

Dear Alderman Witkowski,

Thank you very much for meeting with me, Joe and Benny Lewis the other day. We appreciated your time and consideration.

I am in receipt of your proposed ordinance that was completed after our discussion. Much of it will act as a model for other cities across the nation. Obviously, we're disappointed that you chose to retain language that calls for the addition of 100 new permits before allowing the data collection process to take place. As we conveyed to you in our meeting, the data collection process is essentially worthless if 100 new permits are issued given the present industry demand. The issuance of these new permits will flood the market in such a way that present owners like Benny Lewis will be bankrupted and the income earned by drivers will plummet.

I want to confirm what we discussed regarding the hearing rules. You indicated that you would allow for representatives to speak for 5 minutes and the general public for 2-3 minutes. We will have 3 representatives at the hearing, one each from the Milwaukee chapter of the Wisconsin Association of Taxicab Owners (WATO), American United Cab Company and Yellow Cab Cooperative. We thank you for considering their testimony in light of the proposal being made to now license taxicab companies.

As a courtesy, I wanted to share with you the e-mail I have sent to other members of the committee. The text is below.

It's been a pleasure to work with you on this issue. I hope that you will continue to keep an open-mind as you deliberate the testimony received at the hearing and the facts that are presented.

Please feel free to contact me if you would like to discuss this matter further.

Mike

Dear Alderman Bauman,

On Tuesday, November 19 the Public Safety Committee will hear an ordinance sponsored by Alderman Witkowski that will help modernize and reform the taxicab industry in Milwaukee. The taxicab owners and drivers in Milwaukee support the majority of what is contained in this thoughtful piece of legislation. However, we ask you to reject the language that will add 100 new taxicab permits before any new data is collected and considered. The addition of 100 new taxicab permits, or increasing the fleet by almost 30% in a single day, will destroy the earning potential of every owner and driver and does nothing to satisfy the litigation in which the city is presently engaged.

I ask that you please consider the following as you deliberate:

- Judge Carroll did NOT indicate in her decision that the city needs to add any permits in order to satisfy the court with regard to the lawsuit. The judge opined that there needs to be a system in place that is based on a legislative record when considering the limits set by the city.

Alderman Witkowski's proposed ordinance meets the standard of the court even WITHOUT the addition of new permits. It was the taxicab owners who suggested using hard data to determine how many new permits should be added to the fleet. The city has adopted that suggestion as reflected in the proposed ordinance. Data should be considered before any new permits are issued, beginning with a review in November 2014. If the data indicates that user demand is not being met, then city officials should consider adding permits.

- The proposal to add 100 new permits is arbitrary and not based on any new actual data. It has been suggested that the addition of 100 new permits will put the city back to the historically "correct" number of permits. This analysis is dangerously flawed and that flaw will kill hundreds of small business owners by significantly reducing their earnings and bankrupting their investments. The historic number does NOT take into account the proliferation of private hotel shuttles (over 25) nor does it account for the 55 shuttle vehicle permits that compete directly with taxicabs. These shuttles did not exist pre-1991. Any effort to meet an "historic" number must take into account new data and the addition of new shuttles, horse drawn carriages, peda-cabs and other competition.

- A State change in the way that Medicare and Medicaid rides are dispatched has reduced taxicab demand by over 50% in the past year. Beginning in September 2012, the State of Wisconsin engaged an out of state broker to convey the hundreds of thousands of Medicaid and Medicare rides that had traditionally been supplied by Milwaukee taxicabs. As a result, the number of dispatched rides from Milwaukee's largest taxicab company fell by almost 50%, from approximately 135,000 rides/month to 69,000 rides/month. The effect of these eliminated medical rides has been devastating for owners and drivers alike. Income has fallen by 50% across the board and drivers work more hours for less money. Since this change, it has been extremely difficult to find drivers for cabs because of the inability for them to make enough money.

- There has been no public outcry to increase the number of taxicabs operating in Milwaukee and there is no evidence suggesting that more permits are needed. Despite the issuance of thousands of hearing invitations to the public and hours and hours of hearings, the public has not indicated that they are being poorly served by the present number of taxicabs. In fact, fewer than 10 members of the general public took the time to appear at any of the much publicized hearings that were conducted. Of those five, most were complimentary of the service they had received from cab drivers and none of them provided any evidence on the need for more taxicab permits.

- The effort to eliminate the cap on taxicab permits is being driven by an out-of-state law firm that has no interest in the service received by Milwaukee residents and visitors. The Institute for Justice (IFJ), the group bringing the lawsuit against the city, is a libertarian organization that advocates against the ability of municipalities to regulate ANY business. The IFJ is on record advocating for the de-regulation of taverns, restaurants, street vendors, barber shops and everything else that the City of Milwaukee presently regulates. If they are successful with taxicabs they intend on moving forward with lawsuits attacking other permits issued by the city.

- The IFJ and the plaintiffs in the lawsuit are on record saying that they do not support ANY cap on taxicab permits. 100 new taxicab permits will not end their litigation against the city. The plaintiffs and their attorneys have repeatedly stated, both in front of the committee and in the press, that they will not stop fighting until the city eliminates any cap on taxicab permits and de-regulates the industry. Adding 100 permits, as proposed in the ordinance, will not satisfy their demands. In fact, adding 100 taxicab permits doesn't satisfy anyone involved in the issue- drivers, plaintiffs, owners or the courts.

- Data should dictate the number of permits the city issues, not opinion, anecdotes, history, legal challenges or whim. Alderman Witkowski, Alderman Bauman, the sub-committee, the Public Safety Committee, the LRB and taxicab owners have worked together to create an innovative ordinance that will be a model for the industry. The requirement for taxicabs to affiliate with a dispatch operation so that data can be collected on every ride in order to measure demand is on the leading edge of the industry. Never again will the Common Council be left to wonder about the actual demand for taxicabs and the service people receive. By working with the industry, the data the city collects will allow for better, more precise decision-making in the future. This new and innovative process should not be tarnished by the city issuing an arbitrary 100 new permits before even one piece of data is collected. Why pass an ordinance that requires the collection of data if there is no intention to use it in formulating the right number of taxicabs for Milwaukee?

As always, I appreciate your consideration on this matter. No one cares more about this issue or has as much to lose than the people who are out there every single day struggling to make a living and providing service to Milwaukee residents, businesses and visitors. Please take their testimony into account.

Please feel free to contact me if you have any questions or concerns.

Mike

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