

**FEES & FARES SUBCOMMITTEE**  
**FINAL MEETING SUMMARY**  
**January 12, 2021 • 3:00 PM – 4:00 PM**  
**Zoom Call Meeting**

Subcommittee Members	Organization	Present
Mark Williams	Regulatory Division Manager, PBOT	Yes
Jeremiah Renfrow	TNC, At Large Member of the Public	Yes
Chad Derrington	TNC Driver	No
Billie Moser, Vice Chair	Tourism Industry, Travel Portland	Yes
Darin Campbell, Chair	Radio Cab	No
Jemal Abdi	NEMT Driver, JB Medical Transport, LLC	No
Saffy Chan	PBOT	Yes
Gabby Sanchez	PBOT	Yes
Tracy M. Smith, Facilitator	Inhance LLC	Yes
Jamie Lynne K. Souza, Recorder	Inhance LLC	Yes

**REGULATORY FEE STUDY PURPOSE:** The purpose of the Private for Hire Transportation (PFHT) Advisory Committee and the TNC Drivers Advisory Committee is to discuss the fees and fares for the PFHT industry.

**SUBCOMMITTEE DISCUSSION**  
Meeting began at 3:06 pm.

**INTRODUCTIONS**

- Jeremiah Renfrow: He has been in the industry for approximately 25 years working for a pharmacy company in transportation logistics, human resources for a trucking company, route management, and small business logistics support. He is the At-Large Community member with the TNC Drivers Advisory Committee.
- Billie Moser: She is with Travel Portland, a destination marketing organization for our City, and has overseen Community Engagement since last April 2020. She’s been in the tourism industry for about 25 years and before COVID-19 was in charge of international tourism. Her clients were international and she didn’t get to know a lot of people in Portland, so she’s excited to work with the City.
- Gabby and Saffy work with the Regulatory department and assist Mark Williams. Tracy M. Smith the Facilitator, and Jamie Lynne Souza the Recorder, work with the Committees.
- Mark Williams: He is the Regulatory Division Manager and has both the Towing and PFHT programs in his portfolio. Mark is a support member and source of information to help process

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recommendations to the Bureau director and sometimes he briefs the Commissioner. Mark does not have a vote on the Committees but is a subject matter expert.

For those that may not know, the TNC Advisory Drivers Committee has a panel of technical experts that represent larger organizations that are serviced by TNCs such as the Moda Center, PGE Park, Uber, Metro, and the Portland Airport. This Technical Advisory Panel (TAP) are subject matter experts and also major stakeholders because of the services they provide to the PFHT industry.

On December 31, 2020, the City of Gresham adopted the same TNC regulations Portland is implementing.

**PURPOSE OF REGULATORY FEE SUBCOMMITTEE**

- Mark Williams: The purpose of this subcommittee is to make recommendations to City Council (Council) or the Bureau Commissioner through the Bureau Director. Mark keeps all formal recommendations from the Committees and presents them at the same time. Especially, recommendations that may change the City code that needs the City Council's approval. When a Council date approaches, he will brief the Bureau Director and sometimes the Commissioner. Firstly, this subcommittee will discuss recommendations related to company permit fees, driver permit fees, and vehicle permit fees for the PFHT industry. TNC companies and drivers do not pay permit fees because they pay a surcharge instead. Secondly, we'll discuss recommendations for ride fare minimums, which apply to both industries. This is one of the reasons this joint subcommittee was formed. If one industry charged a minimum fare and others did not, it would create inequities in the market. Mark would like to have these conversations to see how much overlap there is in each industry. Lastly, recommendations regarding fare transparency, brought up by the TNC Drivers Committee and not by the PFHT Committee, but may have overlap.
  - Billie Moser: Who falls under PFHT?
  - Mark Williams: The entire industry falls in PFHT and breaks down into different market segments like TNC, taxi industry, tour industry, NEMT, and what we call Limited Passenger Transportation (LPT) which includes touring, town cars, wine tours, shuttle services, horse-drawn, pedicabs, and quadricycles. The late Commissioner Fish was in support of workers' rights and wanted a drivers' committee so TNC drivers could have a voice; the first advisory committee was called PFHT.

**HISTORY OF THIS SUBCOMMITTEE**

- Mark Williams: Darin Campbell has been in the industry longer and may have additional history to add, but he will do his best to explain how we got here. In 2015, when he came to PBOT, Council was in process of exploring TNC regulations and initiated a pilot that allowed TNCs to operate for 120 days and it was extended. After the second pilot, Council approved TNC regulations and they became part of Portland City Code Chapter 16.40. Before TNCs, it was consistent across the market that every industry paid a permit fee. At one point, the Taxi industry wanted more regulations to pay for additional staff to conduct enforcement. They asked, at that time, the Taxi board of directors to approve an increase in the Taxi fleets. Before that, PBOT was a permitting agency that didn't conduct a lot of enforcement until prom season where we confirmed limousine drivers were

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properly permitted. The Taxi permit fees were approximately \$225 and increased to \$585 for every single vehicle. The driver's permit fee and company permit fee remained the same, but to fund this additional staffing they voted to increase their permit fees to \$585. This did not apply to the rest of the industry, and the Taxi industry wanted the Regulatory to enforce Taxi services making sure companies coming from Tigard, Beaverton, and Gresham were following the rules if they picked up passengers in Portland. Shortly after, TNCs were introduced and it was maybe a year of paying those permit fees. TNCs entered with their model that was used in every single market, as they were state regulated. Portland was one of the later cities to introduce TNCs, but also one of the few cities that had local Regulatory authority over them. At that time there were only three cities, but now Oregon cities, Bend, Eugene, Salem, and now Gresham have TNC regulations.

- Jeremiah Renfrow: Was Portland the only one in the state or the country?
- Mark Williams: At the time, Portland was one of three in the country.
- Mark Williams: When the bill was introduced to other state regulators they didn't know much about this new industry or where to place the authority and often placed them under different state programs such as the utility division, tax division, or something not directly related to transportation. In many cases, TNCs paid a permit fee annually, ranging from \$20,000-\$120,000, which is a small price to pay when there are 5,000 drivers not paying permit fees. After lengthy negotiations, it was decided that TNCs needed another way, if not paying permit fees, to fund the program, all the extra drivers, and getting staff support. Someone came up with a \$.50 surcharge. For every TNC ride, \$.50 is charged to the customer, and the City bills the company for the services the Regulatory provides.

Initially, in 2015, when the TNC regulations were implemented, the Taxi companies wanted that deal as well, so regulations were changed to allow Taxi companies to pay the \$.50 surcharge. Now with the surcharge, there are no driver permit fees, no vehicle permits fees, and drivers are responsible to pay for their background checks. The TNC model took care of the background checks for their drivers, while Taxi companies could either do it themselves or pay \$75 to the City to conduct the background check. The City identified providers that were approved or accredited by the Professional Background Screening Association (PBSA) they were allowed to perform their background checks. However, we ran into accounting problems within the Taxi industry, since taxi drivers can receive cash, it was easy for them to pocket it. They worked with a 'kitty' model, where a driver pays a kitty to be part of that dispatch service and it covers the company commercial insurance, the meter in the vehicle, and any other accessories taxicabs need, and at the end of the month, the driver is responsible for their fee. When we received the ride data reports from the Taxi companies and TNCs, we'd let them know how much money they owed. When the Taxi company asked their drivers for the surcharge from the month's rides, the driver did not have it since they pocketed the cash and spent it. So, the burden fell upon the Taxi company and after experiencing that with several drivers, the Taxi industry went back to paying permit fees. Instead of the \$585 it was reduced to \$225 for each vehicle because the City was now collecting additional revenue from the TNC surcharge. PBOT is not a for-profit program and had more money than we needed, and our job was to collect enough money to successfully run the program, which is why it was reduced to \$225.

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Now fast forward, more people are starting their businesses, such as independent Non-Emergency Medical Transportation (NEMT) companies with one or two vehicles, independent tour companies, and independent shuttle companies with one driver and one van, which regulations do allow. However, Taxi companies have a regulation to have a minimum of 15 vehicles, so there's only been a few, where bigger companies split into two smaller companies. Therefore, when you think of the expense of a smaller company getting into business, it is very expensive. For example, buying a van or bus for tours, there's a \$500 company permit fee, a \$250 first time application fee, \$75 for a background check, a \$100 driver's permit fee, a \$225 vehicle permit fee, and any other expenses related to vehicle inspection. This concern was raised by Marlo Maroon of Travel Portland at the time, a former member of the PFHTAC, and where this discussion and subcommittee began, which then evolved to include the two other topics as well.

We revisited and explored what other industries are paying and what other cities are charging companies to receive permits to provide service. Tracy, the Facilitator, will share those results with this subcommittee to review. Look it over and when we meet again, we can discuss it further. At the time, we were seeing more TNC rides than we were ever expecting and didn't realize the amount coming in from the \$.50 surcharge and the City was making more money than it needed to. The good news is that right now all regulatory funds will stay within the Regulatory department. However, in times like these, the Commissioner may see the surplus and want to change the laws and use funds elsewhere. The estimated surplus is roughly \$7.2M and because of this surplus, we can continue to operate, even with the significant drop in TNC rides. With these funds, we're able to pay our bills and pay staff to continue to do the work they do. With a large industry, it is good to have the resources and the labor to service the industry by going out and providing proper enforcement.

Before COVID-19, this conversation seemed realistic in reducing some of the fees and didn't seem to be a big impact on the budget with the number of rides and money being made. However, this is not the case now. Today, we are losing money and have to use the surplus to pay the bills. The TNC surcharges represent about 86% of the revenue and it's no longer coming in due to the 85% drop in rides. We aren't seeing the numbers we saw pre-COVID-19. Mark doubts Council will approve any changes anytime soon, but there can be a discussion, so when the market does turn around, we'll have a plan and recommendation in place.

- Billie Moser: That was very helpful. I'd like to confirm the cost of the fees. It was \$500 for the company permit fee, \$250 first time application fee, \$75 for the background check, \$100 for the driver permit, and \$225 for the vehicle permit?
- Mark Williams: Correct, but background checks are now \$50.
- Saffy Chan: It's \$225 for the vehicle permit fee and \$180 renewal before expiration. The one-time application fee is \$250 and \$225 for a new vehicle.
- Billie Moser: She was trying to figure out the purpose of this subcommittee, which is looking at these fees, except for the TNC industry.
  - Mark Williams: Correct. We do not propose the surcharge be reduced because we would use those funds to subsidize the loss we'd take if we reduced those fees for the rest of the industry.

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It's a reduction for the PFHT Industry. Taxi drivers used to argue about paying their driver permit fee, vehicle permit fee if they owned a car, and their background checks the company charged them. While TNCs would go to their hub for no expense and be provided with everything (e.g., first aid kit and fire extinguisher).

- Jeremiah Renfrow: Drivers did have to pay for that, however, it was provided and then taken out of their first disbursement. He believed it made sense to use that surplus to reduce fees on the other industries because for TNC drivers it is a cakewalk compared to other industries that had more to pay.
- Mark Williams: Another argument was since TNCs had investment funding they were able to reduce the cost of rides. Consumers heard it was cheaper to take a TNC and they were able to capture the majority of the market over the years. This is where minimum fares come into play, so if everyone paid the same price when first entering the vehicle it may level out the playing field. Before the TNC industry, every taxi driver had a minimum fare rate. He's unsure if the hourly, time, and mileage rate was the same. The flag rate, as the minimum fare was called, had to be the same starting fare for all companies. However, when TNCs were introduced, Council said they could charge what they wanted, but it had to be disclosed and that's what they did.
  - Jeremiah Renfrow: I believe it was \$1.85 and became \$2.25 the moment you stepped in the car.
- Mark Williams: If this subcommittee feels there should be a minimum fare rate, then we'd discuss what the recommendation would be and vote. Taxi companies expressed their concerns to the Council about this unfair market and how much more the cost it was versus the TNCs. Council reduced requirements for taxi vehicles as well. In the past, taxicabs had to be identical with the same color and taxi logo, which was consistent across the nation for Taxi services. However, a Taxi company argued that it cost more for a new driver with a vehicle to paint their car. Council agreed as long as they had the taxicab logo, that the color of the vehicle didn't matter. That was proposed by Eco Cab, who provided Nissan LEAFs and Teslas for rides, and were concerned since Tesla only made cars in certain colors and they did not want to paint them.
  - Jeremiah Renfrow: Is it one of our goals to level the playing field across the PFHT industries? Because it's obvious the barriers for entry for some are significantly higher. For TNCs, it's having a pulse and a working vehicle, whereas Taxicabs, tour bus, and shuttles have their challenges. Or are we looking at individual groupings to find the best balance for them?
- Mark Williams: He doesn't believe the goal is to level the playing field because that's impossible to do. TNCs will always have surcharges and it'd be a huge political battle to change to paying permit fees. He believes New York City does that and maybe Chicago, but both cities are huge markets because very few people own cars. Everywhere else TNCs are either paying permit fees or have a surcharge or a combination of the two. This is not likely to change in this environment. Also, consider the volume these drivers produce in a day versus a shuttle driver who charges each passenger or a tour bus driver with 12 paying passengers. This subcommittee may want to see if there's data to justify charging one industry more or less based on their earning ability. Whatever is done and if we reduce anything, we will take from the TNC surcharge fund to subsidize whatever losses we have. In theory, whatever was produced in the NEMT revenue, those funds would be used to regulate the NEMT market. However, that theory no longer makes sense and with the surplus of

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the TNC surcharge, it only makes sense to subsidize the rest of the market and maintain equal enforcement across the market.

- Jeremiah Renfrow: We're not expecting each particular one to cover its expenses?
- Mark Williams: Correct. He believes it is worth the discussion. From his Regulatory perspective, most violations took place in the Summer of 2019 with the tour companies. As a result, a Regulatory compliance team was formed with a few individuals that specialized in investigations and launched individual investigations on the tourism market. The violations were reported by other permitted companies in the market that didn't see a permit, would take photos, and call us. We'd launch an investigation. However, these investigations were very expensive compared to our regular enforcement efforts. When doing a field audit, the investigator would pay for the fare, typically for a short ride or not even a ride at all, where we'd call them up and keep their clock running. We would then check their credentials and do about a 10-minute vehicle inspection. However, to enforce the tourism industry it was more expensive because to gather the evidence we'd have to book a tour that ranged from \$75-\$150. We'd go online, book a tour, show up to see if the driver shows up, and then conduct our inspection and issue any warnings or citations. That's one of the reasons the tour companies had more violations because of the upfront cost to enter the market.
  - Billie Moser: Is there a list of tour companies that were not following the rules, and would I be able to look at that list? We're doing this work for the future and agree that Council will not pass anything, so it's difficult to discuss reducing permit fees for a time when there will be a surplus again.
  - Mark Williams: Yes, that is the recommendation. I don't see Council approving any reduction in fees when we're losing money. However, the work is something we should continue, but if the subcommittee wants to revisit this later, that's fine too. It is up to this subcommittee if we don't want to talk about fees, but we can discuss minimum ride fares and fare transparency.
  - Billie Moser: Yes, I want to discuss what the priorities are and what we, as a subcommittee need to work on. She is interested in permit fees since tour companies are a segment that can't generate enough money, but it makes sense to first talk about fare transparency and minimum ride fares.
- Jeremiah Renfrow: How do we do that without Darin Campbell, the Chair?
- Mark Williams: We will put it on the agenda for the next meeting to have a full subcommittee and vote of recommendations. Something to consider, in response to the tour industry's concerns we recommended Council approve a seasonal permit, which is something we've never had before. He is unsure if we applied the seasonal rate to the company permit. Nevertheless, he will double-check that, but recommendations from the industry were that they only operated four months out of the year. The company permit fee and the vehicle permit fee were divided to only pay a third of those fees. The driver permit fee did not change because it was assumed that drivers may want to take that permit and drive elsewhere after the tour industry. This was the first time it was built into our system, the ability for a driver to use an existing permit and drive for alike industries. For example, a taxi driver could drive for another Taxi company, but a tour company driver could drive for limousines after the tour industry ended.

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- Jeremiah Renfrow: Regarding the driver fees, the first \$50 was for the background check and the other \$50 was for a special camera fund for taxis, right?
  - Mark Williams: Yes, back in late 1980, a taxi driver or two were killed, so the City went out and bought cameras to be installed for taxis and raised a portion of the fees to pay themselves back. Darin may know more history about that. However, that fee was never adjusted after the cameras were essentially paid for, and without reviewing the archives, he does not have a lot of information on that.
  - Jeremiah Renfrow: In response to that, he wanted to discuss something similar for TNCs, to have an arrangement of sorts for TNC drivers to have access to a camera, maybe along with their fire extinguisher and first aid kit. He has seen many cases that a camera helped and it should be a requirement. Also, maybe discuss raising the per-trip fee and if there was data to find how much it'd cost and whether or not the City would do it or the TNC companies.
  - Mark Williams: There is a history with those cameras as they are completely secured, so if the camera was taken the data was saved in a different location or to iCloud. When that discussion comes up, the Taxi industry may argue that they'd want to use regular dashcams too. However, we do not consider those to be secure since a criminal could take the camera and the data with them.
  - Jeremiah Renfrow: He was thinking dashcams and that would not work for the TNCs, so he will do more research.
- Mark Williams: We need to decide which topics to discuss at the next meeting in considering where the market is today. We may want to put off discussing permit fees until the market balances out. The other two topics are relevant, but it'd be good to hear from other members and see if there's any other fare or fee-related topics to discuss. This subcommittee will ask questions, get the data to support it, review it, and decide the next steps. Once we figure out what we want to discuss, we need to come up with a problem statement. What problems are we trying to solve? What's wrong with the current system?
- Billie Moser: It is important to have that conversation on our priorities and we do need more Subcommittee members present. 1) Ride Fare Minimums, 2) Fare Transparency, 3) Company, Driver, Vehicle Permit Fees. She agrees with Mark about what problems we're trying to solve, so we know where we're going.
  - Jeremiah Renfrow: Suggests 1) Fare Transparency, 2) Ride Fare Minimums, 3) Company, Driver, Vehicle Permit Fees. Fare Transparency should be this subcommittee's priority as it has been brought up many times in the TNC Drivers Advisory Committee meetings.
- Tracy M. Smith: She'll send the previous permit fee study and the February 2, 2021, agenda to the subcommittee.

Meeting ended: 4:05 pm

Next Meeting: February 2, 2021, 3 pm

Submitted by Jamie Lynne K. Souza, Recorder