

TRANSPORTATION

MOTION

The taxicab industry provides a vital mobility service in Los Angeles. For business travelers and tourists, taxis provide connections between hotels, the airport, and regional destinations. For seniors, low-income residents, and people with disabilities, taxis provide essential transportation to medical appointments, employment, and services. Since 2017, the City of Los Angeles has worked to update its outdated taxicab franchise system and replace it with a modern regulatory system that better meets the public's mobility needs and supports a healthier industry.

A report from the UCLA Labor Center reinforces the need for urgent intervention by the City to support the taxi industry, and more specifically to ensure a living wage for drivers. The report details in stark terms the decimating impact of competition from Transportation Network Companies (TNCs) like Uber and Lyft, as well as more recent losses from COVID's impact on the travel industry. In particular, State regulation of TNCs has created a "race to the bottom" for taxi drivers that is not sustainable while preempting tools that the City could otherwise use to guarantee a living wage. According to the report, some studies show that taxicab drivers now earn less than the \$15 per hour minimum wage after expenses. The status quo of declining ridership and declining income has caused a greater than 60 percent reduction in the number of taxi drivers over the last decade—ultimately impacting the public's access to taxicab services.

In response to these pressures on the industry, the Los Angeles Department of Transportation (LADOT) has proposed a comprehensive new regulatory system designed to provide better service to the public and win back market share with a more competitive taxi industry (CF# 10-0996-S1). These reforms are largely consistent with the taxicab industry-supported AB 1069 (Low), now codified in Government Code 53075.5, which aims for a streamlined regulatory system that increases taxicab company independence and improves interoperability across jurisdictions. However, this same law limits the City's ability to set minimum rates, blocking the most direct tool for ensuring driver income. The City must instead work toward that goal with the tools that are available to it: data transparency, oversight, and promotion of the industry.

In effect, the new regulatory system will relaunch the taxicab industry in Los Angeles. This new system will feature new technology, better customer service, more reliable experiences, greater flexibility for the industry, and stronger oversight. LADOT should take the opportunity to help the industry reintroduce itself to the public with a Taxi Action Plan that goes beyond just implementing new regulations and includes affirmative steps to support customers, support drivers, and support the industry as a whole. Working together, LADOT and the industry can offer a competitive and attractive mobility option that creates good jobs and advances the City's equity and environmental goals.

WE THEREFORE MOVE that the City Council direct the Los Angeles Department of Transportation (LADOT) to report in 90 days with a Taxi Action Plan that includes at least the following:

1. A public education campaign, including resources needed and available, to promote the use of taxicabs, including how to request a ride via mobile app, and promotion of enrollment in existing taxicab subsidy programs, such as LADOT's CityRide program.



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2. Criteria for the expansion of taxicab stands at regional destinations, including projected demand and input from industry.
3. An update on implementation of regional permitting, as provided by AB 1069 (Low), including any additional steps needed to encourage participation by other jurisdictions in Los Angeles County.
4. A proposed scope of services and resources needed for program evaluation that includes a study of driver income using new data received via LADOT's Mobility Data Specification API, to be completed 15 months after program launch.

WE FURTHER MOVE that the City Council request the Board of Taxicab Commissioners in conjunction with LADOT to, within 120 days:

1. Consider the adoption of a rule that would set a program-wide maximum fleet size of no greater than 20,000. Future increases of this maximum fleet size shall require findings based on customer wait times, vehicle utilization, and driver income.
2. Consider the adoption of a rule that would set a minimum rate for app-based trip requests. This rate shall be based on a calculation of driver take-home pay that guarantees a driver shall earn at least the City's minimum wage for the time engaged in transporting a passenger, after expenses and before tips.

PRESENTED BY:



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