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Publication Date

2009-09-01

University of California Transportation Center
UCTC Research Paper No. 893

The Los Angeles Taxi Workers Alliance

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Fall 2009

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Taxi drivers are often portrayed as the ultimate entrepreneurs, free of any fixed workplace, able to choose their own hours, and with a toehold in the American middle class. That stereotype may have been accurate in New York City decades ago (Hodges 2007, Mathews 2005), but in contemporary Los Angeles, taxi drivers spend long hours in “sweatshops on wheels,” their pay and working conditions controlled largely by company owners. Less than half of L.A. taxi drivers own their own cabs, and many of those who do have borrowed heavily to purchase them (Blasi and Leavitt 2006 49). In 2005, L.A. taxi drivers formed the Los Angeles Taxi Workers Alliance (LATWA) in order to improve working conditions, gain control over their jobs, and earn respect.¹ This chapter documents LATWA’s efforts and accomplishments and assesses its future prospects.

A critical focus of LATWA’s organizing is the status of the drivers. In the mid-1980s, the L.A. City Council acquiesced to a company owner’s proposal to transform drivers from employees to independent contractors, which means that they are no longer covered by minimum wage laws or other labor protections. Subsequently, the City awarded franchises to several taxi “cooperatives” – a misleading term since an insider elite and owners of companies that provide

¹ LATWA was named in solidarity with the New York Taxi Workers Alliance (NYTWA), founded in 1998. Although NYTWA states about 19 chapters exist across the country (Park 2008), LATWA has independent status. In March 2007, taxi drivers from Canada and the U.S. convened for the first time in order to build an international movement (Waheed 2007).

essential services to the cooperatives continue to exercise a great deal of control over the drivers. One driver we interviewed called the industry a “monster,” evoking the imagery of a hydra with nine heads, alluding to the fact that 9 companies control all of L.A.’s 2,303 cabs, largely through a structure of cooperatives and private corporations few drivers understand.

In this chapter we describe the power structure of the L.A. taxi industry, as well as the history of organizing among drivers. LATWA is but the most recent of a series of organizing efforts, although all the previous organizing drives were unsuccessful. We recount the lessons that taxi drivers learned from those past organizing efforts, drawing on in-depth interviews with LATWA leaders and supporters. At four different times – 1977, 1981, 1997, and 2005 – taxi drivers launched major organizing drives, all in response to efforts to shift customer revenue from drivers to the companies. Over time, the organizing focus has broadened, and the most recent effort - LATWA’s - involves linkages to a wide range of other L.A. social justice organizations and advocates, as well as relations with taxi organizations in other cities. Later in the chapter we explore LATWA’s future options and opportunities, especially those likely to emerge when the entire taxi regulatory structure and company franchises next comes up for renewal.

The Structure of the L.A. Taxi Industry

Regulation of the taxi business is, by California statute, delegated to local governments to regulate as a public utility (Blake and Tobin 1962).² While taxis can drop off a passenger anywhere, each of the 88 cities in Los Angeles County, including the City of Los Angeles, has complete authority to regulate all taxicabs that pick up passengers within its boundaries. In practice, in the smaller cities and the County itself, regulation is minimal, involving little more than an annual license fee that taxi operators pay for the privilege of picking up passengers in each jurisdiction. But the City of Los Angeles has a far more elaborate regulatory apparatus for the industry.

The City's five-member Board of Taxicab Commissioners is appointed by the Mayor and confirmed by the City Council. The Council itself sets regulatory policy, while a Taxicab Administrator within the City's Department of Transportation (LADOT) oversees day-to-day regulation. In addition, the Los Angeles World Airport (LAWA), controls access to a major source of taxi driver income by regulating access to passengers at the Los Angeles International Airport (LAX). LAWA currently delegates this power to a corporation, Authorized Taxicab Supervision, Inc. (ATS) whose Board of Directors is made up of the presidents and management of L.A.'s 9 taxicab companies.

The City Council sets taxi fares and must approve the franchise agreements that specify the terms under which the taxicab companies operate. Under those terms, all taxis must be part of a fleet that has received a franchise from the City, and each taxicab and each driver also must have separate approval from the City to operate. Each franchisee is required to elect a board

² Los Angeles, CAL., Administration Code Section 22.484(g)(2)(B)(1)(ii)(2000). [Old City Charter art. XX, Section 212 (pre-2000)].

of directors and to designate a general manager, who must be approved by the City. All but one of the 9 L.A. taxi companies that currently hold franchises are cooperatives, with each cab representing one share in the cooperative.³ Of the taxicabs operated by those 8 cooperatives, the largest ownership share is held by one family, the Rouses.⁴ The family also exercises control over the “cooperatives” indirectly through an entity called the Administrative Services Cooperative (ASC). The largest cooperatives, including Yellow Cab, United Checker Cab (UCC), and several other cooperatives with franchises in other cities, contract with ASC for services like advertising, insurance, and radio dispatching. ASC, in turn, contracts with various private companies owned by the Rouses for office space and radio equipment, as well as fleet management services.

Because the taxi business is so heavily regulated by City officials, the taxi companies are extremely active politically. In 2000, for example, taxicab companies paid lobbyists more than a quarter million dollars and from 1998 to 2006 they contributed nearly \$200,000 to local politicians, making the taxi industry among the largest single contributors to local political campaigns (Blasi and Leavitt 10, 47).

The current regulatory structure does little to check the power of ASC and its affiliated companies, or the insiders who control the cooperatives and who set the fees charged to share owners.⁵ These fees, in turn, determine the lease

³ The exception is City Cab, which is owned by a single operator who leases all 166 taxicabs in his franchise to drivers.

⁴ The family elder, Mitch Rouse, also controls the SuperShuttle fleet of airport vans across the country as well as taxi fleets in several other cities and a limousine company.

⁵ Fees include: radio, meter, a geographical positioning system, insurance, cooperative dues and special fees set from time to time by the cooperative insiders.

rates that owners can charge.⁶ The net income (and indirectly, working hours) of both owner-operators and lease drivers depends on the fees the companies set as well as on the price of fuel – neither of which the drivers are in a position to control. In many contexts, there is little difference in the circumstances of the drivers who own and operate their taxicabs (and who own shares in the cooperatives) and drivers who lease cabs from others, typically for a 12-hour shift. The median driver is a 47-year-old man who is a legal immigrant and a father of school age children, who works 72 hours per week, sometimes putting in 18 to 20 hour days (Blasi and Leavitt 2006). Our 2006 survey found median earnings of \$8.39 per hour, with owners making only about 20 cents per hour more than lease drivers. Given that fuel prices have risen much faster than fares since we did our study, these numbers are likely to be much lower today.

Most drivers have no health insurance and if their children are insured, it is often only because they are poor enough to qualify for state and federal health insurance. In addition, driving a cab involves serious occupational health and safety hazards. “Taxi drivers’ limp” is a condition caused by long hours behind the wheel using only the right leg. Back problems are extremely common. All this is compounded by L.A.’s well-known air pollution and its unusually hazardous roads and freeways. Some drivers experience ethnic discrimination, harassment from the Los Angeles Police Department (LAPD) and LAX police, and company retaliation for organizing.

LATWA’s recent campaigns have benefited owners as well as lessees, but there are tensions between the two groups. While lease drivers may have

⁶ Lease rates cover access to the company’s dispatch system that handles requests for taxi cabs. This is the lifeline for drivers’ access to fares.

hopes of becoming owner-drivers in the future, in the short run they may not be willing to sacrifice time – which is money - to attend a meeting in search of possible long term gains. Many drivers we interviewed recall entering the taxi industry because of easy requirements, quick access to cash, and on what they thought of as a temporary basis -- only to find themselves still driving years later. In contrast to lessees, owner-drivers have a longer term commitment to the occupation. They feel that they own something, though they are often not entirely sure what belongs to them and what belongs to the company. They pay monthly dues as cooperative shareholders – sometimes as much as \$1,200 a month - and in return they want a voice in the way decisions are made and dues spent. The current organizing takes place in a historical context that continues to echo in the discussions among drivers. Before turning to the current organizing effort, then, in the next section we look at the earlier organizing campaigns among L.A. taxi drivers.

Driver Organizing in 1977 and 1981: Worker Cooperatives and Strikes

In 1977, C. Arnholdt Smith's closure of the Yellow Cab Company sparked a wave of collective action among taxi drivers. At the time, Smith controlled 75 percent of the taxi business in the City of Los Angeles. Amid scandals involving his ties to organized crime and allegations about his own insurance companies charging excessive fees to Yellow Cab drivers, the company declared bankruptcy in November 1977 and closed down. Many drivers were left unpaid for what the company owed them for the preceding two weeks and Los Angeles was essentially without taxi service.

Eugene Maday, a Las Vegas gambler who also owned Little Caesar's Casino, stepped into the breach and put in a bid for the Yellow Cab franchise and rolling stock (Kilgore 1977). Maday, like C. Arnholdt Smith, had reputed connections to the Las Vegas mob. In Las Vegas, Maday had bought his first taxi company with assistance from Homer L. (Dutch) Woxberg, a former spokesman for Jimmy Hoffa and the Teamsters' notorious Central States Pension Fund (Blake and Tobin 1962). Woxberg and the Teamsters lobbied the L.A. City Council to approve Maday's application. In turn, Maday promised to recognize the union in Los Angeles and provide fair wages and benefits for drivers (Bernstein 1992). Although those promises would not be kept, the seven-month period between Yellow Cab's closure and the City's franchise award to Maday gave drivers an opportunity to organize.

Drivers who had been deprived of pay for their last two weeks of work and threatened with the elimination of their livelihoods held vociferous demonstrations. One driver with a background in Democratic politics, David Shapiro, took the lead in developing a proposal for a taxi company structured as a cooperative of individual owner-drivers. Shapiro received encouragement from his contacts in City Hall, then under Mayor Bradley's administration. The cooperative would manage common activities like dispatching, and bargain collectively for services like insurance to reduce costs. Another group of former Yellow Cab drivers separately lobbied the City Council for a change in the law to permit cooperatives of independent owner-drivers (Schnitzer 2006).

In April, 1977, the City Council agreed to these demands, approving an ordinance allowing for individual ownership and operation of taxicabs for the first

time in 42 years (Baker 1977). A few months later the City Council broke the Yellow Cab monopoly, granting franchises to operate across Los Angeles to two owner-driver cooperatives -- United Independent Taxi Drivers (UITD) and the Independent Taxi Drivers Association (Blasi and Leavitt 62, n. 143).⁷ The City limited the initial number of taxis to 100 for each of the cooperatives, required that owner-drivers spend a minimum of 40 hours per week in their cab, and mandated that the cooperatives monitor their members' behavior as well. These cooperatives initially came close to the intended ideal of distributed ownership and internal democracy. But tensions developed between the original founders and newcomers, as well as between those who saw taxi driving as a career and those who saw it as an investment (Russell 129).⁸ Eventually, these cooperatives would come to be controlled by a few insiders, but neither would approach the sophistication of the web of cooperatives and private companies constructed by the Rouse family in the 1980s (described below).

Both ITOA and UITD reached the 100 cab limit within a year, and the City favorably responded to the cooperatives' requests to expand. They each grew to 200 cabs by the end of 1980 (Russell 111).⁹ Meanwhile, both cooperatives were concerned about the total number of cabs on the streets of Los Angeles, as the other companies were "selling 'leases' to cabbies who then became drivers of owner-operated cabs affiliated with the fleets" (Russell 123). After the

⁷ ITOA filed its Articles of Incorporation on April 22, 1977. UITD filed on June 27, 1977. The founding documents of both cooperatives set out their status as nonprofit cooperatives. The articles of UITD claimed tax exempt status under Section 501(c) (6) of the Internal Revenue Code, pertaining to "business leagues." The ITOA articles referred only to its nonprofit status.

⁸ Russell writes that the Russian members of the two cooperatives formed the "Club of the Spinning Wheels" in early 1980 and thwarted the efforts of a group of taxi drivers who wanted to form a third cooperative (130). Russell attributes much of the subsequent degeneration to the influx of Russian immigrants.

⁹ In 2008 ITOA had 246 licensed cabs and UITD had 289.

cooperatives reported this practice to the City, the companies were ordered to stop but coop members “complained that the private companies were continuing to circumvent the regulation by a variety of inventive subterfuges” (Russell 124).

Drivers in other companies were facing their own difficulties. Maday, by now L.A.’s largest taxi industry owner, had thrown the Teamsters out of his Las Vegas cab company and he failed to keep his promise to recognize the union in L.A. In 1981, Yellow Cab drivers went on strike to protest Eugene Maday’s cutting wages and taking away health benefits. Maday claimed that he was losing money and demanded elimination of health insurance and deep cuts in the wages of taxi drivers, who were then making about \$150 per week. The City, which had promised to allow Maday to raise fares, voted not to award him a new franchise unless he settled the dispute with his workers (Savage 1989), thus giving drivers a temporary victory. Maday sued, but lost in the lower court – a decision that was reversed by the U.S. Supreme Court, which held that the City had intruded into the federally preempted area of labor regulation. The City later settled with Maday, the gambler who had paid \$500,000 for his interest in the Yellow Cab franchise, for a total of \$12.75 million in damages, interest, and attorney’s fees.¹⁰

Eager to head off bad publicity and trouble during the upcoming 1984 Summer Olympics, the City granted Mitch Rouse a taxi franchise with hopes that he would quell complaints about unsafe taxis, price gouging, and trip refusals. After the Olympics were over, however, Rouse too complained that his company was “in dire financial straits.” He proposed to solve the problem by

¹⁰ Blasi and Leavitt 47; Maday died of a heart attack two years after the settlement, in 1994.

changing the status of taxi drivers from employees with a guaranteed percentage of the income earned at the end of each day to independent contractors. In response, the City approved an emergency ordinance allowing all of the taxicab companies to reclassify their drivers as independent contractors. Now taxi drivers would start work each day with a negative income, owing the company money and paying for gas out-of-pocket. An added benefit to the companies was that the drivers were no longer employees who could belong to a union, enjoy the protection of wage and hour laws, and receive worker compensation benefits.

The Rouses, Mitch and his son William, went still further. Although all their drivers were now independent contractors of L.A. Taxi, the Rouses now seized upon the idea of creating a cooperative of cooperatives that would, in turn, buy services from their companies. In effect, they could take the franchise granted by the City and repackage it as shares to be sold to individual drivers for thousands of dollars, all the while retaining control over all the things that make a taxicab company other than the vehicles themselves: the name, the radios, the dispatch service, and so on. Bill Rouse incorporated the Los Angeles Taxi Cooperative, Inc. (LATC), the Administrative Services Cooperative (ASC) and the South Bay Cooperative (which operates United Checker Cab) on September 3, 1992. Two months later, on November 3rd, the L.A. City Council effectively transferred the L.A. Taxi to the L.A. Taxi Cooperative (Blasi and Leavitt 64-65).¹¹ The Rouses' for-profit cooperatives thus emerged alongside UITD and ITOA.

¹¹ Blasi and Leavitt 66, 77-78. A company named Anything Yellow, Inc. acquired the rights to Maday's Golden State Transit Corporation in 1995. As a result of L.A. City Council approvals, in 1998, the L.A. Taxi Cooperative was also operating as Yellow Cab.

These new entities bore little resemblance to the original vision that had created ITOA and UITD and, in many ways, were cooperatives in name only. Granted a free franchise to operate 400 taxicabs by the City, Rouse could sell those rights to drivers for \$40,000 each, or a total of \$16 million. Virtually all of those who bought shares were immigrants, intent on acquiring a piece of the American Dream.

But the L.A. taxi driver's version of that dream falls far short of the ideal. The driver's workplace is typically a used police car worth about \$4,000, now painted yellow and equipped with a leased radio and taxi meter. The market costs of obtaining radios, or taxi meters were not easily determined, because these were supplied by Rouse-controlled companies, through the Administrative Services Cooperative. Many of the owner-drivers we interviewed did not understand what they owned and what they did not, what they could sell, and what they could buy only from a restricted source. Immigrants, many with limited English proficiency, simply did not understand the 138 page contract used to sell a share in the Yellow Cab Cooperative. As one driver told us:

He gave me the key. I work so hard because I have illusion that I am going to own my own business, be my own boss. Of course I know I have to pay taxes, take good care of my customers and my car, drive safely, you know. And that's what I have been doing, but like I said I didn't know, nobody ever explain to me [any] thing. After the years I found out that there are so many things hiding.¹²

¹² To protect confidentiality, we do not name the interviewees; all unidentified quotes are from field interviews with drivers and took place in 2007 and 2008.

Under this new arrangement, L.A. taxi drivers soon found that all the critical aspects of their work were under the control of the Rouse companies, cooperative insiders, or the City. The City has extensive authority over the taxi business. It was the City that allowed companies to treat drivers as independent contractors and authorized the formation of the cooperatives. The City also regulates what drivers wear, where they can pick up passengers, and how much they can charge. When it comes to relations among the companies, the coops and the drivers, however, the City takes a “hands off” approach. The companies tell drivers where they must purchase insurance and how much they must pay for the radio dispatch system. The global market determines how much they must pay for gasoline. Moreover, many of these “independent contractor” drivers are now tracked by global positioning systems (GPS) attached to their mandatory taxi meters. Taxi workers are left with only one significant decision: how many hours they work.

The cooperative structure may have indirectly curtailed organizing as well, at least for a while. The appeal of “owning” a share, being a “shareholder,” and having “independent” status was considerable, in the abstract. Only when the realities of the situation became clear and when drivers’ repeated requests for accountability from the companies were rebuffed did organizing re-emerge.

Two New Worker Organizations

In 1997, a group of taxi drivers who had unsuccessfully sought access to company financial records incorporated as The Los Angeles Yellow Cab Owner Drivers Association (LAYCODA). In retrospect, the leaders fully appreciated the

methods that Yellow Cab used to defeat them. Ethnic divisions were exploited and drivers from some ethnic groups were favored in hiring for management positions and/or supported for leadership of the cooperative.¹³ One driver's comment illustrates the effect of this divide and conquer tactic and the trade-off a driver makes in accepting supervisory jobs.

There are some other people who are not [going] to talk against management; they are the starters – they are drivers too but they are kind of supervisors. They work specifically at the train station, at Amtrak, and the Greyhound. They are there to see everything works smoothly. They do drive, they work there 8 hours for a shift, and they pay them. They're not going to talk against management cause management pays them. ...Not all drivers have this chance.

The companies' tactics were not subtle. They called the drivers' efforts "foolishness" and told them to quit LAYCODA – or else. The membership – about 150 belonged by 2000 – gradually dwindled. Those who hung on turned to a lawyer for advice only to be discouraged when he suggested that it would cost a lot of money to make changes.

LAYCODA lasted about three years and as its meetings died out, another organization emerged. This was the Los Angeles Taxi Drivers Association (LATDA), which broadened its membership beyond Yellow Cab and, significantly, included lease drivers as well as driver-owners. At its peak, over

¹³For example, at the time of our research, the President of the South Bay Yellow Cab Co-operative (which operates the United Checker franchise) was employed by ASC and Van Ness Management, the Rouse company that provides management services to ASC and its associated cooperatives. We found that the majority of drivers currently come from the Middle East and Pakistan (Blasi and Leavitt 8, 18). The high visibility of supervisors from some countries of the Middle East may reflect a particular moment in time, however. For example, Russell (1985) identified Russians as playing an influential role in the past.

300 members belonged, although over time most of the lease drivers dropped out. The companies once again fought back, among other things infiltrating the group's meetings, according to organizers. One driver we interviewed reflected that the companies did not have to do much more to create a climate of fear. Driver leaders were adding another layer of activity to their already long work week whereas the companies could use people already on their payrolls to dispatch anti-organizing messages. One well-known leader left LATDA and another stayed for half-a-year or so longer before the organization folded. But drivers remained discontented with their incomes and eager to win respect and recognition.

In late 2004, their anger boiled over when one driver was told to leave the holding lot at LAX because he had arrived a little early. He was told not to return until hours later, a penalty that would have cost him a significant fraction of his income for the week. When he refused to leave, airport police were called to escort him off. The news spread among drivers at LAX, sparking a short, but effective, strike of drivers who refused to pick up passengers at the airport. This incident precipitated the formation of the Los Angeles Taxi Workers Alliance in 2005.

LATWA's Formation and Campaigns

The LAX incident sparked a series of informal meetings that led to the formal launch of LATWA in 2005. Ethnically-rooted social networks played a critical role in this effort. The driver at the center of the LAX controversy, who was South Asian, sought out another South Asian driver who arranged a

meeting with Hamid Kahn, the Executive Director of the South Asian Network (SAN). SAN had been founded in 1990 as a community-based organization with the mission of “advancing the health, empowerment and solidarity of persons of South Asian origin in Southern California” (South Asian Network n.d.-1)¹⁴ and with a particular focus on low-wage workers. Using his personal and professional connections to policy advocates and elected officials, Khan called a meeting of lawyers from social justice organizations like the Asian Pacific American Legal Center (ALPAC), who could advise the taxi drivers. Simultaneously, drivers from different ethnic groups, including Latinos and Ethiopians, some of whom had been involved in the earlier taxi driver organizing efforts, began meeting around conditions in the industry

About 90 drivers attended a town hall meeting in April 2005 in Inglewood, California. Two lawyers spoke: one on ways to defend against company retaliation; the other on workers’ compensation. A second town hall meeting was held in July 2005 at a meeting space in the MacArthur Park area in downtown Los Angeles. This marked the formal launch of LATWA. The objective was to provide an “organized, cohesive voice” to “industry reform and drastic improvement of working conditions for thousands of taxi workers” (South Asian Network, n.d.-2). LATWA embarked on a research effort to learn more about the industry and some drivers sought legal help. LATWA aimed to be an umbrella organization for all the different ethnic groups that had begun organizing separately in this period. All this was accomplished without a paid staff. Volunteer work by community allies complemented the dedication of taxi

¹⁴ SAN has two offices, one in Artesia where one concentration of South Asians lives and the second at the Koreatown Immigrant Workers Alliance (KIWA). See Kwon, this volume.

drivers who took time away from earning a living to talk with other drivers, attend meetings, testify at hearings, and build the organization.

LATWA representatives reached out to some L.A. City Council members for support, and they eventually appeared before the Council. Organizers obtained a copy of the City's recording of one meeting at which they had testified, with good results, and used that as an informational tool at subsequent meetings with drivers. They also arranged with a local progressive radio station to help publicize LATWA's campaigns to the wider public. In September 2006, LATWA organized a community meeting with a listening panel that included L.A. City Councilmember Wendy Gruel, head of the Council's Transportation Committee. Two taxi drivers chaired the meeting and drivers' and customers' testimonies were showcased. LATWA issued a white paper on taxi drivers and the authors of this chapter presented their findings to a panel that included a member of the City's Taxi Commission (LATWA 2006).

These events stirred excitement and LATWA had 800 signed support forms by the end of 2006. As of this writing there are closer to 1,300 signed support forms. This rapid membership growth reflected the success of three demands LATWA made and won in the summer and fall of 2006 – one over uniforms, a second over meter rates, and a third over fares for short rides.

The first demand addressed one of the most salient personal burdens for drivers. The Board of Taxicab Commissioners requires that taxi drivers conform to a dress code. Chief among the drivers' complaints was the requirement that they wear a necktie. Drivers reported instances in which ties had become entangled in luggage when loading the trunk, or had been used to choke them

during robberies. More generally, the mandatory white shirt, black tie, black pants, and black shoes, a dress code strictly enforced by City inspectors, are a constant reminder to drivers that their freedom and independence is an illusion. The taxi industry perspective was that uniforms reflect a sign of professionalism and was comparable to the more formal style of the limousine drivers with whom taxi drivers compete. This issue came to a head in the sweltering summer of 2006 when L.A. politicians opened neighborhood “cooling-off” centers for public use when temperatures reached 100 degrees. Under these circumstances, the Taxicab Commission agreed to relax the necktie requirements during the summer months.

As the price of gasoline rose, an expense for which drivers are wholly responsible, LATWA members testified before the City Council and demanded a twenty cent fare increase to \$2.50 per mile. In response, the Council approved the increase, which took effect in December 2006, and gave the taxicab commission the authority to review the fares every 6 months and increase them in relation to the Taxi Cost Index (TCI).¹⁵

The third demand also received City Council approval in the fall of 2006. Drivers complained about waiting in long lines for fares at LAX, only to find that some passengers only wanted transportation a short distance (and thus for a very small fare) – sending the driver back to the end of the holding lot line again. The City Council responded by agreeing to a flat fee of \$15.00 for short fares to airport hotels and nearby beach cities.

¹⁵ The TCI is based on price increases in fuel, insurance, etc.

In addition to these successes, LATWA has engaged in negotiations with the City regarding conditions at the Authorized Taxicab Supervision (ATS) “holding lot” at LAX. Drivers’ demands include the need for clean bathrooms, benches in shaded areas, a water fountain away from the restroom, as well as ending harassment by the airport police and by management at the holding lot. LATWA met with airport officials and asked that protections for drivers be included in any extension of the ATS contract.¹⁶ When LAX officials proved unresponsive, LATWA appealed once again to the City Council, which voted unanimously in March 2006 that:

within 60 days, the City Council will require that LAX put an end to the climate of fear created by ATS and adopt protections for taxi workers from ATS abuse, including improvements in conditions at the holding lot, clear written rules and procedures for disciplinary action, due process and respect for taxi drivers. If significant improvements are not made, the Council has requested that the operating agreement with ATS be terminated (South Asian Network n.d._2).

These LATWA wins were widely cited among the drivers we interviewed as sources of hope and interest in ongoing organizing. In all likelihood the wins encouraged another action, one that challenged the power of the Rouse family directly and thus met with much more resistance. In early 2007, 12 shareholder drivers at Yellow Cab contacted LATWA with an interest in running reform candidates for the cooperative’s Board of Directors. The election campaign

¹⁶ LATWA’s campaign was aided by City Controller Laura Chick’s independent audit of ATS, which found that LAWA had continued to lease its property as a taxicab holding lot for LAX on a sole-source basis and suggested that a request for competitive bids for the lease could better serve LAWA and the City (City of Los Angeles Office of the Controller 2007). As of this writing, all bids have been rejected.

provided a forum for LATWA activists to raise issues of concern to all Yellow Cab coop members. Initially, the workers were exhilarated when the voting results showed that two of their reform candidates won. The company insiders managing the election, however, declared a computer glitch in counting the votes and called for a new election. The winners of the second election did not include the reform candidates.

LATWA Moves Forward

LATWA has made significant inroads in improving working conditions and offering drivers a voice in decision making. Thanks to LATWA, City agencies listened to taxi cab drivers' testimony and took their complaints seriously. LATWA also brought independent empirical research conducted by the authors of this chapter to the City Council, which in turn demanded a response to the findings by the Department of Transportation. Meetings of the Taxicab Commission are no longer the exclusive province of lobbyists and franchise heads. Thousands of taxi drivers have received fact sheets on shareholder rights and updates on LATWA's advocacy to improve working conditions. Plans are also underway to take action to address drivers' health conditions.¹⁷

LATWA is maturing with the help of small grants to help support a paid coordinator, although additional operating money is needed to increase the organization's capacity. LATWA has incorporated as a nonprofit corporation

¹⁷ LATWA asked LAWA to improve working conditions at LAX. Suggestions included providing gym equipment such as a treadmill and stationary bike; healthy food and a variety of food vendors; clean, covered, and safe places to eat; clean drinking water and shower. A similar effort was launched by the New York Taxi Workers Alliance in 2007 at John F. Kennedy International Airport's Central Taxi Holding lot (Hunter College 2007).

and is seeking tax exempt status. Its board is composed entirely of current or former taxi workers, and it has an advisory committee made up of 25 to 30 taxi workers and key supporters like Hamid Khan. The Inner City Law Center, which is not subject to the restrictions imposed on federally funded legal services programs, provides legal counsel. Leaders are also taking steps to ensure that all key ethnic groups are represented in LATWA's committees. Building on their accomplishments to date, LATWA's leaders are now reaching out to lease drivers as well.

While ethnic divisions and tensions between owner-drivers and lessees persist, our research suggests that the larger challenge facing LATWA is the companies' constant effort to foster an environment of fear. Many drivers told us stories of managerial retaliation, explaining that they need to balance their support for LATWA against the challenges of earning a living to support their families. Organizing increases the pressure on an already stressful job and has led some to leave the industry altogether or find work that offers more security, such as driving limousines. Some LATWA leaders want to move out of the City. But others who have survived the companies' efforts to kill the organization appear less fearful. Drivers continue to come forward and many are hopeful about the future. Some of the leaders are veterans of social movements in their home countries, notably in Pakistan and Ethiopia, and have a long-term commitment to speaking out despite the companies' scare tactics.

Forging Community-Labor Alliances

LATWA's ability to surmount ethnic and racial divisions is also enhanced by its ties to the South Asian Network and to lawyers with community-based and labor backgrounds. Organizers encourage eating together at the end of meetings, embracing a sign of hospitality in many of the cultures of the drivers and helping to foster mutual respect across differences in background among drivers or between drivers and lawyers.

Early in its development, when LATWA operated more informally and with fluctuating numbers of activists, the taxi workers on the organizing committee were joined by the Executive Director of the South Asian Network and four volunteer lawyers.¹⁸ The relationships between the lawyers and the taxi worker leaders deepened over time into personal friendships. Indeed, perhaps more than in most industries and partly due to the practical requirement that taxi workers speak English, many are highly educated people who were professionals in their home countries before coming to the United States as political or economic refugees. Early on, the lawyers advised the LATWA driver-organizers that there were few if any legal remedies for the problems being experienced by taxi workers, and that collective action would have to be the primary, if not the only, means of redress. However, when some active drivers were subjected to company retaliation for which there was no legal

¹⁸ Two of the four attorneys are employed by the Legal Aid Foundation of Los Angeles (LAFLA), who participated in a manner permitted by the federal Legal Services Corporation. In their LAFLA capacity, with funds from the Interest on Lawyer Trust Accounts (IOLTA), they assisted in analyses and documentation about the taxi industry as well as representing individual workers facing discriminatory actions. They conducted research on the corporate structures and business relationships between the various players who control the companies and cooperatives and also prepared legal correspondence either for LATWA or particular workers, for example, to obtain documents under the public records laws. On the invitation of Councilmembers Janice Hahn, Eric Garcetti, and Bill Rosendahl, they were invited to testify about taxi-related issues. LAFLA is no longer involved in LATWA-related work. The other two volunteer lawyers on the organizing committee were an attorney employed by the non-profit Asian Pacific American Law Center experienced in representing low-income immigrant workers; and a union-side labor lawyer.

recourse, it became clear that they had not fully grasped these warnings – perhaps because they had come from lawyers in whom they had so much trust. The result was a period of demoralization. However, LATWA’s recent formalization of its organizational structure reduces the risk that such misunderstandings will recur.

Future Prospects

LATWA faces some serious challenges in the years ahead. The organization can continue to press for changes at the micro level of the rule books and at the macro level regarding the structure and regulation of the cooperatives and the taxi industry itself. But is this enough? One looming issue is that the City Council will soon consider re-issuance of the company franchises and, possibly, the entire franchise system.

In anticipation of the upcoming review, Figure 1 summarizes three of many possible scenarios.¹⁹

(1) The City reissues renewals to the existing companies, leaving LATWA to continue to organize within the existing structure, perhaps with some additional protections against retaliation and discrimination.

(2) LATWA proposes, and the City accepts, a proposal for a democratic workers’ cooperative with ideals similar to those that inspired the 1970s cooperatives but with additional protections for members,, and;

(3) The City municipalizes all or part of the taxi fleet.

¹⁹ We purposefully do not include “medallion” systems as an option here, because there are so many permutations of such arrangements with such varied economic and other effects on drivers.

Figure 1. Three Taxi Options for the City of Los Angeles

Type	Option 1	Option 2	Option 3
	Existing System of 8 Cooperatives and 1 Private Sector Company	Democratic Workers Cooperative	Municipalization of Taxis
Driver Status	Owner-Drivers; Owner-Investors; Lease Drivers	All Shareholders	All Employees
Current or Potential Beneficiaries	Existing Company Owners	All Drivers	All Drivers
Potential Problems	Continuing lack of accountability and transparency by company owners; Continuing City bias against drivers	Degeneration unless by-laws include protections, e.g. against resale of taxis, limitation on number of taxis owned, driving a requirement of belonging; lease drivers gain equity	Acceptance by drivers; Bureaucratization of agency
Other Types of Worker Protections	Affiliate with union; City establishes a collective bargaining agent to negotiate with company owners; Allies exert political pressure	Affiliate with union; City establishes a collective bargaining agent to negotiate with company owners; Allies exert political pressure	Join existing union; Allies exert political pressure

Each option has its pros and cons and each would require additional worker protections in order to maintain drivers' recently improved working conditions. .

Option 1. If the City maintains the status quo and renews the franchises, the unequal balance of power that currently exists between drivers, company

insiders, and other interests (notably, the Rouse family) will be perpetuated. In this case, various types of worker protections could be explored. The most obvious of these is affiliation with a labor union. Although this idea might be greeted with skepticism among those who recall L.A. taxi workers' troubled history with the Hoffa-era Teamsters, recent developments in other cities offer more positive models. In 2006, the New York City Taxi Workers Alliance affiliated with the New York City Central Labor Council, with the aim of building a partnership to expose abuses and improve workplace standards (Park 2006). The Boston Taxi Driver Association (BTDA), an affiliate of the United Steel Workers of America (USWA - which also represents some taxi drivers in Las Vegas), is calling for a Mayor's Taskforce for Hackney Reform to work with the BTDA and "environmental, labor and community leaders and organizations...to create a model-city clean-cab industry in Boston that promotes the economic security of drivers" (Massachusetts Jobs with Justice 2008). Alternatively, building on its regulatory authority, the City of Los Angeles could establish a collective bargaining agent that is similar to the structure the Service Employees International Union (SEIU) helped broker for public sector home health care workers (see Delp and Quan 2002).

Option 2. Establishing a democratic worker cooperative also presents problems, as indicated by the history of the worker cooperatives that began in the late 1970s and had degenerated by the mid-1980s. Some protections could be established, such as restricting membership to active drivers or prohibiting

ownership of multiple shares by family members.²⁰ Still, this option involves the risk that aggressive insiders could effectively become “the company,” especially if they have powerful allies outside the cooperative.

Option 3. The primary obstacle to municipalization is that the great majority of LATWA members are still drawn to the dream of independence, ownership and entrepreneurship, even as their cabs are fitted with GPS-monitors that track their every move and they remain heavily in debt after purchasing their taxis. Unless the City compensates existing share owners for what they believe to be the value of their shares, few if any will support a transition to employee status.²¹

Nonetheless, there are some positive reasons to support Options 2 and 3. A democratic worker cooperative based on genuine cooperation, equality, and mutual respect could potentially create better working conditions. In a comparison of two companies, one a conventional hierarchically-run taxi business and the other a true cooperative, Elizabeth A. Hoffmann (2003) found radically different organizational cultures and behavior. The cooperative members avoided confrontation, “used rights talk and stressed the appropriateness of formal grievance resolution procedures” (692). They held group meetings, elections, and formal debates, and established collectively-run hiring procedures. By contrast, the private taxi company experienced individual

²⁰ For example, the Winnipeg Taxi Coop in Manitoba Province, Canada, has an application for a workers cooperative pending before the provincial Board regulating taxis in which the by-laws stipulate that plates (permits) cannot be sold on the secondary market; this should limit speculation and runaway prices (Murtagh 2008). As of this writing no action has been taken.

²¹ Steven Malanga (2002) proposes for New York City replacing medallions with licenses that would be renewed each year and that would revert back to the City upon drivers retiring. Malanga proposes that the new licensing system could generate funds by establishing a fee between \$5,000 and \$10,000 a year, far less than the \$30,000 a year drivers now pay in leasing fees to medallion owners.

or group confrontation and threats of resignation; while drivers had to rely on individual relations with the owner to resolve complaints instead of formal procedures.

Option 3, municipalization, has the potential to win LATWA broad public support, especially in light of Los Angeles' worsening traffic.²² Currently, taxis are barely acknowledged in transportation planning. A proposal for a publicly-run green taxi fleet service might be favorably received under present conditions of increasing fuel prices, unremitting traffic congestion, and the City's effort to reduce its carbon footprint. The recent example of the clean trucks program at the Port of Los Angeles illustrates the City's more active engagement in greening transportation and achieving favorable publicity (The City of Los Angeles 2008). Further support might come from seniors in need of alternative transportation for essential activities who are reluctant or unable to drive or use the City's overcrowded bus system.

LATWA faces a formidable challenge in educating the city's drivers, politicians, and the broader public about these options. Yet, the organization has achieved a great deal in only a few years. Its industry-wide organizing strategy goes beyond a focus on any one company and seeks to make the City accountable. It has built a multicultural, cross-ethnic organization and forged alliances with community organizations embracing a larger vision of social change. LATWA's emphasis on making issues visible in the public realm – attending hearings, demanding documents, offering testimony -- is crucial to

²² One historic example that may be relevant to today's budget crisis in Los Angeles concerns municipalization. In 1920, the Commissioner of the New York City Purchase Board as a cost-cutting measure bought 25 municipal taxis to take the place of city cars. The chauffeurs were retained as drivers, the cabs were metered, and waiting times were ostensibly eliminated (*New York Times* 1920).

success when company and governmental decisions and finances are not transparent. Implicitly and sometimes explicitly, LATWA's efforts raise broader questions about the future shape of Los Angeles, and about the future of not only the city's taxi workers, but workers generally – both immigrants and U.S.-born.

Acknowledgments

Research was funded by the UCLA Institute for Research on Labor and Employment and the University of California Transportation Center.

We thank Dan Clawson for his comments on an earlier draft and all the contributors to this volume for their comments and suggestions. We thank Anna Kim for her research and interviews that she conducted for this paper. We are also grateful to the many taxi workers and their allies who spent hours answering our questions.

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