



BUILDING COMMUNITY

**TPC Subcommittee:
Taxi Regulations & Shared-Ride
Services
Presentation**

**Paul Soglin, Mayor
City of Madison, Wisconsin
September 25, 2014**



Functions of Government

- Distributive
- Redistributive
- Regulatory

Distributive



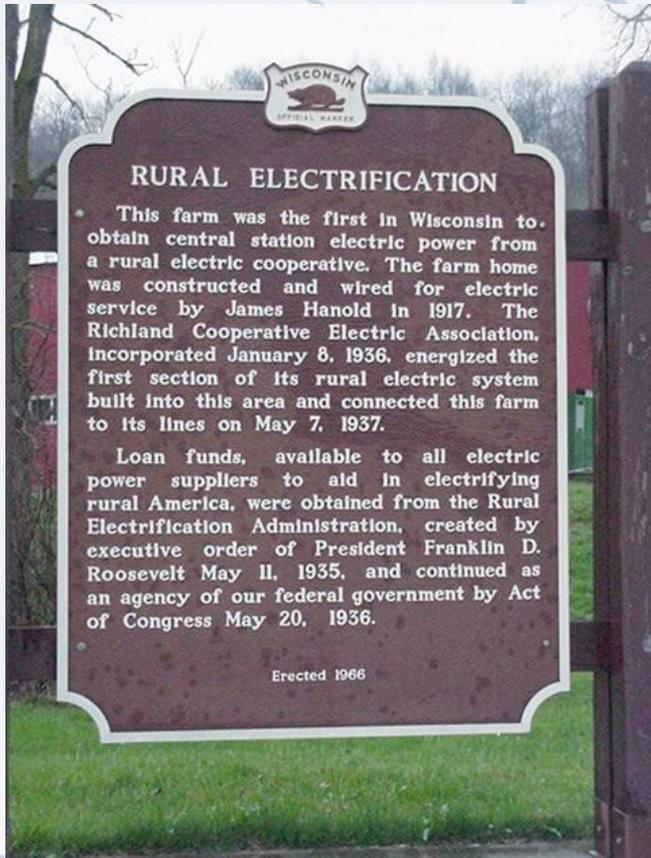
Redistributive



Regulatory



Purpose: Access



Profitable?



Tim Keller photography



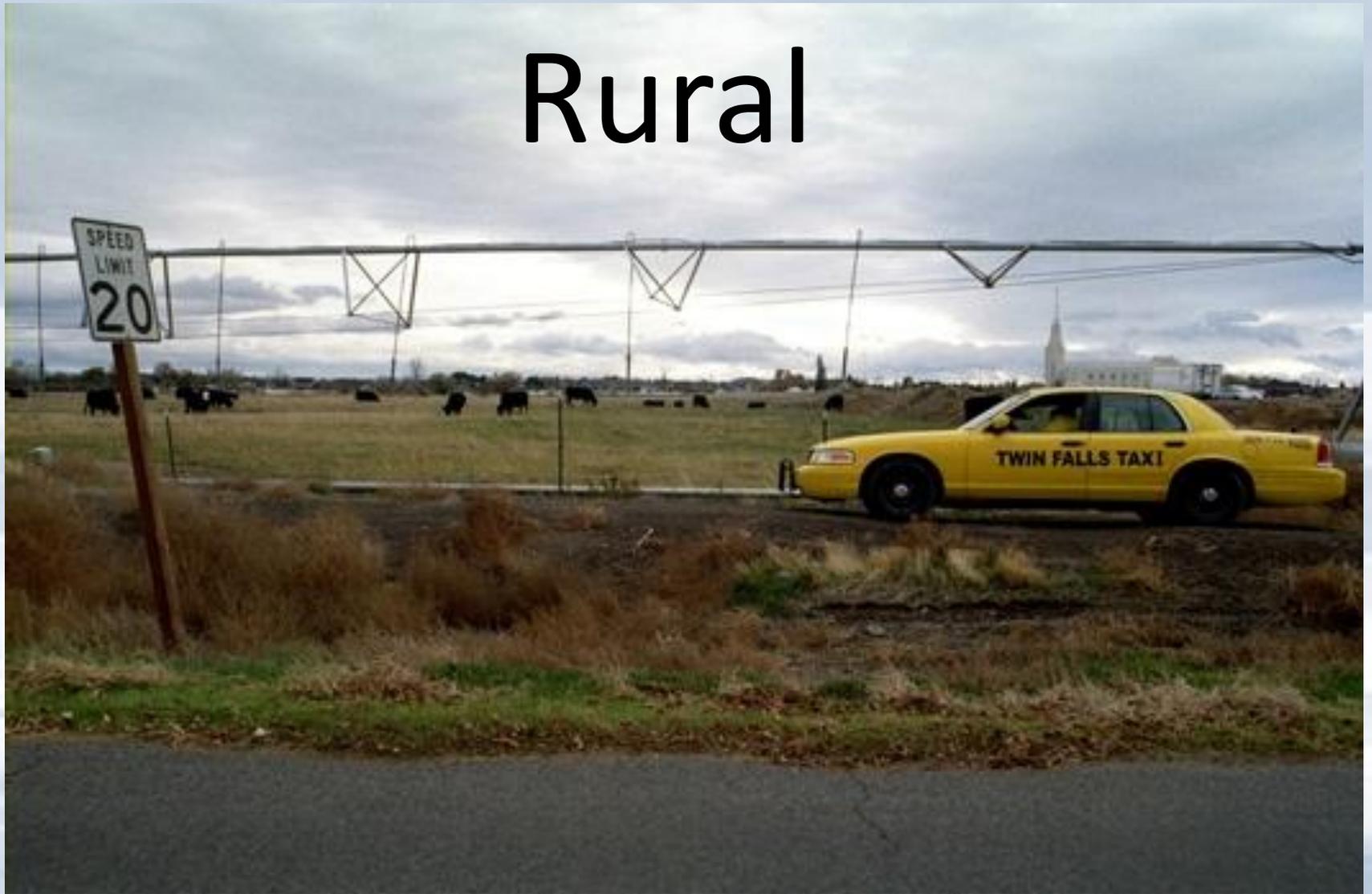
Distributive Redistributive Regulatory



Urban



Rural





The Public

1. 24/7 service
2. Service to all areas and neighborhoods
3. No price gouging
4. Local Customer contact

Complete Service



Multi-modal Interdependency



Background Checks Public Safety



Gaps in coverage

Issue of subrogation



Cherry Picking



Cherry Picking



Cherry Picking ?



Equity and Access



Equity and Access



The Driver



Driver:

Accountant, Nurse, Social Worker?



Driver: *Insurance Agent?*

“Notify carrier-subrogation”



Driver: *Mechanic, auto-dealer?*

Vehicle Warranty



WARRANTY

Driver: *Tax Accountant?*

Ronald Green, a sole proprietor who does business as Y Drywall. During the year, Z Builders pays Mr. Green \$5,500. Z Builders must file Form 1099-MISC because they paid Mr. Green \$600 or more in the course of their trade or business, and Mr. Green is not a corporation.

9595 VOID CORRECTED

PAYER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone no. Z Builders 123 Maple Avenue Oaktown, AL 00000 555-555-1212		1 Rents	OMB No. 1545-0115	2014	Miscellaneous Income
		\$	Form 1099-MISC		
PAYER'S federal identification number 10-9999999		2 Royalties	3 Other income	4 Federal income tax withheld	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2014 General Instructions for Certain Information Returns.
		\$	\$	\$	
RECIPIENT'S identification number 123-00-6789		5 Fishing boat proceeds	6 Medical and health care payments	\$	
RECIPIENT'S name Ronald Green dba/Y Drywall		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest	\$	
Street address (including apt. no.) 456 Flower Lane		\$ 5500.00	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds	
City or town, province or state, country, and ZIP or foreign postal code Oaktown, AL 00000		11 Market discount	12	\$	
Account number (see instructions)	2nd TIN not <input type="checkbox"/>	13 Excess golden parachute payments	14 Gross proceeds paid to an attorney	\$	
15a Section 409A deferrals	15b Section 409A income	16 State tax withheld	17 State/Payer's state no.	18 State income	
\$	\$	\$		\$	

The Economics

80% of revenues made
during 20% of the week



The Economics

80% of revenues made
during 20% of the week

- Bar time
- Athletic events
- Conventions
- Students

Surge Pricing

San Francisco from
\$390-470 for an “in-city” trip

* Forbes 8.12.14 Peter Himler

New York City
\$132 to go across town in a blizzard

* NBC and ESPN host Michelle Beadle



Which is more? 40% or 80%

$40\% \times \$400 = \160 per day

$80\% \times (\$600 - \$450) = \$120$ per day

Disclosure to Drivers

1. Warranty
2. Insurance
3. Vehicle resale
4. Hidden Costs



1. Warranty:

The manufacturer's warranty on vehicle may be voided if used for commercial purposes.

2. Notify insurance carrier of commercial use of vehicle to avoid:

- Forfeit of insurance
- Gaps in coverage
- Subrogation issues

These are issues of concern not only to you and your passenger but an innocent third party.

3. Resale Disclosure:

You may have to disclose that the vehicle was for hire when you sell it, pursuant to your state law.

4. Hidden Costs:

Not disclosed by Uber & Lyft:

- Fuel
- Service costs
- Additional wear & tear of city driving, particularly tires
- Self employment taxes & obligations to report income. *(1099 income tax form)*

Disclosure to Passengers

1. Police background checks of drivers – not private
2. Qualified annual vehicle inspections
3. Disclosure of rates – especially surge prices, if available.

Disclosure to Public

1. 24/7 service
2. Service to all areas and neighborhoods
3. No price gouging
4. Local Customer contact

Disclosure to Public

1. Company 24/7 service:
No cherry picking –
critical to preserve
service at all times.

Disclosure to Public

2. Service to all areas and neighborhoods of licensing authority

Disclosure to Public

3. No price gouging during emergencies or high volume periods.

Disclosure to Public

4. Local Customer Contact:
Phone number and local office to locate lost items, lodge complaints, ensure supervision.



Madison, Wisconsin 1969