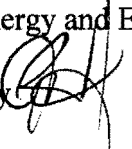


MEMORANDUM

**Committee members should bring the packet and addenda from the January 26, February 9, February 27, and March 10 worksessions.**

TO: Transportation, Infrastructure, Energy and Environment Committee

FROM: Josh Hamlin, Legislative Attorney 

SUBJECT: **Worksession:** Expedited Bill 53-14, Taxicabs – Licenses – Vehicle Requirements – Driver Identification Cards; Bill 54-14, Taxicabs – Transportation Network Service Requirements; and Bill 55-14, Taxicabs – Centralized Electronic Dispatch System.

Expedited Bill 53-14, Taxicabs – Licenses – Vehicle Requirements – Driver Identification Cards sponsored by Councilmembers Floreen, Berliner, Riemer, and then Council President Rice; Bill 54-14, Taxicabs – Transportation Network Service - Requirements, sponsored by Councilmembers Berliner and Floreen; and Bill 55-14, Taxicabs – Centralized Electronic Dispatch System, sponsored by Councilmember Riemer, were introduced on October 28, 2014. A public hearing on all three Bills was held on December 2, 2014. Prior worksessions on the Bills were held on January 26, February 9, February 27, 2015, and March 10, 2015.

**Expedited Bill 53-14 would:**

- permit the holder of a fleet Passenger Vehicle License to grant a sublicense to another person;
- increase the age limits for vehicles used as taxicabs;
- amend certain requirements for color and markings of vehicles used as taxicabs;
- allow software-based meters to be used in taxicabs; and
- amend certain requirements for temporary identification cards for taxicab drivers.

**Bill 54-14 would:**

- require a transportation network application company to obtain a license to operate in the County;
- require a transportation network application company and transportation network operator to meet certain registration requirements;
- require a vehicle used to provide transportation network service to meet certain standards;
- require a transportation network application company and transportation network operator to be insured; and
- require a transportation network application company and transportation network operator to meet certain accessibility standards.

**Bill 55-14** would require the County Department of Transportation (DOT) to implement a centralized electronic taxicab dispatch system, and permit the Director to require certain taxicab operators to participate in the centralized electronic taxicab dispatch system.

### **December 2, 2014 Public Hearing**

The T&E Committee held a public hearing on all three Bills on December 2, 2014. There were 30 speakers at the hearing, representing a wide range of perspectives on the issues covered in the Bills. Public hearing testimony is summarized and included in the packet for the January 26 worksession.

### **January 26, 2015 T&E Worksession**

The Committee held its first worksession on the Bills on January 26, 2015. The packet for that worksession raised a number of issues of common concern to the owners and operators of “traditional” regulated taxicabs and the TNCs and drivers that Bill 54-14 would regulate. These issues also encompass many of the amendments to existing law regulating taxicabs that are proposed in Expedited Bill 53-14. The Committee discussed the issues of insurance, fares/ratesetting, driver background checks, and began discussion of the question of licensing both TNCs and TNC drivers.

### **February 9, 2015 T&E Worksession**

The Committee held a second worksession on the Bills on February 9, 2015. In that worksession, the Committee discussed licensing, vehicle standards, data and trip records, and customer service, as well as proposed changes to Chapter 53 received from the Coalition for a Competitive Taxicab Industry (“CCTI”) after the introduction of the Bills.

### **February 27, 2015 T&E Worksession**

The Committee held a third worksession on the Bills on February 27, 2015. The Committee discussed several of these issues raised by a number of taxicab drivers through the Montgomery County Professional Drivers Union (“MCPDU”) about their relationships with taxicab companies at that worksession. Specifically, the Committee considered: (1) whether to set caps on lease rates for taxicabs; (2) whether to permit taxicab drivers to use their own credit card processing terminals, and whether to cap rates that fleets may charge their drivers for credit card processing; (3) whether to limit other charges imposed on drivers by fleets; (4) whether the County should develop and require the use of uniform lease contracts; (5) whether the dispute resolution currently required to be provided for in operating agreements between fleets and drivers should include binding arbitration; and (6) how best to ensure the availability of accessible transportation with the entry of TNCs into the market.

### **March 10, 2015 T&E Worksession**

On March 10, 2015, the Committee held a fourth worksession on the Bills. At that worksession the Committee discussed elements of Councilmember Riemer’s proposal concerning digital dispatch, various driver protections, and the issuance of 200 new PVLs to

individuals. The sublicensing of PVLs was also discussed, without resolution, in the March 10 worksession.

### **New Maryland Law Regulating TNCs.**

The Committee has been following developments at the State level pertaining to TNCs, both at the Public Service Commission and in the General Assembly. On the last day of its 2015 session, the General Assembly enacted a bill comprehensively regulating TNCs.<sup>1</sup> This enactment has a significant impact on the Committee's consideration of the issues related to the three Bills before it.

On May 12, 2015, Governor Hogan signed Senate Bill 868 into law.<sup>2</sup> SB 868 and House Bill 1231 were cross-filed in the General Assembly on February 27 and March 2 respectively. As introduced, the bills would have defined and regulated TNCs in a manner consistent with Virginia and the District of Columbia in key areas, and would have expressly preempted local TNC regulation. SB 868 was substantially amended in the last days of the session, but the enacted law still provides a regulatory framework similar to those established in Virginia and the District. Specifically, the new State law:

- places TNCs under the oversight of the Maryland Public Service Commission ("PSC");
- requires TNCs to have a permit from the State;
- requires the PSC to adopt regulations "to ensure that TNCs and operators are making reasonable efforts to make transportation network services available to all people, including people with disabilities";
- provides for the licensing of transportation network operators (drivers), including the issuance of a temporary license supported by a commercial background check, and a permanent license upon submission of a fingerprint-based background check (although the latter requirement may be waived on request of the TNC and a showing that TNC's background check process is "as comprehensive and accurate as" the fingerprint-based background check;
- establishes minimum insurance requirements for TNCs;
- allows a local jurisdiction to levy an assessment of up to 25 cents per ride on rides provided by TNCs that originate in the local jurisdiction.

While the express preemption language was removed from SB 868 before enactment, the regulatory regime established in the law would almost certainly preempt local jurisdictions from regulating TNCs beyond the levy of the assessment for which the law provides. Thus, the vast majority of the provisions of Bill 54-14, which would have regulated TNCs, are likely preempted. The one surviving provision of Bill 54-14 could be the amendments to Sections 53-101 and 53-106, which would exempt taxicab trips scheduled through a digital dispatch from the rates set by regulation for other taxicab rides. Intended to allow taxicabs operating in a manner similar to TNCs to compete on price, this provision could still be an important component of the Bill that is ultimately considered by the full Council, particularly if that Bill contains provisions establishing a centralized electronic dispatch system.

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<sup>1</sup> <http://www.baltimoresun.com/business/bs-bz-rideshare-bill-20150414-story.html>

<sup>2</sup> [http://mgaleg.maryland.gov/2015RS/chapters\\_noln/Ch\\_204\\_sb0868T.pdf](http://mgaleg.maryland.gov/2015RS/chapters_noln/Ch_204_sb0868T.pdf)

## **Issues Tentatively Resolved at Prior Worksessions**

The Committee considered several issues, some contained in the three existing bills and others raised during the worksessions, and through straw votes tentatively resolved a large number of them. For discussion purposes, staff has prepared a “substitute bill” incorporating these resolved matters; the substitute bill can serve as a starting point for Committee consideration this worksession.<sup>3</sup> The resolved issues fall into three categories: (1) amendments to ease certain regulatory requirements to allow taxicabs to better compete with the TNCs that have entered the marketplace, including provisions from Bill 53-14; (2) amendments related to the establishment of a centralized electronic dispatch system contained in Bill 55-14; and (3) amendments intended to improve conditions for drivers that do not own their own PVLs.

### **Substitute Bill Provisions**

The substitute bill (©484-511) for Committee discussion combines provisions from all three Bills, and specifically includes the following provisions that would:

#### Remaining provisions of Bill 54-14:

- define “digital dispatch,” “dispatch,” and “dynamic pricing” (lines 8-17);
- deregulate taxicab fares scheduled through a digital dispatch (lines 20-43);

#### Amendments to be made by Bill 53-14:

- increase the age limits for vehicles used as taxicabs (lines 463-464; 466; 471);
- amend certain requirements for color and markings of vehicles used as taxicabs (lines 393; 481-483; 489-500; 505-506; 513-516);
- allow software-based meters to be used in taxicabs (lines 520-528);
- amend certain requirements for temporary identification cards for taxicab drivers (lines 575-585; 596-597; 602-603);

#### Amendment to be made by Bill 55-14:

- require the Director of DOT to establish a centralized electronic dispatch system (lines 105-126);

#### Other amendments requested by CCTI:

- delete the driver examination (lines 566; 614-620);
- eliminate paper manifest requirements (lines 623-633);
- change required inspections from every six months to every 12 months (line 536);
- eliminate the customer service requirements (which have never been fully implemented) (lines 53-100; 201-202; 212-213; 218; 221-222; 232-233; 236-237; 395-397; 405-459; 648-649);

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<sup>3</sup> The substitute bill has been prepared in a reader-friendly format for ease of reference. The Bill ultimately voted out of Committee will be an amended version of one of the three existing bills, following the established convention for such amendments.

- allow impoundment of vehicles in violation of County taxicab law (lines 637-640);

Other amendments to improve conditions for drivers:

- require the Executive to establish, by method (2) regulation, standardized lease/affiliation agreements (lines 127-131; 228-229);
- require the Executive to set lease caps and ancillary fees (lines 132-161; 268-269);
- provide for one-year maximum terms on agreements between licensees and affiliates or drivers (line 243);
- allow drivers to use their own system for processing credit card transactions (lines 244-245);
- prohibit automatic renewal of agreements between licensees and affiliates or drivers (line 246);
- prohibit credit card processing charges to drivers greater than 5% of the transaction (line 266-267); and
- provide for a mandatory dispute resolution process, culminating in binding arbitration (lines 247-264; 270-388).

The proposed amendment to allow sublicensing of PVLs is also included in the substitute bill (lines 164-194), although the Committee has not yet fully considered the proposal; the question of whether to allow sublicensing is related to the larger issue of whether, and how, to create more opportunities for drivers to own their own PVLs, and will be discussed by the Committee in that context.

***Dispute Resolution:*** Staff was directed to compose language creating a mandatory dispute resolution process culminating in binding arbitration, including a list of what disputes would be subject to arbitration. The language included in the substitute bill is modeled on the process codified in Alexandria, Virginia since 2005, and creates a three-step process: (1) informal grievance procedure; (2) voluntary formal or informal mediation; and (3) binding arbitration with costs borne by the losing party. Rather than a list of specific issues subject to arbitration, which staff believes would be unworkable, the process includes a definition of “dispute” that essentially includes a disagreement between a driver and a fleet or association over whether the termination or suspension of the driver, or the denial of resources or benefits to the driver that are enjoyed by other similarly situated fleet or association drivers, was reasonable or based on good cause.<sup>4</sup>

CCTI has submitted a position paper opposing mandatory arbitration (©529), expressing the belief that: (1) imposing the requirement would violate the due process rights of the parties; (2) that the Alexandria process is vague and punitive and would lead to frivolous complaints; and (3) that the process is unnecessary, as the existing dispute resolution “has been in place for ten years and no individual driver has ever invoked this provision nor sought any relief through an alternative dispute resolution process.” Staff disagrees with the assertion that mandating parties, as part of a licensing regime, participate in binding arbitration as part of a dispute resolution

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<sup>4</sup> “Good cause” is defined as “one or more of the causes for revocation of an identification card under Section 53-604, or a material failure of a driver to comply with established, written rules or practices of the company or to perform in accordance with his or her written contract . . .” The list of causes for revocation includes a general public safety cause in Section 53-604(a)(5): “a licensee or driver operated a taxicab, or allowed a taxicab to be operated, in a manner that endangered the public health, safety, or welfare, or with a record of substandard customer service as defined by applicable regulation.”

process, and notes that there are other instances where a binding arbitration requirement is imposed in such a context, including the City of Alexandria. Staff also believes that the language in the draft bill provides for a process with sufficient specificity and is not punitive. In particular, CCTI objects that the process would lead to frivolous complaints going to arbitration; staff believes that provision that the losing party pays the costs (to which CCTI also objects) would be a sufficient deterrent to bringing a frivolous complaint. Staff spoke with the Division Chief handling taxicabs in Alexandria's Department of Transportation who, in addition to expressing the general view that the process worked well, indicated that disputes had gone to arbitration "once or twice, if that" in the 10 years that the process has been in place. Whether the process is necessary or not is a fair question, but Committee members have heard from drivers that it has not been a lack of disputes, but a lack of confidence in the strength of the current process to achieve resolution.

### **Issues for Committee Discussion in this Worksession**

In addition to going over the substitute bill, there are several issues remaining for Committee discussion. Several of these issues have been discussed in the prior worksessions, including the offenses which should disqualify an individual from receiving a PVL or identification card, the revocation or non-renewal of PVLs that are underutilized, and the concept of establishing a commission (or reconstituting the Taxicab Services Advisory Committee) to review and make recommendations concerning the performance and regulation of the taxicab industry. Also discussed but not resolved is the multifaceted issue of the structure of the licensing regime: transferability, issuance/reissuance, and sublicensing of PVLs. Other issues were raised in materials submitted for prior worksessions (deletion of provisions related to special licenses) or were raised since the last worksession (prohibition on cross-ownership, issues related to liability insurance). Councilmember Berliner may propose amendments that address many of these issues ©512-528. Finally, the Committee must decide if, and in what form, the centralized electronic dispatch proposed in Bill 55-14 will be implemented.

In considering these issues, it may be helpful for the Committee to consider how their resolution would impact certain guiding principles that have emerged in prior discussions. Will change to the existing law: (1) help the taxicab industry adapt and compete with the TNCs that have entered the for-hire transportation marketplace; (2) give greater protections or independence to drivers in their relationships with fleets; and (3) improve the delivery of taxicab services to County residents and guests?

If the Committee approves the substance of the substitute bill, and any amendments to resolve the outstanding issues discussed at this worksession, staff anticipates preparing a revised Committee draft bill for final Committee action at the June 22 worksession.

**Guide to prior attachments:** Circle numbers referenced up to 230 are in the January 26 worksession packet, and circle numbers 231-258 are in the January 26 addendum. Circle numbers 259-310 are in the February 9 worksession packet. Circle numbers 311-383 are in the February 27 worksession packet, circle numbers 384-435 are in the February 27 addendum, and circle numbers 436-441 are in the February 27 addendum # 2. Circle numbers 442-483 are in the March 10 worksession packet.

***Should the disqualifying offenses for holding a PVL or Driver Identification Card be updated?***

The Committee discussed the issue of whether to amend the offenses enumerated in Sections 53-213 and 53-309 as grounds for denial of a PVL or identification card, respectively. The discussion took place in the context of maintaining harmony between proposed requirements for County TNC drivers and those for taxicab drivers. Since the State will now regulate TNCs, that context is no longer directly relevant, but the question remains as to whether all of these disqualifying offenses are appropriate in the current environment. CCTI, in its redraft of Chapter 53, requested two changes: (1) a change of subsections 53-213(a)(5) and 53-309(a)(5) from “violation of any law governing controlled dangerous substances” to “commission of any *felony* involving controlled dangerous substances,” and (2) deletion of subsections 53-213(a)(6) and 53-309(a)(6) which currently read “violation of any gaming law.” ©278, 292. Council staff believes that each of these changes is appropriate, and they are included in the Berliner amendments at ©524, lines 331-335 and ©526, lines 390-394.

***Should the prohibition of cross-ownership be deleted?***

CCTI has a few additional requests for changes since the last worksession ©530), including request to delete Section 53-203’s prohibition of cross-ownership (ownership interest in more than one fleet or association) (©531). The rationale provided for this request was that this provision prevents individuals with interests in a fleet or association from owning or operating a TNC as now defined in State law. Staff does not believe that the cross-ownership prohibition would preclude having interests in both a fleet or association and a TNC or other for-hire driving service, and further believes that the prohibition is important in retaining a competitive taxicab industry. If there was no such prohibition, a fleet owner could buy out other fleets and effectively create a monopoly. As an alternative, Section 53-203 could be amended to expressly provide that nothing in the section prohibits a fleet or association from providing non-taxicab for-hire driving services as defined under State law and not regulated by the County. The Berliner amendments include such a provision at ©516, lines 106-108.

***Should each fleet and association be required to maintain its own separate facilities?***

CCTI has requested the deletion of language in Section 53-221 requiring each fleet and association to maintain its own centralized administrative, vehicle maintenance, customer service, complaint resolution, dispatch, management, marketing, operational, and driver training services (©531). The rationale for this request is that it would allow cost-sharing and create economies of scale to better allow the fleets to compete with the much larger, remotely operated TNCs. Staff believes that some relaxation of this requirement is appropriate, but does not recommend deleting the requirement that the required facilities/services be located in the County, and recommends retaining the requirement that the Director approve obtaining the services from another entity. The Berliner amendments would allow sharing of facilities located in the County with the Director’s approval ©524-525, lines 338-353.

***Should the Section 53-212, “Special Licenses,” be deleted?***

In its redraft of Chapter 53, CCTI requested that Section 53-212, “Special Licenses,” be deleted (© 276-277), because it had never been used. DOT has indicated that a 2009 study conducted by Worcester Polytechnic Institute concluded the provisions of Section 53-212 were

essentially unworkable, and that no special licenses have been issued. In view of this information, staff believes it would be appropriate to delete this section. The Berliner amendments include a deletion of this section, ©523-524, lines 289-320.

***Should the “continuous operation” requirements be deleted, or strengthened?***

CCTI requested the deletion of the requirements of Sections 53-227 and 53-214, that taxicabs associated with PVLs be kept in regular service, and this request was discussed in Committee on February 9. The number of PVLs issued is intended to ensure that the number of taxicabs in operation is adequate to meet the public need for taxicab services. One of the criteria for the issuance of new licenses under MCC § 53-205 is that the issuance must “be based on public convenience and necessity, such as the need for more taxicab services in the County generally or in certain geographic areas of the County, or for certain types of passengers, as shown by such measurements as taxi utilization rates and response times . . .” Presumably, that number is based on the licensed taxicabs being in continuous operation.

To allow a licensee to hold a license for an out-of-service vehicle for an extended period would seem to compromise the intent to meet public need. Alternatively, it may be that since the entry of TNCs into the for-hire transportation market, the number of issued licenses exceed the public’s need. However, if that is the case, the County under current law could revoke for lack of use and essentially “retire” the unneeded license. Staff does not believe the taxicab-riding public would benefit in any way from the deletion of the continuous use requirements, and recommends their retention.

Further, discussions in earlier worksessions revealed that no PVLs have been revoked, or been denied renewal, as a result of failure to keep associated vehicles in continuous operation, despite allegations that there are over 100 chronically unused taxicabs owned by fleets. Because the County has an interest in having taxicabs on the road serving customers, the continuous operation requirements should be strengthened to allow DOT to more aggressively reclaim underutilized PVLs and, ultimately, redistribute them in a manner which ensures utilization. The Berliner amendments include a number of provisions to strengthen the requirements to make sure that the PVLs in circulation are being used to transport passengers. These provisions include:

- an express requirement that a licensee must own a taxicab associated with each license unless a sublicense has been granted (©515, lines 94-95);
- an affirmative statement in Section 53-227 that each licensee must keep each licensed taxicab in continuous operation as defined by the Department (©525, lines 356-357); and
- a requirement in subsection 53-228(f) that, if the Department rejects an application to keep a taxicab out of service for more than 30 days, the licensee must promptly reinstate the taxicab in service *or return the license* (©526, line 378).

***Should the Taxicab Services Advisory Committee be reconstituted?***

In his February 23 proposal (©349-362), Councilmember Riemer proposed the establishment of a “Commission on Fleet-Driver Relations” to regularly review the County’s laws that regulate taxicab drivers, licensees, and fleets, and to create recommended uniform agreements, maximum lease and affiliation rates, and a list of other permissible charges that a fleet may charge a driver. The Riemer-proposed Commission would be composed of two



members representing fleets and two members representing drivers, and failures of the Commission to reach agreement would be resolved by binding arbitration. The Committee determined that, since the recommendations of uniform agreements, maximum lease and affiliation rates, and permissible other charges would still be subject to approval by the Executive and Council through the regulatory process, this process was not the most desirable. Instead the Committee agreed that uniform agreements, maximum lease and affiliation rates, and permissible other charges would be set by regulation (see ©490, lines 127-131 and ©494, 228-229). However there was some support on the Committee for a Commission that would serve a very similar function and most importantly, report to the Council and Executive biennially on the state of the taxicab industry.

Given the number of changes likely to be made by this Bill, and the pressure being exerted on the taxicab industry by TNCs, regular assessment of the state of the industry will be crucial in coming years to ensure that necessary course corrections are made to preserve the taxicab business and deliver quality service to the public. A commission made up of stakeholders, both from within the industry and from the riding public, could regularly review all aspects of the taxicab business and make recommendations to the Council and Executive for changes in law and regulation. Such a mechanism would serve the interests of the County in maintaining safe, reliable transportation provided by fairly treated and compensated drivers.

In his proposed amendments, Councilmember Berliner proposes the creation of a "Taxicab Services Commission" to replace the defunct Taxicab Services Advisory Committee (©512-513, lines 1-40). This proposed Commission would consist of 11 members, including three fleet representatives, two owner-drivers, two lessee-drivers, general public members including a representative of senior citizens and a representative of the disability community. The Commission would meet at least quarterly, and would conduct a biennial review of the taxicab industry.

The Berliner amendments provide for the Commission to conduct a review to be conducted each even numbered year (©513-514, lines 42-71) and a report to be submitted to the Executive and Council. The biennial report would describe the status of the industry and include recommendations as to changes to the number of licenses in circulation, rates and fees, insurance and accessibility requirements, affiliation and dispatch requirements, and any other changes that the Commission determines would improve the delivery of taxicab services. The review would include consideration of taxicab rates, lease and affiliation rates, and fees charged to drivers, with a focus on driver income compared to the County minimum wage and the cost of industry-related regulatory and enforcement expenditures.

### ***How should the issues surrounding PVLs be resolved?***

The structure of the licensing regime in the County is the most complicated issue remaining for Committee consideration. It involves several sub-issues: transfers, new issuance, reissuance, and sublicensing. Many of these sub-issues have been discussed by the Committee in prior worksessions, but none have yet been resolved. There has been a great deal of discussion in worksessions about the prospect of increasing the proportion of individual owner-drivers, and if the Committee takes that as a primary objective, each sub-issue should be considered with that goal in mind. Barwood has submitted a document illustrating the ways drivers may obtain PVLs (©532).

- ***Should the current restrictions on PVL transfers be relaxed? Should the fleet/independent driver balance be altered to permit more individual PVL holders?***

Under current law, all transfers of PVLs must be approved by the Director of DOT, and the law prohibits the Director from approving a transfer of any license if the transferee already holds, or would then hold, more than 40% of the total number of licenses then in effect. It also prohibits the approval of the transfer of a license to an individual of a license issued to a fleet if: (1) the same fleet has already transferred more than two licenses to individuals during that calendar year; or (2) the transfer would result in individuals holding more than 30% of the total number of licenses then in effect. Finally, the law generally prohibits the approval of a transfer of a license if the license was issued or transferred within the previous three years.

CCTI submitted a “white paper” that included discussion of the issues related to transferability of PVLs (©379-383). In the paper, CCTI argues for a limited number of taxicabs, citing positions stated County consultant Bruce Schaller. CCTI’s positions are that allowing PVLs to have transfer value is intrinsic to the established taxicab market, and that transferability of PVLs is critical to the viability of taxicab companies. Accordingly, the CCTI Draft includes amendments to Section 53-204 that would remove the above-described restrictions on the transfer of PVLs. Transfers would still be subject to the approval of the Director under the process set forth in Section 53-204(b) as follows:

- (b) A license may be transferred only if:
  - (1) the licensee notifies the Department in writing of the proposed transfer not less than 30 days before the date of the proposed transfer, specifying all terms and conditions of the proposed transfer and the identity of the proposed transferee;
  - (2) the Director finds that the proposed transferee meets all requirements of this Chapter and applicable regulations; and
  - (3) the licensee surrenders the license when the Director approves the transfer.

The provisions in question are as follows:

§ 53-204(c) – Three-year holding requirement. This requirement was enacted to prevent people from “flipping” PVLs: obtaining them from the County at low cost and immediately reselling them for a substantial profit. Given the substantial diminution in resale value of PVLs since TNCs began operating in the County, the risk of flipping seems low. Also, if as is being considered, there is a new issuance of PVLs to individuals, the risk would be lower still. The prohibition also restricts the ability of licensees to sell their license should they need or wish to leave the business or the area. In the current marketplace, staff believes the prohibition serves little purpose, and imposes a greater cost in limiting liquidity in the PVL market than it provides. The Berliner amendments would delete this restriction, ©516, lines 120-122.

§ 53-204(d) – Limitation on fleet-to-individual transfers. The restrictions in subsection 53-204(d) on the transfer of PVLs from fleets to individuals – no more than two per year, and no more than 30% of the PVLs in effect to be held by individuals – are based on the two-fold rationale of preventing fleets from taking windfall profits based on the market prices of the

licenses and limiting the fragmentation of the taxicab industry. The market forces in 2004, when these provisions were enacted, clearly differ from those today. Certainly, the market value of PVLs has diminished with the entry of TNCs into the marketplace, and the increasing number on individual TNC drivers may render the attempt to prevent the fragmentation of the industry futile. It should also be noted that the advocacy group representing at least some taxicab drivers when Chapter 53 was last comprehensively amended in 2004<sup>5</sup> did not support a limitation on the percentage of individual ownership of licenses. This group actually advocated for much greater individual ownership, while retaining an affiliation requirement. Staff believes that deleting these transfer restrictions is appropriate, particularly if there is a desire to increase to proportion of individual owner-drivers. The Berliner amendments would delete both limitations in this subsection (along with an obsolete provision that modified them), ©516-517, lines 123-142.

§ 53-204(e) – Prohibition on transferee’s holding more than 40% of PVLs. The current law’s restriction on a transferee holding more than 40% of the licenses in effect is a clear attempt to prevent a consolidation in the industry, which would lead to diminished competition and presumably less incentive to deliver quality service. Again, with the entry of TNCs to the for-hire transportation market, competition for a large, and likely growing, percentage of the rides<sup>6</sup> is essentially guaranteed, regardless of any consolidation of existing licensees. However, staff believes that it remains important to prevent consolidation to promote competition in the taxicab industry, and recommends retaining this restriction.

- *Should the County issue new licenses? How many, and to whom?*

Councilmember Riemer has proposed to require the issuance of 200 PVLs to individuals who only own one PVL in 2016. He also proposed that future new issuances be made with 50% of new PVLs going to individuals, and 50% going to fleets (©357-358). MCPDU, in a letter to the Committee dated June 1 (©534), expressed support for the issuance of 200 new individual PVLs. In a letter to Councilmember Berliner dated February 26, 2015 (©466-470), David Mohebbi, president of CCTI, advocated a new PVL issuance to both fleets and drivers, and urged the retention of transferability of PVLs. In its March 5 position paper, CCTI specifically addressed the proposed issuance of 200 new licenses in 2016, contending that adding 200 new taxicabs would “significantly [negatively] affect driver income.” (©471-474). PVL holder and driver Jaynul Islam, on behalf of a group of lessee- and owner-drivers, submitted a list of concerns on June 3 (©547), including a statement of opposition to the issuance of 200 new licenses, saying that it would reduce driver income and destroy the value of PVLs. CCTI recommended the issuance of 100 new licenses in 2016, with future issuances made in accordance with the existing provisions of § 53-205. CCTI also supports the Riemer proposal’s allocation of future license issuances of 50% to individuals and 50% to fleets (©473).

The issuance of a significant number of individual PVLs would have the effect of moving the County away from the fleet-based model that was discussed and adopted when the County last comprehensively revised Chapter 53 in 2004. Two memoranda from Bruce Schaller, the consultant engaged by the County to study the County’s taxicab market as part of its 2004 revision, are particularly pertinent to this discussion (©364-373, 374-378). For a specific discussion of fleet- vs. individual driver-based systems, see ©376. The Committee should

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<sup>5</sup> The group in 2004 was called Cabdrivers Allied for Better Service (CABS).

<sup>6</sup> TNCs do not compete with traditional taxicabs for street hails, or rides booked by telephone, but the number of rides booked by app-based dispatch is growing and, for a variety of reasons, will almost certainly continue to grow.

consider whether circumstances have changed sufficiently or otherwise warrant a move away from a fleet based model. The entry of a large (or unlimited) number of TNCs into the market may have sufficiently altered the landscape to abandon the current fleet/individual balance. However, in the absence of the self-regulating rating system used by TNCs, it does seem likely that a de facto removal of the cap on licenses (as the issuance of 200 new individual licenses would seem to do) could lead to diminished customer service.

If the Committee desires to increase the proportion of individual PVL holders, it should consider alternatives to the issuance of a large quantity of new individual licenses without consideration for the public need. Given the persistent allegations of large numbers of fleet taxicabs sitting idle, the Committee might consider whether it is more desirable to issue a smaller number of new individual licenses and then reclaim, through revocation or nonrenewal, and redistribute “idle” licenses through more active enforcement or strengthening of the continuous operation requirement as previously discussed.

The Berliner amendments would require the new issuance of 50 licenses to individuals who do not already hold a license by June 1, 2016 (©528, lines 434-436), and change the proportion of individual PVLs in future issuances from 20% to “at least 50%” (©518, line 181).

- ***Should the reissuance of revoked or non-renewed PVLs be treated differently than a new issuance?***

Current law in Section 53-210 establishes a rolling process for reissuing licenses, with licenses reissued based on an “eligibility list” with eligible drivers ranked by seniority. However, references to “reissued licenses” in Section 53-205, “Periodic Issuance of New Licenses,” makes it unclear how revoked or non-renewed PVLs would be reissued. If, as part of a plan to create more opportunities for individual drivers to own PVLs, the County is seeking to “reclaim” underutilized PVLs and issue them to eligible drivers, clarification of the reissuance process is in order. The Berliner amendments would clarify the difference processes for new issuance and reissuance by removing references to reissued licenses in Section 53-205 (©518, lines 160-179), and creating a new section providing for the reissuance of revoked or non-renewed PVLs on a rolling basis (©520, 209-232). In order to retain the current number of licenses in circulation over the longer term, the Berliner amendments also include language providing that no licenses may be reissued until after 50 have been revoked or not renewed (©528, lines 437-439).

- ***Should the sublicensing of PVLs be permitted?***

The substitute bill includes the provisions of Bill 53-14 that would amend existing law to allow a fleet PVL holder to grant a sublicense to a vehicle owner to provide taxicab service under the license. See lines 178-194 at ©492-493. This amendment is an effort to ease the capital costs of fleets by allowing fleets to permit a taxicab driver who owns their own taxicab vehicle to drive the taxicab under the authority of the fleet’s license. Fleets could then operate more like TNCs, but using licensed taxicabs. Current law requires that a license be issued only to the owner of each taxicab.

Some jurisdictions that use medallion systems, such as New York and Chicago, permit such arrangements as “medallion-only leases.” Allowing the use of fleet PVLs by owners of

taxicabs through sublicensing could have the desirable effect of getting more taxicabs on the road by giving fleets more flexibility in the way the PVLs are used. It would also allow taxicab owner/drivers the option of driving their vehicle without having to purchase a license outright. Bill 53-14 would require approval by the DOT Director of each grant of a sublicense, and grantees are subject to all requirements of PVL holders, which should provide necessary oversight of such arrangements.

**Stakeholder positions:** CCTI supports sublicensing as a means to afford PVL holders more flexibility in the use of their PVLs, which would result in more taxicabs on the road. In his February 27, 2015 letter to Councilmember Riemer, Acting Director Roshdieh stated that DOT “has no objection [to sublicensing] as long as drivers have an opportunity to seek legal counsel of the contract in advance of its execution and the term of the sublicense does not exceed the term of the PVL” (©437). Since the March 10, worksession, DOT staff have expressed the view that sublicensing will have a favorable impact on the riding public because of the increased ownership interest in the business held by sublicensees, *i.e.*, drivers will take better care of vehicles that they own. MCPDU opposes sublicensing, saying that it would shift costs and risks to drivers (©534-538). The group of drivers represented by Jaynul Islam supports sublicensing as a means to “maximize the use of PVLs that are already on the market, give taxi drivers a stake in ownership, and generate revenue for affiliates and fleets” (©547-548).

Staff believes that allowing sublicensing would have the effect of getting more taxicabs on the road, and would create an intermediate step for drivers who seek more independence than exists under a leased vehicle arrangement, but either don’t desire or are unable to obtain a PVL outright. There is a risk for sublicensee drivers in that they will bear the significant cost-burden of vehicle ownership without the basic assurance of renewal that PVL holders enjoy: a PVL holder could decline to renew a sublicense agreement at the end of its term, leaving the driver with a vehicle but no legal means to operate it as a taxicab.

If the sublicensing is included in the bill, staff recommends including a limitation of the length of a sublicensing agreement to the term of the PVLs, as recommended by DOT, and including sublicensing in the uniform agreements and maximum rates provisions of Section 53-111.

- ***Should the County establish a fund to provide relief to PVL holders that can show a significant decline in value from the price that they paid for the license?***

Councilmember Riemer proposed to establish a “licensee reimbursement fund” to provide relief to PVL holders who can demonstrate a significant decline in value of their licenses from the purchase price (lines 68-73 at ©354). The intent of this fund would be to assist the estimated 40 individuals who purchased PVLs from fleets at market prices in prior years, and have seen the value of the PVLs decline precipitously since that time. Because it is likely that a Council bill will be introduced in the near future related to the County charge on TNC rides authorized in the new State TNC law, staff believes that it would be appropriate to defer discussion of this proposal. Because the revenue generated from the TNC charge must be used for “transportation purposes,” it may be possible to use some of the revenue to implement the fund Councilmember Riemer has proposed.

***Should the County establish a centralized electronic dispatch? How?***

The substitute bill includes the provisions of Bill 55-14 pertaining to the establishment of a centralized electronic dispatch. This represents an effort to adopt a program being pursued in Chicago and the District of Columbia (©191-195), and considered in New York City (©196-197), to create a digital dispatch system for all taxicabs. The intent of the Bill is twofold: (1) create a mechanism by which currently-regulated taxicabs can deliver taxicab services in a manner competitive with TNCs; and (2) be a part of a uniform regional dispatch system that would better serve the transportation needs of passengers in the Washington, DC metropolitan area.

In his February 23 proposal, Councilmember Riemer, in addition to requesting Committee support for many driver protection measures, requested that Bill 55-14 be amended to require preference given to a vendor providing a dispatch using open standards, and a vendor providing a dispatch that can include the most jurisdictions in the Washington, DC metropolitan area. The Riemer proposal would also remove the requirement that a fleet or association provide a dispatch service, and the requirement that all drivers must drive for or affiliate with a fleet or association. CCTI opposes the preference for a vendor providing a dispatch that can include the most regional jurisdictions, instead arguing that vendor selection “should be based entirely on the quality and cost of the system sold (©472).

The D.C. regulations require the establishment of a taxicab cooperative,<sup>7</sup> while Bill 55-14, modeled on the Chicago law, merely requires the establishment of a centralized electronic dispatch system by DOT. DOT would have the option of contracting with a third party to provide the service through the County procurement process.<sup>8</sup> The Bill is drafted to impose a general requirement, and leave the details of implementation to DOT. DOT has expressed objection to this approach, saying that it puts the Department in the position of being a participant in the market, rather than a regulator. As an alternative, DOT has suggested that CCTI should administer the dispatch.

There is not a clear example of successful implementation of a centralized dispatch, because it is a new concept. Staff believes that the general approach embodied in Bill 55-14 represents the best means to establish an operational system. Staff does not believe that having CCTI administer the system is a better alternative, particularly if one of the objectives of this Bill is to foster driver independence and facilitate the establishment of a driver association as an alternative to the existing fleets. Staff believes that the vendor preferences in the Riemer proposal would further the goal of greater regional interoperability of the dispatch, which would allow taxicabs to better compete with TNCs and improve customer service. Staff therefore recommends their inclusion the Committee elect to pursue a centralized electronic dispatch in the proposed form.

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<sup>7</sup> [http://dctaxi.dc.gov/sites/default/files/dc/sites/dc%20taxi/event\\_content/attachments/Chapters16and99.pdf](http://dctaxi.dc.gov/sites/default/files/dc/sites/dc%20taxi/event_content/attachments/Chapters16and99.pdf)

<sup>8</sup> Chicago has issued an RFP for its Taxicab Dispatch Application “E-Hail” Program and Centralized Way Taxicab Dispatch Service, with proposals due on June 5, 2015:  
<http://www.cityofchicago.org/city/en/depts/bacp/provdrs/vehic/alerts/2015/may/request-for-proposals--rfp--for-taxicab-dispatch-application-e-h.html>

The removal of the dispatch and affiliation requirement proposed by Councilmember Riemer are premature, in staff's view. Removing these requirements on the assumption that an untested alternative to the existing fleet dispatch systems could present problems both for riders and for DOT, as its current enforcement model depends in part on the affiliation requirement. It may be appropriate in the future, once a centralized electronic dispatch is up and running, to revisit this issue. The Commission proposed by Councilmember Berliner would, as part of its biennial review of the industry, consider making recommendations related to changes in the affiliation and dispatch requirements.

***Should the insurance requirements be changed?***

CCTI has requested that Section 53-225 be amended to require insurance in the same amounts required for taxicabs by the PSC, rather than in amounts required by regulation. Current County insurance requirements are as follows: \$100,000 for bodily injury or death, each person; \$300,000 for bodily injury or death each accident; and \$25,000 for property damage. COMCOR 53.40.01.01. PSC-required insurance is as follows: \$25,000 for injury to any one person; \$50,000 for injuries to two or more persons; and \$10,000 for property damage. COMAR 20.90.02.19 (Baltimore City and County) and COMAR 20.90.03.17 (Cities of Hagerstown and Cumberland). The proposed change represents a significant reduction in coverage amounts, and may not provide adequate protection for passengers or the general public.

**This packet contains:**

	<u>Circle #</u>
Substitute Bill	484
Berliner Amendments	512
CCTI Position Paper on Arbitration	529
CCTI Chapter 53 Revisions, "Late Version"	530
Barwood, "Obtaining a PVL in Montgomery County"	532
MCPDU June 1 Letter and Supporting Documents	534
Jaynul Islam, "Driver and Affiliate Concerns"	547

Bill No. xx-14  
Concerning: Taxicabs - Licenses -  
Vehicle Requirements - Driver  
Identification Cards  
Revised: \_\_\_\_\_ Draft No. \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Expires: \_\_\_\_\_  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: \_\_\_\_\_  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: \_\_\_\_\_

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**AN ACT** to:

- (1) require the Department of Transportation to implement a centralized electronic taxicab dispatch system;
- (2) require the Executive to establish uniform lease and affiliation agreements, set maximum lease and affiliation rates, and compile a list of types and amounts of other charges that a licensee may charge a driver;
- (3) provide a process for resolving disputes between fleets and drivers;
- (4) permit the holder of a fleet Passenger Vehicle License to grant a sublicense to another person on certain conditions;
- (5) amend certain requirements for age, color, and markings of vehicles used as taxicabs;
- (6) allow software-based meters to be used in taxicabs;
- (7) amend certain requirements for temporary identification cards for taxicab drivers;
- (8) delete certain reporting and customer service plan requirements; and
- (9) generally amend the laws governing the licensing and regulation of taxicabs.

By amending

Montgomery County Code  
Chapter 53, Taxicabs  
Sections 53-101, 53-106, 53-110, 53-201, 53-204, 53-214, 53-219, 53-220, 53-222, 53-228, 53-229, 53-231, 53-232, 53-233, 53-235, 53-306, 53-307, 53-308, 53-309, 53-603, and 53-604

By adding

Chapter 53, Taxicabs  
Sections 53-111 and 53-204A



By renumbering

Chapter 53, Taxicabs

Sections 53-221, 53-310, 53-311, 53-312, 53-313, 53-314, 53-316, 53-317, 53-318, 53-319, 53-320, 53-321, 53-322, 53-323, 53-324, and 53-325

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

485

Sec. 1. Sections 53-101, 53-106, 53-110, 53-201, 53-204, 53-214, 53-219, 53-220, 53-222, 53-228, 53-229, 53-231, 53-232, 53-233, 53-235, 53-306, 53-307, 53-308, 53-309, 53-603, and 53-604 are amended, and Sections 53-111 and 53-204A are added, as follows:

**53-101. Definitions.**

In this Chapter, unless the context indicates otherwise:

\* \* \*

Digital dispatch means the hardware and software applications and networks, including mobile phone applications, which passengers and operators use to obtain and provide taxicab or transportation network service.

\* \* \*

Dispatch means the traditional methods of pre-arranging vehicle-for-hire service, including through telephone or radio.

\* \* \*

Dynamic pricing means a fare structure that bases a rate on time and distance factors, increased by a multiplier related to consumer demand.

\* \* \*

**53-106. Rates.**

(a) The County Executive must set taxicab rates for trips other than those scheduled through a digital dispatch service by regulation to promote the public interest after holding a public hearing and considering the recommendations of the Committee.

\* \* \*

(c) Each rate charged for a trip scheduled through a digital dispatch service must comply with either:

(1) applicable rate regulations; or

(2) a time-and-distance or dynamic pricing rate set by the service.

(d) If a licensee that uses digital dispatch charges a fare other than the metered taxicab rate, before the customer books a vehicle the licensee or company must disclose to the customer:

(1) the fare calculation method;

(2) the applicable rate being charged; and

(3) the option for the customer to receive an estimated fare.

The licensee must review any customer complaint about a fare that exceeds the estimate provided under this subsection by 20% or \$25, whichever is less.

(e) During a state of emergency declared by the County Executive, a licensee that provides digital dispatch and engages in dynamic pricing must limit the multiplier by which its base fare is multiplied to the next highest multiple below the three highest multiples set on different days in the 60 days before the declaration of a state of emergency for the same type of service in the County.

[(c)](f) The Director may approve rates other than those set in the regulations as provided in a contract filed with the Department if the Director finds that the alternative rates will not result in a significant reduction of service to the general public. Any alternative rates that are higher than the rates set by regulation under subsection (a) must also be set by regulation.

[(d)](g) A person must not charge for taxicab service except as allowed under applicable regulations or [subsection (c)] this Section.

\* \* \*

### **Sec. 53-110. [Customer service requirements.**

(a) A regulation issued by the Executive must establish:

- (1) specific customer service requirements and minimum performance criteria applicable to each licensee, but which may vary by type of licensee;
- (2) the required submission dates for any customer service plan and other data that licensees must regularly submit;
- (3) the dates certain minimum levels of service and other performance requirements must be met; and
- (4) the consequences of failure to meet any requirements.

The service requirements and performance criteria must focus on recurring problems with customer service that the Department has identified through customer complaints or otherwise.

(b) These regulations must also include:

- (1) performance-based qualifications and requirements for receiving additional licenses under Section 53-205;
- (2) the standards and procedure by which the Director may deny or revoke a license if a licensee does not meet any mandatory customer service requirement;
- (3) defined geographic areas of service, subject to modification as provided in Section 53-222(b)(10), and minimum acceptable service parameters for each geographic area;
- (4) information required for a review or audit of performance criteria and data submission;
- (5) guidelines for a complaint resolution process for customer complaints that employs, to the extent feasible, an independent mediation or dispute resolution mechanism;

(6) guidelines for procedures each fleet or association must employ to keep each person who calls for service informed of the status of that person's request;

(7) any special procedures that the Executive concludes are necessary to assign appropriate priority to service requests from persons with special medical needs or non-emergency travel to or from medical facilities; and

(8) the percentage of calls for prearranged service that should be picked up within 10 minutes, and the percentage of calls for immediate service that should be picked up within 20 minutes. The Executive by regulation may set a different response standard for each type of service. "Prearranged service" is service requested, by telephone or electronically, at least 2 hours before the passenger is scheduled to be picked up.

(c) As a condition of receiving a license under this Chapter, each licensee must agree that all data submitted under this Section is public information. The Director must regularly make that information available to the public in an annual report on taxicab service in a format set by regulation, and in any other fashion that the Director finds will inform the public.

(d) The Director, after consulting the Taxicab Services Advisory Committee, may use any reasonable mechanism to collect more data that may be used to measure and evaluate customer service performance, including complaint data, customer surveys, and service sampling techniques.]

**Centralized electronic dispatch system.**

- (a) The Director must establish a centralized electronic dispatch system to dispatch taxicabs for trips that begin or end in the County through an Internet-enabled application, digital platform, or telephone dispatch system.
- (b) The Director may enter into a contract with a licensee or other private party through the County procurement process to manage and operate the system. In selecting a contractor, the Director must give preferences to vendors who:
- (1) use or creates an open standard in developing the system; and
  - (2) include the greatest number of jurisdictions in the Washington, D.C. region in the system.
- (c) The Director may require every taxicab licensed under this Chapter to participate in the system.
- (d) The Director may require dispatch fees, approved under Section 53-107, to be assessed to cover the costs of operating the system.
- (e) The system must maintain verifiable records, in a form prescribed by the Director, summarizing responses to requests for service made under the system. The system must provide all required records to the Director upon request.
- (f) Nothing in this Section prohibits a licensee from being affiliated with or dispatched by any other two-way dispatch system.

**53-111. Uniform agreements; maximum lease and affiliation rates and other charges.**

- (a) The Executive must establish, by method (2) regulation:
- (1) uniform lease and affiliation agreements which must conform to the minimum requirements of Section 53-219;

(2) maximum lease and affiliation rates that a licensee may charge a driver; and

(3) a list of types and amounts of other charges that a licensee may charge a driver.

(b) Maximum lease and affiliation rates, and other charges that a licensee may charge a driver, must be set at amounts determined by the Executive to:

(1) enable the licensee to receive adequate revenues to pay the licensee's reasonable expenses and receive a fair and reasonable rate of return on the licensee's investment; and

(2) provide drivers with an opportunity to earn a fair and reasonable income.

(c) In determining the maximum lease rates, the Executive must consider:

(1) vehicle, equipment and license costs;

(2) asset depreciation;

(3) the costs of insurance, operation and maintenance, uninsured repairs, wages and salaries, garage storage, taxes, fees, two-way dispatching and administration, as well as all other periodic expenses paid by the licensee; and

(4) any other factors that the Executive considers appropriate to further the purposes of this Chapter.

(d) The Executive must periodically review the maximum lease and affiliation rates, and other charges that a licensee may charge a driver, to ensure that the rates and charges are consistent with the objectives expressed in this section.

(e) The Executive may require all licensees to provide such financial information as may be reasonably necessary to establish maximum

rates and charges allowed under this Section. Information submitted under this subsection is confidential and must not be disclosed to the public.

## ARTICLE 2. TAXICAB LICENSES.

### Division 1. General License Provisions.

#### **53-201. Required.**

- (a) A person must not provide taxicab service without possessing a license as required under this Chapter.
- (b) [A] Except as provided in subsection (c)(3), a license must be issued only to the owner of each taxicab.
- (c) A [licensee] person must not operate a taxicab or provide taxicab service unless the [licensee] person either:
  - (1) holds a fleet license; [or]
  - (2) holds one or more individual licenses and is affiliated with an association or a fleet[.]; or
  - (3) holds a sublicense granted by a holder of a fleet license under Section 53-204A and is affiliated with that fleet.
- (d) A licensee must hold a license for each taxicab.

\* \* \*

#### **53-204A. Sublicenses.**

- (a) The holder of a fleet license may grant a sublicense to another person under this Section.
- (b) A sublicense may be granted only if:
  - (1) the holder of a fleet license notifies the Department in writing of the proposed grant not less than 30 days before the date of the proposed grant, specifying all terms and conditions of the proposed grant and the identity of the proposed grantee;



(2) the Director finds that the proposed grantee meets all requirements for a licensee under this Chapter and applicable regulations; and

(3) the Director approves the grant of the sublicense.

(c) The Director must not approve a grant of a sublicense if the grantee already holds, or would then hold, more than 40% of the total number of licenses then in effect.

(d) The holder of a sublicense is subject to all of the requirements of this Chapter that apply to a licensee.

\* \* \*

**53-214. Additional criteria to deny a license.**

\* \* \*

(b) The Director may decline to issue or renew a license to any licensee or applicant:

\* \* \*

(4) who has not [operated at the customer service levels required by applicable regulations, or has not] complied after reasonable notice with any required safety, operational, or inspection requirement of this Chapter.

\* \* \*

**53-219. Responsibility of licensees, affiliates, and drivers.**

\* \* \*

(b) Each licensee must promptly take appropriate action when the licensee becomes aware from any source that a driver of a taxicab for which the licensee holds the license or regarding which the licensee is a party to an affiliation agreement has not complied with all

requirements of this Chapter [and the customer service standards adopted under this Chapter].

(c) Each licensee must exercise due diligence to monitor the activities of each driver of a taxicab for which the licensee holds the license or regarding which the licensee is a party to an affiliation agreement to assure that the driver complies with all requirements of this Chapter [and the customer service standards adopted under this Chapter].

(d) Notwithstanding the legal status of any driver as an independent contractor rather than an employee of the licensee, for the purposes of this Chapter, [(and particularly the customer service standards adopted under this Chapter)] the responsibility of each licensee for the conduct and performance of drivers under this Chapter:

- (1) applies to each driver, including affiliates of the licensee; and
- (2) prevails over any inconsistent contract or other agreement between a licensee and an affiliate or a driver.

(e) Any contract or other operating agreement between a licensee and any affiliate or driver must use the applicable uniform agreement adopted by regulation under Section 53-111 and must:

- (1) inform the driver of:
  - (A) the driver's obligation to comply with all requirements of this Chapter [and the customer service standards adopted under this Chapter]; and
  - (B) the licensee's obligation to take appropriate action when the licensee becomes aware that a driver has not complied with any requirement of this Chapter [or customer service standard];

- 238 (2) empower the licensee to take appropriate action, as required in  
 239 subsection (b); [and]
- 240 (3) not restrict a driver, affiliate, or taxicab owner from providing  
 241 taxicab service in the County after the contract or agreement  
 242 expires or is terminated[.];
- 243 (4) not exceed a term of one year;
- 244 (5) not require a driver or affiliate to use the fleet or association  
 245 system for processing credit card transactions; and
- 246 (6) not be subject to automatic renewal.
- 247 (f) [(1) Any contract or other operating agreement between a licensee  
 248 and any affiliate or driver must require both parties, at either  
 249 party's request, to participate in good faith in an independent,  
 250 third-party mediation or alternative dispute resolution process,  
 251 which may be administered by the Department or the  
 252 Department's designee.
- 253 (2) A dispute is subject to the process required by this subsection if  
 254 the dispute is connected with the operation of the contract or  
 255 agreement or involves the affiliate's or driver's compliance  
 256 with any requirement of this Chapter or a customer service  
 257 standard adopted under this Chapter. The implementing  
 258 regulations may specify that certain classes of disputes are not  
 259 subject to this process.
- 260 (3) The dispute resolution administrator may stay the operation of  
 261 any action taken by a party when a stay is necessary to preserve  
 262 the rights of any party.
- 263 (4) This subsection does not preclude either party from taking any  
 264 other lawful action to enforce any contract or agreement.]

A licensee must not impose on a driver or affiliate:

- (1) a charge of more than 5% of the transaction for processing a credit card payment; or
- (2) any other charge of a type or amount other than those on the list adopted by regulation under Section 53-111.

### **53-220. Dispute Resolution.**

(a) *Definitions.* In this Section:

- (1) *Dispute* means a disagreement between a person who holds a taxicab driver identification card issued under this Chapter and the fleet or association under whose colors the person drives over whether an action taken by the fleet or association to terminate, suspend or impair the person's ability to drive under the fleet or association's colors, or to terminate, suspend or impair the person's right to enjoy the resources and benefits provided by the fleet or association, on the same basis as other similarly situated fleet or association drivers, was reasonable and based upon good cause.
  - (2) *Good cause* means one or more of the causes for revocation of an identification card under Section 53-604, or a material failure of a driver to comply with established, written rules or practices of the company or to perform in accordance with his or her written contract with the company, after reasonable notice and an opportunity to comply or perform.
- (b) Each fleet or association may have a written dispute resolution procedure as part of its agreements with its affiliates or drivers, so long as such dispute resolution procedure incorporates, at a minimum,

binding arbitration pursuant to the American Arbitration Association Commercial Arbitration Rules, R-1 through R-58.

(c) If a fleet or association has an agreement with an affiliate or driver that does not include a dispute resolution procedure meeting the requirements of subsection (b), then disputes will be subject to resolution under this subsection.

(1) disputes must first be the subject of an internal grievance procedure conducted as follows:

(A) the aggrieved party must submit a complaint in writing to the fleet or association within 30 days from the date of the fleet or association's action, containing a written statement of the matter in dispute and the names, addresses and telephone numbers of each party to the dispute.

(B) within two weeks after the submission of the written complaint, the fleet or association must appoint a representative from within the fleet or association to hear the dispute. The representative must have had no direct or indirect involvement in the dispute.

(C) within two weeks after appointment, the representative must conduct an informal hearing concerning the dispute.

(D) both parties must use best efforts to resolve the dispute.

(E) within two weeks after the hearing has been concluded, the fleet or association representative must provide a written decision.

(2) If the dispute is not resolved through the internal grievance procedure, both parties may agree to informal or formal

318 mediation of the dispute, pursuant to paragraph (3). If the  
319 parties fail to agree to mediation, either party may elect to  
320 proceed to arbitration, pursuant to paragraph (4).

321 (3) Informal or formal mediation.

322 (A) within two weeks after the internal grievance procedure  
323 has been concluded, any party requesting mediation must  
324 submit a written notice requesting mediation to all  
325 parties.

326 (B) within two weeks after such notice has been submitted,  
327 the parties may agree to an impartial person to mediate  
328 the dispute in an informal process. If the parties do not  
329 agree to informal mediation, the party requesting  
330 mediation must submit a written Request for Mediation  
331 to the American Arbitration Association (AAA). If the  
332 parties are unable to agree to mediation, either party may  
333 elect to proceed to arbitration, pursuant to paragraph (4).

334 (C) a request for mediation must contain a brief statement of  
335 the dispute, and the names and addresses and telephone  
336 numbers of each party to the dispute.

337 (D) the mediator must notify all parties of the time, date and  
338 place of the mediation.

339 (E) the costs of the mediation must be borne equally by the  
340 parties unless they agree otherwise in writing.

341 (F) the mediation conducted by AAA must be in substantial  
342 accord with the American Arbitration Association  
343 Commercial Mediation Rules, M-1 through M-17.

(G) the mediator may end the mediation if, in the sole discretion of the mediator, the continuation of the mediation would not be useful.

(H) the parties in mediation must use their best efforts to resolve the issues in controversy and the mediator may execute a written settlement agreement if agreed on by the parties but may not impose a settlement on the parties.

(4) Where neither the internal grievance procedure nor mediation, if attempted, has resolved the dispute, either party may submit the matter to arbitration, which is binding upon the parties. Such arbitration must be conducted as follows:

(A) within two weeks after the mediation process or the internal grievance procedure has been concluded, the party requesting arbitration must submit a written notice of intent to arbitrate to all parties.

(B) within two weeks after such notice has been submitted, an impartial person to arbitrate the dispute must be agreed upon by the parties, or, if the parties do not agree, the party requesting arbitration must submit a written request for arbitration to the (AAA) and simultaneously mail a copy of the request for arbitration to every party to the dispute.

(C) a request for arbitration must contain a brief statement of the dispute, and the names and addresses and telephone numbers of each party to the dispute.

(D) the arbitrator must notify all parties and their representatives, if any, of the time, date and place of the arbitration.

(E) the costs of the arbitration must be borne by the party which does not prevail, unless the parties agree otherwise in writing, or the costs are otherwise apportioned by the arbitrator if there is no prevailing party.

(F) the arbitration, whether conducted by AAA or another arbitrator chosen by the parties, must be in substantial accord with the American Arbitration Association Commercial Arbitration Rules, R-1 through R-56.

(G) the arbitrator may conclude the arbitration hearing if in the sole discretion of the arbitrator, continuation of the hearing would not be useful.

(H) within two weeks after the arbitration hearing has been concluded, the arbitrator must render an award in writing, which must be binding upon the parties and which may be enforced by any court having jurisdiction over the parties.

#### **Division 4. Additional Duties of Fleets and Associations.**

##### **[53-220] 53-221. Essential requirements.**

Each fleet and association must:

\* \* \*

- (c) operate under [uniform] colors and markings approved by the Director;



- (d) [submit a customer service plan as required by applicable regulations that specifies how the fleet or association will achieve the plan's goals for safe, reliable customer service and on-time performance;
- (e)] submit accurate, verifiable operating and statistical data reports as required under this Chapter;
- [(f)](e)provide an adequate number of taxicabs to meet service demand 24 hours a day, 7 days a week, as defined by applicable regulations; and
- [(g)](f)comply with all requirements of this Chapter regarding the provision of accessible taxicabs.

\* \* \*

**[53-222. Customer Service Plan.]**

- (a) Each fleet and association is responsible for providing timely, safe, reliable quality taxicab service. To that end, each fleet and association must submit to the Director a customer service plan as required by Section 53-110 and applicable regulations.
- (b) At a minimum, each fleet and association's initial customer service plan must:
- (1) specify the fleet or association's anticipated percentage of trips that will achieve the applicable response time standards set under Section 53-110(b)(8) for prearranged service requests and calls for immediate service, or submit proposed response times for immediate and prearranged service that are different in any service area specified by the fleet or association. When different response times are proposed, the plan must describe why the differences are proposed, considering growth in a service area or the fleet or association's willingness to serve areas that need additional service;

- (2) include timelines to achieve the proposed standards if they will not be met in the next year;
- (3) describe any operational changes the fleet or association intends to implement that would result in improved service;
- (4) describe what procedures the fleet or association will employ to keep each person who calls for service informed of the status of that person's request;
- (5) describe any special procedures the fleet or association will use to assign appropriate priority to service requests that involve persons with special medical needs or non-emergency trips to or from medical facilities;
- (6) specify the number of taxicabs needed to achieve response times, and justify an increase in taxicab licenses, if requested, based on public convenience and necessity;
- (7) include a phased-in plan for service improvements, particularly noting any improvements intended to achieve better service to senior citizens, people with disabilities, or other underserved populations identified by the Directors;
- (8) describe the fleet or association's participation, and goals for participation, in user-side subsidy programs;
- (9) calculate the fleet's or association's user-side subsidy program participation data for the previous 12 months;
- (10) describe the fleet or association's geographic areas of service, including any planned expansion in a service area or a willingness to serve areas that need additional service;
- (11) calculate prior taxicab productivity, measured by the number of daily trips per cab or an equivalent measurement;

(12) describe the fleet or association's development of and participation in innovative taxicab services;

(13) list the number of consumer complaints involving the fleet or association, by type, filed with the County or another government agency in the past 24 months; and

(14) list the number of enforcement actions against the fleet or association or its drivers of which the fleet or association is aware, started and completed during the past 24 months.

(c) Any customer service plan filed after the initial plan must show any changes in the data included in the initial plan, and any new data required by applicable regulations.]

\* \* \*

#### **53-228. Procedure when vehicle placed in or removed from service.**

\* \* \*

(g) Any vehicle placed in service as a taxicab must not be more than [4] five model years old.

#### **53-229. Age of vehicles.**

(a) A licensee must not use any vehicle that is more than [7] eight model years old to provide taxicab service in the County. As used in this Chapter, the "model year" of a vehicle is the year designated by the vehicle manufacturer, as indicated on the vehicle or in the manufacturer's records. A licensee may maintain a vehicle in service until the next December 31 after its [seventh] eighth model year ends if the vehicle passes a comprehensive safety inspection performed during the preceding August by a state-certified inspector in good standing.

\* \* \*

**53-231. Vehicle numbering, lettering, and markings; rate chart.**

- (a) When a license for a taxicab is issued under this Chapter, the Department must assign a license number to the taxicab. The licensee (or the fleet, if the vehicle is affiliated with a fleet) must assign a vehicle number to each taxicab. The vehicle number must be permanently applied[, and plainly visible[, and not less than 3 inches high, on each of the 2 sides, on each of the 2 rear door roof columns, and on the rear of each taxicab].

\* \* \*

**53-232. Doors; lettering; color; special equipment.**

- (a) Each taxicab operated in the County must have at least 3 doors. All doors must operate safely.
- (b) A licensee or driver must not operate a taxicab unless the taxicab bears markings in letters plainly distinguishable [and not less than 3 inches high,] on each of the 2 sides of the taxicab, showing the approved name [and telephone number] of the fleet or association by whom the taxicab is owned or operated[, and the word "taxicab," "taxi" or "cab."].
- (c) [All taxicabs in a fleet or association] Each fleet or association must [be uniform in color] register its colors with the Department. A fleet or association may register one or more color combinations, and any fleet or association may register black as one of its colors. A fleet or association must not use colors that are similar to those of another fleet or association so that the public can readily identify taxicabs operated by that fleet or association. [However, the] The Director may approve advertising in different colors or markings as long as the public can still readily identify taxicabs operated by that licensee, or

the use of a set of different colors and markings to identify a specialized service provided by or geographic area served by a fleet or association. Any color or color combination approved by the Department, other than black, must be reserved for the exclusive use of that fleet or association when the fleet or association is operating taxicabs in the County.

- (d) Each licensee must insure that each fleet or association uses only the approved name of the fleet or association in advertising or listing its service to the public.

**53-233. Cruising lights.**

Each taxicab [must] may, but is not required to, have cruising lights that operate electrically as a sign or insignia mounted on the forward portion of the roof of the taxicab. [These] Cruising lights must not be used until approved by the Department [. These lights], and must be designed so that the vehicle can be easily identified as a taxicab.

**53-235. Taxicab meters.**

- (a) Each taxicab must be equipped with:

- (1) an accurate, properly installed and connected taximeter which has a security seal affixed by the Department[.]; or
- (2) a reliable, independently verifiable software-based metering system, approved by the Department.

- (b) In addition to regular inspections, the Department may conduct periodic tests of these meters or metering systems. Upon successful completion of the tests, [the] a taximeter must be affixed with a security seal, and a software-based metering system must be marked in a manner acceptable to the Department. These tests should be

scheduled in a manner that minimizes interruption of taxicab service to the public.

\* \* \*

### **53-236. Inspections.**

\* \* \*

- (d) Each taxicab licensed under this Chapter must undergo a complete inspection of its mechanical condition and any special equipment used to transport persons with disabilities every [6] 12 months at a time and place designated by the Department. The inspection must be performed by a licensed state inspector at a state-certified inspection station in good standing. The Director must immediately, without holding a hearing, suspend the license of any taxicab in an unsafe physical or mechanical condition. The Director must immediately reinstate any unexpired suspended license after receiving satisfactory proof that the violation or defect has been corrected.

\* \* \*

### **53-306. Application; temporary card.**

- (a) A person who holds a valid identification card must apply [to] for a renewal card not less than 30 days before the current card expires.

\* \* \*

- (c) (1) An applicant who has not held an identification card, or who held a card that has expired, may apply for a short-term temporary identification card under applicable regulations.
- (2) The Director must not issue a temporary identification card unless the applicant has:
- (A) properly verified his or her identity;

- 555 (B) a valid driver's license issued by Maryland or a bordering  
 556 state (including the District of Columbia);
- 557 (C) submitted his or her driving records, as compiled by the  
 558 appropriate state motor vehicle agency, for the previous 3  
 559 calendar years from any jurisdiction where the applicant  
 560 held a license to drive a motor vehicle; and
- 561 (D) undergone a criminal background check, conducted by  
 562 the appropriate state agency, showing that the applicant is  
 563 not disqualified because of a criminal conviction, receipt  
 564 of probation before judgment in lieu of a conviction, or  
 565 pending criminal charge from operating a taxicab[; and]
- 566 [(E) passed the examination required under Section 53-308].
- 567 (3) [After August 31, 2007, the] The Director must not issue a  
 568 temporary or annual identification card unless the applicant has  
 569 shown, through a complete criminal background check, that the  
 570 applicant is not disqualified for any reason mentioned in  
 571 Section 53-309(a).
- 572 (4) Any temporary identification card issued under this subsection  
 573 must differ conspicuously in style and color from the annual  
 574 identification card.
- 575 (5) A temporary identification card expires [on the earlier of:
- 576 (A) five days after the Department receives the results of the  
 577 nationwide criminal background check; or
- 578 (B) 90] 45 days after the card was issued.
- 579 (6) The holder of a temporary identification card must return it to  
 580 the Department, without further proceedings, on the earlier of:

- (A) the day the Department issues the holder an annual identification card under this Chapter;
- (B) the [90th] 45th day after the card was issued; or
- (C) one business day after the Department notifies the holder that the card has expired under subsection (c)(5)[(A)].

(7) By accepting a temporary identification card, the holder by operation of law waives any cause of action against the County or any officer, employee, or agency of the County for improperly issuing a license to the holder. By employing or leasing a taxicab to any person who holds a temporary identification card, a taxicab licensee by operation of law waives any cause of action against the County or any officer, employee, or agency of the County for improperly issuing a license to that person.

(d) The Director may extend the expiration date of an identification card [(including a temporary identification card issued under subsection (c))]  
up to 60 days if:

- (1) the applicant has submitted all required documentation; and
- (2) processing of required state or federal criminal background checks has been delayed through no fault of the applicant.

**53-307. Physician's certificate.**

(a) Before the Director issues an identification card, [including] other than a temporary card issued under Section 53-306(c), the applicant must furnish a physician's certificate, issued within the previous 30 days, which certifies that:



- (1) the applicant has been given a physical examination, including an initial tuberculosis test and any other test required by applicable regulation; and
- (2) the applicant is free from any communicable disease, and is not subject to any physical or mental impairment that could:
  - (A) adversely affect the applicant's ability to drive safely; or
  - (B) otherwise endanger the public health, safety, or welfare.

\* \* \*

**53-308. [Examination of applicant.**

Before issuing an identification card, other than a temporary card issued under Section 53-306(c), the Director must require the applicant to show that the applicant is able to:

- (a) perform the duties and responsibilities of a taxicab driver; and
- (b) pass an examination on knowledge of traffic laws, duties under this Chapter, and general qualifications to operate a taxicab in the County.

**53-309.] Criteria to deny an identification card.**

\* \* \*

**[53-315. Trip records.**

- (a) Each driver must keep an original written record, for a period of six months, of all in- service trips on a form approved by the Department. Each in-service trip must be entered on the trip record at the point of pickup.
- (b) The driver must submit trip records to the Department whenever the Director requires.
- (c) Each trip record must include the date, the driver's starting and ending time, and the taxicab's starting and ending mileage for the driver's work day.

(d) Each rest break the driver takes must be entered on the trip record.]

\* \* \*

**53-603. Penalty for violations.**

\* \* \*

(c) In addition to any fine or penalty established by the Executive for a violation of this Chapter, the Director may impound any vehicle that is providing taxicab services within the County in violation of this Chapter.

**53-604. Suspension or revocation of license or identification card.**

(a) The Director may revoke or suspend any license or identification card, as appropriate, if, after notice and opportunity for a hearing, the Director finds that:

\* \* \*

(5) a licensee or driver operated a taxicab, or allowed a taxicab to be operated, in a manner that endangered the public health, safety, or welfare[, or with a record of substandard customer service as defined by applicable regulation].

\* \* \*

**Sec. 2. Sections 53-221, 53-310, 53-311, 53-312, 53-313, 53-314, 53-316, 53-317, 53-318, 53-319, 53-320, 53-321, 53-322, 53-323, 53-324, and 53-325 are renumbered as follows:**

**[53-221] 53-222. Operating requirements.**

\* \* \*

**[53-310] 53-309. Expiration of identification card.**

\* \* \*

**[53-311] 53-310. Taxicabs from other jurisdictions.**

\* \* \*

660 [53-312] 53-311. Notice of change of address.  
661 \* \* \*  
662 [53-313] 53-312. Duty to accept and convey passengers.  
663 \* \* \*  
664 [53-314] 53-313. Passenger receipts.  
665 \* \* \*  
666 [53-316] 53-314. Out of service notice.  
667 \* \* \*  
668 [53-317] 53-315. Parking at taxicab stands.  
669 \* \* \*  
670 [53-318] 53-316. Parking to solicit business.  
671 \* \* \*  
672 [53-319] 53-317. Trips to be made by most direct route.  
673 \* \* \*  
674 [53-320] 53-318. Accident reports.  
675 \* \* \*  
676 [53-321] 53-319. Use by other persons prohibited.  
677 \* \* \*  
678 [53-322] 53-320. Hours of operation.  
679 \* \* \*  
680 [53-323] 53-321. Driver and passengers only permitted in vehicle; exception.  
681 \* \* \*  
682 [53-324] 53-322. Maximum number of passengers.  
683 \* \* \*  
684 [53-325] 53-323. Group riding.  
685 \* \* \*

## Amendments to Substitute Bill

**Offered by**

## Councilmember Berliner

[Committee] Commission means the Taxicab Services [Advisory Committee] Commission.

\* \* \*

### **53-103. Taxicab Services [Advisory Committee] Commission.**

(a) The County Executive must appoint, subject to confirmation by the County Council, a Taxicab Services [Advisory Committee] Commission.

(b) The [Committee] Commission must:

(1) advise the Director in carrying out duties and functions under this Chapter; [and]

(2) meet quarterly or more frequently if requested by the County Executive or County Council or if the Chair or Commission finds it necessary;

(3) evaluate the performance of the taxicab industry in serving members of the population with special transportation needs, such as senior citizens and people with disabilities[.]; and

(4) conduct the biennial review of the taxicab industry under Section  
53-104

(c) The [Committee] Commission consists of [5] four public members and [4] seven taxicab industry members. The County Executive [should] must appoint members so that:

(1) one public member represents senior citizens, and another public member represents people with disabilities;

- (2) [two] three of the [4] seven taxicab industry representatives represent management and [2] four are taxicab drivers; and
- (3) [one] two of the [2] four drivers [is an owner-driver] are owner-drivers and [one is a] two are non-owner [driver] drivers.
- (d) The Director or the Director's representative [must service as an ex-officio non-voting member. The Director of the Office of Consumer Protection, or the Director's representative,] and the Chair of the Council Transportation, Infrastructure, Energy and Environment Committee or the Chair's representative must [also] serve as [an] ex-officio non-voting [member] members.
- (e) A [Committee] Commission member serves for a term of [3] three years, or until a successor is confirmed, whichever is later. A member must not serve more than [2] two consecutive full terms. A person appointed to fill a vacancy serves for the remainder of the predecessor's term.
- (f) The [Committee] Commission must annually select one public member as chair.

**53-104 Biennial Review of the Taxicab Industry.**

- (a) Between September 1 and November 15 of each even-numbered year, the Taxicab Services Commission must conduct a review of the County taxicab industry including:
- (1) at least one public hearing;
- (2) solicitation of comments from stakeholders;
- (3) an evaluation of:
- (A) the economic condition of the taxicab industry; and
- (B) the adequacy of service rendered by the industry.

(b) The Commission must submit a report to the Executive and County Council not later than December 1 of the year the review is conducted, describing the status of the industry and identifying any changes to the regulation of the industry that the Commission finds necessary or desirable, including:

- (1) changes to the number of licenses in circulation;
- (2) changes in taxicab rates set under Section 53-106;
- (3) changes in fees set under Section 53-107;
- (4) changes in insurance requirements under Section 53-225 or applicable regulation;
- (5) changes to the accessibility requirements under Article 5;
- (6) changes to the affiliation and dispatch requirements under this Chapter; and
- (7) any other changes that the Commission determines would improve the delivery of taxicab services.

(c) The review of economic condition of the industry must include consideration of taxicab rates, lease and affiliation rates, and industry fees charged to and by licensees and drivers. In reviewing the rates and fees, the Commission must consider:

- (1) driver income compared to the County minimum wage; and
- (2) the cost of industry-related regulatory and enforcement expenditures.

**53-105. Regulations.**

\* \* \*

**[53-105] 53-106. Administrative record.**

\* \* \*

**[53-106] 53-107. Rates.**

(a) The County Executive must set taxicab rates by regulation to promote the public interest after holding a public hearing and considering the recommendations of the [Committee] Commission.

\* \* \*

[53-107] 53-108. Fees.

\* \* \*

[53-108] 53-109. Taxicab stands.

\* \* \*

[53-109] 53-110. Duplicates.

\* \* \*

[53-110] 53-111. Centralized electronic dispatch system.

\* \* \*

[53-111] 53-112. Uniform agreements; maximum lease and affiliation rates and other charges.

\* \* \*

**53-201. Required.**

\* \* \*

(e) A licensee must own a taxicab associated with each license unless a sublicense has been granted under Section 53-205A.

\* \* \*

**53-203. Types of licenses; cross-ownership.**

(a) A fleet or association, including any officer, director, owner, employee, affiliate, subsidiary, or holding company, must not have any direct or indirect ownership interest in or management control over any other fleet or association that operates in the County.

(b) An individual must not hold a license originally issued to a fleet or association under this Chapter, and a fleet or association must not hold

a license originally issued to an individual under this Chapter, unless the license was lawfully transferred under Section 53-204.

- (c) Nothing in this Section prohibits a fleet or association from providing non-taxicab for-hire driving services as defined under State law and not regulated by the County.

**53-204. Transferability; security interest.**

- (a) Any license must not be transferred except as provided in this Chapter.

- (b) A license may be transferred only if:

- (1) the licensee notifies the Department in writing of the proposed transfer not less than 30 days before the date of the proposed transfer, specifying all terms and conditions of the proposed transfer and the identity of the proposed transferee;
- (2) the Director finds that the proposed transferee meets all requirements of this Chapter and applicable regulations; and
- (3) the licensee surrenders the license when the Director approves the transfer.

- (c) [Except in the case of a transfer under subsection (f), a license issued to any licensee may be transferred only if the license was not issued or transferred within the previous three years.

- (d) The Director must not approve the transfer to an individual of a license issued to a fleet if:

- (1) the same fleet has already transferred more than two licenses to individuals during that calendar year; or
- (2) the transfer would result in individuals holding more than 30% of the total number of licenses then in effect.

Until December 31, 2009, the Director, after receiving a written request from a licensee, may waive either limit in this subsection on transferring a license



131 issued to a fleet when the Director concludes that a waiver is necessary to avert a  
132 potential significant loss of service or to preserve or promote adequate taxicab  
133 service in all areas of the County, and the waiver will not reduce or impair  
134 competition, public welfare, and public safety. If the Director waives either limit  
135 for a fleet, the Director must at the same time waive the same limit for each other  
136 fleet so that each fleet's share of the waivers approved for all fleets is at least the  
137 same as that fleet's share of all fleet licenses when the application for a waiver was  
138 filed. The Director may attach reasonable conditions to any waiver, including  
139 requirements for purchase of commercial liability insurance and maintenance of  
140 minimum numbers of accessible vehicles and limits on the number of new licenses  
141 a company can apply for or receive in a 2-year period after it transfers existing  
142 licenses.

143 (e)] The Director must not approve a transfer of any license if the transferee  
144 already holds, or would then hold, more than 40% of the total number  
145 of licenses then in effect. This subsection does not prohibit the sale or  
146 transfer of a license to a licensee that held more than 40% of the licenses  
147 in effect on October 1, 2004, or the sale or transfer of all or a majority  
148 of the licenses held by that licensee.

149 [(f)](d)A security interest may be created in a passenger vehicle license in  
150 accordance with the Maryland Uniform Commercial Code, subject to  
151 the Director's approval. The Executive may by regulation attach  
152 further conditions to the creation of a security interest, consistent with  
153 this subsection, as necessary to avoid significant disruptions in taxi  
154 service. The Director may approve the creation of a security interest  
155 only if:

156 \* \* \*

[(g)](e) A transferred license is valid for the remainder of the term of the original license.

\* \* \*

### **53-205. Periodic issuance of new licenses.**

- (a) *Notice.* The Director may periodically issue new licenses to qualified applicants [or reissue any license that has been revoked or not renewed under this Chapter,] as provided in this Section. The Director must advertise the availability of these licenses in at least one newspaper of general circulation in the County for [2] two consecutive weeks before accepting applications. The Director should also notify, by electronic mail or other reasonable means, any licensee or driver who requests to be notified of the availability of new [or reissued] licenses.
- (b) *Criteria.* The Director may issue new [or reissued] licenses to qualified applicants, including existing licensees and persons who do not then hold licenses, who meet criteria defined by regulation which promote competition and further the purposes of this Chapter. The criteria must:
- (1) be based on public convenience and necessity, such as the need for more taxicab services in the County generally or in certain geographic areas of the County, or for certain types of passengers, as shown by such measurements as taxi utilization rates and response times; and
  - (2) consider the performance record of each applicant in providing taxicab service in the County or elsewhere.
- (c) *Individual allocation.* Of the new [or reissued] licenses issued in any 2-year period, [20%] at least 50% must be allocated to individuals who:

- 182 (1) have held a Taxicab Driver Identification Card, and have  
183 regularly driven a taxicab in the County, during the preceding  
184 three years;  
185 (2) have a superior driving record, as defined by regulation; and  
186 (3) do not already hold a license under this Chapter.

187 In deciding among individuals who qualify under this subsection, the Director must  
188 rank them by the number of years that each individual has regularly driven a taxicab  
189 in the County. If a sufficient number of qualified individuals do not apply for a  
190 license under this subsection, the Director may allocate the remaining licenses to  
191 individuals who already hold a license under this Chapter.

192 (d) *Biennial limit.* During calendar year [2006] 2016 the Director must not  
193 issue more than 70 new licenses. In each later even-numbered year, the  
194 Director may issue a total number of new licenses that does not exceed  
195 10% of the number of licenses then in effect.

196 (e) *Additional licenses - extraordinary authority; population limit.* The  
197 Director may issue more licenses than are authorized under subsection  
198 (d) if the Director finds, after holding a public hearing, that additional  
199 taxicabs are necessary to improve service to specified geographic areas  
200 or types of taxicab users or generally to increase competition.  
201 However, the total number of licenses issued must not exceed [1] one  
202 license for each 1,000 County residents, as computed in the most recent  
203 decennial U.S. Census or any census update published by the  
204 appropriate federal agency.

205 (f) *Individual limit.* Notwithstanding any other provision of this Section,  
206 the Director must not issue [more than 10] a new [or reissued licenses]  
207 license [in any 2-year period] to any licensee that holds or controls more  
208 than 40% of the licenses then in effect.

209 **53-206. Reissuance of revoked or non-renewed licenses.**

- 210 (a) The Director must reissue licenses that are revoked or not renewed as  
211 provided in this Section.
- 212 (b) Eligibility list. The Director must compile and maintain a list of  
213 individuals that have submitted applications and who:
- 214 (1) have held a Taxicab Driver Identification Card, and have  
215 regularly driven a taxicab in the County, during the preceding  
216 three years;
- 217 (2) have a superior driving record, as defined by regulation; and  
218 (3) do not already hold a license under this Chapter.
- 219 (c) Ranking. The Director must rank individuals on the applicant list by  
220 the number of years that each individual has regularly driven a taxicab  
221 in the County.
- 222 (d) Reissuance. As licenses become available for reissuance, the  
223 Department must notify the applicant highest on the eligibility list that  
224 a license is available and of the applicable acceptance procedures and  
225 deadlines. The Department must send notice by mail to the address  
226 listed by the applicant on the application or to any updated address  
227 provided by the applicant in writing to the Department. If the taxicab is  
228 not placed in service within 90 days after the license is issued, the  
229 Director must revoke the applicant's eligibility and notify the next  
230 applicant on the eligibility list. The Director may extend the time to  
231 place a taxicab in service to permit the taxicab to be retrofitted for use  
232 as an accessible taxicab.

233 \* \* \*

234 **[53-206] 53-207. License issuance; initial fee.**

235 \* \* \*

236 [53-207] **53-208. License application.**

237 \* \* \*

238 [53-208] **53-209. Individual licenses.**

239 \* \* \*

240 [53-209] **53-210. Individual license application.**

241 \* \* \*

242 [53-210] **53-211. Individual new license lottery.**

243 (a) If the number of applications filed by qualified individual applicants as  
244 defined under Sections 205 and 209 equals or is less than the number  
245 of new licenses authorized for individual use in a 2-year period, the  
246 Director must issue a license to each qualified applicant. If the number  
247 of applicants from qualified individuals exceeds the number of new  
248 individual licenses authorized for that period, the Director must conduct  
249 a lottery among each group of qualified individuals with an equal  
250 number of years' experience regularly driving a taxicab in the County  
251 to determine the priority of issuance.

252 (b) Licenses issued by lottery must be awarded under the procedures of this  
253 Section and Section 205.

254 (c) The Director may conduct a separate lottery for:

- 255 (1) new licenses for accessible taxicabs; and  
256 (2) other new licenses that become available[; and  
257 (3) any other authorized license that become available].

258 (d) A lottery must be conducted so that each qualified applicant has an  
259 equal probability of receiving a license, subject to the seniority ranking  
260 required by Section 205(c).

(e) A lottery may be conducted in 2 separate phases. Phase 1 would determine the recipients of available individual licenses and continue until all available licenses have been awarded. Phase 2 would create an eligibility list for issuance of individual licenses that later become available. The drawing in Phase 2 must continue until twice the number of available licenses have been drawn, or a smaller number if sufficient applicants did not apply for an individual license. The eligibility list created under Phase 2 is valid for the remainder of the 2 year period, or until the next lottery is conducted if longer than 2 years.

[(f) As licenses become available for reissuance, the Department must notify the applicant highest on the eligibility list that a license is available and of the applicable acceptance procedures and deadlines. The Department must send notice by mail to the address listed by the applicant on the application or to any updated address provided by the applicant in writing to the Department. If the taxicab is not placed in service within 90 days after the license is issued, the Director must revoke the applicant's eligibility and notify the next applicant on the eligibility list. The Director may extend the time to place a taxicab in service to permit the taxicab to be retrofitted for use as an accessible taxicab.]

**[53-211] 53-212. Fleet license application.**

In addition to the information required in Section 53-207, each applicant for a license issued to a fleet must:

(a) submit evidence that the fleet provides or will be able to provide [its own] centralized administrative, managerial, marketing, operational, dispatch, and driver training services;

\* \* \*

288 **[Sec. 53-212. Special licenses.**

- 289 (a) In addition to the licenses regularly available for issuance, the Director  
290 may issue special licenses to qualified applicants to provide innovative  
291 taxicab service, on an experimental or permanent basis, such as:
- 292 (1) transportation for persons with special transportation needs,  
293 including:
    - 294 (A) senior citizens;
    - 295 (B) people with disabilities;
    - 296 (C) citizens in up-county and rural areas; or
    - 297 (D) citizens using hospital, senior centers, and other  
298 underserved locations or areas;
  - 299 (2) jitney service, which is service over a regular route on a flexible  
300 schedule; or
  - 301 (3) similar transportation services.
- 302 (b) The availability of licenses under this Section must be advertised in at  
303 least one newspaper of general circulation in the County for 2  
304 consecutive weeks. The Director should also notify, by electronic mail  
305 or other reasonable means, any licensee or driver who requests to be  
306 notified of the availability of new licenses.
- 307 (c) Licenses must be issued on a competitive basis using criteria set by  
308 regulation that are intended to achieve a high level of taxicab service.  
309 The Director may establish appropriate procedures, fees, and conditions  
310 to issue a license under this Section.
- 311 (d) The Director may revoke a license issued under this Section at any time  
312 for noncompliance with this Chapter or failure to provide the service  
313 for which the license was issued.

(e) The licensee must return any license issued under this Section to the Department:

(1) when the vehicle is no longer eligible to provide the required service; or

(2) if the Director revokes the license because the service is no longer needed or was underused during a reasonable time after the license was issued.]

**53-213. Criteria to deny a license.**

The Director must not issue or renew a license to any person, licensee, or applicant:

(a) who, within 5 years before the application is submitted, was convicted of, pled guilty or no contest to, or was placed on probation without a finding of guilt for, or who when the application is submitted, has a charge pending for, or who has, within 3 years before the application was submitted, completed a sentence or period of probation based on a charge for:

\* \* \*

(5) [violation of] any felony [law governing] involving controlled dangerous substances;

(6) [violation of any gaming law;

(7)] any offense involving driving under the influence of alcohol; or

[(8)](7) any act of moral turpitude;

\* \* \*

**Sec. 53-221. Operating requirements.**

Each fleet and association must:

(a) provide [its own] centralized administrative, vehicle maintenance, customer service, complaint resolution, dispatch, management,



marketing, operational, and driver training services located in the County, or at one or more [other] locations approved by the Director[, that are physically separate from any other association or fleet]. A fleet or association may obtain these services, with the approval of the Director:

- (1) from another person or entity who does not hold, or have an interest in, a license issued under this Chapter; or
- (2) from another fleet or association if the Director finds that joint operations of this type:
  - (A) would promote competition and improve customer service; and
  - (B) would not impair the independence of any fleet or association;

\* \* \*

**53-227. Continuous operation.**

- (a) Each licensee must keep each licensed taxicab in continuous operation as defined by applicable regulation.
- (b) Each licensee must notify the Department in writing at any time that:
  - (1) a taxicab will be or has been out of service for more than 30 days, or
  - (2) an average of more than 15% of the taxicab whose licenses are held by that licensee have been inactive during the previous calendar month.
- ~~[(b)]~~(c) Each notice must:
  - (1) explain the reasons for each period of inactivity; and
  - (2) show why the Director should not revoke the license of each inactive taxicab for lack of use.

**53-228. Procedure when vehicle placed in or removed from service.**

\* \* \*

- (f) Each licensee must receive the Department's approval before taking a taxicab out of service for a period longer than 30 days. The licensee must explain why the taxicab is out of service and list its license number, assigned vehicle number, and registration numbers. If the Department finds that the licensee has good cause, as defined by applicable regulations, to take the taxicab out of service, the Department may approve that action. If the Department rejects the application, the licensee must promptly reinstate the taxicab in service or return the license.

\* \* \*

**53-309. Criteria to deny an identification card.**

The Director must not issue or renew an identification card to any driver or applicant:

- (a) who, within 5 years before the application is submitted, was convicted of, pled guilty or no contest to, or was placed on probation without a finding of guilt for, or who when the application is submitted, has a charge pending for, or who has, within 3 years before the application was submitted, completed a sentence or period of probation based on a charge for:

\* \* \*

- (5) [violation of] any felony [law governing] involving controlled dangerous substances;
- (6) [violation of any gaming law;
- (7)] any offense involving driving under the influence of alcohol; or
- [(8)](7) any act of moral turpitude;

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**53-503. Training.**

Any licensee who transports passengers who use wheelchairs or scooters must train each driver on the special needs of persons with disabilities. The training program must be approved by the Department after consulting the Commission on People with Disabilities, the Department of Health and Human Services, and the Taxicab Services [Advisory Committee] Commission. This training should be made available to any driver who is issued an identification card under this Chapter.

**53-506. Number of accessible taxicab licenses.**

- (a) The overall number of accessible taxicab licenses must not be less than 5% of the total of available County taxicab licenses.
- (b) The Department must set the number of new accessible taxicab licenses by regulation, based on past and current demand and after consulting the Taxicab Services [Advisory Committee] Commission, the Commission on People with Disabilities, and the Department of Health and Human Services.
- (c) After considering the recommendations of the Taxicab Services [Advisory Committee] Commission, the Department may establish, by regulation, a method to allow temporary replacement of accessible vehicles with sedans.
- (d) Each fleet and association must provide an adequate number of accessible taxicabs to meet service demand 24 hours per day, 7 days a week, as required by applicable regulation.

**53-604. Suspension or revocation of license or identification card.**

(a) The Director may revoke or suspend any license or identification card, as appropriate, if, after notice and opportunity for a hearing, the Director finds that:

\* \* \*

(3) a licensee or driver has been convicted of any crime of moral turpitude, including a crime of violence, sex offense, or [violation of] a felony involving a controlled dangerous substance [or gaming law];

\* \* \*

(5) a licensee or driver operated a taxicab, or allowed a taxicab to be operated, in a manner that endangered the public health, safety, or welfare[, or with a record of substandard customer service as defined by applicable regulation].

\* \* \*

**Sec. 2.** Not later than June 1, 2016, the Director must issue 50 new licenses to individuals who do not already hold a license under this Chapter following the procedures in Sections 53-205 and 53-210.

**Sec. 3.** Notwithstanding the provisions of Section 53-206, the Director must not reissue the first 50 licenses that are revoked or not renewed after the effective date of this Act.

## **CCTI POSITION PAPER ON MANDATORY ARBITRATION**

It has been suggested that Chapter 53 be amended to include a provision requiring fleets to participate in mandatory arbitration proceedings in the event of certain unspecified disputes raised by individual drivers. To date, no definition has been provided as to what kinds of disputes would be resolved in this fashion.

More important, to date there has been no articulated need for such a remedy. Simply put, what problem would such an extraordinary remedy address? Under current law fleets are required to “participate in good faith in an independent, third-party mediation or alternative dispute resolution process...if the dispute is connected with the operation of the contract or agreement” between a fleet and a driver. This provision, found in 53-219 (f), has been in place for ten years and no individual driver has ever invoked this provision nor sought any relief through an alternative dispute resolution process.

CCTI remains firmly opposed to any mandatory and binding dispute resolution method that abrogates a party’s right to access to the court system. CCTI maintains that a legislatively mandated and binding arbitration provision, which denies any access to the courts, is a violation of the due process rights of private citizens.

CCTI has also been asked to comment on the Alexandria, Virginia Dispute Resolution provisions in its taxicab law. Aside from the general objections and concerns set forth above, CCTI believes that the Alexandria provisions are broad, vague and punitive. First, the issues that may be resolved in Sec 9-12-142 (a) include not only the termination or suspension of a driver, but also the driver’s “right to enjoy resources and benefits provided by [the] company. This provision is both extremely broad and vague, exposing a taxi fleet to any number of frivolous claims of unfair treatment.

Sec. 9-12-142 (b), in defining “good cause” fails to include termination for safety reasons. Accidents are the single most common reason for termination of a driver. This provision also fails to include customer service failures.

The Alexandria law also mandates use of the American Arbitration Association, which is an exceedingly expensive and cumbersome organization. It also requires the “loser” of the arbitration to bear all of the costs of the proceeding which is completely impractical should an aggrieved driver be assessed the cost of what could be several thousand dollars. How would such an assessment be practically enforced? If it cannot be enforced, then the intended protection from frivolous claims proves to be no protection at all.

Sec. 53-225. Insurance required.

(a) Before the Director issues any passenger vehicle license under this Chapter, the applicant must submit written proof of insurance or self-insurance for the vehicle that covers bodily injury or death to any passenger or other person, and property damage, in the same amounts as required for taxis by applicable regulations the Maryland Public Service Commission.

(b) The insurance must be provided by an insurer licensed to do business in the State or, alternatively, under a self insurance program approved and administered by the state motor vehicle agency.

(c) If the insurance coverage lapses at any time during the license term, the taxicab license is automatically suspended. The licensee must immediately notify the Department, stop operating the taxicab, and surrender the license to the Department. The Director must promptly reinstate the license if all required insurance coverage is documented to the Director's satisfaction.

(d) Each taxicab must contain sufficient copies of a summary of insurance information, in a form approved by the Director, that may be given to passengers, members of the public, and law enforcement officers. The summary must include:

- (1) the name and address of the vehicle owner;
- (2) the vehicle's license tag number;
- (3) the name, address, office hours, and telephone number of the insurance claims office responsible for adjusting any insurance claim arising from use of the vehicle; and
- (4) the name, address, and telephone number of the Department and any other government agency where complaints regarding insurance claims handling may be filed.

Sec. 53-203. Types of licenses; ~~cross-ownership.~~

(a) ~~A fleet or association, including any officer, director, owner, employee, affiliate, subsidiary, or holding company, must not have any direct or indirect ownership interest in or management control over any other fleet or association that operates in the County.~~

~~(b) An individual must not hold a license originally issued to a fleet or association under this Chapter, and a fleet or association must not hold a license originally issued to an individual under this Chapter, unless the license was lawfully transferred under Section 53-204.~~

Sec. 53-220. Essential requirements.

Each fleet and association must:

(a) establish a management office in the County, or at another location approved by the Director;

(b) provide a communication system approved by the Director that:

- (1) gives the driver and fleet or association two-way dispatch communication; and
- (2) allows public access to request service, register complaints, and seek information. The communications system must allow a member of the public to speak to a staff member 24 hours a day, 7 days a week.

(c) operate under ~~uniform~~ colors and markings approved by the Director;

~~(d) submit a customer service plan as required by applicable regulations that specifies how the fleet or association will achieve the plan's goals for safe, reliable customer service and on-time performance;~~

(ed) submit accurate, verifiable operating and statistical data reports as required under this Chapter;

(fe) provide an adequate number of taxicabs to meet service demand 24 hours a day, 7 days a week, as defined by applicable regulations; and

(g) comply with all requirements of this Chapter regarding the provision of accessible taxicabs.

□ Sec. 53-221. Operating requirements.

Each fleet and association must:

(a) ~~provide its own centralized administrative, vehicle maintenance, customer service, complaint resolution, dispatch, management, marketing, operational, and driver training services, located in the County, or at one or more other locations approved by the Director, that are physically separate from any other association or fleet. A fleet or association may obtain these services, with the approval of the Director:~~

~~— (1) from another person or entity who does not hold, or have an interest in, a license issued under this Chapter; or~~

~~— (2) from another fleet or association if the Director finds that joint operations of this type:~~

~~— (A) would promote competition and improve customer service; and~~

~~— (B) would not impair the independence of any fleet or association;~~

(b) designate one to 4 persons with managing or supervisory authority to act on behalf of the fleet or association in all contact with the Department; and

(c) file with the Department, in addition to any other data required by law:

(1) ~~if the fleet or association is incorporated, a copy of its certificate of incorporation, bylaws, and all other rules and regulations relating to the organization and operation of the entity and its membership;~~

(2) ~~if a corporation holds a license, each year by February 1 a certificate of good standing issued by the State Department of Assessments and Taxation; and~~

(32) information on a form provided by the Department, showing, for each taxicab, the licensee's name and address, vehicle make, vehicle identification number and taxicab number, and other pertinent information listed on the form. Any change in the information required by this paragraph must be filed in writing with the Department within 2 business days after the change.



## Obtaining a Passenger Vehicle License (PVL) in Montgomery County

*Affiliate owners invest significant amounts of money in their PVLs in order to legally own and operate a taxicab in Montgomery County. In addition to the costs of the license, affiliates also incur costs including the purchase, maintenance, and insurance of the vehicle; fees paid to Montgomery County and possible finance payments.*

*The way in which affiliates obtain that PVL varies from person to person. Here are four examples of PVL ownership:*

### **Montgomery County PVL Lottery**

Per Chapter 53, the Director of the Department of Transportation may issue new PVLs every two years. New PVLs are issued through a lottery to drivers who apply and meet certain criteria. The application fee is \$500. In addition to the application, the driver must have 3 years of experience as a cab driver; a good customer service record; proof that they can obtain the required insurance and pay the \$3995 fee for the PVL.



**Fifi Hanson**

**Barwood Affiliate Owner - owns and operates vehicle**

Mr. Hanson began leasing a taxicab at Barwood in January 1986. The County awarded him a PVL through the lottery in November 2008. He placed his 2005 Crown Victoria into service February 2009.

- **PVL Cost:** \$5000
- **Business Costs:**
  - \$25,000 new vehicle purchase in 2011
  - \$12,400 for financing, gap insurance; service plan
- **County Fees:** \$500 lottery application fee; \$495 annual renewal fee

### **PVL Purchased from Taxi Fleet**

An individual driver who purchases a PVL from a taxi fleet must have a Montgomery County taxicab I.D. If you are purchasing the PVL as a corporation or LLC, the ID and fingerprinting are not required. You must complete the Montgomery County PVL transfer application, prove you can obtain the required insurance and pay the \$3995 transfer fee to Montgomery County. You are not required to have previously driven a taxicab, but if you have previous experience, then you must have a good customer service record.



**Moses Bwebale**

**Barwood Affiliate Owner - owns and operates vehicle**

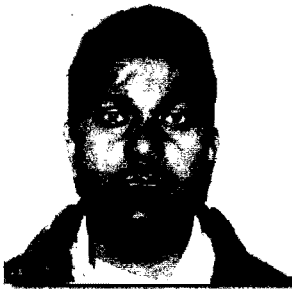
Mr. Bwebale started leasing a taxicab at Barwood in March 1995. In November 2009 he purchased his PVL from Barwood and placed his vehicle into service the following month.

- **PVL Cost:** \$54,000
- **Business Costs:**
  - \$49,000 loan from Transco to purchase PVL
  - \$25,850 to purchase a new vehicle
- **County Fees:** \$3995 PVL transfer fee; \$495 annual renewal fee



### **PVL Purchased from an Affiliate PVL Holder**

An individual driver who purchases a PVL from a PVL holder must have a Montgomery County taxicab I.D. If you are purchasing the PVL as a corporation or LLC, the ID and fingerprinting are not required. You must complete the Montgomery County PVL transfer application, prove you can obtain the required insurance and pay the \$3995 transfer fee to Montgomery County.



#### **Makunda Dahal**

##### **Barwood Affiliate - owns and operates vehicle**

Mr. Dahal began leasing a Barwood taxicab in August 2010.

In October 2014 he purchased a PVL and vehicle from Farooq Jan.

- **PVL Cost:** \$50,000 (paid cash)
- **Business Costs:** \$6500 for 2011 Camry
- **County Fees:** \$3995 PVL transfer fee; \$495 annual renewal fee

### **PVL Purchased from an Affiliate PVL Holder**

An individual driver who purchases a PVL from a PVL holder must have a Montgomery County taxicab I.D. If you are purchasing the PVL as a corporation or LLC, the ID and fingerprinting are not required. You must complete the Montgomery County PVL transfer application, prove you can obtain the required insurance and pay the \$3995 transfer fee to Montgomery County.



#### **Kassahun Hailu**

##### **Barwood Affiliate – owns PVL and leases his vehicle to other drivers**

Mr. Hailu began leasing a taxicab at Barwood in March 2004 and purchased a PVL from Napoleon Woldeyohannes in May 2007.

- **PVL Cost:** \$85,000 for the PVL
- **Business Costs:**
  - Third party loan for the vehicle at an interest rate of 8.9%
- **County Fees:** \$3995 PVL transfer fee; \$495 annual renewal fee



Affiliate of the National Taxi Workers Alliance, AFL-CIO  
Montgomery County Professional Drivers Union  
816 16<sup>th</sup> Street NW Washington DC, 20006

June 1, 2015

Councilmembers Berliner, Floreen, and Hucker  
Transportation and Environment Committee  
Montgomery County Council  
100 Maryland Ave., 6<sup>th</sup> Fl.  
Rockville, MD 20850

Dear Transportation and Environment Committee members:

As the President of Montgomery County Professional Drivers Union – MCPDU, I would like to thank you for taking into account the needs of the licensed taxi drivers in Montgomery County as they work to make changes in the county taxi system. Each of you met with us on numerous occasions. After every meeting we have always felt that our voices were being heard.

In this process, Chair Berliner has been compassionate and his thinking well-reasoned. Councilmember Berliner believes, as we do, that competition created through this legislation is essential for the health of the taxi industry. We appreciate and share Councilmember Floreen's concerns about keeping a vigorous and strong taxi system in Montgomery County. We thank Councilmember Hucker for his commitment to worker justice and fairness in the possible reforms. We also want to thank Councilmember Riemer. While currently not on the T&E committee, Councilman Riemer has been a tireless advocate for common-sense taxi reforms that would modernize the taxi system and lift the drivers out of poverty. Councilmember Riemer was one of the first supporters of our drivers' union and we are proud to count him as an ally. We applaud Councilmember Riemer's commitment to make Montgomery County a more just place to work and a more efficient place to get around. We believe that his proposed legislation is a win-win-win for drivers, the taxi industry and taxi passengers.

#### **Our Goals**

I have driven a taxi in Montgomery County for 15 years. I have always driven a wheelchair accessible taxi because my mother was in a wheelchair and I wanted to help others in her condition. For seven years, I volunteered as a scheduler for rides for the

disabled community. I have always thought it important that our unions' goals benefit both passengers and drivers.

We believe the following 10-point plan modernizes the taxi system, lowers prices for passengers, and gives drivers stronger protections and a living wage.

1. Free the drivers from the cab companies
2. Modernize dispatch for all drivers
3. Make 200 additional PVLs available to drivers
4. Provide a relief fund for PVL owners
5. Lower credit card rates
6. Create a uniform daily and weekly lease agreements with maximum rates
7. Give drivers a voice in determining their lease rates and other fees
8. Protect drivers from unfair termination, harassment, and disputes with fleets
9. Enable the mechanism for driver to form their own advocacy organization through the voluntary collection of fees
10. Prohibit subleasing of PVLs

I will outline our basic arguments for each of these reforms:

#### **1. Free the drivers from the cab companies**

All licensed Montgomery County taxi drivers are tied to the one of the five fleets that operate in the county. These fleets charge high lease fees. Driver income has always been low, but with the introduction of Uber and other TNCs their wages are dropping even more. Drivers cannot continue to pay nearly \$700 a week for rent. We believe the taxi industry in this county that provides important service to residents, businesses, institutions, the disabled and the poor is in jeopardy unless drivers can lower costs.

Drivers should not be required to affiliate with taxicab companies. This requirement creates an imbalance of power in the relationship between drivers and fleet operators, it favors companies because drivers have limited options if they wish to continue in their profession. Removing the requirement to affiliate with companies empowers drivers to make informed decisions on whether to affiliate or to operate independently. It also encourages fleets to work to earn the business of drivers thus creating a more equitable and collaborative partnership between driver and fleet.

If drivers were free from the fleets, many of us have expressed our interest in creating a co-operative association. A co-op would be structured to incentivize better service to customers because drivers make money by providing more rides. Fleets only make money by leasing taxis to drivers. Fleets don't see marginal increases in profits for each additional trip and therefore don't have a large incentive to ensure that more customers are served.

#### **2. Modernize dispatch for all drivers**

We believe that all drivers should be required to use a digital dispatch system, but we believe that drivers should be free to choose the system that works best for them. Right now, the technologies that connect drivers and riders are changing very quickly. The county should allow for flexibility so that drivers, fleets and passengers are free to use whatever system works best. By requiring all drivers to use a digital dispatch, the county will be putting its foot on the accelerator of technological development.

### **3. Make 200 additional PVLs available to drivers**

200 new non-transferable PVLs should be issued to drivers. The county can do this under the existing 1 PVL per 1,000 residents standard. Additional PVLs will ensure that more drivers can make a living driving a cab. Additional cars on the street will enable the taxis to compete against the limitless number of cars that TNCs can put into service. Also, additional driver PVLs will mean that drivers can form their own co-op association as an alternative to the fleets.

### **4. Provide a relief fund for PVL owners**

Drivers interested in driving taxicabs independent from a fleet have the opportunity to purchase PVLs from companies who wish to sell PVLs. Drivers who purchased PVLs at "market value" in the past recently have seen the value of their PVLs drop significantly due to increased competition from TNCs like Uber. We support providing assistance to PVL owners whose PVLs have lost value through no fault of their own. We would support legislation that used a portion of the new fees on TNCs to establish a fund. Taxi services are far more accessible for the residents of Montgomery County who are disabled.

### **5. Lower credit card rates**

Taxicab companies charge drivers additional fees to process credit card transactions. These credit card fees can range from 5% to as high as 7.9%. We support legislation that would set the maximum credit card fee at 5%, which would limit the additional costs placed on drivers and be more consistent with the rates found in similar surrounding jurisdictions. We also support allowing drivers to choose which service they use to conduct credit card transactions.

### **6. Create a uniform daily and weekly lease agreements with maximum rates**

Many jurisdictions have uniform leases and maximum lease rates. We support this approach for Montgomery County. There is no way to ensure that drivers are treated fairly without these reforms. The fleets in Montgomery County have been slow to respond to market pressures to lower lease rates. Most drivers pay over \$110 per day to drive a cab. By any comparison, this is a very high rate. It jeopardizes the future of the taxi industry.

We have also documented cases of the taxi companies encouraging drivers to enter into very long leases as well as automatically renewing leases.

#### **7. Give drivers a voice in determining their lease rates and other fees**

We support reforms which would create a taxi commission which would meet biennially to advise the County on lease rates and other changes to the taxi system. We believe that unless drivers have a say in how this industry is structured, it won't be long until we are back at the Council asking for the same issues to be addressed.

#### **8. Protect drivers from unfair termination, harassment, and disputes with fleets**

Drivers need protection from unfair termination, harassment, and disputes with fleets. Arbitration will give taxi drivers due process if they are unfairly disciplined or terminated. Other municipalities' such as Alexandria, Virginia have language that protects drivers from unfair termination.

#### **9. Enable the mechanism for driver to form their own advocacy organization through the voluntary collection of fees**

Drivers should be able to pay fees to their association when they renew their licenses on a regular basis.

#### **10. Prohibit subleasing of PVLs**

We strongly oppose the County allowing fleets to sublease PVLs. The fleets have proposed subleasing because they have taxicabs sitting idle since drivers have left to drive for Uber and other companies. The taxi companies are having a difficulty attracting and retaining drivers who are the key to steady income for the taxi companies. Despite those issues, they have not provided significant reductions in lease rates. In other cities, lease rates have decreased in the face of Uber competition. *If the fleets don't want idle PVL's, they need to lower the lease rates.* If the county were to grant this demand to the fleets, the market pressure to lower lease rates would be eased and drivers would be further injured.

If drivers were to sublease PVLs and bring their own cars to the fleets, drivers would be taking substantial risks from which they are now insulated. First, drivers would be taking on the cost and upkeep of a vehicle that they could only use to make money if the drivers stayed in the good graces of the taxi company from which they agreed to sublease. Second, we believe that a number of companies in the taxi industry have demonstrated that they steer drivers to lease agreements that are not in the drivers' best interests. Adding subleasing would create another area of the contracts which would invite complicated and unfavorable terms, like automatic renewals and five year terms.

We have heard that taxi companies say that they want to be able to sublease their idle PVL's as a way to compete against Uber. It is our belief that if the taxi companies want to

attract drivers the way that Uber does, they need to change how they structure the economic relationship with drivers.

As an alternative, we would consider an arrangement where the fleets would assign PVLs to driver without a fee, and charge drivers a small percentage of dispatched calls and a modest, one-time franchise fee for paint, etc. This approach would be more consistent with Uber's model than subleasing.

Again we thank the committee members and their staff for their time and attention to this important issue.

In Montgomery County, we have taxi drivers from over 20 different countries who speak 15 different languages. We came to this country for a better life for our families and ourselves. Daily lease drivers pay \$33,000 a year to lease their cars and spend over \$40 a day for gas. Most drivers work 16-18 hours a day over the 12 hour County regulation to make low wage. There are many days that drivers do not make enough money to cover their rent and lease fees.

We have worked hard to build our union. Over 500 drivers are active in union activities including taxi rallies at Barwood and in Montgomery County, signing petitions to County Executive Ike Leggett, and attending regular union meetings to help direct our efforts. We are proud to be a local union of the National Taxi Workers Alliance, AFL-CIO. We have held press conferences and members turnout in large numbers to the county work sessions even though the meetings are during a peak time for us. We know we are losing money, but this is our future. Please know that in our union, the County has a new ally in providing the kind of taxi service that Montgomery County residents deserve and the kind of jobs that drivers deserve too.

In solidarity,

PETER IBIK

Peter Ibik, President  
Montgomery County Professional Drivers Union

Nelson Biama  
12907 Crooksfof Lane #4  
Rockville MD 20851

Chairman Berliner  
100 Maryland Ave  
Rockville MD 20850  
06-03-15



Me and family at my son's graduation

Dear Chairman Berliner,

I am writing to you today to ask for your help. You have been a good listener and I believe you are working to make our lives better. As you know I have been one of the leaders in the Union. I have met with you many times and most of the other council members. I have also testified at the public hearings on behalf of Montgomery County taxi drivers. I have done this to make a better life for myself and my family, but also because I want to improve the lives of all taxi drivers who, as you know, work 16 hours a day for six to seven days a week for very little pay. You have seen how the company I work for Barwood fights hard to keep us in poverty, but up until now I never thought I was in danger of losing the means to take care of my family.

I have worked at Barwood for five years. I have never taken a vacation. In 2014, I worked 331 days. Recently I told my manger I would take off 2 days to attend my son's graduation from Rockville High School he will be going to Wesley College in Delaware on a full football scholarship. It was one of my most proud moments as a father in this country. I was so proud that I took a picture of my son and emailed it to Barwood and the whole fleet!

So, I was surprised when I returned, they said before I could get my car back that I would have to meet with the head of the company, Lee Barnes. They scheduled the meeting for a week after and when I met with Lee Barnes there was five people at the meeting representing the company and me. Lee Barnes said that I committed Medicare fraud for something that happened over a month ago. I was at NIH and was dispatched to upper Marlboro to a medical facility. I drove there in traffic. When I got there no one was there. I waited 25 minutes and then called the company. They said the person could not be located so I turned my meter on and drove back to Barwood. When I got to Barwood, I told Bill Sapp, the account manager what happened and gave him my paper work. We have a lot of no shows. When it is a far trip the company will sometimes pay you something. I got \$46.50. Lee Barnes said the meeting was over after discussing this. It has now been over a week and I have no income. This is why we need a union and fair arbitration process. We face challenging times so please support us, the taxi drivers, in our fight to build a better life for ourselves, our families, and to save the cab industry.

Sincerely,  
*Nelson Biama*  
Nelson Biama



## **Taxi Workers Alliance of Pennsylvania**

4233 Chestnut St. Phila.Pa. 19104

[www.twapa.org](http://www.twapa.org)

(215) 279-0472

[twapa1@yahoo.com](mailto:twapa1@yahoo.com)

June 2, 2015

RE: Support Letter Montgomery County Taxi CO-OP

Greetings Chairman Berliner of the Transportation and Environment Committee;

On behalf of the Taxi Workers Alliance of Pennsylvania, TWA-PA, we wish to submit a letter of support for the Montgomery County taxi driver's initiative in creating a taxi drivers' association/cooperative. TWA-PA was granted a dispatch co-op license from the Philadelphia Parking Authority on March 18, 2015. We have been working on the project for a few years and came up with the best possible solution for the industry survival. Our system will use the current two-way radio/ phone dispatch service for our customers. Also, in keeping with 21<sup>st</sup> century technology, we have incorporated a TNC type app. TWA-PA will be working with Omni Media Networks in providing both the dispatch and e-hail service. We have established relationships with the Montgomery County Professional Drivers and would be more than willing to share our experience with any co-op development.

Taxi co-ops are becoming a trend as more and more cities see this as an opportunity to advance the taxi industry. Since most taxi drivers are independent contractors by law, there's only so much a company can demand of them without crossing the employee status line. Because drivers own the cooperative, TWA-PA members agreed to follow a stricter dress code, open the door for passengers, remain off the phone, and many other standards that a private company couldn't offer. We included a senior citizens discount and other programs for marginalized communities. Taxi co-ops are currently operating in Madison, Ws, Denver Co, San Jose, Ca, Alexandria, Va, and many other locales. It is our hope, that Montgomery County moves the industry forward by giving an opportunity to those who actually perform the work.

Respectfully submitted;

Ronald Blount - President



**John A. McNamara**  
**7332 48<sup>th</sup> Way NW**  
**Olympia, WA 98502**

May 29, 2015

To Whom It May Concern:

Upon graduating College in 1988, I decided to take a short term job as a cab driver while deciding about graduate school and other options. I decided to apply to Union Cab of Madison Cooperative because it was a worker-owned business and that idea appealed to me. I stayed there for 26 years leaving only to continue a career in cooperative development and teaching at the college level about cooperatives. During that time I worked as a driver, dispatcher, marketing manager and the general manager. I served 8 years on the board of directors (four as president).

Over those 26 years I saw the true difference of cooperation in the taxi industry. I knew drivers from the other non-coop companies. Here are some the major differences:

- In 1988, Union Cab was the only taxi company in the United States to offer health insurance to cab drivers.
- In 1993, Union Cab not only continued offering health insurance, but covered up to 70% of the premium.
- A priority was placed by the cooperative of maintaining the vehicles at the highest level of safety.
- Safe driving became a key focus (to keep insurance costs down) and every accident underwent peer review to ensure that safety programs were working. In my last years as a manager, I can attest that Union Cab receive a .8 experience rating through Workers' Compensation which meant a 20% discount in our rates and our agent told us that most cab companies have a 1.2 rating (meaning that they pay a 20% surcharge). This provided a benefit to the general public, our passengers, our drivers and the cooperative.
- People could start as drivers and learn other trades such as auto maintenance, bookkeeping, human resources, and marketing. We even helped a driver learn to write computer code and he wrote all of the coop's software and then trained people who went on to profitable careers in IT.
- Union Cab attempted to keep its money local. They bought gas from a local coop, health care from a local HMO (also a coop),

In addition to these structural differences, there are human ones as well. I knew two individuals who were homeless when they came to work for us. Both literally drove their way out of poverty because they had access to better pay and health care. One elderly African-American woman was living in Section 8 housing and on Medical Assistance, but eventually left both and even bought (at the age of 63) her first car (used).

The cooperative model for taxi companies works well. As a public conveyance, taxi cabs engage the general public in a unique way. They aren't public servants, but they provide a public service. Worker

ownership allows the people being served (as passengers and as the general public) direct access to the ownership of the company and creates a more responsive organization.

I am happy to answer any questions.

John A. McNamara

Union Cab of Madison Member 1988-2014

608-772-0509

DATE: June 3, 2015

TO: Beth Levie, AFL-CIO

FROM: Jon Liss, Executive Director

RE: support for Montgomery County taxi drivers / cooperative



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I Having been involved in the rewriting of the Alexandria, Virginia taxi ordinance and the subsequent formation of the driver-owned Union Taxi Cab Cooperative I strongly support efforts in Montgomery County, Maryland to support the creation of a driver's owned taxi company. In Alexandria the 224 driver cooperative provides the same level of service as most other companies while respecting drivers (owners) rights, reducing stand dues to levels that allow drivers to work less than 60 hours a week while making a living wage, and creating an viable business entity with the intangible benefit that comes with the pride of ownership. In less than 10 years drives have bought their own building and are considering how they can support other worker owned entities. I have meet with Montgomery driver representatives and stand ready to provide support as they create their own company.

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Jim Johnson  
7304 Carroll Avenue, #188  
Takoma Park, MD 20912-4514  
jim@EnterpriseEarth.com  
ph: 240-621-0921

EnterpriseEarth

June 3, 2015

Montgomery County Council  
Council Office Building  
100 Maryland Avenue, 5th Floor  
Rockville, MD 20850

Honorable Councilpersons:

I've recently been supporting the Montgomery County Professional Driver's Union in exploring the feasibility of creating a driver-run cooperative that would improve the quality of taxi service for Montgomery County residents, while also helping to mitigate the many hardships that the driver's face. I'm writing this letter in the hope that it will help to shed light on the situation and the process of developing this co-op, from my perspective.

**Some background:** Taxi cooperatives have been trending in the US over the last few years, as a way of successfully addressing the increasing hardships that professional drivers face. Services they typically provide to their members include centralized, not-for-profit dispatch and customer service (such as an app-based system similar to Uber), supplemental telephone support for customers for whom an app is not appropriate; internal training, quality control, accountability, and complaint handling systems; administration, management, vehicle maintenance, and marketing; aggregation of the other service needs of the drivers such as insurance, branding, livery, etc. As in Montgomery County, the AFL-CIO and its member unions such as the National Taxi Workers' Alliance have been key players in many of these efforts, bringing their resources and organizing talent to the table and helping to ensure the success of the co-ops.

**Key advantages of co-ops** include their ability to leverage the natural self-interest in operational effectiveness that arises from all workers being business co-owners, and the fact that they aren't required to generate profit for outside investors. Thus, well-executed co-ops can deliver better conditions for workers, while also providing superior customer service at a better price. One well-documented example is Cooperative Home Care Associates in New York City, which pays its home care workers significantly above industry average, with less worker turnover and customer service that sets the standard for the industry. <http://www.geo.coop/node/433> Another example is Childspace in Philadelphia, which provides superior career opportunities for workers and affordable rates to low-income communities. <http://www.geo.coop/node/400> For examples from the taxi industry, see the attached testimonials from members of successful taxi co-ops.

**A key part of the success of taxi co-ops** has been the strong ethic of mutual aid that is traditional in the co-op sector. Mature and emerging taxi co-ops that are available to our effort as models and for consultation include Madison Wisconsin (35 years old and going strong), Denver (where they succeeded in cutting drivers' lease costs in half), Philadelphia, San Jose (successful in cutting driver costs in half), Portland, Alexandria, and Austin.

**Our co-op's Steering Committee:** Members of the Montgomery County Professional Drivers' Union have formed a Steering Committee for the purpose of creating a shared-services cooperative, to better meet the needs of themselves and their families in the face of the increasing hardships of their profession.

I have been meeting with the steering committee and engaging them in the initial stages of the co-op development process. I'm impressed with their level of commitment, their grasp of the nuances of the industry, and the strategic vitality in their thinking.

**Quality of service:** Member of the Steering Committee strongly believe that the current changes in the transportation services market will leave the County's most vulnerable citizens without adequate access to transportation services, and will not meet the minimum quality of service that all County residents require. I feel that the professional taxi drivers of Montgomery County understand these needs better than anyone, and that the Steering Committee is uniquely qualified to lead them in meeting these needs.

**Specifically, the Steering Committee is committed to developing a Co-op that will:**

- make safety a priority for our citizens and drivers
- ensure that elderly, disabled, and lower-income citizens have access to reasonably-priced professional-class transportation services
- advocate for reasonably-priced fares for county citizens
- ensure that county businesses and institutions have professional-class transportation services available to meet their special needs
- know thoroughly and service the entire county
- provide a living wage and decent working conditions for drivers

**An association:** The Steering Committee's vision for their Co-op intends to satisfy the county's Essential Requirements and Operating Requirements for an association, as defined Bill No. 55-14 and its proposed amendments, sections 53-220 and 53-221. The Co-op sees itself as distinct from the cab companies currently in the market, offering a not-for-profit, community-based alternative to the current for profit model.

**The Steering Committee's Advisory Team** includes:

- Beth Levie, AFL-CIO, V@W State & Local Policy Organizer. Beth has been with the AFL-CIO for 18 years and was an organizer with the Service Employees International Union in Milwaukee Wisconsin. Beth began her union career working at Colt Firearms as a machinist. She was a union steward and part of the negotiating committee with the United Auto Workers 376.
- Ron Blount, Taxi Workers Alliance of Pennsylvania, President. Ron has been a taxi driver for over 16 years. Founded in 2005 by taxi drivers, the Taxi Workers Alliance of PA is the largest Taxi Driver Advocacy Group in the city of Philadelphia. TWA-PA is a multi-ethnic membership-based organization, and its mission is to transform the taxi industry and improve working conditions through organizing, political and media advocacy, litigation, direct legal services and access to health care. TWA-PA programs and activities respond to the direct needs of more than 1,200 driver members along with all taxi workers, providing them with a means to advocate and organize for their rights and achieve basic workers protection and benefits. The primary focuses of their work are economic justice, workplace civil and privacy rights, safety, healthy conditions, access to health care, and the institutionalization of a democratic mass-based organization.
- Biju Mathews, New York Taxi Workers Alliance, co-founder and executive committee member and founding secretary, National Taxi Workers Alliance. NYTWA is currently one of the most successful new immigrant workers unions in the US with over 17,000 members in NYC. The

union primarily organizes yellow medallion lease drivers and has fought several successful campaigns, including fare hike-lease cap campaigns in 2004, 2006, and 2012. He is an associate professor of Information Systems and American studies at Rider University (New Jersey)

- Jon Liss, Tenants and Workers United. Jon has been an organizer for racial and social justice in Virginia for the last 30 years. From 1983-1984, he served as an elected leader of a taxi drivers association. In 1986, Jon co-founded Tenants and Workers United (TWU), a low-income racial and gender justice organization based in the Arlandria-Chirilagua neighborhood. John was instrumental in the founding of Alexandria Union Cab Company, a cooperative of 227 driver/owners that is now the largest taxi service provider in Alexandria.
- The Working World, NYC. A non-profit organization that provides investment capital and technical support for worker cooperatives using an innovative finance model, only requiring that cooperatives pay them back with the revenues the investments generate.
- DC Metropolitan Area Labor Council. A local arm of the AFL-CIO that works with nearly 200 affiliated union locals and community, religious, student and political allies to improve the lives of workers and their families throughout the greater metro Washington area.

**A little about me:**

- I've been in small business for over thirty-five years, and have spent over twenty of those years working with and for co-ops.
- I served on the board of the Takoma Park-Silver Spring Food Co-op from 1998 through 2002, including two years as President, and for another year in 2005 as Vice-President. From 1995 thru 2005, I was deeply involved as a consultant in the relocation and expansion of the food co-op, chaired the Design Committee for the new store, managed the transition to a point-of-sale system and a computer network, and oversaw the creation of the IT department. I'm currently helping to upgrade the membership database.
- I served with Sligo Computer Services in Takoma Park, MD, from 1999-2009, participated in its conversion to a worker co-op, and served three years as President.
- I'm a graduate of the CooperationWorks! Training for Cooperative Development Practitioners; CW ([www.cooperationworks.coop](http://www.cooperationworks.coop)) is a national network of professional co-op developers, and I served several years in the CooperationWorks! leadership as Chair of CW's Networking Circle.
- I'm a co-founder of the Democracy At Work Network ([www.dawn.coop](http://www.dawn.coop)), the technical assistance service of the US Federation of Worker Cooperatives, and I currently serve on DAWN's Board of Governors. I also currently serve DAWN as a certified Peer Advisor, actively providing technical assistance to worker co-ops, start-ups, and conversions.

**What we think is needed:**

- In order for the Co-op to gain a foothold and thrive, the reforms included in the "Passenger Rights/Taxi Driver Rights" bill are badly needed;
- Additional PVL's need to be made available to drivers;
- Drivers need to be able to break away from the current profit-driven taxi fleets;
- A modern app-based dispatching system;
- Successful co-ops take time to develop, especially for training of leadership and the establishment of effective democratic governance structures

Thank you for your attention, and I look forward to our discussions going forward.

Sincerely,



Jim Johnson

## **Driver and Affiliate-Owner Concerns with Proposed Taxi Legislation**

***We do not support the Council's proposal to add an additional 200 PVLs to the market.***

- Flooding the market with new PVLs does not help drivers or affiliate owners.
  - Placing more cabs on the road will reduce driver income
  - It destroys the value of our investment in the PVL
- In order to use the often-cited 1,000 people per PVL ratio effectively, you need to bring TNCs into the calculation. The PVL ration is skewed if it does not account for the hundreds of cars TNCs have on the road.
- The biggest issue regarding driver income is competing with an unlimited number of TNC vehicles in the market.

***We do not believe PVL subleasing negatively affects affiliates or lease drivers.***

- The Council should allow subleasing of existing PVLs.
- Subleasing PVLs will maximize the use of PVLs that are already on the market, give taxi drivers a stake in ownership, and generate revenue for affiliates and fleets

***We do not support the Council's proposal to cap lease rates.***

- Daily lease rates are currently based on cost-recovery; each lease rate is unique to their taxi operating company and each individual affiliate owner.
- The county should not cap the daily lease rate because this would interfere with the ability of privately owned businesses (fleets and individual affiliates) to recover their business expenses.
- Lease rates should instead incorporate many factors, including those that reflect ownership and driver performance such as safety and customer service metrics.

***We believe the Council should loosen the burden on the taxi industry, otherwise taxi companies will go out of business, leaving the County with a large population of underserved customers.***

- TNCs generally do not provide service to residents who use Call-n-Ride, Medicaid, Taxi Plus for the disabled, while taxi drivers are required to.
- The Council Consider imposing a fee on TNCs that do not provide a minimum of 8% of their vehicles/drivers capable of transporting disabled passengers.
- This fee should fund those companies that do serve the disabled and other underserved populations and those drivers would then be able to lease a vehicle at "\$0" lease cost.
  - The opportunity for a "\$0" lease cost will create incentive for drivers to dedicate their efforts to those in need.

***We support using a dynamic pricing model in order to compete with TNCs***

- Taxi drivers are losing fares to TNCs because TNCs are able to use dynamic pricing and charge less than the mandated taxi fare.
- Taxis should be able to use dynamic pricing and adjust the fare according to the demands of the market.

***We are concerned about the proposal to create a centralized County dispatch and its impact on drivers.***

- A central dispatch system will takes more trips away from County licensed taxi drivers if taxis from other jurisdictions are allowed to participate. We are already competing with TNCs for fares and should not have to compete with cabs from surrounding counties
- Important Questions: How will the dispatch be funded? Will the County charge a fee or surcharge for drivers who use the central dispatch?

*From Jaynul Islam, Barwood Affiliate Driver, j\_islam365@yahoo.com*