



**Sea-Tac Airport Ground Transportation
Joint Meeting of All Operator Classes
August 14, 2015**

Meeting 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 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 extensive outreach with different ground transportation "classes" of operators. These sessions took place between July 27 and 31, 2015. After these meetings, a joint session of all of the operators took place on August 14, 2015. This report documents the August 14 session; reports on all of the other meetings have also been completed.

All of these discussions were facilitated by Margaret Norton-Arnold, president of Norton-Arnold & Company. Margaret also authored all of the meeting reports.

The meeting began with a brief overview from Jeff Hoebet, senior manager of operations at Sea-Tac. This was followed by a presentation from Peter Mandle from Leigh Fisher, an aviation consulting firm that has provided the Port of Seattle with a survey of ground transportation systems in place at fifteen airports throughout the country.

Peter highlighted the "best practices" that had been derived from this survey work, as well as the firm's general conclusions regarding trends and operations in ground transportation.

After this presentation, meeting attendees were asked to respond to three questions:

- 1) Do you have any questions or comments regarding the Leigh Fisher report?
- 2) What elements of the best practices do you believe will work best at Sea-Tac?
- 3) Do you have any additional recommendations or advice to Port of Seattle staff as they move forward to develop potential ground transportation options?

Overall Sense of the Group

With some 32 people in attendance at the two-hour meeting, it cannot be said that any level of consensus was reached during the course of the proceedings. However, when asked, a number of operators in the room seemed to agree that a "hybrid" system, as defined in the Leigh Fisher report,

would be most effective for operators, the Port of Seattle, and customers. Under a typical hybrid system, on-demand services at the airport are limited to one or a few companies, while opportunities to drop customers at the airport are open to any properly licensed and regulated company. For a number of airports, the “best practice” as identified through the survey, is to operate through a hybrid approach. More details on the perspectives and opinions of those attending the August 14 session are described in this report.

After the presentation, participants asked questions about the Leigh Fisher report:

- One attendee wondered if passengers had been queried as a part of the survey. Peter Mandle noted that, while customer feedback had not been performed as a part of this project, it has been included in other surveys performed by Leigh Fisher.
- Another attendee noted that the report was disappointing because it did not fully take into account issues related to the For Hire industry. The commenter noted that deadheading should be eliminated; this is better for the companies involved and also better for the environment. Those companies that are dropping off passengers at the airport should also be allowed to pick up passengers. Peter responded that in some cities the For Hire or Flat Rate cabs are not regulated separately from taxicabs, and so the two classes were combined for purposes of the report.
- Another attendee wondered how the report addresses the economic impacts of various ground transportation systems on individual owner/operators, noting the significant number of drivers who run small business through the operation of their taxicabs. They are dependent on the vitality of the overall system to benefit their businesses. Peter noted that complete open access at airports has been shown to lead to an oversupply of cabs. This, in turn, leads to increases in wait times, with cab drivers serving fewer trips, increased working hours, and decreases in driver income. Open access most often results in reduced income and economic viability of the individual drivers. One owner/operator responded, however, that technology systems are available to better manage an open access system.
- A representative from Uber clarified that Uber offers all of its applications in the Seattle market, but that Uber only offers its “black car/limousine” application at Sea-Tac.
- One questioner wondered if any of the surveyed airports using an “exclusive-contract on-demand” system put a cap on the number of vehicles that could service the airport in a single day. Peter answered that Denver is one airport that imposes a daily vehicle cap.
- Another comment was that the Port should make sure its regulations are not in conflict with state and local regulations governing the various operator classes.
- Although not directly related to the Leigh Fisher report, one attendee wondered if the next contracting opportunity, after the existing contract with Puget Sound Dispatch/Yellow Cab expires on October 30, will be open for competitive bidding. Port staff present at the meeting reassured the group that the next contract will be an open, public bidding process.

The group then went on to offer their ideas about various aspects of the best practices they believe might work the best at Sea-Tac:

- One participant noted that Sea-Tac should follow the recommendations outlined in the report, specifically that an “exclusive contract” system, limiting on-demand service to one or just a few companies, appears to be most successful at the most airports. The commenter noted that this type of a system provides consistency and reliability. Moreover, an open system leads to oversupply and poor customer service.
- Others agreed with this statement, noting that an important benefit of a closed system is that it enables an airport to most effectively manage the ground transportation system. A further comment was that an airport is a restrictive environment that needs to be tightly managed and regulated. It’s just not possible for every company to be able to operate at the airport.
- Another attendee urged the Port to keep customer service as its number one focus, stating that customers are looking for multiple options. Customers want to be able to choose the transportation provider they are most comfortable with.
- The comment was made that Transportation Network Companies are operating successfully at the Portland airport, and that Seattle look into this working relationship.
- For Hire/Flat Rate operators noted that their service is unique to Seattle, and that even the “closed system” described in the Leigh Fisher report allows for multiple companies to operate within that system. They want Flat Rate companies to be allowed to operate on-demand services at the airport. They also noted that TNCs should be allowed to operate at the airport, provided that they are operating with the same level of licensing and other regulatory requirements that For Hire and other operators currently abide by.
- Another attendee urged that the Port allow any cab company, owner/operator to operate on-demand services at the airport. They felt that customers would benefit from this expansion of service, and see no reason to exclude some operators from offering on-demand service.

In continuing to offer their advice, attendees described the unique virtues of their customer service:

- Flat-Rate companies provide reliable scheduling for passengers. The rate for the service is provided in advance, so customers have reassurance and a price guarantee. Flat-rates are appreciated by many passengers. The traffic is so bad in Seattle that people understand a flat-rate will be less expensive than a metered fare.
- Taxicabs operate with a meter. The meter is a universal, reassuring method of calculating the trip fare. The honesty of the meter provides customers with confidence.
- Shuttle services and airporters are pre-arranged and provide customers with the confidence that they will arrive safely at their location, which is often many miles from the airport.
- Under Washington State law, Transportation Network Companies are required to provide \$1 million in insurance during the time they have a customer in the car. TNCs provide environmental benefits because cars are already owned by the drivers; additional cars are not being put into operation. In addition, background checks are conducted on every driver, and every vehicle must be inspected. TNCs also operate internationally. When customers arrive

from other countries, they know they can trust the application to provide a safe and efficient ride. The application is provided in a number of languages.

- Those operating wheelchair-accessible vehicles asked that the Port allow them to pick up those customers at the baggage claim area, rather than requiring those passengers to come to the parking garage.
- Although the Leigh Fisher report stated that on-demand limousine service at a number of airports is declining, the limousine drivers present at the meeting stated that their services were very popular at Sea-Tac and should be continued.

Additional comments and advice offered at the meeting included:

- Attendees noted the importance of providing customers with numerous options for ground transportation. While not opposed to additional service providers at the airport, a common theme from all of the operator classes is that any and all companies allowed to operate at the airport be required to abide by the same rules and regulations. This includes levels of insurance, licensing, driver background checks, and the ways in which rates are set and/or allowed to be changed. Competition needs to take place on a level playing field.
- Operators encouraged the Port to make sure there are no conflicts between local/state regulations and any regulatory structure set up at the airport.
- Attendees also urged the Port to take the time to fully determine what is likely to work best for the future, and not necessarily feel that the current system should be maintained.

Next Steps

Port of Seattle staff will use the results of the operator discussion sessions, along with the recommendations from Leigh Fisher, to develop potential options for the future of ground transportation at Sea-Tac Airport. These options will be presented to, and discussed with Port of Seattle Commissioners at both the September 8 and September 22 Commission meetings.

Meeting Attendees

Those attending the August 14 meeting included:

Sultan Ahmed, Yellow Cab
Raj Bal, STILA
Balai Belete, United for Hire
Paul Berendt, Strategies 360
Anna Boone, Gallatin Public Affairs
Bakari Brock, Lyft
Tim Ceis, CBE Strategic
Sharon Coleman, Carey Limo
Cory Dame, Bremerton Kitsap Airporter
Wessen Darge, Orange Cab
Paul Dhami, STITA
Fanus Goneth
Samatar Guled, East Side for Hire
John Hagen, Shuttle Express
Paul Kajanoff, Shuttle Express
Todd Kelsay, Lyft
Mebari Kidane
Cindi Laws, WAT
Tyler Lehmann, Blackstone
Julien Loh, CBE Strategic
Wes Marks, Shuttle Express
Saleh Mohammed, WAT
David Pringle, Strategies 360
Kathy Roman, Rocket Transportation
Amin Shifow, Yellow Cab
Paul Singh, STILA
Brooke Seger, UberX
David Svanevik, United for Hire
Jim Thompson, Farwest
Chris Van Dyke, Q
Henry Yates, CBE Strategic
Abdul Yusef, Q for Hire