

IQ Business Connection

Administrator for Yellow, Checker and Rainbow Cab Companies



August 2, 2022

RE: Memorandum
Council Agenda: 08/09/22
File: 22-1127
Item: 2.12

Letter of Opposition

Honorable Mayor and Council Members:

We strictly oppose the recommendation made by SJPD and CSJ Finance Department contained in the above listed memo. This unilateral decision did not address the matters at hand nor did it address the financial burdens endured by our endangered industry.

Recent History of the San Jose Taxicab industry

Five years ago, the City of San Jose supported as many as 16 taxicab companies, 700 taxicabs and 900 licensed drivers. Today, only three companies remain and a mere 157 cabs to service to the entire County.

This is not a flourishing industry. And, yet this report seems content to shutter the remaining taxicab operators, effectively ending taxicab service in the City of San Jose.

Permit Fees

In their decision, the SJPD and CSJ Finance Department recommend a Taxicab Driver New Permit fee of \$623. This is nearly three times higher than Oakland, which is the second most expensive at \$251.00. (Add in the annual Business tax @ \$210 for a total cost of \$833 for a new driver).

A Driver Permit Renewals costs \$352, rivaled only by Sacramento which costs \$195. These permit fees deter most new drivers when they can drive an Uber at \$0.00 initial cost. The memo didn't address these costs and the unlevel playing field between taxis and multi-billion-dollar companies such as Uber and Lyft.

Raising Insurance Limits

The memo recommends an increase in liability insurance limits from the current \$350,000.00 to \$750,000.00, more than double the current coverage limits.

Some taxicab companies are paying as much as \$6000.00 a year per unit for the current required level of insurance. Doubling this coverage may increase the per unit costs to as much as \$12,000.00 per cab.

Unlike Uber and Lyft, taxicabs are required to have commercial insurance 24/7 where TNCs , (Uber/Lyft), are allowed to operate with “period based insurance” with coverages as low as \$50,000.00.

The memo mentions “since 2008 show that 13 taxicab companies (SF) evidenced minimum liability coverage of \$1,000,000.00”. While the memo does not give a reason for the higher limits, we assume these companies are participating in the City/County Paratransit program that provides the revenue required to pay for the additional insurance costs.

We did not see that the memo address the costs of such an increase of coverage..?

Most SJ taxicab operators can no longer afford collision coverage leaving them out in the cold when they are hit by uninsured or underinsured motorists. (Low income liability limits are \$3000.00)

The standard costs for physical damage coverage is 8-10% of the vehicle value plus a \$1000.00 deductible.

Color Scheme

As stated in the memo, sections 6.64.160, 6.64.180 and 6.64.370 all reference a color scheme. These sections also reference a TRADE NAME and DISTINGUISHING VEHICLE MARKINGS.

We ask council to remove the words “color scheme” and or “color or colors” from these sections. By eliminating these words, the trade name and distinguishing vehicle markings will remain.

The color requirements are antiquated, and they place additional and unwarranted costs on today’s taxicab operators. By removing these words from the ordinance, taxicabs will still have the following markings on each vehicle:

- Affixed Decals with four-inch lettering-Trade Name (each side of the taxicab)
- Affixed Decals with four-inch lettering – telephone number
- Affixed Decals with four-inch lettering – vehicle number (four sides of the taxicab)
- Commercial License Plates

These marking greatly exceed anything Uber and Lyft are required to display, yet Uber and Lyft vehicle are considered distinguishable by the CPUC.

Uber and Lyft have taken over most all taxicab services. Yet their simple 3x5 inch card is adequate to avoid confusing the public.

Taximeter

We appreciate the memo's recommendation and SJDP will no longer require a taximeter to perform a vehicle inspection and place a taxicab in service as on-line enabled software continues to replace the need for them.


We appreciate your time and attention with these matters.

Best regards,

Larry Silva
President and GM
IQ Business Connection
FKA, Yellow Checker Cab

GREEN CAB

Reliable & Fast Service



08/03/2022

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To the Honorable Mayor and Council Members:

The upcoming City Council meeting is scheduled to address the following recommendation:

Maintain the permit fee schedule, increase the insurance requirements, and maintain the requirement for taxicabs to have distinguishing vehicle markings and colors but allow taxicab companies to select a new paint color if desired.

During the last City Council meeting that discussed Taxi Issues, the Taxi Industry was promised that the City would work towards “leveling the playing field”. If this recommendation is applied, it will in no way help the Taxi Industry, and will further deter an endangered Industry. We strongly oppose the recommendation made by the SJPD and the CSJ Finance Department.

The Taxi Industry has been heavily impacted by TNCs. TNCs are not as regulated as Taxi Companies. Due to the existing regulations, business operations are difficult to maintain. City ordinances require specific color schemes, logos, stickers and permits which accrue several hundreds of dollars in expenses for drivers.

Color scheme requirements should be abandoned. The best way the City can equal the playing field would be to examine current regulations. A notable marking indicating the vehicle is “for hire” does not require a specific color. TNCs accept all vehicle colors, and do not require the colors to differ from other TNCs. Consumers are still able to identify Uber from Lyft because of a small 3x5 logo drivers display. We suggest that Taxi Companies be allowed to do the same. Cab numbers and logos would be displayed on the vehicle, but color schemes should be optional, it should be a decision the Cab companies make.

It is understandable that certain requirements are necessary and enhance functionality within our Area of business. However, the City should abate the costs of remaining in compliance with such requirements. The SJPD and CSJ Finance Department’s recommendation of raising the policy limit for the insurance will signify closure for the Taxi Companies that remain in San Jose.

Silicon Valley Taxi Drivers, Inc.



GREEN CAB

Reliable & Fast Service

We hope that the effects that an increase will have on our Industry could be genuinely considered; this Insurance limit increase and the existing regulations need to be reevaluated and omitted. The directives that this committee creates should protect our area of business, and the hundreds of consumers who use our services as a lifeline. We transport people to medical dialysis and cancer treatment; this decision will endanger these people too, not just our Industry.

City Hall promised to make it an equal playing field for Taxi Companies and TNCs; this is not possible if the proposed regulations are implemented. Increasing Insurance limits will make it impossible for Taxi Companies to survive.

If you have any questions or require additional information please feel free to contact the Industry Representatives. Green Cab and the remaining Taxi Companies in the City have joined together to communicate our opposition of the recommendation made in the above listed memo.

Thank you,

Maria Magana
Manager
Silicon Valley Taxi Drivers, Inc.
Db a Green Cab