

July 27, 2016

Assemblymember Low
VIA FACSIMILE (916)319-2128 &
(408)446-2815

Re: Opposition to the current format of AB650

Dear Assemblymember Low,

The signatories to this letter are the representatives of six out of the nine City of Los Angeles franchised taxicab companies. Moreover, these companies hold franchises in over 15 different jurisdictions in Los Angeles County. The taxi companies we represent are membership organizations, where hardworking individuals have invested their hard-earned savings in order to earn a living for their families.

We write to you to state our opposition to AB650 in its current format. AB650 was conceived by Taxicab Paratransit Association of California (TPAC) that solely represents the benefit of its few members and not of thousands of taxi companies and taxi owner drivers throughout the State of California. In fact, in order to get its board support and suppress some of its member's opposition, TPAC members had to agree to carve-out San Francisco from AB650.

We believe that deregulating fleets specifically removing fleet size caps and allowing unrestricted pickups will only benefits larger taxi companies and will ultimately eliminate smaller operators. Such a deregulation of fleet sizes, unregulated meter rates, lack of control and accountability was in place in the City of Santa Monica for a number of years and failed. The City finally implemented a franchise system very similar to the one of City Los Angeles in order to remedy the problems of an unregulated system.

Furthermore, allowing airports to regulate the provision of taxicab transportation services to and from airports will take away the only protection Los Angeles franchised taxi companies currently have to all operate equally at LAX.

Although we feel that having a single taxi driver permit, providing one Live Scan fingerprint background check, and complying with a uniform set off Drug and Alcohol testing requirement is beneficial to all taxi drivers throughout the State, we believe that the Bill in its current format will leave the door open to cities and airports to require separate business licenses for each taxi driver operating within their jurisdictions. The current franchise agreement with each jurisdiction allows our drivers to operate without having to obtain a separate business license and pay the associated business license taxes.


An additional concern relates to taxi stands. The current format does not require cities to establish and maintain curbside taxi stands which are essential to serve taxi customers efficiently.

AB650 in its current format allows unregulated taxi rates. By not placing a ceiling limit on taxi rates, it will take away the only safeguard to protect customers against gauging. Furthermore, by not having a price floor, the smaller taxi companies will be squeezed out of business as a result of predatory pricing or price fixing by larger fleets.


These issues along with many other unresolved issues make us believe that AB650 in its current format will do more harm to our industry as a whole than good. Furthermore, considering the recent efforts spearheaded by the Governor's office as well as some of your colleagues to take away CPUC's current authorities over transportation carriers to an undetermined agency, it is premature to pass this Bill at this time.

A delay in voting on AB650 will allow us along with many other taxi operators to actively participate in the process and have our concerns heard and considered prior to finalizing the Bill. If you decide to move forward, we urge you to offer the same exemption you have provided to the City of San Francisco to the City of Los Angeles, and LAX. Comparing the size and population of Los Angeles and its current number of taxis and the destructive effect of AB650 to the livelihood of thousands of taxi owner/ drivers, this seems to be a reasonable request.


Sincerely,



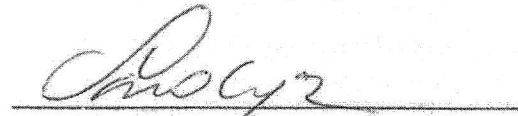
Bell Cab Company, Inc.




Beverly Hills Cab Company



Independent Owners' Association (ITOA)



LA Checker Cab Cooperative



United Independent Taxi Drivers
(UITD & UITD SFV)