Community Task Force Meeting #12 – Meeting Summary
February 8, 2021 | 6:00 – 8:00 p.m.
Virtual Meeting

Relevant Materials

Please find links to relevant meeting materials below:

- Meeting 12 Agenda
- Meeting 12 Recording
- Meeting 12 Presentation Slides
- Background Memo: Pricing Commercial Services
- Equitable Mobility Framework (working draft)
- Pricing for Equitable Mobility Website
- Small group discussion notes

Agenda

TIME	AGENDA ITEM
6:00 p.m.	**Welcome & Housekeeping** • Agenda review • Finalize Meeting #11 Summary • Public comment • Tolling Update
6:15 p.m.	**Presentation: Commercial Services Pricing** • Private-for-Hire Trips • Urban Delivery • Q&A
6:45 p.m.	**Small Group Discussion** • *Are new demand or impact-based fees on commercial services worth a closer look for advancing equitable mobility?* • *If yes, what potential outcomes or impacts are most important to consider?*
7:35 p.m.	**Report Out**
7:50 p.m.	**Looking Forward & Next Steps**

Attendance

Present:

Task Force Members		City Staff	Bureau
Violeta Alvarez	Justin Jackson	Rani Boyle	Transportation
Andy Cotugno	Tony Jordan	Shoshana Cohen	Transportation
Taren Evans	Ady Leverette	Michael Espinoza	Transportation
Stephenie Frederick	Esme Miller	Matt Erickson	Transportation
Monique Gaskins	Elizabeth Liedel Turnbull	Marianna Lomanto	Transportation
Aaron Grimmer	Tammy Lundervold	Eric Hesse	Transportation
Hau Hagedorn	Sherifa Roach	Peter Hurley	Transportation
Shani Harris-Bagwell	Ashton Simpson	Mel Krnjaić	Transportation
Jonathan Hutchison	Sara Wright	Emma Sagor	Transportation
		Marty Stockton	BPS
		Ingrid Fish	BPS

Project Advisors	
Vivian Satterfield	Ray Delahanty

Absent:

Task Force Members		
Baofeng "Bao" Dong	PK Mandel	Nicole Phillips

Welcome & Housekeeping

Emma Sagor, Facilitator, welcomed Task Force members and informed attendees that the meeting will be recorded to ensure Task Force members and those unable to attend will have access.

Public Comment

The City will be collecting public comment throughout the entire 18-month Task Force process via email, regular mail, phone, and written and verbal comments at public events. At each meeting, Task Force members will be provided a written report of public comments received since the last meeting.

To share comments with the Pricing for Equitable Mobility Task Force, please email comments and questions to POEMComments@portlandoregon.gov. All comments received via email by the Friday before a Task Force meeting (which occur the second Monday of each month) will be recorded and shared with the Task Force at the meeting.

Two public comments were received prior to Meeting #12 (see here). No verbal public comments were shared during the meeting.

Tolling Update

Shoshana Cohen provided a brief update on the City of Portland's involvement in the Oregon Department of Transportation (ODOT)'s toll program.

- Planning around the toll program and the I-205 project NEPA process continues to advance.
- ODOT is proposing some changes during this legislative session through HB 3055 to state statutes related to tolling. The City is concerned that these proposed changes reduces the focus on congestion management and increases the focus on revenue generation, while tying that revenue more closely to highway projects.
- The City, along with other stakeholders, have sent a letter to the Joint Legislative Committee on Transportation expressing these concerns and advocating for keeping the values of climate and equity central to the toll program. This feedback was informed by the themes that emerged from Task Force discussions on this topic in fall of 2020.
- Shoshana said staff would share the letter with the Task Force after the meeting. *(The letter was subsequently shared with the group and can be accessed here).*

    - ODOT toll program website: www.oregon.gov/odot/tolling

Task Force Questions & Comments

- **Interest in staying informed:** Task Force members asked for POEM staff to keep them informed of future developments related to tolling.

- **Desire to take action:** Task Force members noted a shared desire among the group to not just take in information but also take action related to tolling. One member said it feels like most Task Force members agree with the importance of being able to spend tolling revenue on more than just roadway improvements, and the barrier the Oregon constitutional restriction on roadway taxes and user fees presents to doing this. They also noted the group's charter allows the Task Force to advance recommendations at any time. They suggested the group consider making a recommendation on this topic, and also noted a desire for more information on what recommendations could look like from the group and the process for proposing and voting on recommendations.
    - Staff acknowledged the charter does allow the group to forward recommendations at any time. Staff also noted this is one reason the group spent longer on tolling in anticipation of the ongoing development by ODOT on the toll program. They suggested distributing draft recommendations, based on the themes documented from the Task Force to date, in between this and the March meeting for further consideration and taking a vote at the March meeting.

- **Coordination with other groups advising agencies on transportation, climate and equity:** Task Force members noted that the POEM Task Force is not the only group discussing the equity impact of transportation decisions and tolling (ODOT's EMAC has a similar charge) and expressed desire to coordinate with these groups.
    - Staff noted that while the charge of this group is to advise the City of Portland, it is correct that multiple groups are concurrently considering similar topics. They noted Michael Espinoza, a member of the POEM Project Management Team, sits on ODOT's Equity and Mobility Advisory Committee (EMAC). Staff said they would capture this and explore opportunities for information sharing among the groups.

- **Reason for these proposed changes to tolling statutes**: Task Force members were curious to know why ODOT is proposing these changes and if there might be a political motivation.
    - Staff said that ODOT and the legislature have been clear about the dual objectives of revenue generation and congestion management since the HB 2017 led to the creation of the toll program. The City has also always advocated that the program should prioritize managing congestion on the existing system. Additionally, the City recognizes that highway projects are not the only use for revenues generated, and even within constitutional restrictions there could be significant investments made within the right-of-way, for example on places like non-highway arterials like 82nd Ave.

Presentation: Commercial Services Pricing

Shoshana Cohen, provided a background presentation on pricing commercial services.

Types of Commercial Service Vehicles- Three Main Types

1. **Private for Hire Transportation (PFHT) Services**
    - Services where a customer requests a vehicle and a driver provides a ride from point A to point B.
    - E.g., Lyft, Uber (i.e. Transportation Network Companies), Taxis—note in the City of Portland, these services are referred to under the umbrella of Private for Hire Transportation (PFHT)
2. **On-Demand Urban Delivery Services**
    - Deliveries where customers request a good or service to be delivered on-demand, or very quickly
    - E.g., food delivery, Amazon two-hour delivery
3. **Parcel Urban Delivery Services**
    - Traditional urban delivery services that deliver goods to customers, though not as immediately.

- E.g., FedEx, UPS, US Postal Service

Commercial Services Meet Many, Evolving Needs

- Commercial services meet many evolving passenger and goods movement needs. Notably over the last year during COVID, many people have increasingly relied on delivery services to meet their daily needs while avoiding putting their health at risk.

Why Might Cities Price Commercial Services?

- Commercial service vehicles account for a growing share of trips, VMT, and emissions on Portland roads.
- Significant VMT from commercial services is spent between jobs and trips, e.g. driving around while waiting for a ride request or driving to pick up passengers/goods.
- We are observing rapidly increasing demand for City curb space for pick-up and drop-off.
- A significant proportion to private for-hire trips occur in places where alternative transportation options exist:
    - City of Portland analysis of 2018 private for-hire data indicates that many relatively short rides during peak hours start and/or end in the Central City and inner areas that have a variety of other transportation options. This indicates that rather than filling transportation system gaps, that they may be providing redundant transportation services during those times.
- A World Economic Forum study looking at the impact of e-commerce on traffic volume in 100 global cities noted the significant VMT that emerges from delivery traffic. The study omits Portland; however, PBOT staff believe similar trends may be similar in the City of Portland.
    - Shifting from in-person shopping trips to online delivery frequently does not yield a 1:1 trip exchange. The study found that for every 100 miles of delivery traffic, only about 30 miles were replacing individual shopping VMT. In short, the study finds that urban delivery is adding new VMT to city streets.
    - The same study indicates that based on pre-COVID trends, one might expect that by 2030, the number of delivery vehicles will increase by 36%, associated emissions will rise by 6 million tons (~32%), and congestion, as measured by people's commute time, will increase by 21%.
- Price signals can help manage demand & account for impacts
    - Many companies already use price signals (e.g., surge charges, multi-passenger or electric vehicle (EV) discounts)

Commercial Services during the COVID-19 Pandemic

- Social distancing reduced demand for private for-hire trips and sharply increased demand for urban delivery.

- On-demand delivery options have been very important for meeting health and economic needs during the pandemic.
- We've seen unprecedented local job growth related to e-commerce, including in warehousing, shipping and delivery (despite 9% loss in overall jobs).
- City of Portland passed regulation limiting third-party food delivery fees charged to restaurants in July 2020.
    - Prior to the legislation delivery companies were charging restaurants up to 30% per order. City Council adopted an ordinance "placing temporary emergency limitations on the fees third-party delivery services may charge restaurants during the COVID-19 emergency. This ordinance will create a 5% cap for restaurant fees when a company does not include delivery or a 10% cap for restaurant fees when a company does include delivery. There will be a $500 penalty for third-party companies that violate these caps, and companies are not allowed to reduce the compensation rates paid to the person making deliveries."[1]

Matt Erickson, Private for-Hire Program Manager at PBOT, presented on Portland's current private for-hire regulatory program. Matt gave an overview of existing commercial service regulations and fees currently in place in the City of Portland and explained how the purview of his team is to regulate all types of for-hire vehicles (e.g., taxis, TNCs, pedicabs, etc.)

City of Portland Private For-Hire Program

- **Objectives:**
    - Help ensure all private for-hire rides are safe, reliable, and accessible
    - Promote innovation in the private for-hire industry to meet evolving consumer demand and allow fair competition
- **Program Elements**
    - Vehicle safety inspections, driver background checks, insurance and operating requirements, driver education and training, data collection, and several programs.
- **Funding- Administrative and program costs covered by:**
    - Permit and application fees
    - Per-ride $0.50 surcharge on TNCs (paid by riders) - only on trips originating in Portland
        - Revenues from surcharge helped fund PDX WAV, transportation wallet, discount rides to low income communities, and safe ride home program on New Years Eve

Airport Ground Transportation Fee (not managed by the City of Portland)

- **Objective:**
    - Provide equal access and opportunity for all modes of transportation to and from the airport

[1] City of Portland. (2020). "City Council Unanimously Adopts Ordinance Limiting Third-Party Food Delivery Fees." https://www.portland.gov/eudaly/news/2020/7/8/city-council-unanimously-adopts-ordinance-limiting-third-party-food-delivery.

- **Fees:**
    - TNC passengers pay $3.00 for each pick-up & drop-off
    - Taxi/on-demand shuttle passengers pay $3.50 for pick-up only

Urban Delivery

- Other than fuel tax equivalents & protections for restaurants, urban delivery is not currently priced or regulated

Other Groups Advising on Commercial Services Policy

- Private for-hire Transportation Advisory Committee
- TNC Drivers Advisory Committee
    - Wages, conduit to speak to City, voice opinions and concerns to help solve problems
- 2040 Freight Stakeholder Advisory Committee
- Portland Freight Committee

Emma Sagor discussed some of the nuances to program design of a potential commercial vehicle fee, including potential barriers and challenges facing implementation. Emma then presented a couple of existing examples of commercial vehicle fees.

What else could be considered?

- Today, the City of Portland only uses commercial vehicle fees to cover administrative and program we could consider new price signals to help manage demand, reduce impacts, lower VMT & prioritize certain trips
    - These types of price signals can help people weigh the true cost of their choices and capture the impacts of trips on broader systems

What might a Commercial Vehicle Fee look like?

- This group is considering the intersection of commercial vehicle fees and equitable mobility, and weighing whether commercial vehicle fees are a good idea on a conceptual level, rather than the specifics of such a fee program; however there are a few design elements to consider as part of a commercial vehicle fee:
    - Flat Fee
    - Or Based on:
        - Geography
        - Distance
        - Time of Day
        - Fuel Type
        - Occupancy

Implementation and Feasibility Considerations

- Availability of data
- Technology and implementation mechanism

- Potential conflict with interstate commerce regulations that could affect Cities ability to regulate urban delivery/e-commerce.
    - PBOT is working with other cities to try and better understand this regulatory space.
- Elasticity of demand: What would the price have to be to influence behavior?
- Discounts and exemptions for certain users may be difficult to implement on commercial services
- Few existing examples- There are few cities regulating commercial vehicles in a robust way and given the many unknowns around urban delivery, there aren't any places that PBOT is aware of yet regulating in this space, though it is an increasing area of interest given the massive growth in e-commerce and potential impacts on the transportation system.

Case Study Examples

- Private for-Hire Demand/Impact Fees:
    - Chicago Group Transportation Tax
    - New York Congestion Surcharge
- Urban delivery demand/impact fee proposals:
    - Chicago ground delivery tax proposal
    - New York online delivery surge charge proposal

Parallel Strategies: Fleet Conversion

- Parallel strategies alongside pricing could help manage the climate impact of private for-hire and urban delivery VMT—namely fleet conversion away from fossil fuels toward electric vehicles.
- Several companies are pledging to electrify their fleets.
- Pricing could help by giving companies and consumers an incentive to choose cleaner vehicles and fuels.

Task Force Q&A

- **Curb Space interest among other advisory groups:** Task Force members asked if groups advising on commercial service policy complain about congestion and the lack of curb space for vehicles picking-up and dropping off.
    - Staff indicated discussions among these groups are generally higher level and related to industry trends and issues, rather than impact management. Outside of amending current loading zones, pick-up and drop-off issues have not come up.

- **Revenue restrictions on commercial vehicle fees:** Following on conversations around Oregon's Constitutional Restriction on transportation revenue spending, Task Force members inquired about the restrictions on revenues generated from commercial vehicle fees.

- Staff noted that based on PBOT's interpretation, staff do not think commercial vehicle impact fees would be subject to the State's constitutional restrictions.

- **Portland-specific commercial vehicle data**: Task Force members asked about data sharing opportunities between the City and commercial vehicle operating companies.
  - Staff said the City has access to some TNC trip data per agreements with the companies, but data-sharing agreements put restrictions on the use and sharing of the data. Staff do not currently have access to data around urban delivery trips.

- **Company responses to commercial vehicle fees**: Task Force members asked how amenable companies are to instituting commercial vehicle fees and whether Chicago or New York faced significant resistance and/or pushback from companies when introducing their regulations, including whether specific types of fees drew greater resistance than others.
  - Staff said they are not sure about the specific Chicago and New York proposals, but are hoping to connect with staff in those cities to learn more in the coming weeks. In general, staff noted broader themes from engagement with private for-hire companies that indicates a preference not to be singled out from other transportation modes/users of the system.

Small Group Discussions

The Task Force broke into four small discussion groups to further explore the unique equitable mobility considerations of these two pricing typologies.

Questions:

1. *Are new demand or impact-based fees on commercial services **worth a closer look** for advancing equitable mobility?*
2. *If yes, what potential **outcomes or impacts** are most important to consider?*

The notes from the small group discussions can be found here.

When the Task Force reconvened, each group was invited to share a few top take-aways from their discussion. Key themes from this report out include:

Group 1:

- It is important to consider the relative benefits of these services and weigh that against potential costs to the system:
  - For example, these services can be helpful for those with mobility issues, but there are concerns about the amount of VMT involved between trips.

    - Want to explore opportunity to vary charges based on time and place more to balance these benefits and costs. It could be more advantageous to focus on shorter trips in denser areas, than to penalize longer trips that are helping overcome the burden of displacement.
- There is interest in understanding more about how fuel shifting could be encouraged through these services (E.g. many people's first experience in an EV is in a TNC).
- It is important to consider the workforce opportunities provided by these services and make sure not to overly burden drivers.
    - More information on the time spent earning vs. not earning money on the platform would be helpful—there may be a study out of Seattle with more data.
- Fees could be reinvested for more WAV (accessible) rides.

Group 2:

- It is important to consider "pricing transparency" so people can see the charge. When platforms increase their rates, this isn't always transparent to customers. If it was, customers may be more likely to change behavior.
- Peak period congestion places a huge burden on our system (financial and otherwise); expect this will continue to worsen after the pandemic.
- Don't burden the little guy: we must make sure to price in ways that don't burden restaurants and drivers. Costs should be borne by bigger players.
- "Deadheading" (or VMT between trips) is an unnecessary waste. We should consider centralized holding places for TNCs to have quick access to customers (these could include charging stations, wifi, etc.)
- This group really liked this topic area and wished we had spent more time discussing this topic than others, especially because there is more opportunity for local control and implementation.

Group 3:

- The less restricted nature of revenue generated from these kinds of fees is potentially a big appeal of the strategy.
- We should consider how to make potential future fees equitable: low income discounts, tie into SNAP or OR Trail programs?
- We must consider impact on workers, especially drivers (e.g. customer may reduce tip because price is already so high, which could further exacerbate systemic inequities).
- In discussion, this group assumed cost would be passed along to consumer.

Group 4:

- Yes, the City should take a closer look at demand/impact based private for-hire and urban delivery fees.
- Be careful to not trap the public into a fee when there are no other options.
- For private for-hire, there is already a regulatory framework in place with the $0.50 administrative fee in place, which could be built upon.
- Transparency around the fees and where revenues would go is critical.
- More study is needed to understand if these types of fees actually reduce congestion.

Wrap-up & Next Steps

Emma Sagor thanked participants for their participation and shared the topic for the next Task Force meeting.

Meeting #13

- Date: March 8, 2021 6 – 8 p.m.
- Topic(s): Workshop w/initial technical analysis