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## A fare fight - taxicabs cry foul

City sting reveals unregulated town cars acting like cabs

BY PETER KORN

The Portland Tribune, Apr 16, 2009 (8 Reader comments)

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On a cloudy Thursday afternoon, Jimmy Cuevas sits in his black and white Radio Cab across the street from the Marriot Hotel downtown. He's waiting for one of what cabdrivers consider their plum customers – someone who needs a ride to the airport.



L.E. BASKOW / TRIBUNE PHOTO  
Radio Cab driver Bob Wagner waits for his next fare outside The Benson Hotel on Southwest Broadway, hoping the hotel valet does not steer customers to a nearby town car.

Cuevas knows his wait might be as long as 30 minutes, and as he sits in the taxi zone, he says he has seen a number of people walk out of the hotel and get into town cars that have been parked in the restricted hotel zone parking spaces right in front of the Marriott.

That's wrong, Cuevas says. Like other cabdrivers around the city, Cuevas says the town cars, which offer more luxurious rides, are breaking city rules and costing him money. Town cars, according to city regulations, are supposed to charge no less than \$50 for a ride from downtown to the airport. A cab ride to the airport costs about \$35.

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And town cars, under city regulations, are not allowed to pick up customers without prior reservations. Those are supposed to be the fares that cabbies get.

With what looks to be a recession-heavy summer approaching, cabdrivers armed with new evidence from a city sting operation are getting angrier. Town car operators are fighting back, telling city regulators that the rules aren't fair. In truth, all the drivers are fighting for pieces of an increasingly shrinking pie, and there's a sense that serious trouble could be in the air.

"What are you going to do?" Cuevas asks about the customers he sees being led to town cars instead of his cab. "You can't make a scene. If I get irate and start making a scene, I don't think that customer is going to come with me."

Cuevas says he can't confront the Marriot valet who has led the hotel customers to the town cars. The valets, he says, have all the power when a guest says he or she wants a ride to the airport. The last thing Cuevas needs is a valet who has a reason not to give him rides.

But Bob Wagner, a Radio Cab driver who sits on that company's board of directors, is past worrying about the feelings of hotel valets. Wagner says there are cabbies sleeping in their cabs, hardly making enough money to get by, and the valets, and their de facto management of the city's hotel zone parking spaces, are part of the reason.

Is it a tip or a bribe?

Cabdrivers, town car operators and city officials agree that the going rate for what some call a bribe to valets, and others consider a tip, is \$10 to \$15 for town car drivers and \$5 to \$10 for cabdrivers. The tips ensure that when hotel guests say they want a ride, the valet steers them their way.

But the town cars don't have taxi zones near hotels that allow them to sit as long as they want. They need the hotel zone spaces, where vehicles aren't supposed to park for longer than 15 minutes.

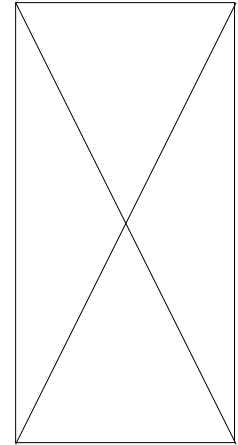
Fortunately for the town cars, the city doesn't enforce hotel zone parking. That was ceded years ago to the hotels themselves. Police officers only ticket for hotel zone violations if called by the hotels, according to city officials. So getting on the right side of the valets, who monitor all the activity out front, has an added benefit for drivers. And that riles Wagner even more.

"The valet services are using it as a revenue source to line their pockets," Wagner says of the hotel zone spaces. "That's a public resource. They shouldn't be able to make money from a public resource. And it's all under-the-table cash. You know they're not paying taxes on that."

Three blocks away from the Marriott, town car driver Mostafa Mabkhouti, says town cars sometimes park in hotel zone spaces. And valets, wanting to keep high-end customers happy, sometimes steer them to town cars. And yes, money sometimes changes hands between drivers and hotel valets. "This (valet) calls and gives me business and I'm not allowed to give him a tip?" Mabkhouti says.

With city officials drafting new rules to govern the ultra-competitive taxi and livery businesses, Mabkhouti says he might sue the city it doesn't amend some regulations - including ending the requirement that town cars only take customers who made a reservation 60 minutes in advance.

If a hotel guest tells a valet he would prefer a town car to a taxi, reservation or not, the valet should be allowed to signal to a town car,



SPECIAL SECTIONS AND PROMOTIONS



Mabkhouti says.

And, Mabkhouti says, the regulation that requires a town car to charge a minimum of \$50 – 30 percent more than taxis – needs to go, too. The national average, Mabkhouti says, is more like a 20 percent differential, and that should be the maximum in Portland.

### **City doesn't have much clout**

The man in the middle of this mess is Frank Dufay, administrator of Portland's Private for Hire Transportation program. He's been hearing from both sides for years. So last summer, Dufay authorized a sting operation.

Volunteers from the city's revenue bureau walked out of hotel lobbies 15 times and asked valets for a town car to the airport. The goal, Dufay says, was to see whether town cars were ignoring the 60-minute reservation rule and whether they were charging less than the required \$50 minimum.

In 14 instances, Dufay says, a town car was found immediately. Only one time, at the Governor Hotel, did a valet refuse to provide a town car on demand. And most of the fares charged were \$35, Dufay says.

Despite those results, Dufay says he thinks 90 percent of the city's approximately 70 town car operators are following the rules. It is a handful of drivers who are competing for the business from downtown hotels that are the problem, he says, along with the valets. Dufay would like regulations that would help him get those five or 10 rogue town car drivers off the street, and that would allow him to fine valets if they call a town car without a reservation.

Right now, outmoded city regulations don't afford Dufay much leverage. His office fined town car operators caught in the sting and their companies – and most of those fines haven't been paid.

In one case, a company called AM/PM Driver was nabbed three times in the sting. The operator of AM/PM was fined \$1,200. When he refused to pay the fines, Dufay's office suspended his license to drive a town car. But as of last week, AM/PM's car could still be found working the downtown streets.

Dufay says city regulations don't even allow him to order that AM/PM's town car be towed.

Meanwhile, the owner/operator of AM/PM, Ameer Alrammah, says that he doesn't believe the city's Private For-Hire Transportation Board has legal oversight over town car drivers, and that he continues to legally operate as a town car operator, despite Dufay's "abusing his power."

Dufay is working with city attorneys to rewrite the code that governs taxis and the livery business, which includes limousines. He'd like an increase in fees for taxis and town cars, with the money going to hire someone who can enforce the code. He'd like to put some teeth into the code, so drivers who are fined and ignore the fines suffer consequences. And he'd like to increase licensing requirements as a means to force out the rogue drivers.

### **Questions of insurance and safety**

Currently, Dufay is finding it nearly impossible to enforce anything. When word gets out on the street that he is walking around downtown, he says, cell phones come out and town cars scatter from hotel zones. Dufay has seen downtown hotels with lobby signs telling guests that town cars were available for \$35, and he has told valets to have the signs taken down. He says one valet threatened him with trespass if he walked into the hotel

lobby.

But a \$35 airport fare has to be squeezing town car drivers, Dufay figures, when further reduced by the \$10 the driver pays/tips the hotel valet.

Drivers netting \$25 for a ride to the airport have to be cutting corners somewhere, says Chris Whalen, owner of Entourage International, a town car company, who says he never takes less than \$50 for any trip. Whalen says he has heard of drivers who save money by cutting back on maintaining their vehicles, which could make the cars less safe, and by opting for lower-priced, non-commercial insurance.

An increase in annual fees and new requirements for insurance and training might mean those \$35 airport fares aren't worth it to the town car drivers, Dufay says.

Dufay says the justification for rules protecting taxis from town car competition is that taxis are more regulated by the city, with requirements for dispatch systems, insurance and handicapped access that increase their overhead. Town cars have few requirements.

But Dufay says he senses the growing frustration from both sides. "It's pretty tense out there," he says.

On that, everyone agrees.

"I don't know what's going to happen, but by summer, when things really get bad, you could see some violence breaking out," says Wagner of Radio Cab.



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## Reader comments

### Re: A fare fight - taxicabs cry foul

Simple: get rid of the cabs and the towncars. Make people take the train. Many Problems solved.

Portland: Walk, ride the bus, train, but don't whine.

**"Indy"**

(email verified)

Thu, Apr 16, 2009 at 07:24 AM

### Re: A fare fight - taxicabs cry foul

"Simple: get rid of the cabs and the towncars. Make people take the train. Many Problems solved.

Portland: Walk, ride the bus, train, but don't whine."

Yep. It's that attitude that keeps people from wanting to have conventions here. The people in the hotels are from out of town (duh) and know nothing nor care about the trains. They want to get to and from the airport as quickly and easily as possible.

Little wonder Oregon has a 12%+ unemployment.

**"Ret"**

(email verified)

Thu, Apr 16, 2009 at 08:55 AM

### Re: A fare fight - taxicabs cry foul

Indy, I'd like to see you on the Max with two to three bags. I agree the Max needs to be promoted more but if you have ever traveled at all with bags or a family, or both, you would understand.

I was a valet at the Marriott on Front Ave when the town cars starting to come in and I saw how the money was changing hands. I did call a town car when someone wanted a nicer ride but, I didn't take a dime from the driver, only the customer that was happy with my service. If you want to clear it up put something in place to penalize the valet's and the drivers that make these exchanges.

**"TiredOfItAll"**  
(email verified)

Thu, Apr 16, 2009 at 07:32 PM

### Re: A fare fight - taxicabs cry foul

Perhaps the cab companies need to upgrade their fleets in order to compete against the town cars. Many of the cabs I see appear to be old Ford police cars, complete with the spotlights still installed on the windshield A-pillars.

Last fall, I was in San Diego, and I was amazed at the number of cab and town-car companies serving that town. Many more than in Portland, where there are only two or three cab companies within the city limits. Every cab in San Diego had a different name on it. It appeared to be open competition, though all cab companies charged the same fare. Town cars were higher. But, again, most of the cabs were retired Ford police cars that had seen better days.

Perhaps the cab companies could "go green" and start using Honda Accords or Toyota Camrys. That would attract folks who don't have the time or desire to ride TriMet, don't want to splurge on a town car, but want something better than an old cop car. The cab companies would save a lot on fuel (30 mpg in a Honda/Toyota vs. 10 mpg in a Ford Police Interceptor), which would result in better profitability.

**"Taxicabs, not old cop cars!"**  
(email verified)

Thu, Apr 16, 2009 at 08:52 PM

### Customer choice and safety come first

You, as a customer, have the right to take the train, taxi, town car, limo, covered(or uncovered) wagon, pedicab, etc.

You should have a clear choice when leaving a hotel to your many options. The bellmen, valet and other hotel staff should know all the info as well as the city's rules.

Currently this is not the case at most downtown hotels as well as the Doubletree LLOYD Center.

All most every customer leaving a hotel to go to the airport is pushed, conned, sold and even forced to take a town car by hotel staff.

Sometimes these town cars have no insurance,business license or permits. There have even been rentals used that were not commercially insured.

The town cars are not playing fair when they buy(bribe) their business from hotel staff.

Hotel management will tell you they don't like to use cabs for their customers. At the same time they use cabs all day long to take people all over the city. They just don't give the taxi's the big, more lucrative fares... They(hotel management) just don't want to admit they allow their staff to take bribes/compensation for giving most of the lucrative business(longer trips) to those drivers that will pay.

Taxis should know that they too can park in any hotel zone for 15 minutes or until parking enforcement is called(which probably won't happen). The hotel can't write you a ticket. Maybe if your the taxi 1st up on the taxi stand and you see some airporters coming out you should pull up into the hotel zone and advertise! You may be able to get the fare before the hotel staff sell their customer a town car and you won't have to give the bellman a dime!

If everyone sticks to their own job description there will be plenty of business to go around. If they don't there is going to be problems.

"Those who hoard the water from the well eventually get pushed into the well".

**"Baksheesh"**

(email verified)

Fri, Apr 17, 2009 at 05:11 PM

### **Anyone can be a town car driver - only the car is needed**

This article makes it clear that anyone can buy, rent or borrow a town car and start providing transportation service for Portland hotels. They do not need a business license, permit or insurance because the city of Portland has no power to take you off the street. The police will not tow you. The most that will happen is you will get fined by the city. You don't have to pay the fines and if you keep working after they revoke your business license there is nothing the city can do about it.

Does anyone find it odd that a person with no vendors license selling hot dogs can be stopped by the Portland police but a person providing transportation service with no license, permit or insurance is immune from police interference?

What's more dangerous a car accident with no insurance or a hot dog without a business license?

I'm going to borrow my grandma's towncar and go to work today as a new towncar driver. All I need is \$10 to bribe the hotel bellmen to get started.

Anyone desperate for work need not worry. Rent or borrow a towncar and go to work today!

**"New Towncar Driver"**

(email verified)

Sat, Apr 18, 2009 at 09:44 AM

### **Re: A fare fight - taxicabs cry foul**

My police interceptor gets 16-18 city and 20-22 highway. The same as all the other ones I've owned. Many a customer has commented that they are more comfortable in a bigger more spacious car. Some people don't like to be crammed into a camry, scion or prius. I can comfortably carry a load of 4 people plus a trunk full of 4-5 suitcases. This is directly related to my income.

If a towncar driver gives money to a valet/bellman for the ability to park in the hotel zone when that driver does not have a prior reservation that exchange of money is called a BRIBE. Reason being the towncar must have a prior reservation(CITY CODE) to be parked there in the 1st place. When a towncar driver pays the hotel staff to park in the hotel zone and is standing in front of the hotel or in the lobby soliciting fares that exchange of money is a BRIBE. A BRIBE is when someone pays someone else for preferential treatment. Tips, compensation even kickbacks do not apply to the above situations. BRIBE is the only word to explain buying the ability to receive the more lucrative fares from hotel staff. It is that simple. It has nothing to do with fair marketplace competition. Fair is when you stick to your job description. If you can't survive without buying your business from the hotels your obviously not doing well and should hang it up.

A lot of towncars offer premium, luxurious transportation. Most towncars that work the hotel zones downtown operate as a taxis disguised as a towncars.

**"Baksheesh"**

(email verified)

Sat, Apr 18, 2009 at 01:49 PM

### **Re: A fare fight - taxicabs cry foul**

I always take the MAX to the airport. I have two kids, and luggage isn't a problem. It rolls on wheels.

MAX to the convention center is about 35 minutes? It is far more pleasant to me at least than a cab. I pay 1/10 the cost.

The golden age of the automobile is over. Thank you overpopulation!

**"Indy"**

(email verified)

Wed, Apr 22, 2009 at 10:40 AM

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