

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

File No. 10-0996

Your

TRANSPORTATION

Committee

reports as follows:

TRANSPORTATION COMMITTEE REPORT relative to extending for five years the current taxi franchise operator agreements with the requirement that 80% of their fleets be comprised of fuel-efficient vehicles.

Recommendations for Council action, substantially as initiated by Motion (Cardenas – Krekorian):

1. FIND that it is necessary to enact a five-year renewal of the current nine taxicab franchises in order to ensure that legal and authorized taxicab transportation service is in place effective January 1, 2011, through at least December 31, 2015; with two one-year extensions for each franchisee, to be granted by the Board of Taxicab Commissioners based upon evaluations of progress made in implementing a green taxi program, as well as all other service standards as designated by the Board; said renewal to include provisions for a "green taxi" program requiring that 80% of each taxicab franchise fleet be comprised of fuel-efficient vehicles as funded by the franchisees or the cab operators, and the continuation of the wheelchair accessible grant process; and, as amended to:
 - a. Request franchise operators to voluntarily provide funding to complete a study of the L.A. City Regulatory Program.
 - b. Direct the Department of Transportation (DOT) to establish:
 - i. A timetable and scope for the proposed L.A. City Regulatory Program study.
 - ii. A separate contract to review driver working conditions and transparency issues.
 - iii. The City's Greening Standards Plan, including escalating emission mandates, enforcement criteria, new five-year extension period, the percentage of vehicles converted to fuel efficient models per year, franchise funding of regulatory study, and funding source for the taxi fleet greening shall be a part of the Standards Plan and the extension approval process.
 - c. Request that the Los Angeles Taxi Commission coordinate with the Mayor's Office and internal and external funding sources to seek funding opportunities for conversion and/or purchase of vehicles for the taxi fleets.
 - d. Direct the Chief Legislative Analyst (CLA) to determine if Council has taken a position on legislation HR 3711 - Nadler and S. 1741- Gillibrand, and if not, to prepare a resolution of support.
2. REQUEST that the City Attorney, with the assistance of DOT, prepare the ordinance(s) necessary to enact the five-year renewal of the current nine taxicab franchises.

Fiscal Impact Statement: None submitted by DOT. Neither the City Administrative Officer nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

On June 8, 2010, Council considered Motion (Cardenas – Krekorian) relative to extending for five years the contracts with the current taxi franchise operators. Motion states that nationwide, municipalities are beginning to move towards greening their taxi fleets. From San Francisco to Long Beach, taxi companies have provided green taxi cabs to the community while working to lower emissions in their cities. Major metropolitan cities such as New York and Seattle have had successful green taxi cab programs in their cities for over two years. The City of Los Angeles does not currently require that a certain percentage the taxi cab fleet be "green."

Motion movers go on to state that the City's existing taxi franchise agreements expire December 31, 2010. Due to the current economic climate and limited city resources, it may not be fiscally prudent for the City to solicit Request for Proposals. As such, the City should take this opportunity to green the taxi fleets that serve the residents of the Los Angeles. Motion movers recommend that Council instruct the CLA and other departments to report on the feasibility of extending for five years the franchise agreements with the taxi operators, subject to the requirement that 80% of their fleets be comprised of fuel-efficient vehicles phased in over the five year period. Council referred Motion to the Transportation Committee for consideration.

In a report to Council dated September 14, 2010 (attached to the Council file), DOT presents three options for extending the taxicab franchise agreements: 1) a minimum three year franchise renewal period in order to hire a new consultant to review all types of permitting systems, contingent upon the identification and acquisition of a funding source for said study; 2) a minimum five-year renewal of existing franchised operations, with the inclusion of a "green taxi" program, wheelchair accessible vehicle grant, and a consultant contract for review of driver working conditions and driver and company transparency issues (using the remaining consultant funding of \$126,000); and 3) a two year renewal of existing operations with a timeline to review and possibly adjust portions of the current franchise system and competitively bid (Request for Proposal) new taxicab franchises.

DOT reports that in 2009, the City was approved for a Federal Grant for the purchase of 50 additional wheelchair accessible taxicabs. The grant was approved, subject to the existing franchise taxicab operators increasing marketing, usage, and service response times of these vehicles on behalf of the disabled community. Unless a long-term usage plan for these vehicles (generally a five-year requirement) is in place, DOT will not be able to move forward with these new wheelchair accessible vehicle purchases and their implementation.

The City, DOT, and the Taxi Commission are also very interested in greening the taxicab fleets with the addition of hybrid and alternative fueled "clean vehicles." In order to mandate such a requirement (as is allowed in the current franchise ordinances), DOT states that there must be ample time provided for operators to recoup their expenses related to the purchase and operation of such vehicles. Department staff believes that a minimum five-year operational guarantee would be required to provide for such a "green taxi" policy.

At its meeting held September 22, 2010, the Transportation Committee discussed this matter with representatives of the Board of Taxicab Commissioners and DOT. A written copy of the

DOT presentation is attached to the Council file. Motion movers Councilmembers Cardenas and Krekorian spoke in favor of the 5-year renewal option.

An extensive public comment period was conducted. Speakers opposed to a five-year extension of the existing franchise stated that taxi operators are unable to afford the expense of purchasing a new hybrid or fuel efficient vehicle without financial assistance. Environmental advocates stated that DOT's proposed green taxi program is not sustainable inasmuch as its cost is borne by the drivers of taxicabs. Operators stated that the current system, if left in place, would maintain existing difficult working conditions such as low pay, long hours, and no health care benefits. The taxi industry was characterized as "sweatshops on wheels" and speakers urged the Committee to consider a shorter, two-year extension while the issue of working conditions was addressed.

Speakers in support of the five-year extension proposal stated that this option provides the stability necessary for the industry to recoup its investment in new alternative fuel vehicles. The cost of increasing driver pay and providing health care benefits will be passed on to the customers. Taxi operators and representatives of the City's franchises went on tout their service to disabled riders, a service which can be expanded by purchasing additional ramp vans. Other drivers stated that working conditions are satisfactory. The Committee adjourned the meeting and continued its consideration of this matter to its next meeting.

In a report to the Transportation Committee Chair dated October 12, 2010 (attached to the Council file), the Mayor of the City of Los Angeles expresses support for a two-year extension of the taxi franchise agreements. According to the Mayor, two years would be sufficient to complete a comprehensive study of the City's franchise system and to develop plans to green the taxi fleets, address workforce issues, and to devise a financing program.

At its meeting held October 13, 2010, the Transportation Committee renewed its consideration of extending the existing taxicab franchise agreements. Additional time was provided for public comment. Those in support of a two-year extension expressed their agreement with the position taken by the Mayor. Those in support of a five-year extension stated that the City risks the loss of a \$2.5 million federal grant for the purchase of additional disabled access taxi vehicles.

Following a discussion of this matter with representatives of the Mayor's Office, DOT, and the Board of Taxicab Commissioners, the Transportation Committee recommended that Council extend the City's taxi franchise agreements for five years, as modified to reflect additional amendments presented by Councilmember Parks, as shown above.

Respectfully submitted,

TRANSPORTATION COMMITTEE

- NOT OFFICIAL UNTIL COUNCIL ACTS -

MEMBER	VOTE
ROSENDAHL:	YES
LABONGE:	YES
ALARCON:	YES
KORETZ:	YES
PARKS:	YES

JAW
[10-0996_rpt_tran_10-14-10](#)