

Sea-Tac Airport On-Demand Contract Alternatives Port of Seattle Commission Briefing May 28, 2019

Presentation Outline

- Schedule
- Guiding Principles and GTAP
- Policy Evaluation of Alternatives Matrix
- Outreach and Feedback
- Recommendation
- Next Steps

Schedule

- **September 25, 2018:** Commission briefing on ground transportation framework and GTAP study **(COMPLETED)**
- **October 2, 2018:** Aviation Committee briefing regarding on-demand options **(COMPLETED)**
- **October 25, 2018:** Stakeholder outreach sessions at Sea-Tac Airport **(COMPLETED)**
- **December 2018:** Commission 2-2-1's regarding on-demand service options **(COMPLETED)**
- **February 15 and 28, 2019:** 2nd stakeholder outreach sessions at Sea-Tac Airport **(COMPLETED)**
- **February and March 2019:** Follow-up Commission 2-2-1's **(COMPLETED)**
- **March 26, 2019:** Commission authorization for execution of curbside management contract after competitive procurement **(COMPLETED)**
- **May 28, 2019:** Public Commission briefing and motion regarding on-demand service options
- **September 30, 2019:** ESFH contract expires

Coordinated schedule to move forward with multiple initiatives

Ground Transportation Framework

Guiding Principles

- Reduce environmental impact
- Reduce roadway congestion
- Support customer choice
- Social equity
- Generate revenue for sustainable airport

Goals

- 50% scope 3 reduction
- 15 minutes tower to curb
- 30% private vehicle pick-up/drop-off
- Social Equity
- Financial sustainability

Strategies and Tactics

- SAMP** → e.g. roadway relocation, Widen Arrivals Approach
- GTAP** → e.g. first/last mile, access fees, express bus
- Operational** → e.g. rematch, TNCs on Arrivals, garage utilization
- Contracts**
Taxi, TNC, other GT → e.g. e-KPIs, driver income, guaranteed min. wait time

Port policies provide guidance in all categories

Policy Evaluation Matrix

	Customer Experience/Choice	Environmental Effects	Living Wage Jobs/Equity	Revenue Generation
Alternative 1 Open System				
Alternative 2a Capped – Exclusive Metered or Flat Rate				
Alternative 2b Capped- Exclusive Metered and Flat Rate				
Alternative 3 Capped- Hybrid				

Key:
 = Positive Impact
 = Neutral / Unknown
 = Negative Impact

Overall performance, but further refinement of options is needed

Further Refinement: Stakeholder Outreach Sessions

- Outreach conducted in support of earlier GT work in 2015 and 2017
- Three facilitated presentations held October 25, 2018
- Three additional facilitated sessions on February 15 (two) and February 28, 2019
- Representation included multiple owner-operators, drivers, TNCs, dispatch companies, Teamsters representatives

Stakeholder feedback from October 25, February 15 and 28

Further Refinement: Outreach Feedback

Job Security:

- Port issues permits directly to current owners/operators
- Lottery system for any openings that occur

Living Wages:

- Limit per-trip fees to cost recovery, including curb management
- Weekly fees paid directly to the Port
- Manage fleet size every 2 years or less based on customer demand

Feedback summary

Further Refinement: Outreach Feedback - continued

Driver Voice:

- Port establishes Labor Harmony Agreement
- Worker-led non-profit organization of drivers:
 - Establishes process for adjudication of disputes
 - Process for input in day-to-day operations
 - Facilitates driver training and education

Environmental input:

- Port incentivizes electric vehicles through 1) low cost loans, 2) lower fees, 3) permit extensions for electric vehicle owners

Feedback summary

Recommendation - Initiate Two-year Pilot Program 10/1/19

- Retain current fleet of 405 vehicles
- Port directly issues non-transferable permits to every vehicle/owner combination
- Two-year pilot term (through 9/30/2021)
- Allow owners to associate with any dispatch company and any driver
- Set a per-trip fee of \$6/pick-up based on Port's costs
- Port contracts separately with curb management company
- Quarterly engagement with owners and drivers

Contract recommendation

Next Steps

May – June 2019:

- Finalize operation details, technology and owner permit for new services
- Initiate agreement renewal discussions with TNCs
- Initiate procurement for curbside management services, with costs paid by Port

July – September 2019:

- Curb management provider selection and negotiation
- Transition period for new on-demand service
- Negotiate TNC agreement provisions

September 30, 2019: Current agreement with ESFH expires

October 1, 2019: New on-demand service commences

December 2019: New TNC agreement in place

Steps to transition in late 2019

Alternative 1 - Open System

- **Key Features**
 - Airport issues access permits to all licensed providers
 - Similar to Boston, San Francisco, Houston, Portland, Minneapolis and others
- **Pros**
 - Access is provided without a pre-determined supply restriction
- **Cons**
 - Results in inconsistent customer service
 - Increased congestion
 - Increased greenhouse gas emissions
 - Potentially lower average driver take-home income
 - Difficult to enforce

Open taxi system allows for more access, but at the cost of other policy priorities

Alternative 2a - Capped/Metered or Flat Rate Contract

- **Key Features**

- Port's former contracts with STITA and Yellow followed this model (with metered operator)
- Single type of provider (meter) and 1-3 different companies (Port has had one provider)
- Airports with this system include Denver, Dulles, Phoenix and others

- **Pros**

- Improved customer service and Port's ability to impose requirements
- Potentially higher driver income for owners/operators in fleet
- Ability to adjust fleet to customer demand
- Competitive and transparent process

- **Cons**

- No on-demand access for other operators
- Competitive process and capped system creates winners and losers

Allows for more Port control, but limits access to one type and one (or more) company

Alternative 2b – Capped/Metered and Flat Rate Contract

- **Key Features**

- Two types of providers (metered and flat rate) and typically 1-3 different companies
- Similar to closed systems in Denver, Dulles, and Phoenix

- **Pros**

- Airport maintains ability to impose requirements and standards
- Potentially higher driver income for owners/operators in fleet
- Ability to adjust fleet to customer demand
- Competitive and transparent selection process

- **Cons**

- Potential increase in customer confusion with two separate types of providers
- Competitive process and capped system creates winners and losers

Allows for more Port control, has both types of providers

Alternative 3 – Capped Hybrid Contract

- **Key Features**

- Similar to capped contract with managed fleet size, but owners are allowed to affiliate with any taxi association
- Airport hires independent 3rd party to manage fleet and curb operations
- Unique model - no other known airports utilize this model

- **Pros**

- Owners can choose their preferred taxi association
- Potentially higher driver income for owners/operators in fleet
- Ability to adjust fleet to customer demand

- **Cons**

- 3rd party management expense may affect Port income
- Airport's ability to enforce requirements is reduced due to multiple taxi associations participating in fleet

Owners are allowed to freely associate, but Airport loses some control