



**Sea-Tac Airport Ground Transportation
Operator Discussion Sessions
July 27-31, 2015
Discussion Summary**

Overview

The Port of Seattle is conducting a comprehensive evaluation of the ground transportation system at Sea-Tac Airport. As the five-year contract with Puget Sound Dispatch nears its expiration date of October 30, 2015, the Port seeks to determine whether or not the current operations continue to best serve the interests of the thousands of passengers who arrive at, and depart from, the airport on a daily basis. In addition to quality customer service, the Port's long-term objectives in working with transportation service companies include:

- Adequate capacity to meet demand
- Revenue generation for, and services that can readily be managed by, the Port of Seattle
- Promotion of small businesses and expansion of economic opportunity
- Minimizing of environmental impacts

One element of the evaluation included a series of discussion sessions with different ground transportation "classes" of operators. These sessions, each two hours in length and each with the same agenda, took place at the airport between July 27 and 31, 2015. Sessions were held with taxi, for-hire, limousine, transportation network, and shuttle/airporter groups, with a total of 54 people attending the five sessions.

The discussions were facilitated by Margaret Norton-Arnold, president of Norton-Arnold & Company. This report has been written by Margaret and is meant to serve as a general summary, highlighting the most frequent themes and comments from all of the sessions. Detailed notes on each individual session, along with written comments received from some of the participants, are appended to this report.

Aspirations for Service at the Airport

Meeting participants began by describing the current services they provide at Sea-Tac, and by highlighting the types of services they hope to provide in the future.

- As part of the taxi operators group, Puget Sound Dispatch holds the current contract for on-demand service at the airport, meaning that it is the only taxi operator currently authorized to both pick up and drop off passengers. The current contract has worked well for Puget Sound Dispatch, and the company believes the contract has also resulted in significant financial and customer service benefits for the Port of Seattle. During the discussion session, Puget Sound Dispatch indicated a willingness to form a greater coalition of taxi companies as it prepares to bid for the next service contract with the airport. Other taxi operators at the meeting also indicated their desire to become part of the on-demand contract.
- For-Hire companies are currently authorized to make pre-arranged trips to the airport to drop off departing customers. They desire to expand their services to offer pick-up/on demand service as well, noting that if the Port of Seattle opens up this service possibility to some

companies, it must make that possibility available to all qualified operators. At least one of the For-Hire companies desires to enter into an agreement with the Port that would enable that company to work at an identified location on the 3rd floor of the parking garage in order to service on-demand customers.

- Limousine operators cater to a specialized group of customers who schedule pre-arranged trips to the airport, with these passengers opting to travel in high-quality luxury vehicles. One limousine operator also operates an on-demand service in the parking garage. Other limousine operators would provide pick-up services at the airport if the Port authorized them to do so.
- Airport Shuttle/Door-to-Door operators offer pre-arranged and scheduled drop-off and pick-up services from broad geographical locations. They made recommendations for a number of locational/logistical improvements that would make it easier for customers to locate and avail themselves of the services they provide. Two of these operators are currently authorized to operate from a physical podium located inside the parking garage. This operator class might avail itself of additional passenger pick-up opportunities if authorized to do so by the Port.
- Transportation Network Companies (TNCs) currently drop off passengers at the airport. Through their “For Hire” and “Black Car” applications, they also provide links to limousine services authorized to pick up customers at the airport. The TNCs desire to make all of their drop-off and pick-up applications available to airport passengers, and hope to provide these services directly on the airport arrival and departure drives. Although newer to the marketplace, TNCs are currently operating at 14 airports throughout the United States.

Competition: Demanding a Level Playing Field

By far the most frequent issue raised during the sessions was the demand for a level playing field among ground transportation operators.

- Participants generally agreed that competition is good for the industry, helping to continually improve and finetune customer service. But those who have historically provided ground transportation at the airport ask that new competitors be required to abide by the same regulatory framework governing their operations.
- Taxis, limousines, shuttles, and for-hire vehicles are subject to a broad spectrum of regulations at city, county, and state levels. They are mandated to maintain high levels of insurance protection, conduct background checks on all drivers, and subject their vehicles to regular inspections.
- The rates these companies can charge passengers are similarly regulated by either King County or the Washington Utilities and Transportation Commission (UTC). Any rate changes must be requested through, and approved by, these regulatory authorities.
- In addition, the companies operating at the airport have made significant investments over the past few years in “green” technologies and vehicles. 100% of the Yellow Cabs operating at the airport are Prius vehicles. For-Hire operators similarly report that 85% of the 468 vehicles in their current fleet are “green.” In addition to these environmental improvements, Puget Sound Dispatch has invested in a fleet of 47 wheelchair-accessible vans.
- Transportation Network Companies are a more recent addition to the mix of service providers. Within the past year they have negotiated agreements with the City of Seattle, King County, and the State of Washington. They are also required to maintain adequate insurance for their

passengers, conduct background checks on all drivers, and subject their vehicles to regular inspections. TNC rates, however, are not subject to higher regulatory authorities; they are allowed to change rates without petitioning either King County or the UTC. In addition, because TNCs contract with independent drivers to provide transportation services, TNC companies do not have authority over the types of vehicles driven, other than regular inspections to make sure vehicles are safe for operations. Those independent drivers are not required to own “green” vehicles.

- Participants noted that, while the Port is not responsible for operator regulations, it does have leeway to determine who can, and cannot, operate at the airport. They strongly requested the Port to thoroughly examine the regulatory structure for each of the operator classes, and to ensure that all of those providing service are subject to the same legal and policy mandates.
- Groups also noted that they are likely to adopt modes of operation that are similar to the TNC structure, developing on-line applications, for example, that would enable prospective customers to access their services. They wanted the Port to understand that they will continue to evolve their services in ways that enable them to compete successfully. They asked the Port to provide an open structure that allows them access to fair competition.

Customer Service: Each Operator Offers Unique Attributes

All of the operators attested to their successes and unique attributes associated with their customer service. Each class of operators believes they are offering high-quality customer service.

- Puget Sound Dispatch/Yellow Cab is proud of the high degree of customer service it has provided over the past five years of its contract with the Port. There have been very few complaints. The wait for a ride is no longer than five minutes, otherwise the company is penalized. Drivers receive customer service training. This group noted the importance of having a meter in the car. They stated that the meter is what customers relate to, that it serves as an international symbol/pricing structure, and that it provides reassurance of the honesty of the driver/cab company. All Yellow Cabs are equipped with video cameras, a Yellow Cab on-line application has been developed, and all cabs now offer the option of paying through that application, with a credit card, or with cash.
- For-Hire operators offer one flat, predictable rate. Customers know in advance what they will pay, and for-hires are generally cheaper than taxis. Drivers have been trained in customer service, and customers have the option of paying with either a credit card or cash. Some for-hire operators also make themselves available through the Uber For Hire application. This group noted that passengers appreciate the cleanliness of their automobiles and the courtesy of their drivers.
- Limousine operators cater to a smaller customer base. Their passengers are willing to pay more to ride in a luxury automobile, and include executives, celebrities and special groups. They noted the particularly high quality of their customer service. Some limousine operators also make themselves available through the Uber Black Car application. Customers can pay with a credit card or cash.
- Door-to-Door/Airporter operators provide service from a broad geographical area; essentially all of western Washington (and even some eastern Washington cities) rely on these operators to take them to the airport. Some operate within the greater King County area; others from longer distances away from the airport. They noted the importance of the regularity and frequency of their scheduled trips to the airport, providing customers with flexibility and reliability in making their flight schedules. Customers can pay via credit card or cash.

- Transportation Network Companies noted the user-friendly attributes of their customer service. Using an on-line application, passengers are able to view the number of drivers available to serve them within a specific zone and timeframe. Customers can view a picture of the driver in advance, and also receive an estimate of the cost for the ride in advance. They are able to dispute the final asking price if they find the service lacking or the price too high. No cash is exchanged; all transactions are managed through a customer account established in advance. These operators noted the importance of the application; it is provided in a variety of languages, so people traveling from foreign countries are reassured by the information they are receiving. The application is an international symbol that customers know they can trust.

Promoting Small Business and Expanding Economic Opportunity

- Participants in both the taxi and for-hire operator discussion sessions noted that most of their drivers are “owners/operators” of their vehicles, essentially running their own small businesses. In relation to this, Yellow Cab reports that 98.8% of their operating vehicles are minority owned. Similarly, the For Hire industry reports that nearly all of the drivers managing its 468-vehicle fleet are independent owner/operators who live near the airport and are immigrants and refugees from war-torn east African countries.
- Transportation Network Companies contract with independent drivers who operate their own vehicles. Some drivers work full-time, but others work part-time to make extra income while accommodating other jobs, families, or obligations. TNC session participants further noted that a significant number of their drivers are women.

Revenue to the Port of Seattle

- Because it has an existing contract with the Port, Puget Sound Dispatch has guaranteed \$18 million in revenue to the Port over the life of its five-year contract. It reports that it has always paid its contractual obligations on time.
- Other operators that pick up passengers at the airport pay fees per-trip, and are financially monitored regarding these obligations.
- Discussion group participants who are currently not authorized to pick up passengers noted that they will readily pay per-trip or other fees as negotiated through arrangements with the Port.

Environmental Considerations

- In addition to the transitions from gasoline-powered to hybrid and other “green” vehicles, many of those participating in the discussion sessions noted that, by expanding to allow a greater number of operators to also pick up passengers at the airport, “deadheading” would be significantly reduced. This would lead to a reduction in vehicle emissions, serving to benefit the environment.
- The Transportation Network Companies noted that the vehicles used by their drivers are already under private ownership; additional cars are not being put on the roadways. In addition, TNC drivers park and wait for customers to request a ride, rather than trolling for rides, which also reduces vehicle emissions.

Other Recommendations regarding Ground Transportation at Sea-Tac

Discussion participants offered additional recommendations regarding the ground transportation system:

- Both of the airport drives are currently congested, especially at peak airline arrival/departure times. The Port should make improvements to ease this congestion. One suggestion is to provide a dedicated lane for all ground transportation operators, moving them out of the lanes used by privately-owned vehicles.
- Enforcement from airport police can be lax at times. Discussion participants surmised that the primary reason for this is inadequate staffing, and urged that more police be hired to monitor ground transportation operations.
- Shuttle/airporter operators, in particular, noted that it can be confusing for customers to find them at the airport, and also confusing to determine which services are offered in various locations. They urged better wayfinding, and also hope to have all of their services consolidated in one spot.

Relationship with the Port of Seattle

Throughout the discussion sessions, attendees offered advice to the Port on ways to maintain effective relationships with ground transportation operators.

- Transparency and honesty are important. Operators asked that the Port inform them if any changes to the system will be made, as well as the rationale for those changes. They asked that the Port signal their intentions in this regard early on, and that the Port maintain ongoing communication throughout any transitions.
- In addition to this specified series of meetings related to the system, several operators noted the importance of ongoing meetings between operators, staff, and managers. They believe that face-to-face communication, conducted on a regularly-scheduled basis, will go a long way toward maintaining productive relationships.
- Operators asked that the Port be fair in its deliberations. The Port should thoroughly investigate the regulatory requirements and costs for existing airport operators, and ensure that the same regulatory requirements are applied to any operators that hope to also begin providing services. Operators urged a thorough review, including possible customer service advantages, potential revenue to the airport, and the economic impacts to business owners who may lose customers due to increased competition.

Next Steps

The results of these discussion sessions, along with a survey of “best practices” in ground transportation at other U.S. airports, will be presented on August 14 at a joint session of all operator classes. Attendees at that meeting will have the opportunity to weigh in on possible concepts for future ground transportation at the airport. Port of Seattle staff will use this feedback, along with the best practices report, to develop a set of options for consideration by Port executives and commission members. The Port Commission is currently scheduled to deliberate on these options during September 2015.