief description of each item considered along with a list of advantages and disadvantages for each item.

Existing System

Overall, the existing system offers the following advantages and disadvantages:

Advantages:

- Has provided quality taxi services to Alexandria residents for many years;
- The cab companies deal with most customer complaints, thereby reducing the need for City involvement;
- Allows for contract services such as para-transit programs;
- Provides stable income for the cab companies so that they are able to invest in infrastructure; and
- Relatively easy for new drivers to get into the business.

Disadvantages:

- Drivers are not entirely free to move from company to company since they may only transfer to a company which has a vacancy in the companies certificate;
- Since drivers are independent contractors working under contract to the companies, drivers do not share in the value of the companies which stems in large part from the certificates; and
- Cab companies have the upper hand over the drivers since drivers are independent contractors. The company-driver relationship is defined by contract between the two.

Medallion System

In a medallion system individual certificates are the property of the holder and may be sold to the highest bidder/payer. The certificate holders pay the issuer a small annual fee for the certificate. Since there are only a limited number of certificates issued, the market value of the certificates can be very high. When a medallion system is first implemented, the certificates are usually issued to the individual taxi drivers. However, over time, as drivers leave the industry, the certificates are usually sold to the highest bidder. What ends up happening is that one or two big companies ultimately end up with all the certificates. These companies then lease the certificate to an independent taxi driver who must provide his own vehicle, insurance, maintenance, etc. Little else is provided by the holder - no radio dispatch, no way for riders to express dissatisfaction with the driver. **To offset consequences of medallion certificates ending up over time in the hands of relatively few entities, there could be a limit on the number of medallion certificates that any individual or company could own.**⁵

Advantages:

- The medallion can increase in value, thereby providing the assigned holders with a one-time cash benefit.

Disadvantages:

- Very difficult for the certificate issuer to manage;
- No radio-dispatch cabs;
- No social services programs;
- Over time monopolies develops where all of the certificates are owned by a very few entities; and
- Entry into the system for new drivers is very expensive.

⁵ This change is in response to Councilwoman Woodson's comment, "Perhaps we can limit the number of medallion certificates that any individual or company can own. That way we can have a two-tier system where any driver wishing to invest could buy a certificate and existing companies will have their own issued certificates."

- If a certificate pool is adopted by removing certificates from existing companies with fixed costs, it may hurt existing drivers because companies may need to increase stand dues to make up for the revenue loss created by the loss of certificates.⁶

Two-Tier System

In a two-tier system the City will have two categories of taxicabs - airport cabs and local radio-dispatch cabs. The airport taxicabs will only be permitted to pick up riders from the airport. They will not be permitted to take riders from the City to the airport. The local radio-dispatch cabs will handle everything else and would be able to pick up at the airport. The existing operations in Alexandria are a defacto two-tier system. Today Alexandria has some cabs with 24-hour radio dispatch and some cabs with no dispatch. The radio-dispatch cabs tend to work the local community, while the non-radio dispatched cabs tend to work the airport. The different classes of cabs are not restricted by regulation as to where they can work.

Advantages:

- Bring Alexandria's taxicab regulations into conformity with how the industry operates today. Airport cab companies would no longer be violating the 24-hour dispatch requirement and the 51-percent rule;
- Allows the City to regulate the number of cabs that work the airport and the number of cabs that work locally; and
- Help ensure that the radio-dispatched companies maintain an adequate number of cabs to support the dispatch services along with contracts.

Disadvantages:

- Some drivers would loose the ability to work in the City.
- If a certificate pool is adopted by removing certificates from existing companies with fixed costs, it may hurt existing drivers because companies may need to increase stand dues to make up for the revenue loss created by the loss of certificates.⁷

Employee-Owned Cooperative Taxicab Company

Existing regulations permit the formation of an employee-owned taxi company. Drivers could either start up their own company or purchase an existing company. The company could then establish reasonable stand dues and allow the drivers to own shares and possibly realize some appreciation. Starting a new taxi company in Alexandria will be difficult because it would require the City issuing new certificates or taking certificates from the existing companies and redistributing them to the new company. Presently, there is a surplus of certificates, and it is

⁶ This change is in response to Councilwoman Woodson's comment, "With recalls and pools this may happen anyway - it is not just an employee owned co-op problem." This language has added to a number of other scenarios.

⁷ See note 6.

unlikely that the City could justify adding new certificates for the new company start up. As an option the City could create a certificate pool by collecting a small number of certificates from all the companies, and over time issuing some of them to a new driver-owned company as specified in the City Code requirements applicable to new cab companies.

Advantages:

- Drivers could gain value the longer they work if the company's value appreciates; and
- Drivers could manage themselves and set their own stand dues.

Disadvantages:

- It would be difficult to establish a new taxi company in Alexandria because there is already a surplus of certificates; and
- **If a certificate pool is adopted by removing certificates from existing companies with fixed costs, it may hurt existing drivers because companies may need to increase stand dues to make up for the revenue loss created by the loss of certificates.⁸**

City Owned Taxi Company

In the City-owned taxi company, drivers are City employees who drive City-owned taxicabs. The drivers either work on a fixed shift or rotating shift. Drivers typically work a 40-hour week and earn overtime if called in to work extra hours. The City would bear the cost of maintaining the taxicab fleet. An alternative to this option would be for the City to contract out for taxicab service. In this scenario the City would go out to bid for taxi service every three to five years.

Advantages:

- City would have complete control over the taxi industry.

Disadvantages:

- Very expensive, especially if drivers are City employees, and almost certainly would require, like DASH, a substantial public subsidy;
- Little flexibility for drivers;
- Drivers may earn less than today; and
- City vehicle maintenance staff would need to increase to maintain the additional vehicles.
- **If a certificate pool is adopted by removing certificates from existing companies with fixed costs, it may hurt existing drivers because companies may need to increase stand dues to make up for the revenue loss created by the loss of certificates.⁹**

⁸ See note 6.

⁹ See note 6.

Full Service Taxicab Firm

The full-service taxicab firm is similar to the City-operated taxi company except that the company is privately owned and operated. Certificates are issued to this single company, which is required to own and maintain all the taxicabs and to hire drivers and employees who are paid an hourly wage and possibly provide some benefits.

Advantages:¹⁰

- ~~None~~
- **Potential stabilization of driver income;**
- **Potential provision of benefits for drivers; and**
- **Potential economic efficiencies arising from all operations being consolidated in one company.**

Disadvantages:

- Drivers may earn less than today since company costs would likely increase and industry revenue would remain about the same since fares are regulated;
- **Inability for driver transfer to another company; and**
- **No market-based competition.**

UTOP Proposal

In the UTOP proposal the City issues the certificates to the owner's of Alexandria's taxicabs who are not always the drivers. This would be phased in over six years. Certificate holders would be able to transfer from one taxi cab company to another every two years, and to take their certificate with them. The certificate of an owner who leaves the industry would be returned to the City for issuance to a new owner.

Advantages:

- Certificate holder/drivers could transfer between companies every two years; and
- Companies might be more accommodating to owners/drivers since they would be able to cause the company to lose certificates.

¹⁰ The changes under "Advantages" and "Disadvantages" are in response to Councilwoman Woodson's comment, on "Advantages, "Why not? This would provide greater admin simplicity for the City! Would also immediately reduce the number of drivers on the street and increase their value," and the comment, on "Disadvantages," "No transfer to companies because they are all one."

Disadvantages:

- Creates **substantial increased** risk for companies and corresponding reluctance to provide **significant initial and subsequent upgrade** investments since the sole source of revenue (the certificates) are guaranteed to exist for only two years;¹¹
- Could be more expensive for some taxicab drivers. Since certificates are issued to owners and not drivers, one person may own many cabs and lease the certificate and cab to the driver. The driver will have to pay stand dues and pay for the use of the certificate.¹²
- Companies will not be able to guarantee a fixed number of taxi cabs to enter into and effectively manage transportation contracts;¹³
- Traffic and Parking Board may have to hear more complaints; and
- Companies **will** ~~may~~ compete for certificate holders by offering ~~small~~ **smaller** stand dues with less services to the drivers. The existing dispatch services ~~would~~ **may** be negatively impacted because of decreased revenues.¹⁴

¹¹ These changes were made in response to Councilwoman Woodson's comment, "How much more would existing companies need to invest?"

¹² No change was made in response to Councilwoman Woodson's comment that "one certificate per driver, not per cab owned." This comment is not consistent with the proposal submitted by UTOP.

¹³ No change was made in response to Councilwoman Woodson's comment, "Why? Now they assume some risk - would motivate greater cooperation and fairness."

¹⁴ These changes were made in response to Councilwoman Woodson's comment, "This is purely conjecture and I found no evidence during the task force meeting to support this statement."

RECOMMENDATIONS

Two-Tier System

The Task Force recommends a two-tier system where the City will have two categories of taxicabs - airport cabs and local radio dispatched cabs. The airport taxicabs will only be permitted to pick up passengers from the airport. They will not be permitted to take passengers from the City to the airport. The local radio dispatch cabs will handle everything else and will be able to pick up at the airport. Implementing a two-tier system will require revising the City Code.

Certificate Recall

The Task Force recommends a certificate recall for the purposes of creating a certificate pool to increase the City's flexibility to manage the Taxi industry. The certificates would be placed in the pool and could be retired if there were an excess of existing certificates on the street. The certificates could also be reissued to help start up an employee owned taxi company or given to a specific group of drivers meeting certain criteria such as years of service. The Task Force is recommending a reduction of five percent of the 645 certificates to reduce the total number of certificates to 614. In actuality this is slightly less than five percent because of rounding differences. Each of the six taxicab companies will return five percent of their certificates over a two-year period. When a pre-1982 grandfather certificate holder leaves the industry, that certificate will be eliminated and not placed in the certificate pool. When a certificate is returned through death or voluntary return without a transfer, the certificate will also be eliminated. At the annual renewal of certificate numbers ending June 30, 2003, and June 30, 2004, by the mandate of the City, the company will reduce the total number by three percent in 2003 and by two percent in 2004 with the result rounded up or down to the nearest whole number. The certificate recall would recall 31 certificates. The table below shows how many certificates will be taken from each company during the initial certificate recall. If the certificate recall is successful, the recall may be continued past the second year as necessary.

Company	Current # of Certificates	2003 Reduction	2004 Reduction	Total Reduction	Final # of Certificates
Columbus	46	1	1	2	44
Diamond	156	5	3	8	148
King	57	2	1	3	54
VIP	58	2	1	3	55
White Top	116	3	2	5	111
Yellow	212	6	4	10	202
Total	645	19	12	31	614

Dispute Resolution Process

The Task Force recommends that a dispute resolution process between drivers and cab companies be developed to provide a fair and impartial way to settle disputes. The dispute resolution process will require the City Code be changed to require taxicab companies to adopt mediation as part of their contractual dispute settlement procedure. The driver contracts should include similar language to the following clause:

If a dispute arises out of or relates to this contract, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute through mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to arbitration, litigation, or some other dispute resolution procedure. If the dispute cannot be resolved through mediation then the dispute shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgement on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Have Dedicated Taxicab Representatives on The Traffic and Parking Board

The Task Force recommends that the Traffic and Parking Board have a dedicated taxicab representative on the Board. The purpose of having a dedicated taxicab representative on the Traffic and Parking Board is to provide the Board with a member with expertise in the taxi industry. The way the task force envisioned this working is that a person from the taxi industry be appointed to the Traffic and Parking Board. The proposed board member could be either a driver or someone from a taxi company. This will not be a new seat but simply replacing one of the existing Board members when their term expired.

Develop Concept to Allow Drivers to Control Their Own Certificates

The Task Force recommends that staff develop a concept to issue certificates directly to long term drivers who have driven an Alexandria taxicab for many years. The intent is to provide the long-term driver with something of value. Staff has developed the following two options: 1) Long-term drivers be issued grandfather type certificates; and 2) Drivers be issued "free agent" type of certificates.

In option one, the long-term drivers would be issued one of the 31 certificates in the certificate pool created by the certificate recall. This certificate would entitle the driver to all of the rights that the existing grandfather certificates provide. It needs to be pointed out that the existing grandfather certificates only allow a driver to operate a taxicab under the colors of an existing Alexandria taxicab company. In certain situations the grandfather certificate provides some flexibility to move the certificate between companies. The certificates would be issued on a driver seniority basis. It also needs to be noted that neither the City or the cab companies have records indicating the longevity of the drivers.

In option two, drivers meeting certain criteria would be issued one of the 31 certificates in the certificate pool. This certificate would allow drivers to move freely between companies once every year. The free agent certificates will not be transferable between drivers and so can only be used by the driver who the certificate was issued to. The selection criteria defining which drivers are issued the certificates would be developed to force accountability onto the drivers. First, only drivers with vehicles less than five years old would be issued a free agent certificate. If a certificate holder's vehicle becomes older than 5 years old, the certificate will be revoked and issued to another driver. Second, the certificate holder cannot have any legitimate complaints against him or her. If a legitimate complaint is raised and found valid by the Traffic and Parking Board, the certificate will be revoked and issued to another driver. Third, the certificate holder would be required to drive under the colors of an established Alexandria taxicab company. Lastly, the certificates would be issued to drivers in all six cab companies based on the percentage of cab slots a company has of the total number of cabs authorized to work in the City. Based on this, the number of free agent certificate holders each company would initially have would be as follows: Columbus would have two free agents; Diamond would have seven free agents; King would have three free agents; VIP would have three free agents; White Top would have six free agents, and Yellow would have 10 free agents.

The advantage to drivers of holding their own certificate is that the certificate provides tremendous leverage when dealing with the cab companies. As mentioned before, the only income a cab company has is revenue from the stand dues charged to the drivers. The more certificates a company has, the more revenue the company can collect from the drivers. Consequently, if a driver has control of a certificate, the driver can take that certificate and move to another company, thus, leaving the first company with one less certificate to collect stand dues from. Most companies will then lower stand dues and overlook many customer complaints in an effort to keep the driver from moving the certificate to another company.

History of Taxicab Industry

History of Taxicab Industry

- 11/19/73 Assistant Attorney Robert Howell discussed the need to formulate a system to decrease cabs in the "unlikely event the need was to arise."
- 1/1/74 Greyhound gives up taxicab concession at Washington National Airport, opening up the airport for cabs from any jurisdiction.
- 1/1/75 Airport will not recognize any cab unless they have been licensed by a local jurisdiction.
- 1975 Alexandria turned over taxicab certificates to the taxicab owners.
- 1/19/76 Hack Inspector Proctor requested a freeze on certificates due to the dramatic jump in certificate applications.
- 12/13/76 Chief of Police Holihah requests the Traffic and Parking Board to freeze certificates and reduce them to 325 cabs.
- 1/19/77 Chief Strobel requests freeze on certificates.
- 5/23/77 Freeze set at 424 certificates.
- 11/21/77 Adequacy of service guidelines put into effect; including 51% rule
- 3/20/76 Freeze lifted by Traffic and Parking Board.
- 9/17/79 Request by Doug Harmon, City Manager, to place a moratorium on taxicab licensing of certificates.
- 10/21/79 Moratorium granted.
- 4/12/82 Moratorium lifted on a tie vote by Traffic and Parking Board.
- 9/21/82 134 applications in front of Traffic and Parking Board for approval.
- 12/31/82 New ordinance passed to allow for annual review of the industry. City Manager now responsible for setting the level of certificates based on Public Convenience and Necessity.

Minutes of Task Force Meetings

EXHIBIT NO. *294*

ATTACHMENT 2

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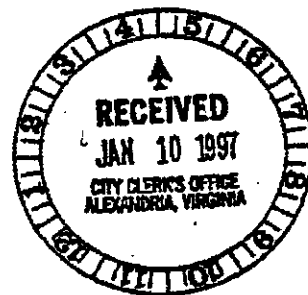
MEMORANDUM

TO: The Honorable Mayor and Members of Council

FROM: F. Andrew Carroll, III, Counsel for UTOP

DATE: January 10, 1997

SUBJECT: Proposed Change in Regulation of City Taxicabs -- Ownership of Certificates



Objectives

1. Provide response to City Manager's memorandum of December 6, 1996.
2. Provide response to Alexandria Yellow Cab memorandum of May 28, 1996.
3. Address Concerns of Agency on Aging and Commission on Persons With Disabilities.
4. Explain why UTOP's proposal is in the City's and public's best interests.

Background

For nearly four (4) years the United Taxicab Operators' Association has worked with City staff and City boards seeking consideration of a change in the City ordinance, allowing owners of taxicabs to transfer from one approved taxicab company to another approved company. It is envisioned that such a change will bring healthy competition to the industry by breaking the stranglehold companies presently maintain over working drivers. To assist City staff, in December of 1993 UTOP drafted a proposed ordinance revision. It is this document which is the subject of critical review by all parties involved. UTOP firmly believes

that the ability to transfer from one company to another is of crucial importance. However, UTOP recognizes that its proposed legislation is not necessarily the only way to bring about the desired changes. To date, with the exception of the skeletal proposal briefly outlined in the City's May 24 memorandum, no other party has made a substantive effort to draft a solution to the troubles facing the most important group participating in the Alexandria taxicab industry -- the working drivers. The UTOP proposal is the only significant effort made to address what nearly all agree to be legitimate failings of the City's present taxicab regulation. The victims of these failings in the industry are the working cab drivers and the public. The beneficiaries are the company owners who are guaranteed income with little or no risk. It can be of no surprise that the company owners do not want to change such a system. However, their fears are misguided. Companies that are efficiently operated and provide appropriate services to the drivers and the public will undoubtedly benefit by a change in the present system.

I. STAFF MEMORANDUM

On December 6, 1996, the City Manager submitted to Council a memorandum which misstates certain facts and fails to disclose others, resulting in a tainted view of the UTOP efforts and the proposal.

A. Recommendations of Agency on Aging, Commission on Persons With Disabilities, and Chamber of Commerce.

The Staff memorandum states that these groups have endorsed the *status quo*, rejecting the UTOP proposal. Council should be aware that the organizations had no contact or insufficient contact with UTOP officials to adequately understand the merits of the proposal. Their reports clearly reveal that they did not fully appreciate the proposal before rendering their opinions.¹ These issues will be discussed later herein.

B. Commitment of UTOP to Original Proposal / Compromise.

As reflected by the City Manager, UTOP is committed to its original proposal. In its initial draft, UTOP sought to address many of the concerns raised by the company owners and the City. Discipline of the drivers, condition of taxis, complaint regulation, and increased City expense were all issues specifically confronted in the initial proposal. Concerns over large movements of drivers led UTOP to limit transfers to no more than one every two

¹ On January 3, 1997, counsel for UTOP spoke to Mantill Williams, Legislative Director of the Alexandria Chamber of Commerce. He acknowledged that this matter was brought to them by one of the Chamber members, Robert Werth, who is also Vice President of Alexandria Yellow Cab. UTOP submits that the issues were not fairly or adequately presented to the Chamber Board before its endorsement of the *status quo*. The concerns raised in the Chamber's July 22, 1996 memorandum merely parrot the assertions of Yellow Cab. These baseless claims are more fully reviewed later in this submission.

years. UTOP has also consented to a six year phase-in period so that the burden on the hack inspector and company owners' fears should be allayed. Increased fees, recommended by UTOP, should pay for any cost hikes experienced with the proposal.

It is wrong to view UTOP as being inflexible. From the beginning it has sought to address all concerns. In the meantime, company owners have been unwilling to budge from blanket opposition. Their strategy has been to rely on spreading fear. Rather than offer any constructive alternative, they seek to frighten Council with unsubstantiated and unwarranted claims.

C. *Claim that Proposal Consumer Complaint Function Has Been Removed / Discipline of Drivers.*

Company owners have repeatedly claimed the proposal guts the consumer complaint function of the present ordinance. Their cries have been so loud that even the City Manager's memorandum expresses a concern that, if the changes are implemented, the hack inspector's office may suffer "a significant increase in staff workload" related to consumer complaints. This concern is entirely misplaced.

Section 9-12-29 is the present provision which provides the City the assurance that the companies will discipline their drivers, maintain the cabs working under their colors, and generally provide adequately for the public. This section allows the City to suspend the companies' valuable certificates of public convenience for such violations. Rather than risk revocation, it is assumed the companies will police themselves.

The UTOP proposal does not relieve the companies of this duty. Each cab must still operate under an accredited company. To operate in the City each company must hold a certificate of accreditation. The City, under proposed Section 9-12-33, is authorized to revoke any violating company's certificate of accreditation for the same reasons the City can revoke a company's present certificate. Thus, the companies must still police their drivers or run the risk of losing their right to conduct business in Alexandria.

The consumer complaint function is alive and well under UTOP's proposal, contrary to the City staff's admonitions. In fact, another enforcement layer is added to ensure quality taxi services without discipline or enforcement problems. Proposed Section 9-12-32 empowers the City Manager to revoke the certificate of public convenience held by the taxi cab owners for the same reasons the company owners' certificates can be suspended. Not only will company owners' self-enforcement measures continue but, in addition thereto, the consumer complaint function can also rely upon the cab owners. For your review, copies of the pertinent ordinance provision are attached as Attachment 1.

D. *Failure to Cite Change at National Airport.*

The conditions that existed in 1982 do not exist today. National Airport has joined in the enforcement effort. Not addressed in the Memorandum of December 6, 1996 is the fact that taxicab operators at National Airport now must go through a rigorous licensing procedure which require record checks, car inspections, and impose severe penalties for violations of the regulations (see Attachment 2).

E. *Memorandum Fails to Acknowledge That Drivers Have Conditionally Agreed to Taxicab Age Limitation.*

During meetings held between Michele Evans and UTOP representatives, the subject of an age limitation on cabs was presented by the City. The cost of such a proposal falls exclusively upon the driver, not the company. Nonetheless, UTOP officials agreed to the proposal on condition that the certificate change is adopted. Without the change it is economically unfeasible. The City Manager's memorandum overlooked this important concession on the part of UTOP.

II. **YELLOW CAB MEMORANDUM**

A. *General View.*

In May of 1996, Robert Werth, Vice President of Alexandria Yellow Cab ("AYC"), presented to Council a response to the UTOP proposal. The AYC memorandum recommends continuation of the present system -- a system which guarantees taxicab companies annual revenues in amounts they deem appropriate. Stand dues can be increased to meet virtually any financial concern.

Company expenses can also be forecasted to a high degree of certainty. Companies do not suffer the variables encountered by operators. A company's net income is not dependent upon changing gasoline prices, vehicle insurance prices, ridership variances, seasonal changes, weather considerations, or stand dues increases. Company expense increases are predictable. In fact, more often than not, increased expenses are matters of choice, due to conscious decisions made by the companies, not random and unpredictable factors. For that reason alone, without some incentive, why would a taxicab company spend any money to improve its operations?² Marketing or equipment improvements have no direct relation to increased revenues, as revenues are exclusively the product of the stand dues paid to them by the drivers. Company profits are more linked to stagnation than innovation. The AYC report must be viewed for what it is and nothing more. It is a self-serving report which induces fear to inhibit progress, in hopes that Council will continue to bless this unjust and repressive system.

² Since UTOP began asserting its position in 1993, certain taxicab companies have made overtures at improving operations and marketing. Interestingly, these "efforts" have only recently been initiated, at a time when it has become apparent that UTOP's concerns have merit.

B. Specific Responses.

The AYC memorandum is filled with incorrect or misleading statements about the UTOP proposal and its impact upon the taxicab industry. The following are examples of the misinformation not previously addressed:

1. AYC Erroneously Claims New Certificate Owners (Taxicab Owners) Will Be Permitted to Transfer Between Companies Without Replacement Capabilities By Companies.

AYC's assertion in this regard is absolutely wrong. The proposal will permit transfers once every other year. Good companies providing appropriate services will attract drivers, increasing a company's numbers. Companies will have every opportunity to replace a lost cab by soliciting other cab owners -- a practice employed by every other business operating within the City limits. If a company is charging too much or providing less than adequate services, why should it be guaranteed a certain number of cabs?

2. AYC Claims Only Certificate Holders Can Apply For Additional Certificate Authorizations.

Of course only existing certificate holders can apply for additional certificates. However the UTOP proposal does permit new applicants to apply for a certificate according to the provisions of Proposed Section 9-12-23.

3. AYC Claim That Applications for Additional Certificates Can Be Made At Any Time Is Incorrect.

It is the intention of the proposal that applications for new certificates, including additions, be made from May 1 through 10 of each year.³

4. AYC Complaint that the UTOP Proposal Does Not Outline Benefits to the Riding Public or City.

The proposal itself is a suggested revision of the ordinance- not a device to promote a concept. The benefit to the City and public is discussed throughout this memorandum. As a basic tenet, the proposal will spark competition which will better serve all involved. The most valued companies will be those that have high ridership. Companies should strive to improve their service to the public, to increase their ridership percentages. By doing so they will also attract more operators. The public will undoubtedly be better served

³ These dates are certainly subject to change if the hack inspector's office feels other times are better. Also, if the proposal does not adequately delineate the steps necessary to effect additions to certificates, or other technical matters, UTOP welcomes amendments aimed at curing alleged deficiencies. This includes AYC's criticism that the proposal does not properly assimilate the new and old code sections in the new proposal.

by drivers who are not physically and emotionally drained as a result of their endless efforts to support their families. As a demonstration of how the public will reap the benefits of a changed system, drivers have already agreed to taxicab age limitations if the proposal is approved.

5. AYC Claims UTOP's Proposal Will Lock In Current Owner's of Vehicles to Certificates, Locking New Owners Out.

It is certainly ironic that AYC is concerned about "new owners," especially since the Alexandria taxicab industry is the exclusive fiefdom of six companies. New owners will not be locked out of the proposed system. Certificate holders who leave the system cannot merely sell or transfer their certificates. A certificate holder leaving the industry must return his certificate to the City, which can then reissue the certificate to new applicants.

6. Claim That Proposal Will Lead to Medallion System.

AYC complains that certificate owners will not be able to transfer certificates to new owners, leading to a medallion-like system with absentee management. The opposite will be true as the certificate will have no inherent value since it will be returned to the City when a certificate holder leaves the industry. Also the proposal bans the described absentee management. See Proposed Sections 9-12-28 (c) and (e).

7. Unfounded and Self-Serving Representations.

In the AYC's Staff Comments section of its memorandum AYC sets forth a number of representations which are essentially self-serving scare tactics, aimed at changing the focus of this review away from the merits of the plan. Included are:

- AYC suggests that present taxicabs are deficient and that age limits are necessary, despite the fact that each cab undergoes inspections by the hack inspector's office. In other words, AYC seeks to increase the cab operator's expenses while refusing to offer the already economically strapped driver a means to recoup the incidental costs increases.⁴
- AYC describes an "insurance scheme" where drivers are insured by a company that purportedly does not participate in the Virginia Guarantee Fund. While AYC condemns insurance being offered to drivers, it fails cite one example where a taxicab covered through the so-called "scheme" was left with an uninsured claim. The drivers are required by law to maintain insurance with far

⁴ As previously noted, UTOP is willing to accept age limitations if the proposal is granted since competition in the industry will effectively spread the economic burdens related to such a requirement.

greater limits than those in neighboring jurisdictions. If AYC has evidence that the insurance plans purchased by the drivers are insufficient or not in accordance with the law, it should report those violations. It is outrageous to attack drivers who are forced to search for affordable insurance plans, while at the same time objecting to efforts made by the drivers to even the playing field. This is especially true since the companies presently offer no insurance assistance to the taxicab owners. The burden to bear all insurance costs, lies with the operator.

III. SUBMISSIONS OF AGENCY ON AGING AND COMMISSION ON PERSONS WITH DISABILITIES

The letters from the Agency on Aging and Commission on Persons with Disabilities both express fears that the proposal will threaten the stability of the Senior Taxi and DOT contracts. These fears are unfounded.

The City has entered into contracts with Diamond Cab and Diamond Transportation Services (of which Robert Werth is associated) to provide subsidized taxi services for the above City agencies. Apparently the two agencies have been warned of full scale driver flight from the participating companies if the proposal is adopted. These fears have no basis in fact.

UTOP has agreed to a six-year implementation of the ordinance. Further, transfers will only be permitted once every other year. Even if every driver offered the opportunity to transfer transferred, and no replacements transferred in, the contracting company could easily handle the contracted rides as they likely constitute a relatively small ratio of the rides handled by that company. This pessimistic scenario is extremely remote however. Company owners have long boasted that the contracts increased ridership and were a boon to drivers. If the boasts are indeed based in fact, one would think that under the UTOP proposal companies holding such contracts would attract, not repel operators. Moreover, if the existence of the contracts serve to drive taxicab operators away from contracting companies, why did the contracting taxicab companies seek the contracts in the first instance?

UTOP agrees that there is a civic benefit bestowed through the contracts and suggests that in the future the City spread the obligation to service the agencies to all companies and operators. For the present, however, UTOP strongly believes that it is disingenuous for the taxicab companies or the City to use these contracts held by one taxicab company to prohibit drivers of noncontracting companies from garnering the benefits afforded in UTOP's proposal.

IV. UTOP'S PROPOSAL IS IN THE BEST INTERESTS OF THE TAXICAB INDUSTRY, THE CITY, AND THE PUBLIC

Never mentioned by the proposal's opponents is the irrefutable fact that the present system serves as a disincentive to improved taxicab services. There are no rewards for companies willing to expend their energies and finances to improve those services. Improved equipment or service cannot improve a company's financial bottom line. Only increased stand dues and decreased expenses will do that.

On the other hand, the UTOP proposal will lead to revitalize the industry. The proposal is fair to both companies and operators. It will maintain discipline while fostering just treatment. Complacent companies may wither, yet efficient and energetic companies will flourish. The competition and incentives to improve will create a truly vibrant taxicab industry for our City -- one that we will all be proud of.

V. CONCLUSION

In conclusion, UTOP respectfully urges City Council to accept the proposed amendment or, at a minimum, to submit the proposal for public hearing.

PRESENT ORDINANCE

Licensing and Regulation

9-12-29

receive evidence as to the economic condition of the taxicab industry. Applicants for changes in authorization shall be required to submit justification for the changes they recommend.

(b) Giving consideration to the evidence received at the meeting, but not being limited to such evidence, the traffic and parking board shall forward its conclusions as to the status of the industry, and its recommendation as to an appropriate level of taxicab certificates for the city to the city manager. It shall also forward its recommendation as to an appropriate allocation of the recommended number of certificates. It shall also forward the findings of fact upon which its recommendations are based. In making its recommendations as to allocation, the traffic and parking board shall give consideration to such factors as bear on public convenience and necessity, including, but not limited to:

(1) The relative age of the certificate holders' vehicles.

(2) The extent and character of the service offered by the several applicants.

(3) The maintenance and condition of the vehicles.

(4) The demonstrated or prospective responsibility of certificate holders in regard to taxicab regulations.

(5) The utilization of existing vehicles, particularly with reference to the existing and prospective ability of the applicants to utilize the applied for, or authorized, numbers of taxicabs to the benefit of the taxicab-riding public.

The traffic and parking board's conclusion and recommendations shall be transmitted to the city manager no later than July 31.

(c) Not later than September 1, the city manager shall issue an order giving his statement of the economic condition of the taxicab industry and allocating any increases or decreases in the authorized number of taxicabs. In issuing his order, the city manager shall presume that the factual findings of the traffic and parking board are prima facie correct. If he disagrees with the recommendations of the traffic and parking board, either as to the level of certificates or as to the allocation of certificates, he shall with the issuance of his order, enumerate his reasons for not accepting the traffic and parking board's recommendations.

(d) The findings and recommendations of the report of the city manager may be used by him as part of any determination of the public convenience and necessity which he is authorized to make under the provisions of this chapter. (Ord. No. 2748, 12/14/82, Sec. 3)

Supp. No. 3

Sec. 9-12-29 Revocation or suspension of certificates.

(a) Certificates of public convenience and necessity may be suspended for a period of 30 to 120 days or revoked by the city manager or his designee for any of the following:

(1) Failure to operate the authorized taxicabs in such a manner as to serve the public adequately.

(2) Failure to maintain taxicabs in good order and repair.

(3) Failure to maintain insurance as required by this chapter.

(4) Repeated and persistent violations by the certificate holder or his drivers of the Alexandria City Code of the motor vehicle laws of Virginia.

(5) Failure to report any accident as required by this chapter.

(6) Failure to pay any fees lawfully assessed upon the ownership or operation of any vehicle licensed under this chapter.

(b) If the city manager revokes a certificate of public convenience and necessity, and notifies the holder by certified mail directed to the address shown on the application for the certificate, the holder of the revoked certificate, or his agent, may not reapply for a certificate for 365 days from the date of revocation.

(c) The party shall have the right to present his case in person or be represented by counsel licensed to practice law in the Commonwealth of Virginia. No certificate shall be revoked or suspended by the city manager unless the certificate holder has at least 10 days' notice by personal service, or by certified mail, to the address shown on the certificate of the grounds for revocation or suspension and the time and place of the hearing thereon. A hearing shall be held by the city manager.

(d) The city manager may revoke a certificate for such a period of time in excess of 120 days as he may, in his discretion, see fit; provided, however, that whenever a certificate has been revoked, the city manager or other agency shall not issue a new certificate to the same person or company for at least a period of one (1) year after revocation.

(e) The chief of police shall have the power to suspend certificate cards and the privileges thereby entailed for a period not to exceed five (5) days for one (1) of the following causes:

(1) Failure to maintain taxicabs in good order and repair.

(2) Failure to maintain insurance as required by this chapter. (Ord. No. 2748, 12/14/82, Sec. 3)

UTOP PROPOSAL

(Former 9-12-25.)

Sec. 9-12-28

Certificate of public convenience and necessity generally;
form; term; transferability.

(a) The certificate of public convenience and necessity shall state the following:

(1) The name, home, and business address of the certificate holder, or if a corporation, the registered agent or other person to whom legal process may be served or notice given.

(2) The number, kind, and class of vehicles, the seating capacity of each, the equipment of each vehicle, and the taxicab company under which each vehicle shall operate.

(3) The date of issuance.

(4) The fact that the certificate is being issued subject to the provisions of this division and all other laws and ordinances governing the operation of public vehicles, taxicabs, and for-hire vehicles in the city.

(b) Every certificate of public convenience and necessity issued shall be valid from the date of issuance until the last day of the birth month after next issuance of the individual certificate holder. Except that certificates of public convenience and necessity issued on vehicles owned by entities other than individuals shall expire on June 30 next after issuance. Before expiration, each certificate holder shall file a renewal application with the hack inspector.

(c) Certificates of public convenience and necessity may not be transferred. Certificate holders who are leaving the Alexandria taxicab industry must return their certificates to the city manager.

(d) In cases of death, sickness, or unusual circumstances, the city manager may authorize the continued operation for an existing certificate until the following September 1.

(e) Transfer of control of a corporation, partnership, or individual holding a certificate, either de factor or de jure, is prohibited.

(Former 9-12-26)

UTOP PROPOSAL

(c) Not later than September 1, the city manager shall issue an order giving his statement of the economic condition of the taxicab industry and allocating any increases or decreases in the authorized number of taxicabs. In issuing his order, the city manager shall presume that the factual findings of the traffic and parking board are prima facie correct. If he disagrees with the recommendations of the traffic and parking board, either as to the level of certificates or as to the allocation of certificates, he shall with the issuance of his order, enumerate his reasons for not accepting the traffic and parking board's recommendations.

(d) The findings and recommendations of the report of the city manager may be used by him as part of any determination of the public convenience and necessity which he is authorized to make under the provisions of this chapter.

(Former 9-12-28)

Sec. 9-12-32

Revocation or suspension of certificates of public convenience and necessity and certificate cards.

(a) Certificates of public convenience and necessity may be suspended for a period of 30 to 120 days or revoked by the city manager or his designee for any of the following:

(1) Failure to operate the authorized taxicabs in such a manner as to serve the public adequately.

(2) Failure to maintain taxicabs in good order and repair.

(3) Failure to maintain insurance as required by this chapter.

(4) Repeated and persistent violations by the certificate holder or his drivers of the Alexandria City Code of the motor vehicle laws of Virginia.

(5) Failure to report any accident as required by this chapter.

(6) Failure to pay any fees lawfully assessed upon the ownership or operation of any vehicle licensed under this chapter.

(b) If the city manager revokes a certificate of public convenience and necessity, and notifies the holder by certified mail directed to the address shown on the application for the certificate, the holder of the revoked certificate, or his agent, may not reapply for a certificate of public convenience and necessity for 365 days from the date of revocation.

UTOP PROPOSAL

(c) The party shall have the right to present his case in person or be represented by counsel licensed to practice law in the Commonwealth of Virginia. No certificate shall be revoked or suspended by the city manager unless the certificate of public convenience and necessity holder has at least ten (10) days notice, by personal service or by certified mail to the address shown on the certificate, of the grounds for revocation or suspension and the time and place of hearing thereon. A hearing shall be held by the city manager.

(d) The city manager may revoke a certificate of public convenience and necessity for such a period of time in excess of 120 days as he may, in his discretion, see fit; provided, however, that whenever a certificate has been revoked, the city manager or other agency shall not issue a new certificate to the same person or company for at least a period of one (1) year after revocation.

(e) The chief of police shall have the power to suspend certificate cards and the privileges thereby entailed for a period not to exceed five (5) days for one of the following causes:

- (1) Failure to maintain taxicabs in good order and repair.
- (2) Failure to maintain insurance as required by this chapter.

(Former 9-12-29)

Sec. 9-12-33

Revocation or suspension of certificates of accreditation.

(a) Certificates of accreditation may be suspended for a period of 30 to 120 days or revoked by the city manager or his designee for any of the following:

- (1) Failure to operate the authorized taxicabs in such a manner as to serve the public adequately.
- (2) Failure to maintain the authorized taxicabs in good order and repair.
- (3) Failure to maintain insurance as required by this chapter.
- (4) Repeated and persistent violations by the certificate holder or his drivers of the Alexandria City Code of the motor vehicle laws of Virginia.
- (5) Failure to report any accident as required by this chapter.
- (6) Failure to pay any fees lawfully assessed upon the taxicab company licensed under this chapter.

UTOP PROPOSAL

(b) If the city manager revokes a certificate of accreditation, and notifies the taxicab company by certified mail directed to the address shown on the application for the certificate of accreditation, the holder of the revoked certificate of accreditation, or if a corporation, its president or its/his agent, may not reapply for a certificate of accreditation for 365 days from the date of revocation.

(c) The party shall have the right to present his case in person or be represented by counsel licensed to practice law in the Commonwealth of Virginia. No certificate of accreditation shall be revoked or suspended by the city manager unless the holder of the certificate of accreditation has received at least ten (10) days' notice, by personal service or by certified mail to the address shown on the certificate, of the grounds for revocation or suspension and the time and place of hearing thereon. A hearing shall be held by the city manager.

(d) The city manager may suspend a certificate of accreditation for such a period of time in excess of 120 days as he may, in his discretion, see fit; provided, however, that whenever a certificate has been suspended in such fashion, the city manager or other agency shall not issue a new certificate to the same person or company for at least a period of one (1) year after revocation.

(New Section)

Sec. 9-12-34

Revision of certificate of public convenience and necessity.

(a) At the same time as he issues his statement of the economic condition of the taxicab industry, the city manager may indicate his findings as to whether the for-hire vehicles authorized or any portion of them were not operated for the 365 days preceding his finding. In this event, the certificate shall be surrendered by the certificate holder and the city manager shall issue a new certificate for a lesser number, which shall not be less than the number derived by dividing the maximum number operated by 0.80 with the result rounded to the nearest higher whole number. This section shall not be construed as to increase the number of taxicabs certified, nor shall it require the surrender of a certificate of accreditation when the maximum number of taxicabs operated during a 365-day period exceeds 80 percent of the authorized number of vehicles covered by the certificate.

(b) The provisions of (a) above shall not be applicable to that portion of an increase in taxicab certificates granted under the provisions of section 9-12-29 for a period of 365 days after an increase in certificates is authorized.

(Former 9-12-30)

UTOP PROPOSAL

(4) The financial status and responsibility of the applicant, including evidence of his ability to acquire and maintain the vehicles for which authority is sought.

(5) The number and ownership of vehicles to be operated, seating capacity, design, and color scheme of each vehicle.

(6) Satisfactory evidence of insurance or other financial responsibility for accident or other casualty which shall be no less than that required by Section 9-12-6.

(7) Any conviction, plea of guilty or nolo contendere of the applicant arising out of any violation of a federal, state, or municipal law, or if the applicant is a corporation, each of the officers of the corporation.

(8) The specific experience of the applicant in the transportation of passengers for hire.

(9) Each applicant shall be fingerprinted, which fingerprints shall constitute part of the application. If applicant previously provided fingerprints pursuant to an application for a driver's permit as required by Section 9-12-42(13)(b), the applicant shall be exempt from this requirement.

Sec. 9-12-23

Application for certificate of accreditation.

(a) Application for a certificate of accreditation shall be made to the hack inspector by the applicant taxicab company, or its authorized agent, in writing, under oath, on a form provided by the city. All applications for certificates of accreditation must be filed in the hack inspector's office between May 1 and May 10 of each year. Such form shall include a statement that it is unlawful for any person to make a false or misleading statement and the making of any false and misleading statement shall be grounds for denial of the application or subsequent revocation of a certificate of accreditation. All applications must be signed (1) by the president, if a corporation, or (2) by all individuals making up the business entity, if other than a corporation, or its agent, and must be notarized. The city manager shall qualify and designate the hack inspector or some other person to notarize applications without cost to the applicant.

(b) In addition to such pertinent information that the city manager may require, the applicant shall provide the following:

(1) The full name and business address of the applicant and, if the applicant is a corporation, a certified copy of the articles of incorporation.

WTOP PROPOSAL

(2) The full name and address of the registered agent or other person or persons upon whom legal process may be served and upon whom all notices or other matters relating to the administration and enforcement of this chapter should be made.

(3) The trade name and telephone numbers under which the applicant does or proposes to do business.

(4) The financial status and responsibility of the applicant.

(5) A List of Authorized Vehicles indicating the number of vehicles to be driven under applicant's certificate of accreditation, the holder of the certificate of public convenience with respect to each such vehicle, seating capacity, design, and color scheme of each vehicle.

(6) The character and location of the stands.

(7) A description of the communications system to be used with specific reference as to the applicant's plan to provide 24-hour dispatch service to the public. If such dispatch service is not to be furnished specifically by the applicant, the name and address of the provider and the manner of providing such service shall be provided.

(8) A description of the service to be provided, including color scheme, insignia, and cruising light design which shall conform to regulations issued by the city manager.

(9) Any conviction, plea of guilty or nolo contendere of the applicant arising out of any violation of a federal, state, or municipal law, or if the applicant is a corporation, each of the officers of the corporation.

(10) The specific experience of the applicant in the transportation of passengers for hire.

(11) All facts or circumstances upon which the applicant bases his belief that public convenience and necessity require the granting of his application.

(12) Each applicant shall be fingerprinted, which fingerprints shall constitute part of the application.

(New Section.)

METROPOLITAN WASHINGTON AIRPORTS REGULATIONS

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Part 5 - TAXICABS

Chapter I - Taxicabs at National

§ 5.1. Purpose. (Effective date July 1, 1994)

The purpose of this chapter is to assure the traveling public safe, convenient, clean, courteous taxicab service from National at a fair price. The Authority wants to do this as efficiently as possible so as to avoid congestion at National and in harmony with the laws and regulations of the jurisdictions making up the Washington, D.C., metropolitan area. The Authority finds it necessary to manage the hiring of taxicabs by means of a dispatch system except under narrow circumstances and to restrict the taxicabs operating in its dispatch system to those which conform to the Authority's regulations as well as to the law of the jurisdiction in which the taxicabs are licensed and operating.

§ 5.2. Definitions. (Effective date July 1, 1994)

Unless it appears from the context that a different meaning is intended, the following words and phrases, when used in this Part, shall have the meanings ascribed to them by this section:

"Taxicab official" means the employee of the Authority charged with supervising taxicab service at National.

"Taxicab" means any motor vehicle operated for the purpose of transporting passengers for hire between points along the public streets as the passengers may direct and which is not being operated on a regular route or schedule or between fixed terminals. It does not include limousines, executive sedans or other such vehicles for hire for which one contracts on an hourly basis.

"Taxicab dispatcher" or "dispatcher" means any person employed by or designated by the Authority to direct the movement and operation of taxicabs at National.

§ 5.3. Operating Conditions for Vehicles for Hire Other than Taxicabs. (Effective date July 1, 1994)

Notwithstanding any other provision of this Chapter, no driver of any limousine, executive sedan, or any other vehicle for hire whatsoever shall pick up a passenger at National unless:

- (1) The driver or his employer has a contract with the Authority authorizing him to pick up passengers for hire at National; or

- (2) The driver carries immediately from National a passenger picked up in response to a request received prior to his coming onto National, and he has a record of the time the request was made, the name of the person to be picked up, and the time and the point of the pick up.

§ 5.4. Operating Conditions for All Taxicabs. (Effective date July 1, 1994)

Every person operating a taxicab at National shall comply with each of the following conditions:

- (1) The driver must possess a current, valid drivers license and a certificate of public convenience and necessity for his taxicab issued by a state or local jurisdiction.
- (2) The driver must possess a current, valid license (so-called "face card") to operate a taxicab from the jurisdiction in which his taxicab is licensed or certificated.
- (3) The driver must not solicit passengers, directly or indirectly, personally or in concert with another.
- (4) When transporting passengers to destinations outside Virginia the driver must charge the passenger fares prescribed by the Washington Metropolitan Area Transit Commission for the jurisdiction in which the cab is licensed. When transporting passengers within Virginia, including when transporting a passenger from one point on National to another point on National, the driver must charge those fares prescribed by the Virginia jurisdiction that has licensed or certificated his taxicab.

§ 5.5. Operating Conditions for Taxicabs Picking up Passengers outside the Dispatch System. (Effective date July 1, 1994)

In addition to the requirements of Section 5.4, every taxicab driver picking up passengers at National between the hours of 6:00 A.M. and 2:00 A.M. the following day shall do so only at the direction of the taxicab dispatcher through the taxicab dispatch system except under one of the following circumstances:

- (1) The taxicab driver or his employer has a contract with the Authority authorizing him to pick up passengers for hire at National.
- (2) The taxicab driver operates outside the taxicab dispatch system to carry immediately from National a passenger picked up in response to a request received prior to his coming onto National, and his manifest shows the time the request was made, the name of the person to be picked up, and the time and the point of the pick up.

§ 5.6. Operating Conditions for the Taxicab Dispatch System. (Effective date July 1, 1994)

In addition to the requirements of Section 5.4, no person shall operate a taxicab in National's taxicab dispatch system unless he is at that time in compliance with each of the following conditions:

- (1) The driver must have a current, valid Airport Taxi Operators Permit issued to him by the Airport Manager. This Permit must be kept in the driver's possession at all times that he is operating a taxicab at the airport and prominently displayed according to the Airport Manager's directions while the taxicab is in the dispatch system.
- (2) The driver must display in the taxicab in a place conspicuous to passengers his local license to operate a taxicab (the so-called "face card"), and a schedule of the rates issued by the Washington Metropolitan Area Transit Commission and the jurisdiction that has licensed or certificated his taxicab.
- (3) The driver must, upon the request of an Authority police officer, a taxicab dispatcher, or the taxicab official, surrender for inspection the Permit required by paragraph (1) of this section. The driver must permit the Authority police, the taxicab dispatcher, and the taxicab official to inspect his taxicab to determine if he is displaying the license and rate schedule required by paragraph (2) of this section.
- (4) The driver must operate a taxicab that is clean and maintained in good repair including, by way of illustration and not limitation, the tires, headlights, brake lights, turn signals, windshield wipers, brakes, window glass, doors, fenders, paint, passenger compartment, trunk, and upholstery. The driver must permit the Authority Police and the Taxicab Official to inspect his taxicab to determine if the vehicle meets these standards and the driver shall not operate a vehicle in the dispatch system if it has failed an inspection and the condition causing it to fail has not been corrected.
- (5) The driver must obey all directions and signals of the taxicab dispatcher regarding the orderly flow of traffic and the accommodation of passengers.
- (6) The driver must accept any orderly passenger and convey any passenger where directed upon dispatch by the taxicab dispatcher.
- (7) The driver must transport only those persons assigned to him by the taxicab dispatcher.

(8) The driver must not act in a discourteous manner towards passengers or persons seeking transportation.

(9) The driver must give a receipt showing the driver's name, name of the taxicab company (if any), the taxicab number, the time and place of origin and destination of each trip and the amount of the fare on an authorized form when requested to do so by a passenger.

(10) The driver must not impede the operation of the dispatch system, other airport operations, or the flow of traffic to and from the Airport.

(11) The driver must remain within 5 feet of his taxicab at all times except while it is in the taxicab holding structure or when it is legally parked.

(12) The driver must not give or offer to give any money or anything of monetary value to a taxicab dispatcher.

(13) The driver shall pay a dispatch fee of one dollar and twenty-five cents (\$1.25) each time he picks up a passenger or group.

§ 3.7. Airport Taxi Operator's Permit. (Effective date July 1, 1994)

The Airport Manager shall issue an Airport Taxi Operator's Permit to each person whom he finds to be of good moral character and who:

(1) Completes and submits an application to the Airport Manager in a form approved by the Airport Manager for that purpose;

(2) Is currently licensed to operate a taxicab by one or more of the following: Montgomery County, Prince Georges County, Maryland; the District of Columbia; City of Alexandria, City of Falls Church, Arlington County, Fairfax County, Virginia;

(3) Presents an official copy of his current driving record from the jurisdiction by which he is licensed and of his criminal record if any;

(4) Is in compliance with all the licensing jurisdiction's regulations including, by way of illustration and not limitation, the minimum insurance requirement for the taxicab he is operating;

(5) Has more than six months driving experience in the Washington, D.C. metropolitan area (The Airport Manager may require applicants to demonstrate a working knowledge of the metropolitan area by means of an examination);

- (6) Is at least twenty-one years of age;
- (7) Is not currently subject to an unexpired order of suspension or revocation of a previously issued Airport Taxi Operator's Permit;
- (8) Pays an annual permit fee of \$40.00.

§ 5.8. Denial of an Airport Taxi Operator's Permit. (Effective date July 1, 1994)

The Airport Manager may refuse to issue an Airport Taxi Operator's Permit for any of the following reasons:

- (1) Repeated or serious violations of the motor vehicle laws of any jurisdiction or the provisions of this chapter; (the accumulation of twelve or more uniform demerit points against the driver's license within a twenty-four month period shall be prima facie grounds for denial of a permit.)
- (2) Conviction, plea of guilty, or plea of nolo contendere to the violation of any law involving commission of a felony, any sex offense, soliciting for prostitution, or, in the last five (5) years, any other crime involving alcohol, marijuana, or any drugs classified as controlled substances;
- (3) Procuring or attempting to procure an Airport Taxi Operator's Permit by fraud, misrepresentation, false or misleading statements, evasions, or suppression of material facts; or
- (4) Procuring or attempting to procure more than one Airport Taxi Operator's Permit.

§ 5.9. Terms and Conditions. (Effective date July 1, 1994)

- (1) An Airport Taxi Operator's Permit shall be valid for a period of no more than 12 months, except that the initial permits will be valid until the last day of the month of the Permit holder's birthday in 1995.
- (2) The Permit remains the property of the Authority, and its use by the taxicab driver is subject to the following requirements:
 - (a) The Permit is issued for the exclusive use of the named driver and shall not be made available by him for the use of any other person;
 - (b) The Permit shall not be altered or defaced in any way after it is issued to the named driver;
 - (c) The Permit shall be invalid and may not be used after the expiration date shown on the Permit;

(d) The Permit shall be returned to the Authority immediately upon an order of suspension or revocation of the Permit by the Airport Manager;

(e) The Permit holder shall notify the taxicab official within seventy-two (72) hours of being convicted of committing a felony, any sex offense, soliciting for prostitution, crime involving alcohol, marijuana, any drugs classified as controlled substances, or a moving vehicle violation.

§ 3.10. Complaints. (Effective date July 1, 1994)

(1) All complaints, whether from taxi dispatchers, Authority employees or the public, regarding a Permit holder's conduct at the Airport or transportation of or conduct toward a passenger picked up at the Airport, including a complaint of fare overcharge, must be made in writing and include the name of the complainant and a means of contacting the complainant in order for the Authority to act upon the complaint. All such complaints shall be investigated by the taxicab official designated by the Airport Manager. The taxicab official may summarily dismiss the complaint if it is determined that the complaint does not warrant a reprimand or is without merit.

(2) If the complaint is not summarily dismissed, the taxicab official shall provide the Permit holder with a copy of the complaint. The Permit holder may present evidence orally or in writing at a designated time and place to refute or explain the complaint. The taxicab official shall consider the evidence presented and may dismiss the complaint, issue a reprimand or in the case of repeated or serious violations recommend suspension or revocation. Any reprimand or recommendation of suspension or revocation shall be in writing and shall include a statement of the complaint and the findings of the taxicab official.

§ 3.11. Grounds for Permit Suspension and Revocation. (Effective date July 1, 1994)

(1) The Airport Manager may, after notice and an opportunity to be heard have been provided, suspend for up to 90 days or revoke the Airport Taxi Operator's Permit of any person who:

- (a) violates a provision of this chapter. Conviction, plea of guilty or of nolo contendere to the violation shall be conclusive evidence that the Permit holder has violated one of these sections;
- (b) violates the motor vehicle laws;
- (c) commits a felony, any sex offense, soliciting for prostitution, or a crime involving alcohol, marijuana, or any drugs classified as controlled substances;

(d) has his authority to operate a taxicab suspended or revoked by one of the jurisdictions listed in Section 5.3(2) above or has his motor vehicle operator's permit suspended or revoked.

(2) In determining whether to suspend or revoke an Airport Taxi Operator's Permit, the Airport Manager may take into account any prior violations which could have been grounds for suspension or revocation under Subsections 1(a)-(d), by the Permit holder and any mitigating circumstances.

§ 5.12. Notice of Revocation or Suspension. (Effective date July 1, 1994)

(1) Prior to ordering suspension or revocation of an Airport Taxi Operator's Permit, the Airport Manager shall notify the Permit holder in writing citing the specific reason(s) for which the Airport Taxi Operator's Permit is to be revoked or suspended and that the Permit shall be revoked or suspended at the end of ten days following service of the notice unless the Permit holder files a written request for a hearing within the ten days. If no written request for a hearing is filed within the ten days, the Permit shall be revoked or suspended by order of the Airport Manager. If a hearing is requested in writing within ten days following service of the notice, a hearing shall be scheduled by the Airport Manager as soon as possible. Notice of the time and place of the hearing shall be mailed to the Permit holder.

(2) Notice of suspension or revocation as provided for in this chapter is properly served when it is delivered to the holder of the Airport Taxi Operator's Permit personally or when it is sent by registered or certified mail, return receipt requested, to the last known address of the Permit holder and to the address of the holder of the certificate of public convenience and necessity under which the Permit holder is operating a taxicab. Notice is served on the date on which it is mailed.

(3) Failure to appear at a hearing, after notice, is a waiver of the right to a hearing.

§ 5.13. Summary Suspension. (Effective date July 1, 1994)

The Airport Manager or Manager of Public Safety may suspend a holder's Airport Taxi Operator's Permit immediately and without prior notice whenever there is an imminent, substantial threat to the public's safety or deliberate impeding of airport operations or the flow of traffic to and from the Airport. The Permit holder shall be notified of the suspension as soon as possible and may ask for a preliminary hearing to determine whether his Permit should be restored pending a hearing in the ordinary course on the suspension or revocation. If a preliminary hearing is requested, it shall be held as soon as possible, but not more than three days after the request is made.

§ 5.14. Hearings. (Effective date July 1, 1994)

(1) The hearings provided for in this chapter shall be conducted by the Airport Manager at a designated time and place. Any oral testimony given at a hearing shall be summarily reported. The Airport Manager shall make a finding based upon the hearing record and shall issue, sustain, modify or rescind any notice or order considered in the hearing.

(2) The burden of proving the facts required under Section 5.11. of this chapter is upon the taxicab official and shall be met if the evidence is such that it is more likely than not that the facts alleged in the notice are true. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence in civil actions. A written report of the hearing decision shall be furnished to the Permit holder and to the jurisdiction which licensed the Permit holder. If the Airport Manager revokes or suspends the holder's Airport Taxi Operator's Permit, the holder shall surrender it immediately.

(3) Except as otherwise required by law, each party shall bear its own expenses associated with proceedings under this section.

§ 5.15. Appeals. (Effective date July 1, 1994)

Any person aggrieved by an action of the Airport Manager taken under this chapter may request in writing a hearing before the General Manager and the hearing shall be conducted within ten days. The General Manager may affirm, modify, or rescind any action previously taken and shall advise the appealing Permit holder of his decision within ten days of the hearing. The decision of the General Manager shall be final.

§ 5.16. Reinstatement. (Effective date July 1, 1994)

A person whose Permit has been revoked may apply for a new Airport Taxi Operator's Permit six months after his initial revocation of a Permit and 12 months after any subsequent revocation of a Permit.

§ 5.17. Penalty. (Effective date July 1, 1994)

Any person who violates Section 5.4(1) shall be guilty of a Class 1 misdemeanor. Any person who violates Sections 5.3, 5.4(3), or 5.5 shall be guilty of a Class 3

misdemeanor. Any person who violates any other provisions of this chapter shall be guilty of a Class 4 misdemeanor.

§ 5.18 - § 5.20 - RESERVED.

1/24/03

TO: Alexandria City Council

RE: Comments on the Taxicab Task Force Report

Dear Mayor and Council Members,

The following represents the views of four members (one half) of the Taxicab Task Force (TTF) on the Taxi Cab Task Force Report. The report gives the impression that the five recommendations are the result of the eight Task Force members, who met over an eighteen-month period, sharing information and views and then achieving consensus on specific goals, objectives and action items. In reality little, if any, consensus was achieved during the course of the TTF meetings. The driver representatives remained firm on wanting certificates issued to drivers. The taxicab company representatives perceived that there was little, if any, appreciation of the basic business need for them to realize a decent return on investment (ROI), especially as it related to the technical infrastructure cost to support quality dispatch service for the City. The consumer representative from the Alexandria Commission on Persons with Disabilities (ACPD) was primarily interested in maintaining strong taxi companies, which could provide DOT and senior taxi services. The ACPD and the Traffic and Parking Board (TPB) representatives heard no evidence that City taxicab customers are receiving anything but excellent service from the current taxicab system. The TTF efforts seemed focused on finding solutions for the emotional concerns of a minority of the City's licensed taxi drivers, who believe that the current system treats them unfairly. No quantitative data was presented during the course of the meetings to support this perception of unfairness. The TTF members, realizing that a consensus was not possible under the pressure of City-imposed deadlines, voted to pass on the recommendations set forth within the report to the TPB and City Council for their consideration. We agreed to pass on the recommendations to higher levels for consideration more out frustration than approval and, in fact, we did not fully agree with the recommendations in the report.

We agree with recommendation (1) to institute a two-tier system.

We do not agree with recommendation (2) as set forth within the report. We agree that the City has too many regular taxicabs and can support recalling five percent of the certificates, but only for an actual reduction of the number of regular licensed cabs. We do not support the recall for later distribution to individual taxicab owners or formation of a driver-owned company. The City should only issue new certificates to support the acquisition of accessible vehicles. Alexandria, unlike Arlington and other jurisdictions, currently has no accessible vehicles in its taxicab fleet. A reduction in certificates will result in increased stand dues for the drivers in the companies serving the City. The infrastructure cost will remain the same for the companies that provide dispatch service and the companies should not be forced to absorb a loss. This could result in more income for the remaining drivers but only if they are not competing with a subsequent

increase of independent regular drivers. A recall of certificates will reduce the employment opportunities for drivers.

We agree with recommendation (3) and support changing the City Code to require a specific dispute resolution process between taxicab companies and drivers. There should be some provision for drivers to pay for the arbitration and legal costs if their complaint is without merit. The report uses the phrase "or a completely independent person." We believe that only qualified arbitrators or mediators should handle disputes.

We do not support recommendation (4); that is, including a taxicab representative on the TPB. Taxicab issues are currently a minor portion of the TPB's business. Over the last two years, there has only been one customer complaint brought before the TPB and the complaint was without merit. We believe that any reduction of managerial oversight, currently provided by the companies, would result in more complaints and that any issuance of certificates directly to drivers would reduce the companies ability to provide necessary oversight and resolve issues before they go to the City and the TPB. When and if taxicab issues are brought before the TPB, it would be better for the Board members to listen to staff, hack inspector, citizen, company and driver comments objectively and then vote accordingly. In accordance with appropriate ethical standards, Board members should actually recuse themselves from voting on an issue where they have any involvement.

We do not support recommendation (5). As we each stated repeatedly throughout the many meeting and deliberation of the TTF, we do not believe that certificates should be issued directly to drivers in any form. The Staff, with input from Councilwoman Woodson, developed the details of both options set forth within the report after final adjournment of TTF. The City does not have accurate data to determine who would be qualified for a "free agent" certificate. It would be possible for a long-term driver to have many complaints during his tenure, which had been settled by the companies. Who would decide who would become a free agent? If the City adopted a practice of issuing a few taxi driver-controlled certificates without clearly defined criteria, the City would be sanctioning an inequitable two-level class-cast system. Such a practice would even present an opportunity for corruption.

We hope that these comments aid you in your deliberations as you make decisions that will influence the future direction of the taxicab industry in Alexandria.

Sincerely Yours,

Chet Avery, Persons with Disabilities Representative
Ken Aggrey, Company Representative
John Muir, Company Representative
Tom Walczykowski, Traffic and Parking Board Representative

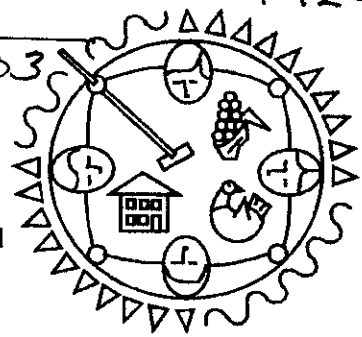
Tom Walczykowski

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4-12-03

~~W/S~~
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ALEXANDRIA UNITED TAXI-DRIVERS ORGANIZATION (AUTO)

The Alexandria United Taxi-drivers Organization (AUTO) was organized by Alexandria taxi drivers in August of 2002 to bring drivers together to work for better conditions for Alexandria taxi drivers, in particular, for the return of control of taxi certificate to the taxi drivers. AUTO is democratically based and currently represents a majority of the drivers in Alexandria. AUTO is linked to the Tenants' and Workers' Support Committee, a community based organization in Alexandria.



OVERVIEW OF ALEXANDRIA TAXI INDUSTRY TODAY

Certificates that allow taxis to drive in Alexandria are currently owned by the city and assigned to cab companies. There are a total of 647 certificates divided among six companies as follows:

Yellow Cab	212
Diamond Cab	156
White Top Cab	116
VIP	58
Columbus Cab	48
King Cab	57

If a driver wants to drive in Alexandria, under the current system, he will purchase a cab already affiliated with a company with a certificate already attached and go to work. If a driver wants to switch companies, he has to sell his cab and purchase one already affiliated with the other company. If there is no cab available, he cannot switch. Under the current system, the cab is sold for far more than it is actually worth because it is attached to the certificate, in spite of the provision in the law that prohibits selling the certificates.

The taxi companies are required by law to provide twenty-four hour dispatch. For many years, that provision of the law was not enforced. Three of the smaller companies have not provided any dispatch service for many years. In January of 2003, in response to the city's notice that the code would be enforced, the three companies set up a shared twenty-four hour dispatch system and moved to a shared office space. The dispatch systems have never provided enough business for all the cab drivers in Alexandria. The drivers supplement dispatch calls by working at hotel and metro station stands. Some drivers forego dispatch entirely because they work exclusively out of the airport.

Every taxi in the city bears a sign that gives the number for the Hack Inspector and tells the customer to call that number with complaints. The current procedure for handling those complaints is to hand them over to the taxi company to investigate and remedy.

THE PROBLEM

Control of the taxi certificate was transferred from the taxi drivers to the companies in the early 1980's. In our view, the transfer might originally have been a xenophobic response to an influx of immigrant men of color, particularly because the response seems to have been based on non-verifiable allegations of driver misconduct. The action was taken, we believe, to address concerns of primarily white businessmen and tourists about drivers of color.

For over a decade, drivers have been protesting the assignment of control of the certificates to the companies. Over and over again, the drivers have said first, that the reassignment of the certificates was and is *not* the solution to the alleged problem of driver misconduct, and second, that the reassignment has led to a city-sponsored monopoly that over time has created an atmosphere of oppression for the immigrant men and women of color who drive Alexandria's taxis. The current system is broken. It is a modern day sharecropping system in which the taxi drivers take all the risk and do all the work while all the real gain goes to the company owner.

AUTO's position is that the taxi certificate issue is a human rights issue. Drivers believe that to a large degree, they are not being given control of the taxi certificates **because** they are, for the most part, immigrant men and women of color. AUTO believes that the same underlying racism and xenophobia that led to the certificate reassignment in the first place is still at work today. For example, at the October 2002 Traffic and Parking Board Meeting, at which the Taxicab Task Force Recommendations were voted on, Tom Walczycowski, the Traffic and Parking Board representative on the Taxicab Task Force, said as part of his lengthy remarks on the recommendations, "After 911, a lot of drivers left the country." This remark was particularly insulting because of its implication that drivers had some reason to leave, and because of the devastating economic conditions suffered by hundreds of drivers and their families when the airport closed and tourism dropped in Alexandria. For the most part, drivers did not leave. Instead, they stayed and struggled for economic survival. Mr. Walczycowski went on to tell a lengthy story about one incident where a taxi driver inadvertently gave a ride to the man who stabbed Kevin Shifflet. He used the story as an example where Yellow Cab's oversight saved the city from harm. Again, AUTO's position is that the remarks were based on racial stereotyping, the underlying assumption being that, **because** Alexandria's taxi drivers are immigrant men and women of color, the city needs protection from them. It is AUTO's position that using this example becomes even more insulting when the real hardship suffered by the *innocent* taxi owner comes to light. AUTO also finds it interesting that the tape-recorded record of the October meeting at which these remarks were made is for the most part blank.

AUTO's position is that the city has abdicated the oversight and compliance responsibilities it has with regard to the taxi industry, a vital link in the tourist industry and business transportation in Alexandria. That abdication has resulted in the following:

1. Taxi companies can and do take back certificates from drivers without due process and without a fair appeals process.
2. The city's failure to enforce the radio dispatch requirement for years made drivers pay stand dues with no service in return. AUTO's position is that there is room in Alexandria for some companies to operate without dispatch, but that the stand dues should more fairly reflect the minimum service provided by the company. One company's response to the recent enforcement of the radio

dispatch provision by the city has been to raise the stand dues to pay for the system **before** the drivers begin to receive any calls. (see Attachment 1)
Compared to other jurisdictions, the stand dues for Alexandria taxis without radio dispatch are inflated.

3. Customer complaints about the taxi driver or about the taxi company are referred to the taxi company by the Hack Inspector. There is no tracking process so that the city can monitor the types of complaints (whether they are driver-related or company-related) and no follow-up on the resolution of the complaints. There is no real provision for a driver complaint against a company, except for a rarely used and ill-defined process for bringing the issue to the Traffic and Parking Board. There is no fair, objective investigation process. Most companies take the position that the customer is always right. There is no appeals process. AUTO drivers believe that some customers have stopped complaining and instead are calling Arlington taxi companies. Alexandria taxi companies have lost some major contracts to Arlington companies.

In addition to the problems outlined above, it is AUTO's position that the city-fostered monopoly to the taxi companies has resulted in the following problems caused by the companies:

1. Even though there is supposed to be an independent contractor relationship with the company, the company is in a position where it can and does raise the stand dues at will. This has resulted in what in AUTO's view are grossly inflated stand dues. In addition to what we believe to be a relatively high level of profit, the companies pass through every expense to the driver, including equipment, personnel costs, and office rental. The driver has to absorb all cost increases, since the price the cab can charge is set by the city. When fuel costs go up or when insurance goes up (recently by \$600.00 to \$1000.00 per year), the driver has to absorb the cost. (See attachments 2 and 3) The last time drivers got a raise in what they charged the customer, a raise intended to offset the rise in fuel prices, cab companies took the raise from the drivers by raising stand dues immediately.
2. Even though the taxi certificates remain the property of the city and are not supposed to be sold, recently, King Cab company was sold without any tangible assets for about \$400,000.00. In effect, the company's only asset was the 57 certificates. As soon as the new owners took over, they doubled the stand dues without providing any more services, in effect making the drivers pay for the purchase of the company. At the time, King Cab had no radio dispatch.
3. Cab companies have no incentive to provide anything more than the minimum of required service. For instance, they might provide twenty-four dispatch, but with only one dispatcher.
4. Cab companies have no incentive to compete with other companies or market their business. The stand dues are paid whether or not the company generates business for the drivers. Movement by the drivers from company to company is so restricted that the competition between companies to provide service and business to the drivers is dampened, with the result that even though they have to pay stand dues, many drivers have to find their own customers.

Finally, part of the problem is the persistent allegation that, if the taxi drivers get control of their certificates, there will be widespread driver misconduct, including the refusal of fares and in particular of handicapped or elderly passengers. This notion is fostered in part by the claim that complaints of driver misconduct were resolved when the control of the certificate was transferred to the company. In fact, there is no evidence that that is true. There is no evidence because there is no independent monitoring of complaints. Suppose the city decided to let motorists monitor their own traffic violations, or hotels to monitor their own fire code violations, or restaurants to monitor their own health violations? Ironically, by abdicating its duty to oversee the taxi industry and turning the investigation and resolution of complaints over to the company, the city lost its ability to objectively determine if the transfer of certificates resolved the problem. Not only that, the city handed over to the companies the ability to take a cab driver's livelihood on trumped-up charges if that suited the companies' interest.

There is no record today of the actual complaints or the nature of the complaints which were cited twenty years ago, and no way of determining how widespread the problem, if there was a problem, was at the time. Were the complaints against the same few drivers? Were they Alexandria cab drivers? Were the complaints about mistreatment, fare refusals or fare disputes, or about response time? Were the complaints from customers or drivers?

Currently, both driver and customer complaints are redirected by the Hack Inspector to the cab company. AUTO drivers who were around at that time of the transfer say that there were complaints, but that they were mainly out of the airport. Since three jurisdictions drive out of the airport in addition to Alexandria taxi drivers, there is no substantive proof that the complaints were against Alexandria taxi drivers. The airport took some actions at the time and, about five years ago, added the institution of airport face cards to the requirement that drivers be licensed in one of the jurisdictions. It is entirely possible that these actions, **not** the transfer of the certificates, mitigated whatever driver misconduct existed.

There is some evidence that other factors might have been at work in the early eighties. As one driver remembers it:

Jim Yates, having just acquired Diamond Cab Company, came out to the airport and talked to Checker Cab Drivers. He told them that if they switched to his company, he would paint their cab for free and give them six months free stand dues. So many cab drivers left Checker and went to Diamond that eventually Checker went out of business. A little while after that, Jim Yates was petitioning the city council to transfer the control of the certificates to the cab companies.

Since Mr. Yates currently owns both Diamond and Yellow Cab, he currently controls 368 certificates. It is no surprise to AUTO, and we think it will be no surprise to the general public, that the man with the most expensive stand dues and the most profit has contracted with Lonnie Rich to lobby the Mayor and City Council to prevent the transfer of the certificates to the drivers.

During the recent Task Force work, the cab companies were asked to come up with numbers of complaints. While each company came up with a number of complaints, no company produced a record of complaints. Yellow Cab, for instance said that they processed 1350 complaints. It is AUTO's understanding that, when asked, the company said that, except for one customer

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complaint, the complaints were driver against driver, driver against dispatcher or driver against company.

Also during the recent Task Force work, there was discussion of studies that showed that economic deregulation was a bad idea. AUTO finds this puzzling since the drivers are not asking for deregulation. The drivers are asking for control of their certificates with a provision that they will still affiliate with a company. That request does not fit within the definition of the three types of economic regulation put forth in the studies: (1) entry controls; (2) fare regulations; and (3) service requirements. Drivers are not asking for deregulation of fares, a relaxation of entry controls or of service requirements, except that it makes sense to consider having some companies without radio dispatch. Two of the studies were commissioned by The International Taxicab and Livery Foundation, an association of company owners, at a time when at least one Alexandria Cab Company owner was on the board of directors of the association. The studies mention an increase in fare refusals in certain cities, again not well documented, but only in cases where **fare regulation** was abandoned by the city in question.

When drivers are told about the allegation that they will not pick up handicapped or elderly fares, they look mystified and say something like, "We're not asking to stop picking up handicapped and elderly customers. We're asking for our certificates." Most of the drivers take pride in their jobs and every driver has stories where he helped an elderly person or handicapped person, returned a wallet or piece of luggage to a customer or refunded an overpayment. "Why do we have to work in the shadow of pre-1983?" they say. "Twenty years have gone by. Most of us have driven for years with no complaints."

AUTO believes that, just as complaints were exaggerated to play on fears and stereotyping of the primarily immigrant men of color driving taxis in the early eighties, the same tactic is being used to generate a climate of fear among the handicapped and the aged of these primarily immigrant men and women of color.

AUTO supports regulation that protects the consumer, taxi driver and taxi passenger alike. We believe that independent oversight by the city is essential, whether through the hack office or the consumer affairs office. Complaints should be tracked, investigated fairly, and resolved, with discipline if necessary and due process.

THE SOLUTION

AUTO proposes that control of the taxi certificates be returned to the taxi owners as follows:

ALEXANDRIA UNITED TAXI-DRIVERS ORGANIZATION (AUTO) CERTIFICATE PROPOSAL

- 1. Certificates will remain the property of the city of Alexandria, but every certificate currently in use will be assigned to the owner-operator of the cab to which it is currently assigned.**
 - a. Going forward, control of the certificate will be assigned to the owner-operator of the cab.

- b. The owner-operator of the cab must affiliate with a company or coop. If the owner-operator changes his/her affiliation to a different company, the owner-operator takes the certificate with him/her.
- c. In order to obtain the certificate, the owner-operator must show (in his/her name), the following:
 - 1. Hack license
 - 2. Cab registration and a Virginia Operating Authority Insurance Registration Card
 - 3. Evidence of driving (Manifests)
- d. One certificate per person. (Those who currently own more than one cab will be grandfathered. For those who currently own more than one cab, as each of the additional cabs is sold, the certificate will be assigned to the new owner-operator, one per owner-operator.
- e. The certificate can be transferred with the cab when the cab is sold, and to the new cab when a cab is replaced.
- f. The number of certificates will be limited to 647.

2. A provision for some companies to operate without twenty-four hour dispatch.

3. No two-tier system.

4. No certificate recall.

This proposal was written collectively by twenty-five leaders chosen by the drivers. In addition, drivers in the city and at the airport have signed off their approval of the plan. A couple of provisions warrant further discussion:

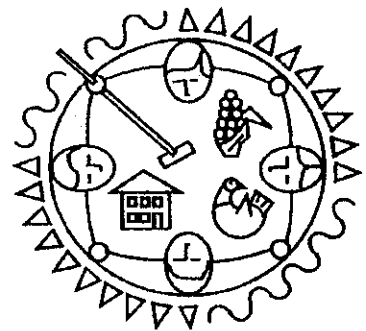
- A provision for putting an owner-operator's certificate in escrow for up to twelve months to accommodate medical or family emergencies, major breakdowns or repair jobs, and so on.
- The establishment of a fair and independent system for tracking, investigation, and record keeping of complaints, perhaps through the consumer affairs office.
- The establishment of an objective appeals process, particularly in the case of recalled taxi certificates.

It is AUTO's position that the reassignment of control of the taxi certificates will allow the drivers the freedom of movement they need to demand better services and more equitable stand dues from the companies. The requirement to remain affiliated with a company will prevent anarchy and chaos, and fair contracts negotiated by the drivers with the company will ensure stability. The establishment of the complaint system mentioned above would address the protections for the consumers that are lacking under the present system.

Alexandria United Taxi-drivers Organization (AUTO)

February 7, 2003

James Yates
Yellow Cab
3025 Mt. Vernon Avenue
Alexandria, VA 22305



Dear Mr. Yates:

Alexandria United Taxi-drivers Organization (AUTO) is a democratically based organization of Alexandria cab drivers who have decided to work together to resolve common problems and to achieve better working conditions for cab drivers in Alexandria. AUTO is a part of the Tenants' and Workers' Support Committee.

This letter is to express grave concern regarding the decision of Yellow Cab to raise the stand dues.

Many of the Yellow Cab Drivers have expressed opposition to this stand dues increase. They cite several reasons, as follows:

1. Short Notice.

Even though the notice to the drivers is dated February 3, 2003 (See enclosed), most drivers did not get the notice until February 6, 2003. The notice says that the fee will increase effective February 10, 2003. It is AUTO's position that such an increase requires at least thirty days notice.

The drivers know that they have no choice but to pay the increase or they will lose their license, but they wish to serve notice that payment of the increase does not constitute approval of the increase or acceptance of the increase.

2. Unilateral Imposition.

According to the drivers, the decision to implement the 'state-of-the-art dispatch system' was made by Yellow Cab without the agreement of the drivers. Furthermore, the drivers object to the notion that they should pay for the system in addition to the stand dues they already pay.

COMITE DE APOYO DE INQUILINOS Y TRABAJADORES • TENANTS' AND WORKERS' SUPPORT COMMITTEE

P.O. BOX 2327 Alexandria, VA 22301 Tel. (703) 684-5697 Fax: (703) 684-5714

It is AUTO's position that a conservative estimate of the stand dues receipts by Yellow Cab is \$29,000.00 per week. The drivers feel that, even subtracting payroll and overhead expenses for the week, that sum is more than adequate to pay for the dispatch system. If not, where does the money go? Since the drivers are being asked to pay for the system, they hereby request the following information:

- a. Invoices which show the actual cost of the system, with a breakdown for the cost of the computer terminals, the software, and the installation.
- b. The savings to the company in payroll from the reduction in dispatchers.
- c. The actual additional cost in payroll for the raises for the call takers, including the exact rates of pay before and after. The drivers are under the impression that Yellow Cab replaced call takers making \$14.00 of \$15.00 per hour with inexperienced call takers working at a minimum wage.

3. 911 Shared Burden?

The drivers take exception to the statement in the letter that "These uncontrollable acts of 911 affected companies and drivers." They dispute the claim that the company "decreased stand dues by \$10.00 a week for nearly a month." The drivers say that the decrease was \$5.00 a week for two weeks.

The airport was shut down for two months and even after it reopened, there was a gradual escalation to the pre-911 level of activity that took nearly nine months. The hotel industry in the city suffered a similar downturn, so that drivers saw their income reduced to 10% of their pre-911 income for a few months, then slowly recovered to a level of about 70% of their pre-911 income in September of 2002. Then, when the economic downturn occurred in October, November and December of 2002, the drivers saw their income plummet again. During all that time, Yellow Cab demanded and received full stand dues payment. Drivers have still not recovered financially, and many have had to seek assistance with necessities such as rent.

In addition to all of that, insurance costs for drivers have increased by \$600.00 to \$1000.00 a year.

It is AUTO's position that, given the relatively high level of profit Yellow Cab has enjoyed for years, it is time to lower stand dues, not

raise them, and bring the profit level down to a reasonable level which does not burden drivers barely able to scratch out a living at this point.

The Yellow Cab drivers who are members of AUTO would like to meet with you and discuss these concerns in person. They would like to request that any increase in stand dues be delayed at least until after a meeting with the drivers and yourself takes place. You can call me at 240-605-2223 to arrange the meeting.

If you have any questions, please contact me. Thank you for your consideration of these matters.

Sincerely,



Kathleen Henry
Lead Organizer, AUTO

Cc: Jacob Mayhew, Manager, Yellow Cab
Philip Sunderland, Alexandra City Manager
Kerry J. Donley, Mayor
William C. Cleveland, Vice Mayor
Claire M. Eberwein, Councilwoman
William D. Euille, Councilman
Redella S. "Del" Pepper, Councilwoman
David G. Speck, Councilman
Joyce Woodson, Councilwoman
Bob Garbacz, Division Chief, Transportation

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EDWARD S. ROSENTHAL*

LONNIE C. RICH**

CARY S. GREENBERG

CAROLINE E. COSTLE*

MARIE A. BUNTUA*

* ALSO DISTRICT OF COLUMBIA BAR

* ALSO TENNESSEE BAR

* ALSO MARYLAND BAR

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FAIRFAX, VA 22030

(703) 359-5669

WORLD WIDE WEB

www.RGRCLaw.com

April 4, 2003

Mayor, Members of Council and City Manager
Room 2300
City Hall
301 King Street
Alexandria, VA 22314

Re: A Proposal by Alexandria Yellow Cab, Inc.
April 12, 2003 Public Hearing on Taxicab Industry

Dear Mayor, Members of Council and City Manager:

Enclosed for your consideration is a proposal by Alexandria Yellow Cab for helping to address the primary problems with the taxicab industry in this City – namely, too many cabs and some companies providing too little or no service to the drivers.

In its most important part, this proposal would keep the current system with certificates controlled by cab companies; it would reduce the number of certificates by 10% across the board, through attrition, as vacancies come open; and it would implement a two-tier system. With fewer drivers, even with higher stand dues, each driver will share a larger piece of the pie and earn more money. With a two-tier, you will have fairer competition between those companies providing dispatch services and those serving the airport only with little or no dispatch service.

We recognize that this proposal has some negative ramifications and have attempted to address them in the proposal. We also know that any proposal will have such ramifications. That is surely true of the more radical proposal by AUTO, which would transfer certificates from the cab companies to the drivers.


Your decision should be guided by what you believe to be the public interest served in having a taxi industry in the City. The public interest is in having taxi service to the entire public – not only for families going to and from the airport or business people going from hotels to meetings, but also for the elderly, the disabled and the poor needing transportation to the doctor, the pharmacy, or the grocery store. Both groups deserve responsive and affordable taxi service. The first group (those who are easy to serve and have the ready ability to pay) are served by most

any system. The latter group (those difficult to serve or perceived dangerous to serve and often with less ability to pay) are best served by the current system with certificates controlled by the cab companies. The reason is simple – when cab companies own the certificates, they can require drivers to provide service to that latter group. The companies with dispatch services have an incentive because they know that the City can take their certificates if they don't provide good public service. When drivers own and/or control the certificates, they make choices like any one else with a financial motive – they cream the system leaving many unserved. If drivers can move from one company to another, even if only at specified intervals, the constant threat of mass exodus from one company to another will result in companies not being able or willing to enforce any rules because they will want to keep the drivers in their fold. The public interest will surely suffer, just like it did in the 1974 to 1982 period when drivers controlled the certificates. Council made the right decision in 1982 to return to a cab company controlled system. We urge Council to keep the current system of ownership or control of the certificates in the hands of the cab companies.

With the current system, there are administrative and budgetary advantages. It is much easier and requires significantly less staff to manage six companies than 645 drivers. There are public safety advantages as seen in the Kevin Shifflett case. There are also driver advantages in a system that allows significant capital and overhead to be invested in dispatch services – namely driver income which could not be sustained if those dispatch services did not exist. With driver control – having the ability to move from company to company with their certificate – there is no ability, much less incentive, to invest millions in a modern dispatch service, and have any hope of protecting and earning on that investment.

To summarize, we recommend that City Council not make radical changes in the system, but reduce the number of certificates by attrition and implement a two tier system. If you have any questions about these observations or recommendations, please do not hesitate to call me.

Sincerely,



Lonnie C. Rich

Enclosure

c: Jacob Mayhew, Alexandria Yellow Cab, Inc.

Proposal by Alexandria Yellow Cab

Introduction

The City of Alexandria covers 15.75 square miles and had a 2000 population of 128,283. The City supports a variety of public transportation alternatives that include fixed-route bus and other specialized human transportation. Taxicabs are a vital component of this public transportation network, especially for seniors, those with disabilities and those living in less affluent neighborhoods.

The City is now serviced by 645 taxicabs representing six (6) taxicab companies. These companies are owned by five different ethnically diverse owners. In 1982, Alexandria adopted a taxicab ordinance that replaced the relaxed entry and non-regulation of the market with a regulated, self-managing system. This was done by placing the control of the city taxicab certificates in the hands of the taxicab companies for them to self-regulate the industry.

The following is a list of problems and possible solutions that are currently before us:

1. Too many taxicabs licensed to service the city of Alexandria.

Why? During the period of deregulation (1974-1982), Alexandria opened its system and embraced virtually all of the "gypsy" cabs from the airport. (NOTE: The airport began requiring a local certificate to drive at the airport, because the unregulated "gypsy" cabs were creating havoc.) Because Fairfax and Arlington did not open up their systems, Alexandria went from just over 250 taxicabs to almost 1000 taxicabs within a few years. Alexandria now has 645 taxi certificates, which is not only the highest per capita in the nation, but it is also about 30 to 40% more than the number needed for a City of our size. The residue of this relaxed deregulated policy resulted in the overabundance of taxicabs which was present at September 11, 2001, when the airport taxicabs flooded the city of Alexandria and starved out the city drivers.

Solution:

Implement a 10% across-the-board recall of certificates. This would be done through attrition over a period of 2 or 3 years. As a driver would leave the industry, the companies' certificate card would be removed from service until their 10% was met. This recall will help align ourselves with other jurisdictions servicing an airport and city of our size. Further reductions could be made in the future.

Impacts:

- a. Loss of entry level jobs -- the reduced number of certificates would eliminate job opportunities, which pay substantially better than minimum wage jobs and require very little in terms of education, language skills or starting capital.
- b. Stand dues will increase accordingly to ensure the revenue stream necessary for

the companies to maintain human and capital investments. However, drivers will net more because they have a bigger "slice of the pie."

2. Non-enforcement of regulations.

How? The City has felt a responsibility to help service Regan National Airport. Therefore, the City has allowed for an unofficial two-tier system to operate. This system allows for nearly half of the city's taxicabs to operate exclusively at the airport violating the 24-hour dispatch and the regulation regarding 51% of trips in the city. Although some recent efforts have been made, three of the 6 cab companies, so-called "airport companies," still have virtually no dispatch service and most all of their drivers work the airport exclusively.

The failure to enforce the rules has been unfair to those dispatch cab companies which have made substantial investments in personnel and equipment, because the airport companies enjoy substantially greater profit margins, even with their lower stand dues because they are required to make almost no investment in personnel or equipment; the stand dues charged to drivers (even though lower than dispatch companies) is still way out of proportion to any service provided to drivers. (NOTE: This is the point that Jim Yates made in his recent letter to Council about what is "just" about the drivers' cause - the airport drivers pay too much for too little. And almost all of the complaints about the current system have been from drivers with the airport companies.)

Solution:

Implement a two-tier system:

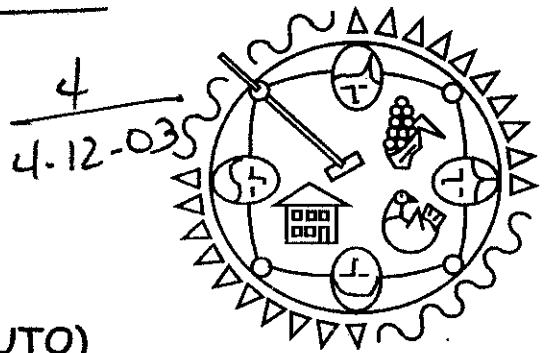
- a. An Airport tier which:
 - i. Requires no 24-hour dispatch system.
 - ii. Requires no 51% Alexandria trips.
 - iii. Would not allow the airport taxicabs work the city stands or cruise the city streets looking for pick ups.
- b. A City tier which:
 - i. Has a 24-hour dispatch.
 - ii. Has a 51% rule.
 - iii. Can work both the city and the airport.

3. Discord between drivers and cab companies.

Solution:

- a. Change the City Code to require a mediation clause in all contracts with drivers.
- b. Provide diversity training to all companies and drivers annually for at least the next few years.

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To: Mayor Donley and
City Council Members

From: Alexandria United
Taxi-drivers Organization (AUTO)

Date: April 11, 2003

Re: AUTO Plan for reform of the Alexandria taxi system

AUTO's Plan provides for transfer of the control of the certificates from the cab companies to the owner-operators of cabs in Alexandria. The plan calls for one certificate per owner-operator in order to preserve cab driving as an opportunity for primarily minority small businessmen who operate cabs in the city. Existing fleets would be grandfathered, but going forward, one certificate per cab owner would be the rule.

Another important aspect of AUTO's plan is the requirement to affiliate with a company or coop. AUTO drivers are not seeking independence. The drivers are not seeking to change in any way the relationship with the cab customer. It is a misrepresentation of the reality of the cab industry in Alexandria to claim that it is the cab companies who provide cab service to the public. It is the cab drivers who provide the cab service. The cab customers do not pay the company for their service, they pay the cab driver. Currently, three dispatch systems provide service to the drivers of six Alexandria cab companies. With the current level of dispatch, we estimate that the majority of the cab trips that originate or end in the city are transacted solely between the driver and the customer, without any involvement on the part of the company. The customer is picked up at the airport, a cab stand at a metro station or a hotel, or through a cell phone call to

a driver. To an alarming degree, many of the trips originating in the city are the result of dispatch provided by a cab company located outside of the city, such as Arlington Red Top, to a non-Alexandria cab driver.

The public believes that they are getting service from the cab companies. The reality is that the drivers are the ones who are providing the service to the public, and since the companies, by contract, are not obligated to provide any service to the driver or to the public, the company is collecting money and, in essence, misleading the public about who is actually providing the service.

What the AUTO drivers seek to change is their relationship with the cab companies. The relationship between the owner operators and the cab companies is uneven, and that leads to contracts that are *not* mutual agreements. Instead, they contain terms that are unacceptable to the drivers. The sad fact is that a driver who wants to drive in Alexandria has no choice but to sign the contract because he cannot move to another company unless there is a certificate available and the owner is willing to allow the driver to use it. The hallmark of any independent contract system is freedom of mobility. In this case, the relationship is more in the nature of an indentured servant. Under the AUTO Plan, the owner-operator relationship with the company *becomes* an independent contractor relationship in reality, with the following benefits:

- The owner-operator (driver) has control of the certificate.
- The driver is free to go to company which offers the level of dispatch service he needs at a fair price and with fair treatment.
- The driver, free to move from company to company, takes the certificate with him.

- If the company does not deliver dispatch service or fails to market the business, the driver is free to move.
- Companies providing the best service grow. Customers benefit from better dispatch service provided to the drivers.
- Drivers may form a cooperative.

AUTO drivers have been working to include in their plan proposals that would address shortfalls in the current system that impact the customers. The drivers propose the following:

- The contracts for seniors, physically challenged and school children be expanded to include vouchers that can be honored by any of the six Alexandria companies. Particularly at the cab stands at the Metro Stations, customers are forced to wait until a Diamond Cab comes along, even though a cab from another company is already at the station. This provision will give more choice to the seniors and physically challenged, and give more drivers the opportunity to serve them.

Under the current system, the companies handle cab customer complaints. There is no independent tracking or monitoring of complaints or their resolution by the company. That leaves the city unaware of the number of complaints, the type of complaints, or the resolution of the complaints. AUTO believes that a more accountable system for consumer protection is essential. AUTO proposes the following complaint process that seeks to add fairness and accountability to the process:

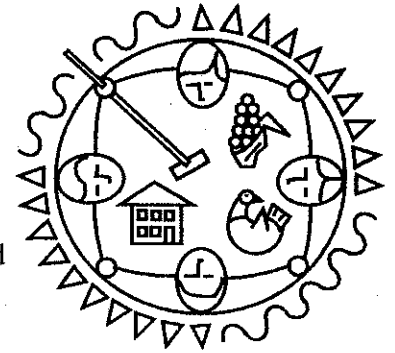
- Customer complaints received and tracked by the Office of Consumer Protection.
- The complaint is then referred either to the company, the Transportation Department, or the Hack Inspector, as appropriate, for investigation and resolution.

- Any appeal is directed to the Office of Consumer Protection.
- The number, type of complaint, and resolution are reported to Traffic and Parking Board monthly.

Currently, unless his certificate is taken back by the company, there is no process for addressing driver complaints. AUTO proposes the following:

- Driver complaints are received and tracked by the Transportation Department.
- The complaint is referred to the company, Hack Office or Transportation Department as appropriate for investigation and resolution.
- Appeal to Traffic and Parking Board.
- The number, type of complaint, and resolution are reported to the Traffic and Parking Board monthly.

ALEXANDRIA UNITED TAXI-DRIVERS ORGANIZATION (AUTO)



The Alexandria United Taxi-drivers Organization (AUTO) was organized by Alexandria taxi drivers in August of 2002 to bring drivers together to work for better conditions for Alexandria taxi drivers, in particular, for the return of control of taxi certificate to the taxi drivers. AUTO is democratically based and currently represents a majority of the drivers in Alexandria. AUTO is linked to the Tenants' and Workers' Support Committee, a community based organization in Alexandria.

OVERVIEW OF ALEXANDRIA TAXI INDUSTRY TODAY

Certificates that allow taxis to drive in Alexandria are currently owned by the city and assigned to cab companies. There are a total of 647 certificates divided among six companies as follows:

Yellow Cab	212
Diamond Cab	156
White Top Cab	116
VIP	58
Columbus Cab	48
King Cab	57

If a driver wants to drive in Alexandria, under the current system, he will purchase a cab already affiliated with a company with a certificate already attached and go to work. If a driver wants to switch companies, he has to sell his cab and purchase one already affiliated with the other company. If there is no cab available, he cannot switch. Under the current system, the cab is sold for far more than it is actually worth because it is attached to the certificate, in spite of the provision in the law that prohibits selling the certificates.

The taxi companies are required by law to provide twenty-four hour dispatch. For many years, that provision of the law was not enforced. Three of the smaller companies have not provided any dispatch service for many years. In January of 2003, in response to the city's notice that the code would be enforced, the three companies set up a shared twenty-four hour dispatch system and moved to a shared office space. The dispatch systems have never provided enough business for all the cab drivers in Alexandria. The drivers supplement dispatch calls by working at hotel and metro station stands. Some drivers forego dispatch entirely because they work exclusively out of the airport.

Every taxi in the city bears a sign that gives the number for the Hack Inspector and tells the customer to call that number with complaints. The current procedure for handling those complaints is to hand them over to the taxi company to investigate and remedy.

THE PROBLEM

Control of the taxi certificate was transferred from the taxi drivers to the companies in the early 1980's. In our view, the transfer might originally have been a xenophobic response to an influx of immigrant men of color, particularly because the response seems to have been based on non-verifiable allegations of driver misconduct. The action was taken, we believe, to address concerns of primarily white businessmen and tourists about drivers of color.

For over a decade, drivers have been protesting the assignment of control of the certificates to the companies. Over and over again, the drivers have said first, that the reassignment of the certificates was and is *not* the solution to the alleged problem of driver misconduct, and second, that the reassignment has led to a city-sponsored monopoly that over time has created an atmosphere of oppression for the immigrant men and women of color who drive Alexandria's taxis. The current system is broken. It is a modern day sharecropping system in which the taxi drivers take all the risk and do all the work while all the real gain goes to the company owner.

AUTO's position is that the taxi certificate issue is a human rights issue. Drivers believe that to a large degree, they are not being given control of the taxi certificates **because** they are, for the most part, immigrant men and women of color. AUTO believes that the same underlying racism and xenophobia that led to the certificate reassignment in the first place is still at work today. For example, at the October 2002 Traffic and Parking Board Meeting, at which the Taxicab Task Force Recommendations were voted on, Tom Walczycowski, the Traffic and Parking Board representative on the Taxicab Task Force, said as part of his lengthy remarks on the recommendations, "After 911, a lot of drivers left the country." This remark was particularly insulting because of its implication that drivers had some reason to leave, and because of the devastating economic conditions suffered by hundreds of drivers and their families when the airport closed and tourism dropped in Alexandria. For the most part, drivers did not leave. Instead, they stayed and struggled for economic survival. Mr. Walczycowski went on to tell a lengthy story about one incident where a taxi driver inadvertently gave a ride to the man who stabbed Kevin Shifflet. He used the story as an example where Yellow Cab's oversight saved the city from harm. Again, AUTO's position is that the remarks were based on racial stereotyping, the underlying assumption being that, **because** Alexandria's taxi drivers are immigrant men and women of color, the city needs protection from them. It is AUTO's position that using this example becomes even more insulting when the real hardship suffered by the *innocent* taxi owner comes to light. AUTO also finds it interesting that the tape-recorded record of the October meeting at which these remarks were made is for the most part blank.

AUTO's position is that the city has abdicated the oversight and compliance responsibilities it has with regard to the taxi industry, a vital link in the tourist industry and business transportation in Alexandria. That abdication has resulted in the following:

1. Taxi companies can and do take back certificates from drivers without due process and without a fair appeals process.
2. The city's failure to enforce the radio dispatch requirement for years made drivers pay stand dues with no service in return. AUTO's position is that there is room in Alexandria for some companies to operate without dispatch, but that the stand dues should more fairly reflect the minimum service provided by the company. One company's response to the recent enforcement of the radio

dispatch provision by the city has been to raise the stand dues to pay for the system **before** the drivers begin to receive any calls. (see Attachment 1) Compared to other jurisdictions, the stand dues for Alexandria taxis without radio dispatch are inflated.

3. Customer complaints about the taxi driver or about the taxi company are referred to the taxi company by the Hack Inspector. There is no tracking process so that the city can monitor the types of complaints (whether they are driver-related or company-related) and no follow-up on the resolution of the complaints. There is no real provision for a driver complaint against a company, except for a rarely used and ill-defined process for bringing the issue to the Traffic and Parking Board. There is no fair, objective investigation process. Most companies take the position that the customer is always right. There is no appeals process. AUTO drivers believe that some customers have stopped complaining and instead are calling Arlington taxi companies. Alexandria taxi companies have lost some major contracts to Arlington companies.

In addition to the problems outlined above, it is AUTO's position that the city-fostered monopoly to the taxi companies has resulted in the following problems caused by the companies:

1. Even though there is supposed to be an independent contractor relationship with the company, the company is in a position where it can and does raise the stand dues at will. This has resulted in what in AUTO's view are grossly inflated stand dues. In addition to what we believe to be a relatively high level of profit, the companies passes through every expense to the driver, including equipment, personnel costs, and office rental. The driver has to absorb all cost increases, since the price the cab can charge is set by the city. When fuel costs go up or when insurance goes up (recently by \$600.00 to \$1000.00 per year), the driver has to absorb the cost. (See attachments 2 and 3) The last time drivers got a raise in what they charged the customer, a raise intended to offset the rise in fuel prices, cab companies took the raise from the drivers by raising stand dues immediately.
2. Even though the taxi certificates remain the property of the city and are not supposed to be sold, recently, King Cab company was sold without any tangible assets for about \$400,000.00. In effect, the company's only asset was the 57 certificates. As soon as the new owners took over, they doubled the stand dues without providing any more services, in effect making the drivers pay for the purchase of the company. At the time, King Cab had no radio dispatch.
3. Cab companies have no incentive to provide anything more than the minimum of required service. For instance, they might provide twenty-four dispatch, but with only one dispatcher.
4. Cab companies have no incentive to compete with other companies or market their business. The stand dues are paid whether or not the company generates business for the drivers. Movement by the drivers from company to company is so restricted that the competition between companies to provide service and business to the drivers is dampened, with the result that even though they have to pay stand dues, many drivers have to find their own customers.

Finally, part of the problem is the persistent allegation that, if the taxi drivers get control of their certificates, there will be widespread driver misconduct, including the refusal of fares and in particular of handicapped or elderly passengers. This notion is fostered in part by the claim that complaints of driver misconduct were resolved when the control of the certificate was transferred to the company. In fact, there is no evidence that that is true. There is no evidence because there is no independent monitoring of complaints. Suppose the city decided to let motorists monitor their own traffic violations, or hotels to monitor their own fire code violations, or restaurants to monitor their own health violations? Ironically, by abdicating its duty to oversee the taxi industry and turning the investigation and resolution of complaints over to the company, the city lost its ability to objectively determine if the transfer of certificates resolved the problem. Not only that, the city handed over to the companies the ability to take a cab driver's livelihood on trumped-up charges if that suited the companies' interest.

There is no record today of the actual complaints or the nature of the complaints which were cited twenty years ago, and no way of determining how widespread the problem, if there was a problem, was at the time. Were the complaints against the same few drivers? Were they Alexandria cab drivers? Were the complaints about mistreatment, fare refusals or fare disputes, or about response time? Were the complaints from customers or drivers?

Currently, both driver and customer complaints are redirected by the Hack Inspector to the cab company. AUTO drivers who were around at that time of the transfer say that there were complaints, but that they were mainly out of the airport. Since three jurisdictions drive out of the airport in addition to Alexandria taxi drivers, there is no substantive proof that the complaints were against Alexandria taxi drivers. The airport took some actions at the time and, about five years ago, added the institution of airport face cards to the requirement that drivers be licensed in one of the jurisdictions. It is entirely possible that these actions, **not** the transfer of the certificates, mitigated whatever driver misconduct existed.

There is some evidence that other factors might have been at work in the early eighties. As one driver remembers it:

Jim Yates, having just acquired Diamond Cab Company, came out to the airport and talked to Checker Cab Drivers. He told them that if they switched to his company, he would paint their cab for free and give them six months free stand dues. So many cab drivers left Checker and went to Diamond that eventually Checker went out of business. A little while after that, Jim Yates was petitioning the city council to transfer the control of the certificates to the cab companies.

Since Mr. Yates currently owns both Diamond and Yellow Cab, he currently controls 368 certificates. It is no surprise to AUTO, and we think it will be no surprise to the general public, that the man with the most expensive stand dues and the most profit has contracted with Lonnie Rich to lobby the Mayor and City Council to prevent the transfer of the certificates to the drivers.

During the recent Task Force work, the cab companies were asked to come up with numbers of complaints. While each company came up with a number of complaints, no company produced a record of complaints. Yellow Cab, for instance said that they processed 1350 complaints. It is AUTO's understanding that, when asked, the company said that, except for one customer

complaint, the complaints were driver against driver, driver against dispatcher or driver against company.

Also during the recent Task Force work, there was discussion of studies that showed that economic deregulation was a bad idea. AUTO finds this puzzling since the drivers are not asking for deregulation. The drivers are asking for control of their certificates with a provision that they will still affiliate with a company. That request does not fit within the definition of the three types of economic regulation put forth in the studies: (1) entry controls; (2) fare regulations; and (3) service requirements. Drivers are not asking for deregulation of fares, a relaxation of entry controls or of service requirements, except that it makes sense to consider having some companies without radio dispatch. Two of the studies were commissioned by The International Taxicab and Livery Foundation, an association of company owners, at a time when at least one Alexandria Cab Company owner was on the board of directors of the association. The studies mention an increase in fare refusals in certain cities, again not well documented, but only in cases where **fare regulation** was abandoned by the city in question.

When drivers are told about the allegation that they will not pick up handicapped or elderly fares, they look mystified and say something like, "We're not asking to stop picking up handicapped and elderly customers. We're asking for our certificates." Most of the drivers take pride in their jobs and every driver has stories where he helped an elderly person or handicapped person, returned a wallet or piece of luggage to a customer or refunded an overpayment. "Why do we have to work in the shadow of pre-1983?" they say. "Twenty years have gone by. Most of us have driven for years with no complaints."

AUTO believes that, just as complaints were exaggerated to play on fears and stereotyping of the primarily immigrant men of color driving taxis in the early eighties, the same tactic is being used to generate a climate of fear among the handicapped and the aged of these primarily immigrant men and women of color.

AUTO supports regulation that protects the consumer, taxi driver and taxi passenger alike. We believe that independent oversight by the city is essential, whether through the hack office or the consumer affairs office. Complaints should be tracked, investigated fairly, and resolved, with discipline if necessary and due process.

THE SOLUTION

AUTO proposes that control of the taxi certificates be returned to the taxi owners as follows:

ALEXANDRIA UNITED TAXI-DRIVERS ORGANIZATION (AUTO) CERTIFICATE PROPOSAL

- 1. Certificates will remain the property of the city of Alexandria, but every certificate currently in use will be assigned to the owner-operator of the cab to which it is currently assigned.**
 - a. Going forward, control of the certificate will be assigned to the owner-operator of the cab.

- b. The owner-operator of the cab must affiliate with a company or coop. If the owner-operator changes his/her affiliation to a different company, the owner-operator takes the certificate with him/her.
- c. In order to obtain the certificate, the owner-operator must show (in his/her name), the following:
 - 1. Hack license
 - 2. Cab registration and a Virginia Operating Authority Insurance Registration Card
 - 3. Evidence of driving (Manifests)
- d. One certificate per person. (Those who currently own more than one cab will be grandfathered. For those who currently own more than one cab, as each of the additional cabs is sold, the certificate will be assigned to the new owner-operator, one per owner-operator.
- e. The certificate can be transferred with the cab when the cab is sold, and to the new cab when a cab is replaced.
- f. The number of certificates will be limited to 647.

2. A provision for some companies to operate without twenty-four hour dispatch.

3. No two-tier system.

4. No certificate recall.

This proposal was written collectively by twenty-five leaders chosen by the drivers. In addition, drivers in the city and at the airport have signed off their approval of the plan. A couple of provisions warrant further discussion:

- A provision for putting an owner-operator's certificate in escrow for up to twelve months to accommodate medical or family emergencies, major breakdowns or repair jobs, and so on.
- The establishment of a fair and independent system for tracking, investigation, and record keeping of complaints, perhaps through the consumer affairs office.
- The establishment of an objective appeals process, particularly in the case of recalled taxi certificates.

It is AUTO's position that the reassignment of control of the taxi certificates will allow the drivers the freedom of movement they need to demand better services and more equitable stand dues from the companies. The requirement to remain affiliated with a company will prevent anarchy and chaos, and fair contracts negotiated by the drivers with the company will ensure stability. The establishment of the complaint system mentioned above would address the protections for the consumers that are lacking under the present system.

4
4-12-03

ALEXANDRIA COMMISSION ON PERSONS WITH DISABILITIES
2525 Mount Vernon Avenue
Alexandria, Virginia 22301
Tel. 703 838-0711
Fax 703 836-2355

City Council Chamber
City Hall
301 King Street
Alexandria, Virginia 22314

April 12, 2003

SUBJECT: TESTIMONY ON THE TAXI TASK FORCE REPORT

Mayor and Members of City Council,

My name is Chet Avery and I was the consumer representative on the Taxi Task Force and serve as the Chair of the Alexandria Commission on Persons with Disabilities' Transportation Committee and am a user of the DOT Paratransit Program for persons with disabilities. I appreciate the opportunity this Hearing offers to provide testimony to you on the Taxi Task Force Report. As the Chair of the ACPD Transportation Committee, I was appointed to the Taxi Task Force that worked for over 18 months to examine the taxi industry to improve conditions for drivers, taxi companies and services for the public in Alexandria. While the Taxi Task Force examined and compared the City's taxi industry with other jurisdictions in Northern Virginia and the U.S., the Taxi Task Force was productive as it made recommendations to clarify the age when charges for children could be made, rates for luggage, and made other technical changes to improve the livelihood of cab drivers and improve services for customers.

The Taxi Task Force also considered five recommendations in its report that was the subject of a hearing held by the Traffic and Parking Board (TPB) in October. The recommendation to have the three cab companies without 24 hour a day, 7 days a week dispatch services providing services at Ronald Reagan National Airport limit their activities to the airport was made moot when these three companies entered into an arrangement to share such 24-7 dispatch services. The recommendation to establish a grievance process to provide additional protections for drivers was supported by the TPB. The recommendation to recall 5% of the certificates from the cab companies to reduce the number of cabs for this city, which has the highest number of cabs in the country in terms of its population, was clouded by the linking of the recalled pool of certificates for potential award to cab

drivers. The Traffic and Parking Board did not support the dedication of a position on its Board based upon the consideration that it would establish a precedent for dedicating positions to particular traffic and parking interest groups. The Taxi Task Force tried without success to address the key concern of the drivers on the Task Force who wanted to be granted the control of certificates that are currently managed by Taxi Companies. This issue was the source of controversy and irreconcilable differences among the task force members. The recommendation that was considered by the Task Force of setting aside 5% of the certificates for drivers based upon merit and other unspecified criteria was not acceptable to the drivers and was viewed by the cab companies as institutionalizing the conflict between cab drivers and cab companies by opening the door to continuous future claims by cab drivers for certificates. The request by the ACPD to require that any future certificates awarded by the City for the purpose of acquiring accessible vehicles was not formerly adopted by the task force. As the ACPD and customer representative of the Task Force, it was my view, shared by the representative of the Traffic and Parking Board (TPB), the representatives from the taxi companies, and city staff that the taxi companies should continue to manage certificates so that the dispatch services would be based upon a reliable pool of drivers and to assure that taxi companies like Diamond would be able to provide essential services for the City such as the DOT Program and Senior Taxi Service. Cab Drivers admit that they want control over certificates so that they can have the power to be free to negotiate stand fees, which in Alexandria currently are below the stand fees of companies in Northern Virginia jurisdictions, and would be free to move from company to company. A cab driver certificate-controlled system would also undermine the capacity of cab companies to invest in staff and the technology needed by modern dispatch services and the capacity of companies to have a stable and reliable supply of cabs to provide Dot and Senior Taxi services to the City.

While some members of the Taxi Task Force say that the City has ADA and senior citizen mandates requiring the City to provide these transportation services, without strong cab companies with a stable pool of drivers, the City, at this time of constrained and curtailed revenue sources, would be forced to establish its own taxi service by purchasing a fleet of vehicles, paying the salaries and benefits of drivers, the insurance costs, etc., which would significantly increase or more than double the cost the City now pays for the DOT and Senior Taxi Services delivered by the cab companies.

The Taxi Task Force research also showed that the award of certificates to drivers would also be a step backward to the 1980s when drivers controlled certificates and the City Traffic

and Parking Board was forced to adjudicate an endless number of time consuming customer complaints. The report also shows that other cities that once awarded certificates to drivers have made decisions to reform the taxi industry like Alexandria did to have certificates managed by taxi companies.

At today's Council hearing, you, Mr. Mayor and members of Council will review the deliberations of the Taxi Task Force, the results of your work session and today's testimony to make a decision on the disposition of certificates to maintain the current taxi industry or to award the certificates to drivers.

If you believe that the current taxi industry is effective and not broken and support the DOT and Senior Taxi service, you should make a decision to keep the control of certificates under the management of the cab companies.

If you believe that the taxi industry in Alexandria is effectively providing services to our citizens in this post-9/11 era when the tourist industry and the economy is hurting, you should affirm your support of the industry by having the taxi companies maintain control of the certificates. Recognizing that cab drivers should receive a reasonable income for the invaluable services they provide to the City, you should also examine a strategy to increase the income of our hard working professional drivers by reducing the supply of certificates and cabs based upon a phased-over-time plan keyed to attrition in the industry.

My name is Mulugeta Yimer and I am the leader of the Ethiopian Committee of the Alexandria United Taxi-drivers Organization (AUTO). Last year, I paid \$7000.00 in cab stand dues.

We believe that the only fair solution to the problems of cab drivers in this city is to return the certificates to the control of the drivers. We believe that the current system that gives control to the company owners discriminates against us because we are foreigners. We believe that the City Council does not care about new immigrants, even though in our case most of us are citizens and can vote. The current system was installed twenty years ago, in response to the changing demographics of the cab drivers. There was a shift from primarily native born to immigrant and foreign born. In response, the city installed a system that gave a near monopoly to six cab companies in return for their policing the drivers.

Today, in the twenty-first century, we are living under a modern day sharecropping system in which all of the profits from stand dues and the illegal sale of certificates go directly to the companies while all the risk, expense and work falls on the backs of the drivers with no value in return. All this is done under the very eyes of the City Council and with the approval of the council.

One day I went with my friend to pay my stand dues. I was listening to Mr. Jacob train the new dispatchers. I heard him say, "Don't listen to those drivers, they're all stupid." In a way, I think we are stupid because we didn't act sooner to show how we get abused. Every time they ask us to jump, we jump, and we don't ask why we're jumping.

We believe that the Council should adopt the AUTO plan. The plan gives cab drivers the freedom to move from company to company, while still requiring that the cab driver affiliate with a company. Allowing this movement will create an incentive for the existing six companies to begin to deliver adequate dispatch service to the drivers and to market the business to gain customers for the drivers. The AUTO plan will create an incentive to treat drivers with dignity and respect. It will allow the drivers to negotiate contracts with the company that provide for an even exchange of services in return for stand dues. The plan still requires drivers to affiliate with a company, so there will be little change from the perspective of the customer. If competition for drivers results in better dispatch and marketing for drivers, the customers will benefit from that improved service.

The AUTO plan includes a system for monitoring customer and cab driver complaints that would give the City Manager and the Traffic and Parking Board a more accurate picture of how customers are really faring in the city and would provide a fair means of investigation and appeal for cab drivers.

It is past time for this system to be fixed. We call upon you, Mr. Mayor, and the City Council to muster the political will to end the cab companies' stranglehold on Alexandria's cab drivers and create a system that benefits customers, drivers *and* companies.

My name is Abdulkarim Sharmarke. I am the leader of the Somalian Committee of the Alexandria United Taxi-drivers Organization (AUTO). I have been an Alexandria cab driver for nine years. Last year I paid \$2880.00 in stand dues.

Before we go any further today, I would like to let you know, Mr. Mayor and Council Members, that while we are participating in this process and this public hearing with sincere good faith, we do know what is really going on here.

It appears that you value the influence of a hired gun, Lonnie Rich, paid by a multimillionaire cab company owner that you created with a city-granted monopoly, above a plan for a system that would assure quality service and improved oversight for both cab drivers and cab customers, and a market driven and fair price for stand dues.

We ask you to serve this whole city well, including cab drivers and passengers; residents, businessmen and women, physically challenged individuals, school children and seniors as well. We ask you to do the right thing, turn down the Task Force recommendations and consider adopting the AUTO plan before this term is up.

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4-12-03

Good morning Mr. Mayor and City Council Members. My name is Teshome Workagegnehu and I am a member of AUTO. I have driven a cab in Alexandria for three years. Last year I paid \$7800.00 in stand dues.

When I first tried to get into the cab business, I tried to buy a Yellow Cab from one of the Yellow Cab fleet owners. He tried to make me pay \$7000.00 for a 1989 Chevy Capri with more than 200,000 miles. He was also trying to sell the certificate. I took him to court and won. Not all drivers do what I did, though. Rather than challenge the company, I think most of them go ahead and buy the certificate along with the car.

Today, I want to talk about the cab company contracts. I have with me contracts from King Cab, Columbus Cab and Yellow Cab. These contracts illustrate one of the main reasons we want control of the certificates. The relationship between the owner operators and the cab companies is uneven, and that leads to contracts that are *not* mutual agreements. Instead, they contain terms that are unacceptable to the drivers. The sad fact is that a driver who wants to drive in Alexandria has no choice but to sign the contract because he cannot move to another company unless there is a certificate available and the owner is willing to allow the driver to use it.

The contracts contain legal formalities that are routinely ignored, but we're not here to talk about formalities. We're here to talk about the realities of the day to day work life of drivers in the taxi industry, and how the facts of their daily activities affect the driver, the company and the public. The King Cab contract and the Columbus Cab contract are one sided. They impose regulations and conditions on the drivers, but they name absolutely no service that the driver will receive from the company, other than the right to use the company name and colors. The Yellow Cab contract offers a driver only the voluntary use of its dispatch system, but provides no provision for any other service provided by the company to the driver or to the public. Under these contracts and in this system, the companies maintain complete and total control over the drivers but provide little, if any, service to them. This one sided system can continue only because the companies maintain complete control of the certificate.

The public believes that they are getting service from the cab company. The reality is that the driver is the one who is providing the service to the public, and since the company, by contract, is not obligated to provide any service

to the driver or to the public, the company is collecting money and, in essence, misleading the public about who is actually providing the service. The hallmark of any independent contract system is freedom of mobility. In this case, the relationship is more in the nature of an indentured servant. For example, the King Cab contract has the following provision:

Termination without Cause: Without reasonable cause, either party may terminate this contract with a thirty-day prior notice to the other party of their intent.

In other words, a driver's livelihood can be completely destroyed for no reason whatsoever upon thirty days notice. But a driver, of course, who gives thirty days notice, has to find a job in other industry because he does not have the certificate that allows him to drive. So this supposedly two-sided provision is, in reality, completely one-sided. The reality this clause presents is that the driver works at the complete and total discretion of the company; both the driver and the company know it.

In asking for the control of the certificates, we are actually asking for the right to **become** independent contractors. We no longer want to hear rhetoric about independence and contracting, we wanted the reality. We want the right to move away from a company that does not comply with our agreements and satisfy its obligations to drivers and the public. We want to end the system that holds us hostage to the company. Owners have placed on us complete and total responsibility for any problems that come up. We want the ability to do what workers in every other industry are free to do, leave a situation that is intolerable for one that is better.

Today we ask you to separate the facts from the fictions of our industry and recognize that it is the drivers that make our system work -- -- or not.

KING CAB COMPANY

Contract governing relationship with King Cab Co.

Between **King Cab Co.** and Cab #

Date: _____

Driver: _____

Rules of operation: The independent contractor will only be allowed to sustain job as long as the operating vehicle is painted with the colors of the company, displays the dome light of the cab company, and provides the telephone number of the company on the vehicle.

Independent Contractor Status: As long as the independent contractor meets the above requirements, the hours devoted to driving his or her vehicle or the compensation earned shall remain his or her own decision.

Stand Dues: The independent contractor should agree to pay the company a weekly or monthly fee, depending on which one the contractor finds more convenient. The independent contractor should also agree to pay an increase in the stand dues upon one-month notice. All stand dues must be paid between the first to the fifth of the month if they are monthly. If one does not pay their stand dues during that period, there will be a \$5.00 a day late fee. In the event that the contractor does not pay their stand dues by the 15th of the month, the cab company reserves the right to remove the dome light of the contractor's vehicle and/or withdraw the contractor's use of the individual operating certificate card.

Alexandria Taxicab Regulation No. 3: The independent contractor must acknowledge the existence of and obey Alexandria Taxicab Regulation No. 3, which requires that 51% of all trips per week begin or end in the city of Alexandria.

Company Certificate: The independent contractor must agree to surrender their certificate to cab company at any time during which they do not drive their vehicle for a thirty-day period, unless they have a good reason, which they should notify the cab company about.

Personal Info: The independent contractor agrees to provide the cab company with all relevant personal information, such as date of birth, current address, phone number, and to notify the company when any of that information changes.

Equal Opportunity: The independent contractor must agree not to discriminate against anybody, including persons with disabilities. People using service animals also should not be discriminated against. The independent contractor must not refuse to pick up anybody for discriminatory reasons.

Termination with Cause: With reasonable cause, either party has the option to terminate this contract effective upon submittal of a written notice to the other party of their intent. Valid reasons for termination may include:

1. Violation of this contract at any point.
2. Any act exposing the other party to liability.

Termination without Cause: Without reasonable cause, either party may terminate this contract with a thirty-day prior written notice to the other party of their intent.

Relationship of Parties:

1. The parties to this contract understand that the relationship between them created by this contract is that of independent contractor. The independent contractor is not an employee, servant, or agent of King Cab Company. As a result none of the benefits afforded by King Cab Company to its employees are available to the independent contractor. King Cab Company reserves the right to engage other independent contractors to employ similar services to those being performed by the independent contractor hereunder.
2. The independent contractor acknowledges that:
 - A. As an independent contractor, he is not eligible for federal or state unemployment benefits
 - B. King Cab Company is not responsible for withholding federal or state income taxes, but the independent contractor will be responsible for payment of these taxes.
 - C. King Cab Company is not responsible for withholding or paying in any way, contributions under the Federal Insurance Contributions Act, but the independent contractor will be responsible for payment of these taxes.
 - D. As an independent contractor, he is not covered by Workmen's Compensation Insurance provided by King Cab Company and that he expressly waives any such coverage as an independent contractor.

Vehicle Condition: The independent contractor shall be held accountable for the maintenance of their taxicab so that safe operation is guaranteed. If the said vehicle incurs any damage or loss, the contractor shall be responsible for the payment. No liability shall be borne to King Cab Company for losses or damages incurred due to unsafe operation of the said vehicle. The independent contractor must also agree to allow King Cab Company to periodically conduct spot checks or inspections of the said vehicle and may immediately withdraw the contractor's use of the individual operating certificate card and/or dome light in the event violations are found.

Insurance: The independent contractor shall maintain such insurance naming King Cab Company as an additional insured. The insurance should provide coverage for personal injuries or collision accident claims, and from all other claims that could arise such as death or property damage. The independent contractor should provide King Cab Company with a certificate evidencing the required insurance coverage within 24 hours of receipt of request. If the insurance coverage were allowed to lapse or the independent contractor operated the said vehicle without proper insurance coverage, King Cab Company reserves the right to withdraw the contractor's individual operating certificate card and/or dome light and report the lack of coverage to the commonwealth of Virginia and to the Hack Inspector for the City of Alexandria.

Indemnification: The independent contractor shall indemnify and hold harmless King Cab Company against any and all liability or loss and against all claims that may rise out of damage or injury to people or property caused by the operation of the said vehicle. King Cab Company shall also be indemnified against any liability in the payment of federal, state, and local taxes or contributions with respect to the contractor's employees engaged in the operation of said vehicles.

Fleet Owner: In the situation where the independent contractor owns more than one vehicle, the contractor has the responsibility of providing such an agreement to King Cab Company. The fleet owner should provide the following information for every employee:

- A. Copy of hack office face card.
- B. Driver's license
- C. Copy of insurance certificate
- D. Name, address, phone number of the driver
- E. Starting date of vehicle use

Signature _____

Date _____

KING CAB COMPANY

INFORMATION AND SCHEDULE SHEET

DRIVER/OWNER INFORMATION:

Name and Address -

Home Phone -

Work Phone -

Work Address (besides King Cab) -

Work Hours - (days/wk.)

(hours/dy.)

King Cab On Duty Schedule - (days/wk.)

(hours/dy.)

Preferred Cab Stands or Locations -

VEHICLE INFORMATION:

Make/Model -

Year/Mileage -

State Tag Number -

Insurance -

(company)

(policy no.)

(insured)

(policy expiration)

VCC No. -

Face Number -

Airport ID Number -

**PLEASE FILL OUT THIS SHEET ALONG WITH THE NEXT THREE SHEETS
REQUIRING A SIGNATURE AND RETURN IN THE ENCLOSED ENVELOPE
AS SOON AS POSSIBLE**

COLUMBUS CAB CORPORATION

50 South Pickett St. #106

Alexandria, Va. 22034

(703)-684-7373

CONTRACT BETWEEN COLUMBUS CAB CORPORATION AND INDEPENDENT CONTRACTOR (CAB OWNER)

Columbus Cab Corporation is existing under the virtue of the laws of the State of Virginia and having its principal place of business at 50 South Pickett St. #106 Alexandria, Virginia 22304.

The independent Contractor (Cab Driver),

- **Name:** _____
- **SSN #:** _____
- **Home Phone #:** _____ **Cell #:** _____
- **Home Address:** _____

- ~~Certificate~~ ^{Permit} **Number:** _____
- **Cab #14** _____

Who enter this contract, agree to make payment of stand dues by 25th of each month and has right to operate taxicab under Columbus Cab Corporation as licensed by City of Alexandria.

Corporation also agrees to provide the service to Independent Contractor whereas the parties wish to establish their respective rights.

Followings are agreed:

1. That the Independent Contractor shall have complete and total control in providing of taxicab service to passengers who seeks to ride in the Independent Contractor's taxicab; however, the independent contractor agrees

to take no action or do any act which may place in jeopardy the right, privilege and authorization of the Corporation to operate its taxicab franchise within the City of Alexandria and the great Washington, D.C. metropolitan area. The Corporation shall not be liable for any act or acts of the Independent Contractor, Nor shall the Independent Contractor bid or attempt to bind the corporation in any manner and nothing herein contained shall be construed the relationship of office personnel and between the parties but the Independent Contractor shall be deemed at all times an Independent Contractor.

2. That the Corporation hereby grants to the Independent Contractor the right to use Columbus Cab Corporation in operating his/her taxicab.
3. That the Independent Contractor agrees to have effective sufficient insurance coverage to protect the Independent Contractor from any liability associated with providing taxicab services and shall provide the evidence of such insurance when Corporation request.
4. That the Independent Contractor agrees to take the responsibility of the complains that the Corporation received and all cost of court action if it was filed against the Independent Contractor.
5. **That the Independent Contractor agrees to pay cab company \$_____ per week as stand dues, and further agrees to pay increase upon one-month notice. Sum of four or five weeks stand dues are due on the 25th day of each month; the grace period is the 30th of each month. There will be a \$5.00 a day late fee for each day after the 30th of the month.**
6. That the Independent Contractor acknowledges the right of cab company to remove the dome light from Independent Contractor's taxicab and further acknowledges cab company's right to paint Independent Contractor taxicab so as to obscure the cab company's name and telephone number should the Independent Contractor fail to pay stand dues by the 15th of following month.
7. **That the Independent Contractor acknowledges the existence of Alexandria Taxicab Regulation No3, which requires 51% per week of all trips per vehicle shall either originate or terminate in the City of**

Alexandria, further agrees to obey this regulation and all applicable regulations.

8. That the Independent Contractor agrees to surrender his or her certificate to cab company at such time as he or she no longer desire or no longer is able, whether for financial or other reasons, to drive taxicab for any (30) day period.
9. That the Independent Contractor agrees, so long as Independent Contractor working for or affiliated with Columbus Cab Corporation, not to discriminate against person with disabilities, including person using service animals.
10. That the covenant herein contained shall extend and bind the successor and assigned of the Corporation; however, the Independent Contractor shall not assign sublease or subcontract his rights under this contract with another individual, company, corporation or other entity without first having gained the written permission of the Corporation.

On _____ day of _____, 20____, I have complete knowledge of this contract and I fully agree with covenant by signing this contract.

Independent Contractor (Print Name)

Independent Contractor (Signature)

Charles Shin (President)

Attest or witness (Print Name)

Signature

194

195

196 WITNESS the following signatures and seals on the date first above written.

197 ALEXANDRIA YELLOW CAB, INCORPORATED

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201 By _____ (Seal)

202 Agent President

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204

205

206 INDEPENDENT CONTRACTOR

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208

209 _____ (Seal)

1 **INDEPENDENT CONTRACTOR'S AGREEMENT**

2
3 THIS AGREEMENT is made this _____ day of _____, 19____, between ALEXANDRIA YELLOW CAB,
4 INCORPORATED, a Virginia Corporation, hereinafter referred to as AYC, Inc.

5 and _____
6 Cab# _____ of _____ (address)
7 hereinafter referred to as the Independent Contractor.

8
9 **WITNESSETH**

10 WHEREAS, AYC, Inc. owns and operates a dispatching service for use by taxi cab operators within the
11 City of Alexandria, Virginia, and the Northern Virginia/Washington Metropolitan area, and


12 WHEREAS, the Independent Contractor owns and operates a taxi cab and desires to make use of AYC,
13 Inc's dispatching service, and

14 WHEREAS, AYC, Inc. has agreed to provide dispatching service under the terms and conditions hereof
15 and the Independent Contractor has agreed to make use of said services under the terms and conditions hereof,

16 NOW THEREFORE, in consideration of the sum of One Hundred Thirty-Eight Dollars (\$138.00) cash in
17 hand paid receipt of which is hereby acknowledged, and other good and valuable consideration at law, the parties
18 hereto agree as follows:

19 1. **AYC, INC'S OBLIGATIONS.** AYC, Inc. shall provide a radio dispatching service three hundred sixty-
20 five days (365) per year, twenty-four hours per day, including advertising and telephone lines related
21 thereto. Allowance shall be made for down time when equipment is serviced or for power, equipment or
22 line failures.

23 2. **INDEPENDENT CONTRACTOR'S OBLIGATIONS.** The Independent Contractor does hereby agree
24 to make use of said dispatching service upon the terms and conditions hereof and in exchange therefore
25 shall pay to AYC, Inc., a weekly dispatch fee in accordance with fee schedules to be published by AYC,
26 Inc. from time to time and attached to this Agreement as Addendum A. This dispatch fee is assessed on
27 the basis of a single owner/operator or renter per vehicle. Should the Independent Contractor allow
28 multiple drivers to have use of the vehicle (double-shifting), an additional dispatch fee shall be assessed
29 of each driver.

30 3. **TERM OF AGREEMENT.** Unless otherwise terminated in accordance with paragraph 12, this
31 Agreement shall remain in force until one year from the date above written, which shall be its expiration
32 date. If not modified by the Independent Contractor or AYC, Inc. within thirty (30) days following the
33 expiration date, this Agreement shall automatically be renewed each year with a 3% increase in dispatch
34 fees each year unless waived by AYC, Inc. 

35 4. **RELATIONSHIP OF PARTIES.**

a) The parties to this Agreement intend that the relationship between them created by this Agreement is that of the Independent Contractor. The Independent Contractor is not an employee agent or servant of AYC, Inc. None of the benefits provided by AYC, Inc. to its employees, including, if any, vacation and retirement benefits, group insurance, compensation insurance and unemployment insurance, are available from AYC, Inc. to the Independent Contractor or the Independent Contractor's employees, agents or servants. AYC, Inc. may, and shall, during the term of this Agreement, engage other independent contractors to employ similar services to that being performed by the Independent Contractor.

b) The Independent Contractor acknowledges that:

- (1) As an independent Contractor, he is not covered by Workmen's Compensation Insurance provided by AYC, Inc. and that he expressly waives any such coverage as a condition to his independent contractor status;
- (2) As an independent contractor, he is not eligible for federal or state unemployment benefits;
- (3) AYC, Inc. is not responsible for withholding or paying in any way, contributions under the Federal Insurance Contributions Act, but the Independent contractor will be liable for payment of these taxes; and
- (4) AYC, Inc. is not responsible for withholding federal or state income taxes, or any other taxes, but the Independent Contractor will be liable for payment of these taxes.

5. **LICENSURE.** The performance and operation of taxi cab vehicles will be performed solely and entirely at the Independent Contractor's risk, and the Independent Contractor assumes all responsibility for the mechanical condition, equipment and operation of said taxi cabs, for employing only qualified drivers holding a valid chauffeur's license issued by the State of Virginia duly authorized to operate a taxi cab vehicle in the City of Alexandria, Virginia, and for insuring that said vehicle will have all certificates required by law, including but not limited to valid certificates from the City of Alexandria, Virginia, for taxi cab operation, City for Hire tags, City identification cards, State of Virginia For Hire tags, State of Virginia vehicle safety inspection stickers and V.C.C. tags showing valid insurance coverage. AYC Inc. agrees to hold the individual operating certificate for the Independent Contractor, as if the certificate card had been issued directly to the Independent Contractor, in consideration of Independent Contractor's continuing compliance with federal, state and local law. AYC, Inc. reserves the right to withdraw the individual operating certificate card from the Independent Contractor for cause or upon termination of this Agreement for any reason. The assignment of this certificate by AYC, Inc. To the Independent

Contractor, in no way alters the Independent Contractor status of the Independent Contractor, nor subjects AYC, Inc. to any vicarious liability resulting from acts of omission or commission performed by the Independent Contractor or the Independent Contractor's agents under the terms of the individual operating certificate.

6. **MEANS AND METHODS OF WORK.** The Independent Contractor shall have sole control of the manner and means of operation of the taxi cab and shall operate said cab according to his own means and methods of work, including all aspects of the work, such as locations of service, start and stop times, break times, days off and vacation. AYC uses a voluntary bid system. The Independent Contractors or their drivers are not required to bid on calls. By voluntarily bidding upon a call, the Independent Contractor or the Independent Contractors driver, agrees to accept any assignment of that call from AYC, Inc.'s dispatchers or by the computer aided dispatch system and/or computer dispatch system. The Independent Contractor shall direct the performance of all drivers or employees used by him/her and as such shall be responsible for ensuring that all drivers and employees comply with applicable federal, state and local requirements, and for all insurance coverage requirements of his employees.

7. **VEHICLE SAFETY AND CONDITION.** The Independent Contractor shall be responsible for the safe operation and maintenance of Independent Contractor's taxi cab vehicle in all respects. The Independent Contractor is solely responsible for assuring that the vehicle and the driver comply with and conform to the cleanliness standards and regulations as set by the City of Alexandria. If any loss or damage shall result from the operation of such vehicle, such loss shall be solely incurred by the Independent Contractor. No liability shall be borne by AYC, Inc. for loss or damage resulting from the unsafe operation or condition of the vehicle, or for any other reason.

8. **INSURANCE.** The Independent Contractor agrees to maintain such insurance naming AYC, Inc. As additional insured as will fully protect both the Independent Contractor and AYC, Inc., from any and all claims from the operation of said vehicle as to personal injuries or collision accident claims, and from any and all other claims of whatsoever kind or nature for damage to property or for personal injury, including death, made by anyone whomsoever, that may arise from operations carried on under this Agreement, either by the Independent Contractor, any employee of the Independent Contractor, or by anyone directly or indirectly engaged or employed by either the Independent Contractor or the Independent Contractor's employees. The Independent Contractor agrees to provide AYC Inc. with such certificate evidencing the required insurance coverage as may be requested by AYC Inc. from time to time. Should the Independent Contractor fail to produce the requested evidence within 24 hours of receipt of the request, or should insurance coverage be allowed to lapse or the Independent Contractor continue to operate his/her vehicle in the absence of insurance coverage, **The Independent Contractor understands that AYC Inc. will immediately withdraw the Contractors' individual operating certificate card and report the lack of coverage to the Commonwealth of Virginia and to the Hack Inspector for the City of Alexandria.**

106 9. **INDEMNIFICATION.** The Independent Contractor shall indemnify and hold harmless AYC, Inc.
107 against any and all liability or loss and against any and all claims or actions based upon or arising out of
108 damage or injury (including death) to persons or property caused by or sustained in connection with the
109 operation of the taxi cab (s) or by conditions created thereby, or based upon any violation of any statute,
110 ordinance, or the like, and the defense of any such claims or actions. The Independent Contractor shall
111 also indemnify AYC, Inc. against any and all liability and loss in connection with, and shall assume full
112 responsibility for payment of all federal, state and local taxes or contributions imposed or required under
113 unemployment insurance, Social Security and income tax laws, with respect to the Independent
114 Contractor's employees engaged in the performance and operation of said taxi cab vehicles.

115 10. **USE OF INSIGNIA.** In consideration of entering into this Agreement. The Independent Contractor,
116 agrees to comply with the Alexandria City Code and all ordinances regarding the use of the colors and
117 insignia of "Alexandria Yellow Cab" on contractors' vehicle. The Independent Contractor agrees not to
118 hold himself out as an employee, agent, servant or representative of AYC, Inc. or as an employee, agent,
119 servant or representative of one who is qualified to act in any one of these capacities.

120 11. **OWNERSHIP OF MULTIPLE VEHICLES.** In those situations where the Independent Contractor
121 owns more than one cab (Fleet Owner), said Fleet Owner should enter into agreements similar to this one
122 with each driver thereof, said agreements to fully protect, and be for the benefit of, AYC, Inc. as set forth
123 herein. Fleet Owners shall bear the responsibility of providing copies of each such agreement to AYC,
124 Inc. should AYC, Inc. so request. Failure by the Fleet Owner to provide said copies shall not in any way
125 subject AYC, Inc. to liability as regards the Fleet Owner's vehicles.

126 12. **BREACH.** Any violations of the provisions of this Agreement, including nonpayment of dispatch fees,
127 will automatically be deemed a breach of said Agreement and will terminate all rights running to the
128 Independent Contractor hereunder as of the date of said breach. In addition, any violations of ordinances
129 issued by the City of Alexandria, Virginia, relative to the operation of taxi cabs or the intent thereof, by
130 the Independent Contractors or the failure to answer calls issued by AYC, Inc. on which the Independent
131 Contractor has bid will be deemed violations of the intent of both this Agreement and the City ordinance,
132 which allows AYC, Inc. to terminate this Agreement as a violation hereof. In addition, AYC, Inc. may
133 terminate this Agreement without cause upon thirty (30) days written notice to owner.

134 13. **EXTENT OF CONTRACT.** This Agreement supersedes and cancels all prior contracts, if any, and
135 constitutes the entire contract between the parties hereto, and may not be modified except in writing,
136 signed by both parties. The Independent Contractor agrees that no representations or warranties have
137 been made by AYC, Inc. or its agents with respect to the operation of the dispatch service or the
138 obligations of AYC, Inc. with regard to the Independent Contractor, except as are specifically expressed
139 herein. Any waiver by AYC, Inc. of any rights arising from a breach or default of any of the provisions of
140 this Agreement shall not be construed as a continuing waiver of any other breaches or default of the same

141 or other provisions of this Agreement. Throughout the body of this Agreement, all terms indicating the
142 masculine shall apply to the feminine, and all terms indicating the singular shall apply to the plural.

143 14. This Agreement is made in the Commonwealth of Virginia and shall be governed by the Laws of the
144 Commonwealth of Virginia.

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149 By _____ (Seal)

150 Agent

President

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154 INDEPENDENT CONTRACTOR

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156 _____ (Seal)
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A D D E N D U M A

The dispatch fee is \$138.00 per week.

Payments are scheduled as follows:

Vehicles numbered	1 - 50	shall pay on Mondays.
Vehicles numbered	51 - 100	shall pay on Tuesdays.
Vehicles numbered	101 - 150	shall pay on Wednesdays.
Vehicles numbered	151 - 200	shall pay on Thursdays.

Fleet Owners may pay on Fridays no later than 12:00 Noon.

Office hours to accept payment are 10:00 am to 3:00 pm Monday through Friday, unless otherwise posted or announced.

Those who fail to pay on or before their scheduled day will be charged a \$5.00 late fee. Any dispatch fees not paid by Friday noon is subject to a \$10.00 late fee. Any account with a balance unpaid as of Friday noon is subject to a \$10.00 late fee for each week that the balance is unpaid, even if a payment agreement is in effect.

Bounced check policy: \$25.00 Fee After the 2nd bounced check no more checks will be accepted by the Front Office.

Please note: any or all discounts are subject to the sole discretion of management, and certificate card holders may not qualify for discounts based on the following:

- A. Delinquent accounts with outstanding balances.
- B. Any violation of this Agreement.

My name is Ayele Abebe and I am a member of AUTO. I've been driving a cab for more than ten years. Last year I paid nearly \$6000.00 in stand dues. I want you to know that most cab drivers have education. In my own case, I graduated from Glasgow University in Scotland with a Master of Philosophy in Econometrics. I have almost finished a Masters Degree in statistics at George Mason University. I want you to know this because we keep hearing that cab drivers are unruly and irresponsible and need controlling by the companies. The fact is the reverse. The companies need to be controlled because they lack the necessary qualifications and expertise to manage both us, the drivers, and the business. From my own point of view, that is why the city's cab business is slowly being taken over by out-of-city cab companies or cab service providers.

When I came to this country, I had the impression that this was a free enterprise equal opportunity system. And so, anybody who plays by the rules in a fairly defined game is protected by the law to advance or to move ahead. From my experience in this city as a cab driver for more than a decade, the institution that has the ultimate duty to see to it that these rules and regulations are observed, the City Council, seems to have abandoned its responsibilities. It appears to me that this may be because of incompetence, or, like one driver pointed out in a public hearing in this City Hall, people on the City Council may be in bed with the cab companies. In either case, it is high time to do well by the public's business or to leave office.

Everybody knows that the brunt of the responsibilities to run the cab business in the city, be it in terms of the cost or in terms of the risks that that go with the business, is borne by the cab driver. But the companies, with no input of any sort, no adequate dispatch, no road service, no service of any sort, just sit in the office and collect their money. The companies openly declare that the certificate, which by law and to everybody's understanding, belongs to the public, belongs to them. If the cab drivers (or contractors) try to protest by delaying the payment of stand dues, they threaten them with taking back the certificate. And this unfair and apparently illegal action is supported by the city. Ladies and gentlemen, this sort of arbitrary action is the reason why many of us have left our respective countries. Many of the countries we have come from are called police states, not just by us, but by you too. We don't expect the city to act like police state.

A few years back, a council member, speaking in connection with this problem said, "If it ain't broken, we need not fix it." I beg to differ with that council member. The system is broken beyond repair. It is only for those few who benefit from the system that it does not appear to be broken. That is why we say that the motives of the advocates of the status quo in the city council are suspect as the status quo permits a system of parasitism in the name of not intervening in the

affairs of the private sector. But at the end of the day to allow this transaction in public property is illegal.

I know that we are in the South, where, 150 years ago, hundreds of thousands of lives were lost because the South wanted to hang on to the institution of slavery. The South lost that war, and slavery is supposed to be no more.

Good morning Honorable Mayor and City Council Members. My name is Kohistany A. Shah and I am a member of AUTO. Last year I paid \$7280.00 in stand dues. I have been a cab driver in the city of Alexandria for eight years. In around 1995, I went to the Yellow Cab office to ^{pay} my stand dues. While I was in the office, the manager at the time, Mr. Lam, used a screwdriver to remove the dome light from my cab, opened up the cab with a slimjim, and took my certificate. He then came into the office and told me, "You're fired." I asked him repeatedly why I was fired. I lost about twenty to thirty thousand dollars. I did not appeal the action because I didn't know I could, I assumed the company had all the power. At the time, the company did not inform me that I could appeal, and refused to talk to me when I called to ask about the incident.

I then drove for Diamond Cab for about six months, but I found that company worse than Yellow. It appeared to the drivers that all the good calls, to Dulles Airport and farther, were given to the Diamond limousine drivers, while the Diamond Cab drivers were given short runs only. So when Mr. Lum was fired from his position as manager, I bought Yellow Cab No. 66 and I've been driving that cab ever since. I don't know any time that I went to the Yellow Cab office and the management was friendly to me. The other day I went to the Yellow Cab office to get verification of income to take to my son to school. Angelique, the person in the office, told me to come back tomorrow. I went to Jacob, who said that whatever Angelique said, he supported. I told him that I was going to testify at City Hall on Saturday. Suddenly, John, another office worker, said I could get the letter. In less than a minute, I had the letter.

Shortly before this incident, I went to pay my stand dues on Monday, April 7. On Tuesday, April 8, Yellow Cab suspended me indefinitely for non-payment of stand dues. I called on the radio, and they told me to call the office. When I called the office, they didn't answer the phone.

I continue to drive for Yellow Cab, but I have noticed that they have lost what looks to me to be about 60% of their customers. When I pick up customers, they're asking, "What is going on with the Yellow Cab office? They're not picking up the telephone. If they do pick up, the operators are not nice. They scream at you on the telephone." I think that's why the city of Alexandria customers are being picked up by Red Top Cab, Falls Church Yellow Cab, and other cabs from outside the city. Meanwhile, we're not getting calls. We're paying stand dues while we don't make enough to support our children and we work such long hours we cannot see them enough.

4
4-12-03

I am Joseph George Feghali. I am a member of AUTO. I have been driving a taxi for 27 years in Alexandria. I have no retirement.

I have three children, two born in Alexandria Hospital and one born in Georgetown Hospital.

My son, nearly 21, joined the US Army to get the GI Bill because I couldn't afford to send him to college.

Today, he's in Iraq with the US troops. My son's wife is pregnant with his first child. He won't be here to see his child born.

Before he got deployed to the war, he called me. He said, "Dad, I got deployed. I have to go to Iraq. I want to see you before I leave. I said to him, "I will be there before you leave." I had no money, but I didn't tell my son that. I borrowed the money. My younger brother, knowing my situation, said, "Let's go see your son in Fort Hood, Texas." He bought the tickets and we went to see my son.

My son told me, "Dad, I'm fighting in the war to give freedom to all people and all Americans." We had some tears and we hugged. It's very hard to say goodbye to my child, who I might never see again.

Just as my son said he is fighting for freedom for all people, I want you to give us, the cab drivers, our freedom. The same freedom. This will help us to at least secure a better life. Not to be worried because if I get sick, I still have to pay my stand dues or I loose my certificate. I am a US citizen and I don't have my freedom. I hope you give to all the drivers the freedom we deserve. God bless the USA.

4
4-12-03

Honorable Mayor, Honorable Council Members.

My name is Gattew Teferi and I am a member of AUTO. Last year I paid \$7124.00 in stand dues.

Allow me to begin by raising four questions:

1. The first goes to Honorable Mayor: You inherited this chronic problem which is more than a decade old from previous mayors. Are you going to let the next mayor inherit the problem from you? If you get it solved, our heartfelt wishes will accompany you wherever you choose to go.
2. The second question is to the Honorable Vice Mayor Cleveland and the Honorable Councilman Euille. On of you will be the next mayor. Are you going to leave this matter for the next mayor to inherit or are you going to deal with it now? If you do not solve it now, we will go nowhere. We will be around until our freedom is secured and we get the certificate.
3. The third question is to all the Council Members. The USA is a civilized democratically established capitalist society in which competition plays a great role in managing businesses. So why does this system not allow competition in the cab industry?
4. The last question is for owner of the cab companies. If you are so good, if you're providing the best possible service to the customers and the cab drivers, why are you so afraid of the cab driver's independence?

Why do we ask for a certificate in our name?

The answer is to be able to move from one company to the other in search of a better service with a reasonable rate. What makes our nation great is freedom of choice.

For example, if a landlord does not give a good service, tenants move to another apartment that gives better service. If Giant Food sells bread for \$1.00 and Safeway sells for \$.90, consumers buy from the latter.

We also want to choose companies that give us better service and rent.

We never said nor even thought of operating independent of the cab companies.

We want these companies. That's why we say 'From company to company.'

So what is the reason that senior citizens and we, the drivers, are denied this freedom of choice.

The seniors are denied to take any cab because their DOT voucher is only acceptable by Diamond Cab Company. As a result, they wait for a long time in metro stations and health services. Other company drivers do not pick them up because their DOT is not accepted. It is because of this that some drivers do not pick up senior citizens.

Some groups charge us that is drivers get the certificate there could be chaos and anarchy. This is not true. For example, if a Columbus Driver moves to Yellow, he

takes the color and scheme of Yellow, signs a contract to take calls and pay rent weekly. If he does not do this, he can be dealt with as is currently taking place. The same procedure applies if any driver from any company switches. Sure they do.

Some companies claim that they control drivers. Can't they control now?

Honestly speaking, there will not be any chaos and anarchy and there is nothing that suggests that the seniors are not picked up. The companies are simply trying to take seniors and disabled residents as shields to prevent us from obtaining the certificates. Amazingly, while we were and have been asking to get out problem solved by giving us the certificate, the suggested remedies were a two-tier system and certificate recall. But these suggestions are no better than giving the wrong medication for an illness, a wrong medicine that kills the patient.

Why is competition feared in the city's taxicab industry? Is it not competition that is the driving force of managing a business. If there is movement, there will be competition among companies to generate business. This attracts drivers and the fact that drivers have the option to choose companies will be a harmonious relationship between drivers and companies. This will enable us to give a super service.

As a matter fact certificate recall was suggested to collect the recalled certificate in a pool to form a company, does this solve the problem? not at all. Instead it has a serious adverse affect on the drivers

1. The drivers from whom certificate will be laid off
2. This adds to the pool we have already to exploit. We can change the taste of the food we cook by changing the recipe but not by changing the cooking pot. So for our problem can be solved by changing the status of the drivers

Good Morning, Ladies and Gentlemen of the City Council. My name is Abebe Kebede or just call me A.B. I'm 13 and a seventh grader at Hayfield Secondary School. I'm the oldest son of Kebede Chikssa. Who is driving Alexandria Yellow Cab for over 10 years.

I don't get to see my dad very often because of his long hours serving the community with his taxi service. I know my dad has to work but I feel like I have a part time dad. I miss him and wish he could spend more time with the family but I know he has to work to put food on the table.

The year 2000 my dad went to Ethiopia to visit his parents, a week after my dad's car was impounded for a long period of time by Alexandria Police Department. He couldn't drive or make money, however, my dad was made to pay the stand-due by Yellow Cab Company, including a \$10.00 late fee every week. His written story is attached to this written testimony.

My dad works a minimum of 12 hours a day, 6 days a week. I love my dad and I hope that the city council finds it in their hearts to give the certificate to the cab owners so that they can work freely.

Thank you for taking the time to listen to me about my dad.



OFFICE OF THE CITY ATTORNEY

301 KING STREET, SUITE 1300
ALEXANDRIA, VIRGINIA 22314

<http://ci.alexandria.va.us>

IGNACIO BRITTO PESSOA
CITY ATTORNEY

STEVEN L. ROSENBERG
SENIOR ASSISTANT CITY ATTORNEY

(703) 838-4433

FACSIMILE
(703) 838-4810

ASSISTANT CITY ATTORNEYS
JILL R. APPLEBAUM
CATHERINE RICHARDS CLEMENT
MELISSA C. LUCK
GEORGE McANDREWS
KAREN S. SNOW

May 11, 2001

Mr. Kebede Chikkssa
6475 Rockshire Court
Alexandria, VA 22315

Dear Mr. Chikkssa:

We have completed the review of the investigation and determination regarding your claim for lost income and expenses arising out of the impounding of your taxicab during April and May of 2000. After your claim was initially denied by the Risk Manager, in an informal communication to you, you requested in a meeting with Michelle Evans, Assistant City Manager, and I that I review this determination. I apologize for the delay in formally responding to your request. However, after a careful examination of the facts and controlling law, I conclude that the correct decision was made in this case, and that your claim must be denied.

As you know, your cab was impounded as evidence during the course of the investigation of the brutal murder of Kevin Shifflett. Under applicable federal and state law, the government is not obligated to compensate the owner for the loss of use of property which has been taken into police custody for a reasonable time as evidence in a criminal investigation.

In addition, your claim included a request for reimbursement of "stand dues" owed the cab company for whom you drive, for periods other than the period when the vehicle was in police custody, as well as for increased insurance costs incurred subsequent to the cancellation of your policy for non-payment of premium, which predated the impounding of the vehicle. The City plainly has no obligation to reimburse these costs. I am sympathetic to your argument that the company should forgive the "stand dues" attributable to the period when your vehicle was in police custody. That, however, is a private contractual matter between you and the company, and, as stated above, the City is not legally obligated to reimburse you for these amounts, in the event the company declines to forgive the charges.

While I understand that you were out of the country during the relevant time periods, and thus had no personal involvement with these events, that fact does not change the outcome with

Mr. Kebede Chikkssa
May 11, 2001
Page 2

respect to your claim. It is unfortunate that you entrusted your cab to an individual who did not act in a more responsible manner, both with regard to his financial responsibilities, as well as with regard to the criminal investigation.

It is the job of this office, through the Risk Management Division, to determine in which cases the City of Alexandria is legally obligated to pay claims against the City. We realize that there are often differences of opinion surrounding the cause of an incident, or the legal obligations of the parties involved. However, after evaluating the facts and law applicable to this claim, we have reached the conclusion that the City is not legally responsible for any loss you may have incurred as a result of this incident.

The City is unable to give your claim further consideration. If you have any questions, please feel free to contact me.

Very truly yours,



Ignacio B. Pessoa
City Attorney

cc: Michelle Evans
Assistant City Manager

Charles E. Samarra
Chief of Police

Richard R. Willsey
Risk Manager

Representative Jim Moran

Mr. Moran: *or Honorable Moran:*

I am writing to you to request your help in solving a problem that has created a very difficult situation for my family and me. Last Spring, I went to Ethiopia and rented my cab #165 to a licensed driver so that the income could supplement my mortgage and pay its operational expenses. During that time, the horrific murder of an innocent boy took place in Del Ray and the suspect who committed this brutal crime hired cab #165 and the driver renting it, to escape the scene of the crime. Upon identifying this cab as having drove the murderer away, it was taken by the police on April 19, 2000 and kept under surveillance until June 9th to obtain as much evidence as possible in locating the whereabouts of the suspect.

This terrible incident has not only been a source of great shock and grief to many of us, but it has also left me, as the owner of this cab, in a severe financial crisis, particularly since I have a family with two children. Because the renter of the cab was unable to drive it after the police confiscated it, he couldn't pay the rent he owed me and because I was unable to get my cab upon my return from Ethiopia, I was unable to drive it and (?) had to go further into debt to buy another taxi in order to support my family.

During this time, my mortgage payments became outstanding and the stand dues that I had to pay to the company reached over \$1,000. I have spoken with the cab company yet they refuse to ease this financial burden even though my cab was not on the road driving, and the police have also refused to give me any support in explaining this matter to the company on my behalf. Since you have a lot of respect from the people as our representative, I ask that you please intervene for the sake of my family and offer any help to ease this burden I face with the company.

This fact I'm not sure of.

I greatly appreciate your time in this matter and will be contacting your office soon in regard to this. I hope I will have the opportunity to discuss this with you in person and hear what you see can be done in my situation.

Sincerely,

PLEASE USE SOME OF THE IDEAS I HAVE WRITTEN HERE IF YOU WISH. I ONLY WROTE IN REGARD TO HELP WITH THE STAND DUES BECAUSE I CAN'T SEE IF HE'D BE ABLE TO HELP IN OTHER FINANCIAL AREAS. I HOPE THIS WILL BE USEFUL AND IF YOU NEED FURTHER HELP, I WILL TRY TO DO SO.

Randy Stevens
4

4.12.03

- The City has failed to maintain oversight in an industry they clearly have the responsibility to do so in. Therefore making them culpable to any wrongdoing.
- The vice-president at the time of AYC wrote to the city in a document to attempt to block the city from issuing certificates to UTOP in 1997, that there were more cabs per-capita than anywhere in the USA. But that didn't stop the city from issuing ~~30~~ 40 more to AYC and ADC apiece, since then; White Top was given additional numbers also.
- We call staff and ask for the actual numbers given but the response has been to avoid giving us those facts.
- The common theme heretofore was the city saying they feared for the complaints, or the return to post 1983 problems, that were generated before the airport became regulated. No basis in fact, in fact the most common complaints come from bad service.
- Because we are vendors purchasing a service from another vendor, we have constantly received sub-par service for premium rates. Something the city would never do, in fact the cities bid process guarantees they get the best for less. The system in its current form is illegal allowing predatory, profiteering to breed with reckless abandon.

49 TOTAL

Mr. Mayor, City Council Members:

My name is Tesfay Berhane. I am a US Citizen, a resident of the city of Alexandria and a member of AUTO. Last year I paid \$2860.00 in cab stand dues. I've been a cab driver in Alexandria for ten years.

I want to tell you what it is like to drive a cab in the city of Alexandria. I brought with me a sample of the kinds of expenses that cab drivers have to pay out. Every day, the driver has to make enough money to cover these expenses before he can begin to try to earn money to pay his taxes and then to pay for his family's housing and food. I'm not going to talk about all the expenses. I want you to know that whether we have income or not, we are forced to pay the stand dues. We don't have any vacation or emergency leave. If we are sick, most of us don't have health insurance, and we have to pay medical expenses ourselves, and still we are forced to pay the stand dues. If we're in a car accident and it is our mistake, we are not covered and we have to pay for the repairs or the new car. While my car is in the shop, I have no other income. And we still are forced to pay the stand dues. If we're robbed, shot or knifed, we still are forced to pay the stand dues. While I'm standing here talking to you, I'm not making money, and still, I'm forced to pay the stand dues.

To make money, a driver has to drive and drive and drive. If he stops to do other things, he loses a chance to make money. He has to work continuously. If he stops for an hour, everything will go out of alignment. That's the nature of this business. To make money he has to work straight for twelve to sixteen hours, seven days a week. He needs to eat and sleep in the cab so he can stay available for a fare.

He has to neglect his family. Any hours he manages to spend with his family are hours that could bring in money. My daughter is three and a half. She begs me to play. I try but I can't devote too much time, I have to go to work to put food on the table and cover all the other expenses.

My wife was working two jobs. Weekdays, she leaves for work at five in the morning and I wake my daughter up, dress her and get her to daycare by 9:30. I used to break from driving to pick her up from daycare at four o'clock and take her to my brother's house. Recently my wife gave up her evening job and started to work on the weekend so I could work evenings in the cab. I start working at ten in the morning and I work until one in the morning.

Weekends, my wife is gone when I get up. She starts at 6:30 in the morning. I stay with my daughter until noon, then I take her to my brother's house. I go to work by 10:00 or 10:30, stop at 11:00 to 12 midnight. Really, my wife and I never see each other, all because we're trying to make a living. I don't mind working hard, but I believe if I had control of my certificate, I could negotiate for better service from the company or more reasonable stand dues so that I could spend more time at home with my family.

If I have control of the certificate, I have security. The company is always threatening me with the loss of my certificate, especially since I started working with AUTO to fight for my rights. I've attached documents that describe my ordeal when I tried to protest unfair treatment by Columbus Cab.

Mr. Mayor, I want you to know that our struggle is no different than that of the Memphis garbage workers. I want you to be our Martin Luther King, not the Mayor of Memphis, Tennessee. Before the sacrifice of Martin Luther King, the Mayor of Memphis refused to do accept that the garbage workers were right. Afterwards, the Mayor had to accept that the workers were right. To be right tomorrow, Mr. Mayor, do the right thing today.

SAMPLE OF APPROXIMATE REGULAR EXPENSES FOR CAB DRIVERS

EXPENSE	WEEKLY	YEARLY
CITY REQUIREMENTS		
Inspection		\$15.00
Fare Sticker		\$1.50
Meter Seal		\$5.00
Lamination Fee		\$2.00
Tax on vehicle		\$250.00
TOTAL	\$5.25	\$273.50
VA DMV REQUIREMENTS		
Tags		\$37.00
Emissions		\$10.00
Inspection		\$30.00
Insurance (Liability Only)	\$53.75	\$2,580.00
TOTAL	\$51.10	\$2,657.00

STAND DUES		
Yellow	\$110.00-\$150.00	\$5720.00-\$7800.00
Diamond	\$95.00-\$135.00	\$4940.00-\$7020.00
White Top	\$85.00	\$4,420.00
Columbus	\$60.00	\$3,510.00
VIP	\$67.50	\$3,510.00
King	\$54.24	\$2,821.00

Late fee (per day)	\$5.00
Credit card (per transaction)	10%

SAMPLE OF MAINTENANCE AND REPAIRS

Transmission	\$1500.00 and up
Tune up	\$60.00 up
Oil change (every two or three weeks) 3000 miles	\$22.00
Brakes every three or four months	\$75.00
Tires (per year)	\$350.00
Towing	\$75.00
Car wash (per week)	\$9.00
Gas (per day)	\$25.00-\$30.00
Telephone cell (per month)	\$39.00

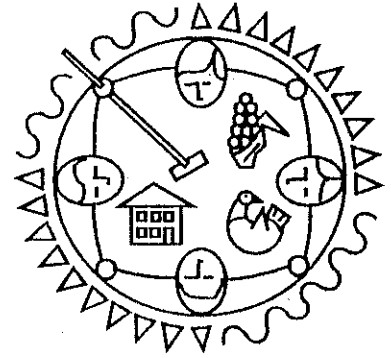
STARTUP OR NEW CAR

Car	\$4000.00-\$5000.00
Paint	\$350.00
Meter instalation	\$65.00
Radio installation	\$65.00
Dome light	\$35.00
Lettering	\$35.00-\$125.00
TOTAL	\$4450-\$5640.00

Alexandria United Taxi-drivers Organization (AUTO)

January 29, 2003

Mr. Charles Shin
President
6121 Linconia Road #100
Alexandria, VA 22312



Dear Mr. Shin:

This letter is to express grave concern regarding the decision of Columbus Cab Company to raise the stand dues by \$5.00 a week effective January 2, 2003.

I have a copy of a flier inviting Columbus Cab Drivers to a meeting on November 12, 2002 to "discuss about the 'Two-Tier System.'" (See enclosed) I have learned that many of the drivers did not receive the notice, and that only twelve drivers out of the forty-six drivers attended the meeting. It is my understanding that at the meeting, you told them that Alexandria City had informed you that either you implement a twenty-four hour dispatch system (as required by Alexandria City Code) *or* the city would implement a two-tier system. In fact, the City of Alexandria did decide, after many years of failing to enforce the Alexandria City Code with regards to a twenty-four-dispatch system, to enforce the code. The two-tier system was part of the Task Force Recommendations, but there was no support for that recommendation. The City of Alexandria never notified you that they intended to implement a two-tier system if you did not provide twenty-four dispatch. In my view, the agreement that you made with the twelve drivers was based on false information, deliberately misrepresented by you, and therefore, as far as I'm concerned, the agreement is null and void.

According to a letter signed by you (See enclosed) and received by some, but not all of the Columbus Cab drivers, the stand dues raise "will cover five additional dispatches/office manager, new office space, advertisement and lawsuit litigations." AUTO's position is that these expenses are part of doing business and that the stand dues already being paid more than covers them. AUTO's position is that drivers who did not get the letter are being required to pay the increase without proper notice,

and therefore should be refunded their money and given proper notice for next month.

For many years, Columbus Cab Company has collected stand dues from drivers without providing dispatch service. For that reason, AUTO believes that the drivers have already paid their share of the cost of implementing the dispatch system. In addition, you and the owners of the other two small companies have combined resources and now share office space and the expense of the twenty-four hour dispatch. You are well aware that the cab business is very depressed right now, that it is slowly improving after a devastating November and December. Even though the business is depressed, you have continued to charge the full stand dues. AUTO's position is that you should be reducing, not raising the stand dues.

In repeated telephone conversations with me, you have refused to meet with AUTO and talk to the drivers in a straightforward way that could lead to a fair and equitable resolution to this dispute. AUTO encourages you to reconsider your position and abandon your plan to raise the stand dues.

If you have any questions, please contact me at 240-605-2223. If you wish reconsider and meet with AUTO and the Columbus Cab drivers, please call me and I will set up the meeting.

Sincerely,



Kathleen Henry
Lead Organizer, AUTO

Cc: Philip Sunderland, Alexandra City Manager
Kerry J. Donley, Mayor
William C. Cleveland, Vice Mayor
Claire M. Eberwein, Councilwoman
William D. Euille, Councilman
Redella S. "Del" Pepper, Councilwoman
David G. Speck, Councilman
Joyce Woodson, Councilwoman
Bob Garbacz, Division Chief, Transportation

COLUMBUB CAB CORPORATION
FROM: COLUMBUS CAB CORPORATION
TO: ALL COLUBUS CAB DRIVERS
RE: \$5.00 per week STAND FEE INCREASEMENT

DATE: DECEMBER 13, 2002

Pursuant to the September 16/02 meeting at the City Council Chambers, and our office meeting with drivers held in our office on November 22/02 (re: two-tier system), Columbus cab Corp. is forced to increase the stand due fee rate to \$ 5.00 /week effective January 2, 2003. This raise will cover 5 additional dispatches/office manager, new office space, advertisement and **lawsuit litigations.**

On November 22nd, Columbus Cab office meeting, twelve Columbus Cab drivers attended meeting. End of the meeting, we all decided that no driver wants to become an airport cab driver and we need to raise \$5.00 per week stand due to cover the extra office expenses.

Columbus cab has not raised stand due for over 6 years. We did not had plant to raise the stand dues in immediate future but due to the City of Alexandria Traffic and Parking board has decided to enforce 24 hrs/dispatch services or else become an Airport Cab Company. Because of this action we are force to come to this decision to raise the Stand Dues.

Also, there are two pending Lawsuit litigations against Columbus Cab Company. Previous owner of 1408 (Mr. Doaud) and 1430 involved in the traffic accident and cab passenger is suing company for large monetary compensation. Right now company hired a lawyer to take care of the litigations and as you know, it is very expensive. First case of litigation trial date is set on April of 2003. If we lose the case, company may have to apply for bankruptcy protection. **Please make sure your insurance coverage is up to date and policy must have a liability coverage for both driver and the company.** I hope you all understand that, it is your best interest to keep the Columbus Cab Company to survive for your economic benefits.

As of this date (**Jan 2nd, 2003**) Columbus Cab Corporation, VIP Cab and King Cab office new location will be **6121 Lincolnia Rd. #100, Alexandria, Va. 22312** and will be hiring 5 more dispatch/office workers who would be engaged in four shifts for twenty four hours duty performance including the weekends at this location.

Thank you very much for your cooperation.

Charles Shin

President.

COLUMBUS CAB CORPORATION

6121 Lincoln Road, Suite 100, Alexandria, Virginia 22312-2707 TEL: (703) 684-7373

Feb. 7th, 2003

Tesfay H. Berhane
244 Stevenson SQ
Alexandria, Va. 22304

Dear Cab Driver:

You are currently behind in the payment of your stand dues owed to Columbus Cab Corporation. If this is an oversight on your part, please remit the full amount immediately to the address above. **Be advised that any cab that is more than two weeks in arrears is subject to having their name submitted to the Hack office for termination of their certificate use.**

Please be advised of the following policies in effect:

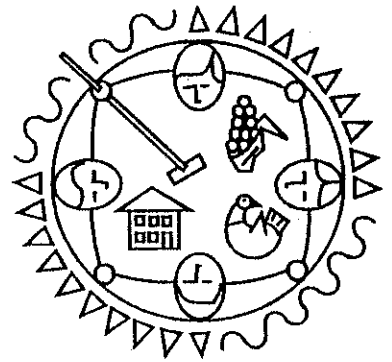
1. Stand fees must be paid monthly on the 25th of each month. Any cab that is more than five days late shall be subject to a late fee. Any cab in arrears more than fourteen days in arrears will have their name submitted to the Hack office for termination of their certificate use.
2. Full payment is required. Cash or checks presented for payment for less than the full amount due, for less than the total obligation, will not be accepted. Tendering payment for less than the amount due shall be considered non-payment.
3. A late payment fee of five dollars will be charged for any payment not timely received. Repeated late payments will subject the offending party to termination.
4. Any cab driver that has been terminated and wishes to return to service will be subject to a reinstatement fee of two hundred dollars (\$200.00).

We look forward to your prompt resolution of this situation.

Alexandria United Taxi-drivers Organization (AUTO)

February 7, 2003

Mr. Charles Shin
President
6121 Linconia Road #100
Alexandria, VA 22312



Dear Mr. Shin:

Tesfay Berhane has received a letter from Columbus Cab Corporation, dated February 7, 2003 that advises him that he is currently behind in his payment. Enclosed with the letter was a check Mr. Berhane had sent to Columbus Cab in the amount of \$220.00 for his January dues. The letter says Mr. Berhane is behind in his payment, but it doesn't say by how much. It does not say that there has been a dues increase.

Mr. Berhane tells me that his stand dues are \$220.00 and that he has received no written notice from the company regarding an increase in the rate. His first notice from your company about any increase came on January 30, 2003 when he requested a verification of employment letter from your manager, Gennet T. Mariam, in order to get help with his bills. Business is so bad that many cab drivers are slipping behind in their payments for essentials such as housing. Ms. Mariam refused to write the letter and said that Mr. Berhane owed \$20.00 more dollars for his January dues. Since that was the first notice he got from your company, he did not think it applied to his January dues.

If there is an increase in the stand dues, please provide a written notice to Mr. Berhane that includes the date the increase becomes effective, the reason for the increase and the amount of the increase.

Enclosed, please find Mr. Berhane's payment for January 2003, which must have inadvertently been returned to him.

If you have any questions, please feel free to call me.

Sincerely,

Kathleen Henry

Tesfay Berhane

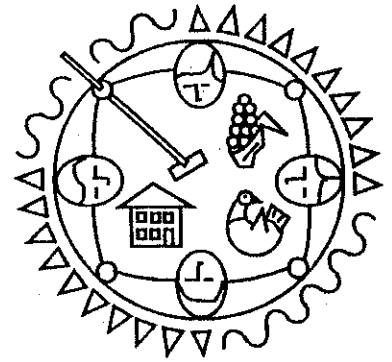
COMITE DE APOYO DE INQUILINOS Y TRABAJADORES • TENANTS' AND WORKERS' SUPPORT COMMITTEE

P.O. BOX 2327 Alexandria, VA 22301 Tel. (703) 684-5697 Fax: (703) 684-5714

Alexandria United Taxi-drivers Organization (AUTO)

February 7, 2003

Mr. Thomas H. Culpepper
Deputy Director
Transportation and Environmental Services
City of Alexandria
301 King Street
Room 4100
Alexandria, VA 22314



Dear Mr. Culpepper:

This letter is to request a hearing before the Traffic and Parking Board with regards to a complaint Mr. Tesfay Berhane wishes to bring against Columbus Cab Corporation. Since we are unsure of the procedures, we would like you to inform us of any procedures we must follow in order to lodge a formal complaint. For your information, we will give you an overview of the complaint.

Tesfay Berhane received a letter from Columbus Cab Corporation, dated February 7, 2003 (See enclosed) that advised him that he was behind in his payment for stand dues and threatened him with termination of certificate use. Enclosed with the letter was a check Mr. Berhane had sent to Columbus Cab in the amount of \$220.00 for his January dues. The letter says Mr. Berhane is behind in his payment, but it doesn't say by how much. It does not say that there has been a dues increase.

Mr. Berhane tells me that for some time his stand dues have been \$220.00 and that he has received no written notice from the company regarding an increase in the rate. His first notice from the company about any increase came on January 30, 2003 when he requested a verification of employment letter from Columbus Cab's manager, Gennet T. Mariam, in order to get help with his bills. Business is so bad that many cab drivers are slipping behind in their payments for essentials such as housing. Ms. Mariam refused to write the letter and said that he owed \$20.00 more dollars for his January stand dues. Since that was the first notice he got from the company, he did not think it applied to his January dues.

COMITE DE APOYO DE INQUILINOS Y TRABAJADORES • TENANTS' AND WORKERS' SUPPORT COMMITTEE

P.O. BOX 2327 Alexandria, VA 22301 Tel. (703) 684-5697 Fax: (703) 684-5714

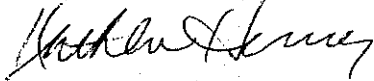
Mr. Berhane returned the check for January's dues to the company along with a request for a written notice which includes the increase, if any, the date the increase becomes effective, and the reason for the increase. To date, Mr. Berhane has not received such notice.

Also for your information, I have enclosed a letter I wrote to Mr. Chin on January 29, 2003 in response to numerous complaints by the Columbus Cab drivers.

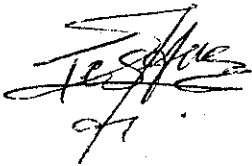
If you have any questions, please feel free to call me.

Sincerely,

Kathleen Henry



Tesfay Berhane



COLUMBUS CAB CORPORATION

6121 Lincolnia Road, Suite 100, Alexandria, Virginia 22312-2707

11 February 2003

Kathleen Henry
Tsfay Berhane
Alexandria United Taxi-drivers Organization
P.O. Box 2327
Alexandria VA 22301-0327
TEL: (703) 684-5697

Dear Ms. Henry and Mr. Berhane:

We are in receipt of your letter of 7 February 2003. Please be advised as follows:

1. Mr. Berhane is currently behind in his stand dues, which were due in full on the 25th of January. This is a material breach of his contract for our services. In accordance with our policy, details of which were previously sent to Mr. Berhane by certified mail, his name will be submitted to the Alexandria Hack Office for termination of his certificate use. We will make an exception this one time if the amount due is paid in full, in cash or certified check or money order, including the \$70.00 late fee, and received in person in our offices no later than 2:00 P.M. on Friday, 14 September. If the full amount including penalty is not received at that time, we will proceed directly to the Hack Office. Please understand that less than the full amount due will not be accepted.
2. As clearly set forth in the certified letter, *"Full payment is required. Cash or checks presented for payment for less than the full amount due, for less than the total obligation, will not be accepted. Tendering payment for less than the amount due shall be considered non-payment."* The check for partial payment previously sent by Mr. Terhune was thus unacceptable and therefore returned. Accordingly, Mr. Berhane is in arrears more than fourteen days. In accordance with our stated policy, which Mr. Berhane has been advised of, we will not accept his check for less than the full amount due and hereby return it with this letter.
3. Mr. Berhane is or should have been aware of the increase. He received two notices for our December information meeting, sent to his address of record, neither of which was returned. It is his responsibility to maintain a correct address with our office and also to be familiar with company policies in effect. In addition, we send out monthly statements. The statement for January clearly indicated the amount due and, as an invoice, was certainly notice. Since the full

amount was specified on the January invoice, Mr. Berhane knew or should have known that the increased was applicable in January. Even had he not received the previous letters, he was sent an invoice, which constitutes notice, and our letter of 7 February, which constitutes confirming notice.

4. We have checked with Ms. Gennet Mariam who advised us in no uncertain terms that Mr. Berhane never contacted her for any letter. Since Mr. Berhane knows or should have know that he is an independent contractor, not an employee, he should also know that we would not have provided such a letter, which raises questions in my mind as to whether or not he actually made such a call. Since Ms. Mariam has no motive to misrepresent the facts, unlike Mr. Berhane, and since her performance of duties is exemplary, I am inclined to believe her. Had he actually had a discussion with Ms. Mariam, as he asserts, and had been advised that he owed \$20.00 additional, I am sure Ms. Mariam would have made clear that it applied in January (a fact he already knew or should have been aware of, in any event).

As previously indicated to you, our services are competitive with other dispatch services. For example, one other Alexandria cab dispatch service, whose prices are substantially higher than ours, recently raised their stand dues by an additional ten dollars (unlike our more modest five dollar increase). Mr. Berhane always has the option of finding a better deal in the marketplace with another company, if he so desires. If, as you say, business is bad for some cab drivers, they also have the option of seeking out more profitable and rewarding forms of employment, especially since cab driving is not a highly skilled job and does not trap them into staying.

To avoid further misunderstanding, please be aware that this letter constitutes notice of breach and our intent to remedy after 2:00 P.M. of Friday, 14 February 2003.

Sincerely,



Charles Shin
President

CS/bs
REF: L-CCC-AUTO-StandFees-11-03a.doc
CC: Legal Counsel

Statement

Columbus Cab Corporation

6121 Lincolnia Rd. #100

Alexandria, Va. 22312

(703)-684-7373

Cab NO. 1422

Date: February 12, 2003

Week	1st	2nd	3rd	4th	5th	Amount Due	Balance	Return Check Fee (\$25)	Late Fee	Subtotal
Jan	x	x	x	x		\$ 240			\$ 60	\$ 300
Feb	x	x	x	x		\$ 240				\$ 240
March	x	x	x	x	x					
April	x	x	x	x						
May	x	x	x	x						
June	x	x	x	x	x					
July	x	x	x	x						
Aug	x	x	x	x	x					
Sept	x	x	x	x						
Oct	x	x	x	x						
Nov	x	x	x	x	x					
Dec	x	x	x	x						
Columbus Cab has to meet monthly financial obligations by end of the month. If everyone pays their stand dues by 25 th of the month, it'll help the company's financial situation great deal so please pay your stand due by 25 th of the month. Thank you very much.										
Total Amount Due for this month										\$ 540

Due Date: Every 25th of the month.

Grace Period: 5 days

Late Charge Rate: \$5.00 per day after end of the month.



DEPARTMENT OF TRANSPORTATION
AND ENVIRONMENTAL SERVICES

P. O. Box 178 - City Hall
Alexandria, Virginia 22313

ci.alexandria.va.us

February 12, 2003

Ms. Kathleen Henry
Alexandria United Taxi-drivers Organization
P. O. Box 2327
Alexandria, VA 22301

Dear Ms. Henry:

You have requested a hearing before the Traffic and Parking Board with regard to a complaint Mr. Tesfay Berhane wishes to bring against Columbus Cab Corporation.

Based on the information provided in your letter of February 7, 2003, it appears Mr. Berhane's complaint concerns the amount and payment of stand dues paid by him as an independent contractor to Columbus Cab Company under the terms of their particular business agreement. As such, this matter is not within the regulatory scope of the City and a Traffic and Parking Board hearing would not be appropriate. We recommend instead that this matter be pursued directly with Columbus Cab Company.

If you have any questions or need additional information, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "T. H. Culpepper", is written over a horizontal line.

Thomas H. Culpepper, Ph.D., P.E.
Deputy Director

Good morning Mr. Mayor, City Council Members, Alexandria City citizens, and my fellow cab drivers. My name is Daniel Tilahun and I am a member of AUTO. I've been driving a taxi in Alexandria city since 1988. Last year I paid \$2545.00 in cab stand dues. Today, at this moment, I stand tall and proud, about to give my testimony in the City Hall.

Just for a minute, I want you to look around and see in this room the diversity in nationalities and ethnic groups. We all come from somewhere, some part of the world. What you see is, we came once to this country running from political or religious prosecutions, and this country accepted us with open hands. We and our children live very happy and work hard and try to make it into the American Dream. This is where we call home. We bury our dead here. Today our children and us rally around the American flag and stand for the principles it represents. We make sacrifices for the country on the front lines throughout the world.

Today we are here to listen to testimony between the cab drivers and the taxi company owners. Too many times, we've been coming to you to say, 'Please listen to us. We need your help.' The reason we keep coming is that there is something bothering us; the unfair situation concerning the Alexandria cab company owners and us, the Alexandria cab drivers.

The previous King Cab owner, Mr. Gibson, God keep his soul in heaven, used to say, this is a minority company. Lots of people want to buy it from me. Drivers, please protect your company. Serve the city of Alexandria. Come out and help our cause. Get into the city and participate. You need to protect this company because it's yours. I don't think most of us fully understood what he was saying then, but now that he's passed away, we do understand what he meant now. As soon as the new owners of King Cab took over, he raised the stand dues from \$125 a month to \$217. We do understand that the new owner invested money to make money, but he wants a quick recovery of his money. So he raised the dues by nearly 75%. He doesn't care about the drivers, who are going through tough times right now, he only cares how quickly he can make his money back. This is what we are talking about.

The cab companies say we won't pick up the senior citizens or the disabled citizens. The cab company is the manager, but we're the ones picking up the seniors and the disabled residents, not the companies. When a senior or disabled resident of Alexandria calls a cab, the cab company can't pick them up. They put out the call, and we pick them up. If we don't run the calls, the company will not be able to serve the seniors and the disabled. It is the combination of the company and the driver and the city that make the miracle. It is not just the companies. We are the ones who are there to do our job.

We have a relationship with the customer. When we take passengers to a place, they want us to bring back because of that relationship. Most of the time when they forget their stuff, sometimes they don't even remember what cab company they took. They report their loss, but we are the ones who remember them, call them, and return their stuff. We do that because we are responsible and we care about the customer.

Give us the freedom of movement. Give us the certificates and see what we can do.

Sent to CC

4
4-12-03

Bert Ely
200 South Pitt Street
Alexandria, Virginia 22314

April 28, 2003

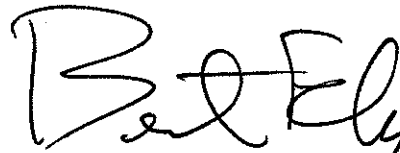
Ms. Beverly I. Jett
City Clerk and Clerk of Council
City of Alexandria
Room 2300
301 King Street
Alexandria, Virginia 22314

Dear Ms. Jett:

I was registered to testify at the City Council public hearing on April 12 about the city's taxicab situation (docket item number 4), but I was unable to attend the hearing due to a medical emergency. I would be most appreciative if my enclosed statement, which I had intended to deliver at the public hearing, be inserted in the official record of the hearing.

Please contact me at 703-836-4101 if you have any questions regarding this request.

Very truly yours,



Bert Ely

cc: The Honorable Kerry J. Donley, Mayor
Members of the Alexandria City Council
Ms. Kathleen Henry, Tenants' and Workers' Support Committee

Statement by Bert Ely to the Alexandria City Council

Improving the Alexandria Taxicab Situation

April 12, 2003

Mayor Donley and members of Council, I am Bert Ely and I am not appearing before you today to talk about the Wilson Bridge issue. Instead, I am here to offer you my observations about the deplorable Alexandria taxicab situation. For many years now, I have been a heavy user of Alexandria cabs. I estimate that I take an average of four trips a week by cab. Most of my trips are to D.C., but some are to airports, within Alexandria, and elsewhere in Northern Virginia. Over the last 20 years, I have traveled 3,000 to 4,000 times in Alexandria cabs. That is a lot of cab riding -- it has made me intimately familiar with the Alexandria taxicab situation.

With literally two or three exceptions, I have had no complaints over the years with my cab drivers. I have had enormous problems, though, in dealing first with Yellow Cab and then with Diamond Cab. These problems have revolved around the taxicab dispatching process, and specifically the cab company operators answering my calls. I have experienced a litany of problems -- interminable holds while waiting for my call to be answered, mistakes in taking my address, sending a cab right away instead of honoring my time call request, a failure to dispatch a call, and on and on. The drivers here today can tell horror stories they have heard from other passengers. The root cause of these problems -- incompetent company management.

Despite its lousy dispatch service, I stuck with Yellow Cab because I enjoyed riding and talking with its drivers -- Lucky; Moses, whose memorial service I attended; Bill, whose daughter once worked for me; Gabby; Duke; Bernie; and scores of others. I consider them friends. I finally switched to Diamond Cab two years ago when I couldn't take it any longer, for Yellow's dispatching service got even worse after it was computerized. I was in Heaven, for Diamond's dispatching was much more reliable than Yellow's ever had been. I was pleasantly surprised to find some Diamond cabbies who had switched from Yellow because of its dispatching problems. But Heaven didn't last, for on April 1 last year, Jim Yates took control of Diamond. As my attached April 4, 2002, letter to Mr. Yates attests, it took him just one day to screw up Diamond's dispatching.

The dispatching situation at both companies, which together control 57% of Alexandria's cabs, has gotten so bad that I have had to compile a list of cell phone numbers for eight or nine drivers who I now call directly to obtain cab service. What value to the drivers is there of high stand dues when neither drivers nor passengers can get adequate taxicab dispatch service? Why should cab drivers have to pay high stand dues when they also have to carry a cell phone to compensate for the companies' poor dispatch service.

Enough of my complaints -- what should Council do fix the Alexandria taxicab problem. Key to solving this problem is introducing an element of competition into the system by, one, allowing taxicab drivers to hold taxicab certificates in their own name, rather

than in a cab company's name as is the case presently, and two, allowing a cabby to "park" his or her certificate with a properly registered Alexandria taxicab company. In effect, a cab driver would obtain a taxicab certificate from the City, with the understanding that he or she would then have to place his or her certificate with a taxicab company registered to do business in the city.

A driver could then park his or her certificate with a company that provided good dispatch service for a reasonable stand fee. In effect, the cab companies would have to compete to attract drivers. This would be a winner for both drivers and their long-suffering passengers. The only loser would be poorly managed cab companies, such as Yellow and Diamond. In order to further enhance taxicab competition, the City should not unduly restrict the formation of new cab companies. Perhaps some driver-owned cooperatives would emerge.

Letting cab drivers own their certificates also will help to eliminate the highly artificial taxicab "medallion" value that is starting to develop in Alexandria, as evidenced by the recent sale of King Cab Company. Reportedly, the buyer paid \$400,000 to acquire a company whose principal asset was 57 certificates. That translates to a medallion value of \$7,000 per certificate

Mr. Mayor and members of Council, thank you for your time this morning. I trust you will give this veteran passenger's recommendations serious consideration.

E L Y & C O M P A N Y , I N C .

901 King Street
Alexandria, Virginia 22314
703/836-4101
Fax: 703/836-1403

*Financial Institutions and
Monetary Policy Consulting*

Deposit Insurance and
Monetary Policy Studies
Public Policy Analyses
Strategic Planning

Mailing Address:
Post Office Box 21010
Alexandria, Virginia 22320

Email: bert@ely-co.com
<http://www.ely-co.com>

April 4, 2002

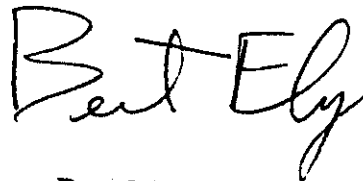
Mr. Jim Yates
Yellow Cab Company
3025 Mount Vernon Avenue
Alexandria, Virginia 22305

Dear Mr. Yates:

Congratulations -- it took you just one day to screw up Diamond Cab after you resumed control of it on Monday. Twice on Tuesday, calls I placed to Diamond for cab service were bollixed up. On Wednesday, it took at least five minutes for a call to Diamond to be answered. Shades of Yellow Cab, which I quit using last year, after at least fifteen years as a Yellow Cab rider, because of its lousy dispatch service that got much worse after you computerized it.

I understand that between Yellow and Diamond you now control about half of the taxicab certificates in Alexandria, and probably more than half of the cabs available for radio dispatch in the city. That market share certainly raises some interesting anti-trust questions. You may be hearing from me in the future regarding your dominance of the Alexandria taxicab business. I understand from cab drivers who know you well that you do not like litigation.

Very truly yours,



Bert Ely

cc: The Honorable Kerry J. Donley
Members of the Alexandria City Council
Yellow and Diamond cab drivers

Taxicabs

4
4-12-03

4/10/03 1 Elouise Stemming
3133 King St.

Supports no change

2 Harriet Grant
2904 Pierpont St.

"

3 Elizabeth W. Channel
2719 King St.

"

4 John S. Connell
302 Clover Way Dr.

"

5 Ruth & Bernard Greifer
1123 Lynn Court 22302
703-998-9126

"

7 Mary C. Francis
1720 Oakrest Dr. 22302

"

8 Ruby Goodman
416 E. Glendale Ave., Apt. 1 22301

"

9 Dorothy Kennedy
112 W Monroe Ave 22301

"

10 Khurshid Khan
4600 Duke St.

"

4-11-03

Supports

Nellie Hreanes
2803 Ridge Rd. Dr.
Alex., VA 22302

"

Margaret Lindon
Alex., VA

"

Lucy Cofimano
46 Garden Dr.
Alex., VA 22304

"

Robert McDonald
4600 Duke St.
Alex., VA 22304

"

Eleanor Higgins
5100 Fillmore Ave. #418
Alex., VA 22311

"

Renate Andrae
203 Yoakum Pleny. #1003
Alex., VA 22304

"

Jewel Horn
701 Bashford Ln.
Alex., VA 22314

"

4/11/03

Typical Issues

Continue
Services

1. Georgin Jacobs
504 S. Payne St 22314
2. Mary J. Fitzpatrick
4800 Fillmore #430 22311
3. Suzy Platt
807 N. Howard St. Apt 314
22304-5472
4. Betty Ann Levy
6300 Stevenson Ave #221
22304
5. Elizabeth Bond
11 N. French St.
22304

PHONE-O-GRAM®

for:

Council

4
4-12-03

From Julia Anderson Company _____

City 806 Ramsey St. 22301 Area _____
Code _____ Phone _____

☒ Telephoned ☐ Please return the call ☐ Returned your call ☐ Will call again ☐ Came in ☐ See me

Message She fully supports the taxicab
service remaining the way it is.

Date 4/9 Time 4:50 Taken by S

Action Wanted _____

Action Taken _____

4
4-12-03

ALEXANDRIA DIAMOND



CAB CO., INC.

3025 MT. VERNON AVE. • ALEXANDRIA, VIRGINIA 22305
DISPATCH SERVICE: 549-6200 • OFFICE 548-7505

Dear Seniors and DOT program participants;

We are informing you of a public hearing that is taking place on Saturday April 12 at 9:30 am at City Hall, 301 St, 2nd floor, Council Chambers. This public hearing will discuss the future of the taxicab system as it currently exists. We have include a brief history of the taxicab industry in Alexandria to assist in understanding the current debate.

In 1974, a group of driver applied political pressure to the City Council, who succumbed to the pressure of the drivers and changed the city code to allow the certificates, control of the taxicab, to go to the hands of the drivers.

During 1974 and 1982 the taxicab industry in Alexandria deteriorated. Wait times increased to an average of over an hour, taxicab programs were non-existent, the quality of cabs reduced to the point that the airport manager demanded that the city correct the industry or be banned from servicing the airport. The City neighborhood service ran similar to the current D.C. taxicab system, not picking up less affluent neighborhoods, grocery stores and short trips.

In 1982, the City Council created our current taxicab system focusing on improving service to the community, which was done through giving the certificates or control of the taxicabs back to the companies. The City now supports a variety of public transportation alternatives that include fixed-route bus and other specialized human transportation. Taxicabs are a vital component of this public transportation network, especially for seniors, those with disabilities and those living in less affluent neighborhoods. Alexandria, through great leadership and use of the now regulated taxicab system, has become a leader in the senior and disabled transportation industry and has other communities trying to catch up..

As stated in the February Silver Streak, "...the company managers are able to exert some medium of control on the drivers to keep to the requirements of our contract and see to it that seniors and personas with disabilities are provided the services they need. This ability to provide quality service to the elderly Citizens of Alexandria would be severely compromised if the present system is changed."

If you use either of these services, please call City Council today 703-838-4550 and let them know how important it is that they vote to maintain our present regulatory system, or come to the public hear to show your support for the current system.

Sincerely,

Alexandria Diamond Cab

**PLEASE COMPLETE THIS FORM AND GIVE IT TO THE CITY CLERK
BEFORE YOU SPEAK ON A DOCKET ITEM.**

DOCKET ITEM NO. 41

PLEASE ANNOUNCE THE INFORMATION SPECIFIED BELOW PRIOR TO SPEAKING.

1. NAME: Lenne Rich
2. ADDRESS: 101 W. Water Terr,
TELEPHONE NO. 7/519-7904 E-MAIL ADDRESS: lcrich@sgsclaw.com
3. WHOM DO YOU REPRESENT, IF OTHER THAN YOURSELF? Alexandria Yellow Cab
4. WHAT IS YOUR POSITION ON THE ITEM?
FOR: _____ AGAINST: _____ OTHER: ✓
5. NATURE OF YOUR INTEREST IN ITEM (PROPERTY OWNER, ATTORNEY, LOBBYIST, CIVIC INTEREST, ETC.):
Attorney
6. ARE YOU RECEIVING COMPENSATION FOR THIS APPEARANCE BEFORE COUNCIL? YES ✓ NO _____

This form shall be kept as a part of the Permanent Record in those instances where financial interest or compensation is indicated by the speaker.

A maximum of 5 minutes will be allowed for your presentation. If you have a prepared statement, please leave a copy with the City Clerk.

Additional time, not to exceed 15 minutes, may be obtained with the consent of the majority of the Council present, provided that notice requesting additional time with reasons stated is filed with the City Clerk in writing before 5:00 p.m. of the day preceding the meeting.

The public normally may speak on docket items only at Public Hearing Meetings, and not at Regular Meetings. Public Hearing Meetings are usually held on the Saturday following the second Tuesday in each month; Regular Meetings are regularly held on the Second and Fourth Tuesdays in each month. The rule with respect to when a person may speak to a docket item can be waived by a majority vote of Council members present, but such a waiver is not normal practice. When a speaker is recognized, the rules of procedures for speakers at public hearing meetings shall apply.

In addition, the public may speak on matters which are not on the docket during the Public Discussion Period at Public Hearing Meetings. The Mayor may grant permission to a person, who is unable to participate in public discussion at a Public Hearing Meeting for medical, religious, family emergency or other similarly substantial reasons, to speak at a regular meeting. When such permission is granted, the rules of procedures for public discussion at public hearing meetings shall apply.

Guidelines for the Public Discussion Period

- All speaker request forms for the public discussion period must be submitted by the time the item is called by the City Clerk.
- No speaker will be allowed more than 5 minutes, and that time may be reduced by the Mayor or presiding member.
- If more than 6 speakers are signed up or if more speakers are signed up than would be allotted for in 30 minutes, the Mayor will organize speaker requests by subject or position, and allocate appropriate times, trying to ensure that speakers on unrelated subjects will also be allowed to speak during the 30-minute public discussion period.
- If speakers seeking to address Council on the same subject cannot agree on a particular order or method that they would like the speakers to be called, the speakers shall be called in the chronological order of their request forms' submission.
- Any speakers not called during the public discussion period will have the option to speak at the conclusion of the meeting, after all docketed items have been heard.