

WISCONSIN ASSOCIATION OF TAXICAB OWNERS – MILWAUKEE CHAPTER

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October 10, 2013

Alderman Robert Bauman
Milwaukee Common Council
Milwaukee City Hall, Room 201
200 East Wells Street
Milwaukee, WI 53202-3315

Dear Alderman Bauman:

We are writing in connection with the work of the Public Transportation Review Board Study Subcommittee under your Chairmanship. We appreciate the deliberate manner in which the Committee has approached its tasks as you seek to make reasonable revisions to the ordinances governing taxi cab operations in the City. Our members understand and by and large support the principles behind the reforms that are under consideration; however the details of the potential changes require a dialogue to ensure that the decisions being made have a rational basis and will achieve their intended purposes without unintended consequences.

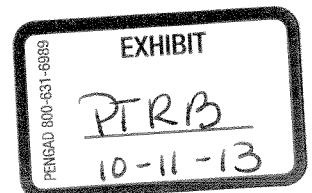
We have noted the draft revisions prepared by the Legislative Reference Bureau and offer the following comments:

1. **The draft lacks inclusion of market-driven demand data in determining adjustments to the current cap on taxi permits.** The Office of the City Attorney's June 17, 2013 memorandum set forth a comprehensive review of the legal factors affecting the Common Council's prerogative to adjust the number of taxicab permits. In pertinent part, that opinion stated:

“ . . . The City may condition the granting of a taxicab license on the basis of public need . . . Whether or not the public need requires a cap in the amount of taxicab permits is within the sound discretion of the municipality so long as the basis is related to a public need and the general welfare. **Otherwise, such a limit may be an abuse of discretionary power and therefore unconstitutionally arbitrary.**” (Emphasis added).

The draft ordinance allows for the issuance of up to 150 new public passenger vehicle permits but lacks any direction to determine how and under what circumstances such new permits should be issued. We have previously provided you and your Common Council colleagues with a study outlining best practices in other municipalities and the demand factors upon which rational decisions can be made on whether and how to determine if new permits should be issued. (See, “**Taxicab Regulation and the Public Interest - Trends and Best Practices**”, submitted to the City of Milwaukee Public Safety Committee, May, 2013).

Note that we have also met with staff of the Legislative Reference Bureau and provided them with detailed information on dispatch data that is available to assist in making evidence-based decisions on the need for the issuance of new permits. The state of technology has advanced since the City last enacted changes to the taxicab regulations and now allows detailed information on demand factors, including the following: (1) Orders received from specific service zones; (2) Day/Time of calls received; (3) Response Times; (4) Miles driven.



We respectfully submit that any ordinance revisions affecting the current taxicab permit cap should include specific reference to the quantitative basis for determining the appropriateness if introducing new cabs into the market.

In the absence of such a rational basis for the change, the City may be subject to the same constitutional scrutiny applied by Milwaukee County Circuit Court Judge Jane Carroll in Ibrahim, et al. v. City of Milwaukee, Milw. Cir Ct. Case No. 201—CV-15178 – to wit, that the City “created an (unconstitutional) arbitrary and directionless limitation on the number of permits. (See memorandum from Office of City Attorney, June 17, 2013, p. 5).

2. **The draft lacks needed revisions to protect the public welfare.** Any new regulatory approach must recognize the changing nature of the transportation industry and incorporate provisions to extend the same regulations applicable to both Milwaukee’s traditional taxicab operators and emerging “ride sharing” or virtual private drivers giving rides to strangers.

The same set of rules should apply to new entrants seeking to provide taxicab rides. These should include: (1) Licensure of dispatch companies; and (2) Enforcement of insurance requirement, criminal background checks, vehicle inspection, service data reporting, driver training and other requirements uniformly to all those who seek to provide rides.

3. **Incorporation of additional public benefit requirements.** We suggest that the new ordinance should include additional requirements that can enhance the taxi customers’ experience and benefit the community-at large. These include requiring customer operated “back-seat” credit card swipe machines in each cab; requiring video cameras be installed in taxicabs; and requiring improvements in the fuel consumption of taxicab fleets. We note, in this regard, that one of our members, American United, recently announced its plans to convert half of its fleet to hybrid vehicles by 2015. These vehicles not only emit a fraction of the carbon emissions of an ordinary sedan but also reduce fuel consumption by approximately 50 percent.

In closing, we strongly assert that any changes to the current ordinance should be made based upon quantitative demand data that has been made available to the City. We remain committed to working with you and City staff to provide the information to guide your policy-making.

Very truly yours,

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Red Christensen

cc: City of Milwaukee Common Council
Adam Stevens, Office of the City Attorney
Richard Pfaff, Legislative Reference Bureau Executive Director