



August 30, 2010

Councilmember Bill Rosendahl, Chair
City Council Transportation Committee
200 N. Spring Street, Room 415
Los Angeles, CA 90012

Re: Opposition to Council Motion 10-0996 to Extend Taxi Company Franchises by Five (5) Years

Dear Councilmember Rosendahl:

On behalf of the Green LA Transportation Work Group, we write to express strong opposition to the June 2010 city council motion (10-0996) proposing to extend the taxi company franchises for five (5) years beyond the current expiration date of December 31, 2010, under the guise of "greening" the taxi fleet. Preservation of the taxi industry status quo through such a multi-year franchise extension would harm taxi workers, the traveling public, and the City of Los Angeles ("City").

The taxi industry - regulated by the City as a public utility - currently is characterized by taxi workers toiling approximately 70 hours a week for less than the living wage, underutilization of taxis in city and regional transportation planning, and questionable taxi company management practices as documented in a 2007 city controller audit. Especially given that the taxi industry is a City public utility, this status quo must not continue.

Rather than extend the taxi company franchises for five years, now is the time to move forward with the City's plan to conduct a big picture review of the taxi public utility to look at alternate structures that would improve taxi workers' dismal working conditions and create a state-of-the-art green taxi system that would be a national model. The Taxicab Commission many months ago adopted a motion to hire a consultant for the City who would do a top-down evaluation of our current taxi industry and look at alternative models, some of which other cities have adopted with excellent results: improvements in customer service, maintaining meter rates, greening the taxi industry, and alleviating low earnings and harsh conditions for drivers. It is imperative that the City move forward with a Request for Proposal that contains a scope of work as outlined by the Taxicab Commission in order to live up to the City's commitment to living wages, economic vibrancy, environmental sustainability, and world-class public transit.

Moreover, the Mayor's 30/10 initiative presents golden opportunities for job creation, professionalization, and greening of the taxi industry as part of a regional, integrated, multimodal transportation system. The point-to-point transit capabilities of taxis will be critical in enabling the traveling public to get to and from transit stops. "Green" vehicles are but one component of what should be a comprehensive "green taxi system" that would include environmental strategies such as linking taxicabs with other modes of public transit such as buses, rail, bicycle lanes, and pedestrian pathways. Los Angeles could truly be a national leader in green job creation and urban sustainability by utilizing taxicabs to promote the environment, enhance the use of public transportation,

and improve the quality of life for Angelenos through the reduction of traffic congestion. In the process, taxi drivers' working conditions could be improved through the overall professionalization and economic development of the taxicab public utility.

This opportunity would be lost if the existing taxi company franchises are extended for five years. With the scheduled expiration of the taxi company franchises at the end of 2010, the City can create a new 21st century taxi public utility by exercising its plenary power to mandate that taxi companies implement an array of green environmental strategies in order to have the privilege of operating in Los Angeles - and simultaneously promote workforce development and job creation amongst the taxi workforce while advancing sustainable public transportation strategies.

Furthermore, the statement in the council motion that the franchises are providing excellent service to the traveling public neglects to mention that it is hardworking taxi workers who provide the service to the public. Taxi company management, on the other hand, have a track record of violating the public interest and public trust. For example, the management of the City-franchised taxi companies created and operate Authorized Taxicab Supervision ("ATS"), a nonprofit entity audited by City Controller Laura Chick and found to have committed financial irregularities and misappropriated monies paid by the traveling public. The ATS board of directors - composed of taxi company management - were found by the controller's audit to have pocketed undocumented cash payments that came from monies paid by taxicab passengers.

In addition, the proposal to extend the taxi company franchises by five years while "greening" 80% of the taxi fleet would further impoverish working poor taxi drivers who are predominantly immigrants and people of color. Similar to the situation of truck drivers at the Port of Los Angeles, it is not the taxi companies, but rather individual taxi driver/owner operators who for the most part are responsible for the purchase and maintenance of taxicabs. The reality is that these taxi workers - who already are required by taxi company management to each pay approximately \$15,000 a year in company fees - cannot afford the costs of purchasing "green" taxicabs.

Thus, the City should not maintain this unacceptable status quo by extending the existing taxi company franchises by five years. I urge the City instead to maximize this golden opportunity for job creation, professionalization, and greening of the taxi industry as part of a regional, integrated, multimodal transportation system. The City should move forward with a RFP that contains a scope of work to create a 21st century green taxi system, as adopted by the Taxicab Commission earlier this year.

We also strongly support and endorse the campaign of the Los Angeles Taxi Workers Alliance ("LATWA") for a 21st century green taxi system with the following components:

- medallions (i.e., permit to operate a taxicab in the City) issued to active, full-time drivers
- freedom of mobility for taxi workers between the taxi companies
- safeguards to ensure true, democratic worker cooperatives; and
- Driver's bill of rights including freedom of association without retaliation, living wages, including lease caps, and just cause termination provision in all company agreements with lease drivers or owner operators.

Taxi workers, through LATWA, should have a real and equal voice at the table in formulating and implementing the City's post-2010 taxi industry plan.

We urge you to support LATWA in its efforts to create a just and vibrant taxi industry for all stakeholders, especially hardworking taxi workers who provide an essential public service. Thank you for your leadership and commitment to working people throughout the City.

Sincerely yours,

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cc: City Council Transportation Committee
Los Angeles Taxi Workers Alliance