

TPC 12.10.14

Item F.2.

I have decided to speak here today to show my support for and confidence in this commission despite the complete lack of enforcement against illegal taxi operations to date.

We see these renegade operators in our market not just as a threat to our livelihoods, but as a threat to some major elements of our social fabric. The major ones being safety, living wage jobs, equity, access to transportation, and rule of law.

Safety is a major concern due to lack of locally-controlled background checks and widespread insurance industry rejection of claims based on commercial use exclusion. More and more insurers are asking new and renewing customers whether they drive for Uber.

Living-wage jobs. - Drivers who work "for Uber" don't really work for Uber. They are independent contractors who, unlike independent contractor drivers in Madison are not covered by workers compensation insurance. They are recruited with hefty signing bonuses and promises of big earnings as Uber enters a market, only to be undercut once Uber has established its market. Strikes are becoming widespread under downward wage pressure, and drivers have begun to conspire to manipulate the surge pricing maps. These drivers do not have work hour requirements, and are free to work when they choose, which will drive them to work only when the cherry-picking is good. This will leave the unprofitable business to cab companies, whose already thin margins will be further eroded.

Equity and access - With no access to the ride-request data, the city will be completely unable to confirm that areas of the city or specific riders (whose images can be seen by the driver) won't be denied service. Cab companies go to great expense to provide their services around the clock. This includes filling in the gaps where bus service is unavailable for shift workers. It also includes staffing for timecall rides to travel terminals and workplaces that are simply outside of the purview of TNC's

Rule of Law - These companies have entered our market and many others without a whit of effort toward abiding by regulations. They have budgeted by most accounts between 6 and 10 million dollars per market for legal and marketing. They unapologetically play by their own rules and dare governmental units to meet them in court. They have been operating in Madison for most of a year now without so much as informing their drivers that the city attorney had informed them that their operation is illegal. Their market plan includes using market pricing to induce many drivers to drive in from other cities (mostly Milwaukee at this point), making it untenable to imagine that Madison can effectively "license" the drivers for companies that are themselves, unlicensed.

I urge you to do as Las Vegas, Arizona, Spain, Toronto, Vancouver, Portland and many other regions have done. Please ban TNC's in Madison.