



**Metropolitan Milwaukee
Association of Commerce**

**Metropolitan Milwaukee Association of Commerce
Testimony in Support of Senate Bill 106
Senate Committee on Education Reform and Government Operations
April 2, 2015**

Members of the Committee on Education Reform and Government Operations:

Thank you Chairman Farrow and committee members for the opportunity to share these comments and for hearing testimony today on this important piece of legislation. My name is Andrew Davis and I am the Legislative Director for the Metropolitan Milwaukee Association of Commerce (MMAC). The MMAC represents over 2000 member businesses employing more than 300,000 workers throughout the metropolitan Milwaukee area. We are a membership organization that advocates for the Milwaukee business community and our members. Two of those member companies, Uber and Lyft, joined our organization last year seeking a partner to advocate for a friendlier business climate where their companies would have the opportunity to grow.

The MMAC has consistently recognized the value of a variety of transportation options as part of a vibrant economy and sense of place. As a result, we have long supported roads, highways, rails and transit options. Rideshare services are exciting and innovative 21st Century transportation options. They fit the needs and technologies of today and are not going away. In fact, they are likely to mushroom to communities across the state. We appreciate the leadership of the bill authors and this committee to standardize rules and create uniformity around a new and constantly evolving service.

Rideshare services in Wisconsin were first introduced in Milwaukee and have already launched operations in Madison and Green Bay. While government has a legitimate interest in regulating the safety of operations, it should be done on a uniform basis statewide. No matter where in the state an individual uses these services there should be consistent standards of business compliance and consumer protection. We believe that standardizing these rules creates a level playing field and protects service providers from any preemptive barriers set to block innovative ideas and technologies like rideshare services.

Once again thank you for the opportunity to share these comments and for your attention to this important issue. We respectfully ask you to support Senate Bill 106 and move this bill on to the full Senate for timely action.



OFFICE OF THE COUNTY EXECUTIVE

Milwaukee County

CHRIS ABELE • COUNTY EXECUTIVE

Testimony of Eric Peterson, on behalf of Milwaukee County Executive Chris Abele
Senate Bill 106 & Assembly Bill 143 – Regulation of Transportation Network Companies
Senate Committee on Education Reform & Government Operations
Assembly Committee on State Affairs & Government Operations
Thursday, April 2, 2015

Honorable Members of the Committees:

On behalf of Milwaukee County Executive Chris Abele, I appear for information only today to relay concerns about the lack of clear intent from the bill as it relates to the operations and regulation of transportation network companies in and on the General Mitchell International Airport property owned by the County. Our goal and request of the Legislature is to gain the clarity in the bill that will allow Milwaukee County to continue to regulate those transportation services that provides rides to airport users in a way that does not compromise FAA rules and grant funding and allows us to mitigate congestion and parking issues.

Under current law, counties have no role in regulating taxicabs, limos, or other passenger services. Counties are granted authority in current law (stats. 114.14) to regulate the use, fees, and charges of the airport, which includes ground transportation, including transportation network companies. While the bill makes clear that in newly created stats. 440.465 (1) counties are prohibited from enforcing or adopting regulations regarding transportation network companies, it does not repeal other existing statutory authority, such as that in 114.14 and others throughout the statute, leaving confusion about the role of county regulation at Mitchell Airport.

If the goal of this bill is to remove all local regulation of these companies, including the ordinances and regulations at Mitchell Airport, then there will be disparate treatment of the taxi and limo services at the airport and these transportation network companies. For an airport to maintain complaint status for federal grant dollars, the FAA requires that these similar services be treated the same. Knowing this, it is imperative to Milwaukee County, in the interest of keeping Wisconsin's largest airport operating efficiently, effectively and without any property tax levy contribution, that we remain eligible for these federal funds.

In Mitchell Airport, on top of FAA compliance, another concern is service to the passenger and congestion issues in passenger pick-up and ground transportation. Should the bill be construed to deny any county authority to regulate these companies, we are concerned about the parking of cars in the services in passenger pick-up that will congest that space. The county does not allow taxis to do that now at all. We have created special lanes where taxis, limos, and currently those TNC drivers with a permit, can pick-up passengers.

It is our hope that this committee will clarify and continue, by amendment to this bill, to allow the county to regulate and maintain an uncongested and smooth passenger pick-up and ground transportation experience for the public while qualifying for the FAA federal funding.

Senate Bill 106

Statement of Scott Herrick
to the
Senate Committee on Education Reform and Government Operations

April 2, 2015

I speak against this legislation in its current form, reserving the possibility of shifting my position in the matter if the bill ultimately is improved by appropriate amendments.

My law firm represents conventional transportation companies, including primarily Union Cab of Madison Cooperative. The Cooperative and others will present their views in opposition to the bill. I wish to focus on one concern which is, I believe, a point of both general fairness and broad public interest.

In simplest terms, SB 106 and its companion AB 143 identify, define, and protect “transportation network companies” as exempt from local regulation, and provide a uniform state-wide regulatory framework for them. I do not choose here to dispute the substantive merits of the proposed TNC rules, nor do I advance today the “local control” argument of such concern to so many.

My immediate concern is even more basic. The newly-defined “TNC” is not, by these bills, a taxi cab company; so be it. But, in fact, the TNC will compete with taxi cab companies. Statutory definition will not change practical reality: cabs and TNC’s seek to provide the same service to the same customers. Furthermore, cab companies are rapidly evolving in their use of digital resources and customer connections so that “cab companies” will increasingly overlap with the new statutory definition of “TNC.” Therefore, in basic fairness, TNC’s and cabs should be subject to the same regulatory scheme, be it local or state-wide.

In short, everyone playing the same game in the same arena should be subject to the same rules.

I expect that the broad approach of these bills to the new “TNCs” could be readily adapted to encompass other participants in the competitive arena, putting all the competitors in the same framework. I am not ready today to propose specific amendments to that end, but I am confident that consultation and careful drafting can generate appropriate language. Please take the time to do so.

Don’t pick the winners in advance; level the playing field and let honest competition play out. Fair is fair.

Atty. Scott Herrick
Herrick & Kasdorf, LLP
16 N. Carroll St. #500
Madison WI 53703

608/257-11369
snh@herricklaw.net



GREATER MADISON
CHAMBER *of* COMMERCE

TO: Senate Committee on Education Reform and Government Operations

FROM: Gillean Kitchen, Greater Madison Chamber of Commerce

DATE: 4/2/15

RE: Support SB106/AB143

Good morning members of the Senate Committee on Education Reform and Government Operations. My name is Gillean Kitchen, and I am the Director of Advocacy for the Greater Madison Chamber of Commerce. We represent over 1,300 businesses throughout Dane County. I am here today testifying on behalf of the Chamber's Board of Directors in support of legislation on transportation network companies.

This legislation sends the message that Wisconsin embraces innovative solutions for transportation and opens its doors to companies with global reach. Transportation network companies are taking root throughout the country and world, and ignoring this market trend shuts the door on innovative solutions to transportation gaps in the current market. As Wisconsin struggles with professional young talent attraction and retention, this legislation would signal to this demographic that Wisconsin is a place that creates and fosters the environment and technology that young professionals seek.

We know there is existing demand for these services, which is why these technology companies want to be in Wisconsin. Current residents already use or try to use this type of service. People arrive in our airports, open TNC applications as they are accustomed to this type of service in other cities, and come to find the service unavailable. This legislation will open up a market that has a healthy demand already in place as the new generation of travelers and professionals spread in Wisconsin.

Technology shifts, and business models shift. Public Policy must also shift to ease the path to innovation. Supporting this legislation ushers in a new generation of innovation in transportation and sends a statement about the type of state Wisconsin is and can be. I therefore encourage you to vote in support of this legislation. Thank you for your time today.

Testimony of Representative Lisa Subeck on SB 106/AB 143

Committee on Education Reform and Government Operations

April 2, 2015

Chair and member of the committee, thank you for allowing me the opportunity to testify before you today on SB 106. I come to this hearing with a unique perspective, as I not only serve in the State Assembly, but I am also completing my term on the Madison Common Council, which ends later this month.

As you may know, the City of Madison adopted changes earlier this week to its regulations of taxi cabs to add a new definition for Transportation Networking Companies (TNC). Additionally, the city made specific allowances so that TNCs would not have to meet all of the same expectations as taxi cabs and other vehicles for hire but did leave intact a few key provisions to ensure a level playing field.

The introduction of SB 106 raises a number of concerns for the City of Madison and potentially for other municipalities in the future. I strongly oppose the bill and have grave concerns about what its passage will mean for the City of Madison's transportation infrastructure. I urge you to oppose this bill, as well. If the bill does pass, I hope that we can at least slow down enough to consider its impact and potentially some reasonable amendments.

Ability of Municipalities to Govern Locally (Preemption)

A key aspect of this bill that should sound alarm bells for all of us is the provision that preempts local government, removing local authority to regulate TNCs. To be clear, I understand and agree with the notion that sometimes it is appropriate for the state to pass regulations that must be enforced on the local level. To that end, such regulations should be a floor and not a ceiling, requiring that local government meet a minimum standard rather than setting a maximum standard of regulation not to be exceeded.

If it is appropriate for the state to regulate TNCs, such regulation should not prevent a municipality for enacting its own more stringent rules that protect consumers and ensure local transportation needs are met. Each city, town, and village is unique, and local government should be empowered to respond to local needs.

24 Hour, Citywide Service

While Madison's ordinance creates a new definition to accommodate TNCs and provides some exemptions to the rules that govern taxicab operators, a few key provisions of Madison's taxicab ordinance would apply to TNCs. Two of these provisions – a requirement to provide 24 hour service and a requirement to provide citywide service – are strongly rooted in historical challenges to Madison's transportation infrastructure. Prior to passage of these provisions, there existed a significant inequity in transportation services available to low-income, predominantly minority individuals living in largely low-income neighborhoods because taxicab companies could refuse service to certain areas of the city at their own will. Under the guise of preserving safety, taxis would frequently refuse to pick up passengers in certain parts of the city. Additionally, in the absence of 24-hour service, individuals who worked second or third shift or who have other late-night transit needs could not be guaranteed taxicab availability at times when service is simply less profitable.

In response to these concerns, Madison passed pieces of its current taxicab ordinance that require companies to provide 24 hour service and service to serve the entire city. This model has worked well for Madison. However, the introduction of a parallel set of rules for TNCs that does not include these provisions could jeopardize a system that currently works for the city and its residents. Specifically, if taxicabs continue to provide 24 hours service but must compete with TNCs who are not required to provide service during less profitable hours, taxicab companies will be at a competitive disadvantage that could put them out of business and leave city residents with very limited service options only during peak hours and in limited areas.

Surge Pricing

The Madison ordinance would not allow surge pricing – times of high demand when unsuspecting consumers are gouged by disproportionately high prices – while the proposed state law would allow this predatory practice. It is crucial for all consumers to be able to hire transportation services at a predictable and affordable price. This is a serious issue for Madison’s low-income residents who require affordable transportation and also for unsuspecting students who are new to using taxicabs and TNCs or who may use a TNC for the first time at bar time. In cities without large low-income or student populations, allowing surge pricing may be workable, but for cities like Madison with large numbers of students and low-income individuals, such a lack of consumer protections may be disastrous. An alternative may include allowing surge pricing but placing a cap on it so that predatory practices are not allowed.

An additional concern regarding surge pricing that we heard about from drivers and former drivers is that out-of-state drivers frequently come in to take advantage of premium pay during these peak periods, leaving local drivers unable to meet the minimum number of rides needed during the surge periods to earn the additional premium pay. This means out of state drivers compete for these rides, resulting in money paid by riders leaving the local economy. A potential solution could be to require licensing or permitting of drivers.

Works for Madison

While Madison’s regulations may not work for every community, they serve our city well and have not stifled competition. Despite what some may consider stringent regulations, Madison is the home to four successful taxicab companies, all of whom meet the requirements of 24 hours service, citywide service, and other local regulations. One of these companies is relatively new, having formed as recently as 2011, and uses an electronic application technology similar to that used by TNCs.

Like Uber and other TNCs, at least one of these companies, Badger Cab, uses contractors for drivers, yet they are able to meet the City of Madison’s requirements for 24 hour service and all other expectations.

While Madison makes some exemptions for TNCs, key components of the taxicab ordinance remain in place and apply to all public passenger vehicles for hire. State preemption of Madison’s regulations could seriously damage the competitive environment currently in place and leave Madison residents with limited service and without significant consumer protections in place.

Other Issues

Other differences between Madison’s proposed ordinance and this bill are included in the chart below. The most significant difference is the insurance requirement. Madison would require that the TNC be responsible for all insurance and has some slightly higher levels of insurance, while this bill allows a combination of insurance of the driver and the TNC. The idea of a mix of insurance to meeting the requirements is particularly concerning because each insurance company could deny a claim on the basis that the other is responsible. Other differences include specifics on non-discrimination, refusal of service requirements, and disclosure of pricing.

Conclusion

Below, you will find a chart highlighting some key differences between Madison’s ordinance, as amended earlier this week, and SB 106. For the reasons stated previously, I urge the committee to reject this bill or to at very least consider some reasonable amendments that would give cities more leeway. This proposed bill is not only bad for the City of Madison, but may have negative consequences for municipalities throughout the state and your districts. Most importantly, this bill usurps local authority to regulate TNCs by setting a ceiling of maximum regulation rather than a floor to establish minimum standards that local governments must meet and may exceed. This sort of preemptive action to tie the hands of local government is the wrong way to go.

SB 106 vs. City of Madison Ordinance as Amended (Key provisions – may not be all-inclusive)

Topic	Proposed Madison Ordinance	Proposed State Bill
Licensing of Drivers	Requires permit through the city, including standards to protect public safety. City performs screening, ensuring it is done appropriately.	Drivers are not licensed but requirements are set to include standards protecting public safety but gives responsibility for screening to the TNC. No routine oversight by outside agency.
Hours of Operation	Requires TNCs to provide 24/7 service.	No requirement for hours of service, allowing TNCs to provide service only at peak and most profitable hours.
Vehicle Safety Inspection	Requires a one-time 19 point safety inspection by an approved mechanic.	No inspection required. Vehicles only need to adhere to private vehicle safety standards, despite commercial use for transporting passengers.
Operations	Required to maintain a local office open during day-time hours. Have a toll free contact number.	No requirements for local office, phone number, mailing or email address, leaving only the online application available for consumer contact.

	Have both a local mailing address as well as an email address.	
Payment	Requires TNCs accept only electronic payment on their network for both fare and tip from their network.	Requires TNCs to accept only electronic payment for fares from their network. Does not address whether drivers may accept cash for tips.
Insurance	Requires the TNC to maintain insurance when drivers are logged into the system, whether carrying a passenger or not: Requires that when there a passenger on board there be insurance of \$1 Million per passenger. Requires that when there is no passenger there be insurance of \$100,000 per individual and \$300,000 per incident	Allows either the drivers or the TNC, or a combination of the two , to provide required insurance: Requires that when there a passenger on board there be insurance of \$1 Million per passenger. Requires that when there is no passenger there be insurance of \$50,000 per individual, \$100,000 per incident, and \$25,000 for property damages
Non- Discrimination	Required to meet all guidelines set forth by the city's Equal Opportunities ordinance and state statute. Can only refuse service if: -Passenger is abusive -Passenger has a history of not paying fare -Passenger is overly intoxicated	Required to have a non-discrimination policy covering protected classes as well as the passenger's destination. (No mention of place of passenger's origin, implying service may be refused based on neighborhood)
Vehicle Markings	Requires a license plate number to appear in app. Requires fare calculation method to be disclosed on app. Requires fare calculation method to be displayed in the vehicle.	Requires a license plate number to appear in app. Requires fare calculation method to be disclosed on app. Does not require fare calculation method to be displayed in the vehicle.

Pricing	Would not permit surge pricing.	Allows surge pricing, a predatory practice by which passengers may be charged exorbitant fees at times of high demand.
Licensing Fee	<p>\$1,200 - 1 year initial license fee</p> <p>\$2,075 - 2 year initial license fee</p> <p>\$1,750 - 2 Year Renewal Fee</p> <p>Plus annual \$65 per vehicle fee</p>	<p>\$5,000 - Initial license fee</p> <p>\$5,000 - 2 year renewal fee</p>
City Wide Service	Requires TNC's to provide service to the entire city.	Preempts local ability to require service to the entire city or other geographic area, leaving low-income neighborhoods vulnerable to lack of transportation options.

Remarks at Public Hearing
Thursday April 2nd 2015
Bill regarding local control of TNC legislation

My name is Phil Anderson, and I am the General Manager of Green Cab Company and Greenlight App here in Madison, as well as the President of the Libertarian Party of Dane County. I am testifying in opposition to this bill, because it is unnecessary, it is overreach of state power, and because the intent of the bill can be better realized by not passing it.

I am assuming that the intent is to provide TNC transportation options to the public, and by preemption, prevent local units of government from restricting your constituents transportation choices. Cynical observers might think that the intent is to solicit campaign contributions from backers of Uber and Lyft, who have, in other states, made generous contributions in exchange for favorable legislation- crony capitalism.

However, you have the opportunity to demonstrate the quality of your representation and not be held in suspicion of undue outside influence. The City of Madison has enacted an ordinance change that allows local TNCs to exist. The new version of MGO 11.06 was labored over, researched, publicly heard and debated, for over a year, and less 48 hours ago, enacted into law by a freely elected body of representatives. YESTERDAY, Greenlight App applied for a license to operate a TNC under the recently modified ordinance. It is our intent to provide the TNC experience- speedy response, cashless transactions, the latest technology, drivers using personal vehicles; as well as satisfy concerns about TNC safety, equity, insurance coverage, legal status of drivers, local control, community investment and accountability. Greenlight App is not opening as a TNC for political purposes, but to respond to real demonstrated demand for such service in our community. We expect to make a reasonable profit by providing excellent service at a fair price, AND by being responsible members of our community; unlike the beneficiaries of the bill before you.

By recommending and adopting you would be saying 3 things to the municipalities that make up this fine state, and if you've already made up your mind, repeat after me: we don't care about your local democratic process. We don't care that your TNC drivers are underinsured, misclassified as independent contractors, and lied to by the TNC companies. We don't care that we're leaving tax revenue on the table that could benefit taxpayers and tax beneficiaries. We don't care that our residents might be less safe, or less free to regulate themselves. We had local options to provide the same business model and services, and we chose to stifle local democratic processes, we chose the multinational, we chose the irresponsible, and choosing this was so important that we are willing to risk our own good reputations being called into question.

Some of you come from farming backgrounds (Rep. Ripp, Tauchen, Sen. Harsdorf, Sen Vinehout). Who makes the most responsible and effective decisions about the use of farm land? The farmer, not the state or the large seed company. Some of you have military backgrounds.

(Sen. Nass) How many battlefield disasters have occurred because local commanders hands were tied by orders from afar, preventing good decision making based on actual local conditions? Rep. Kahl, when you were Mayor of Monona, which group of people were best equipped to make decisions about Monona, the citizens of Monona, or the state or federal government?

So what is your intent by supporting, or not supporting, this bill? Your intent will be clear, depending on whether you support the bill or not. You are making a choice. Please choose to not support this bill. Choose the liberty and prosperity of the citizens of Wisconsin. Have faith in the competence and freedom of local units of government to best serve their citizens- they are, after all, closest to the land, closest to the battle, and closest to the consequences of state intervention. If you support this bill, you are representing something else, from somewhere else, for someone other than, the competent citizens of Wisconsin.



ANN S. JACOBS
PRESIDENT
MILWAUKEE

RUSSELL T. GOLLA
PRESIDENT-ELECT
STEVENS POINT

BENJAMIN S. WAGNER
VICE-PRESIDENT
MILWAUKEE

HEATH P. STRAKA
SECRETARY
MADISON

EDWARD E. ROBINSON
TREASURER
BROOKFIELD

CHRISTOPHER D. STOMBAUGH
PAST-PRESIDENT
PLATTEVILLE

BRYAN M. ROESSLER
EXECUTIVE DIRECTOR

From: Wisconsin Association for Justice
Past-President Christopher Stombaugh

To: Senate Committee on Education Reform
and Government Operation - Senator Paul Farrow, Chair

Re: Testimony regarding 2015 Senate Bill 106
(Regulation of Transportation Network Companies)

Date: April 2, 2015

Summary:

The Wisconsin Association for Justice (WAJ) is pleased that SB106 protects the citizens of Wisconsin by addressing this newly-created industry of Transportation Network Companies (TNC's). To make this bill even better there are 2 key areas of concern that relate to insurance coverage for these vehicles where this bill can be strengthened to better protect families and small businesses:

- 1. Insurance limits for drivers "on the clock (app)" but without passengers are probably too low and should be raised.**
- 2. Uninsured and Underinsured coverage as to both drivers and the TNC's are either too-low or non-existent – we should have increased limits of \$1,000,000 as to each.**

Discussion:

Drivers who are on the clock but without a passenger should have greater than the minimum limits – we recommend \$100,000/injury, \$300,000/total injury, and \$50,000/property damage.

Generally, personal automobile policies do not currently cover activities such as being a driver involved in a TNC. This bill importantly requires that drivers who have activated the “app” but do not yet have a passenger to have insurance. However, the insurance amount required is unrealistically low.

For example, the average cost of a new car for the 2014 model year was \$31,831.00.¹ Small business vehicles, such as the Ford F-150, are typically in the \$50,000 range. Yet the SB 106 only requires \$25,000 of property damage coverage.

Similarly, the driver’s liability coverage – the money they would owe if they harmed someone while driving looking for rides – is only \$50,000. That amount is too low to reasonably compensate families who are seriously injured.

Distracted driving is a known and growing danger, and TNC drivers who are operating their phones looking for rides, driving in unknown areas, and trying to stay on time create a number of real hazards in our communities. Understanding this activity and that they are engaged in a commercial enterprise, these limits should be appropriately raised.

TNC’s should be required to carry both Uninsured and Underinsured Motorist Coverage sufficient to protect their riders as only they are able to do so.

Uninsured and Underinsured Motorist coverage are two key parts of protecting riders in a TNC vehicle. If a TNC vehicle is in a crash with an uninsured motorist, the Uninsured coverage would provide payment to the rider for his/her medical and other expenses. However, as proposed, that amount is only \$25,000. That is very low. In fact, it is lower than the minimums proposed for the drivers.

Example: A TNC driver and an uninsured driver are jointly responsible (50/50) for a crash that caused \$200,000 in bills. As currently proposed, the injured passenger could obtain half her bills from the TNC (\$100,000) and \$25,000 from the TNC’s uninsured motorist coverage, but the innocent customer would be left with \$75,000 in unpaid bills due to the small Uninsured Motorist policy.

¹ <http://www.usatoday.com/story/money/cars/2015/01/08/used-cars-more/21331001/>, Last Viewed 4/2/15.

Similarly, there is currently *no* requirement for Underinsured motorist coverage. That coverage protects riders when there is an accident with a driver who has very low limits. As proposed, there is no Underinsured motorist coverage proposed – a significant oversight.

Example: A TNC driver and an underinsured driver (\$25,000 limit) are jointly responsible (50/50) for a crash that caused \$200,000 in bills. As currently proposed, the injured passenger could obtain half her bills from the TNC (\$100,000) and \$25,000 from the other driver, but the innocent customer would still be left with \$75,000 in unpaid bills due to lack of Underinsured Motorist coverage.

Why does this matter? One of the proposed benefits of TNC services is the ability of persons without cars to travel quickly and efficiently within a city. The only persons who can purchase Uninsured or Underinsured coverage are drivers. People who don't own cars or aren't otherwise not covered under another policy cannot protect themselves. Therefore, it is necessary that those who are the drivers carry this essential coverage. There is simply no other way to protect their customers. Unless these changes are made the burden of these crashes will shift from those accountable for causing the injuries to Wisconsin taxpayers and small businesses.

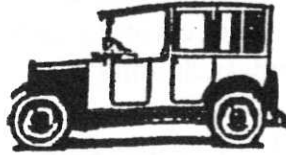
Of note, California's new law governing TNC's required \$1,000,000 in Uninsured and Underinsured motorist coverage. That is the right amount, and is consistent with the other limits proposed in this bill. We encourage that amount be adopted.

Conclusion

Technology has opened up new and exciting ways to travel. However, we must keep in mind that accidents can cause terrible harm to those injured, and we need to protect them. Upping the insurance limits as proposed would protect the citizens of Wisconsin while allowing these new businesses to thrive.

WISCONSIN ASSOCIATION OF TAXICAB OWNERS

Since 1939



Good morning

My name is Richard Running. I'm a resident of Viroqua, Wisconsin. I own several small cab companies in small cities in rural Wisconsin. And I am the president of the Wisconsin Association of Taxicab Owners which we call WATO.

WATO was founded in 1939. It is the oldest of the taxicab trade associations in the United States. We are proud that --over the years-- we have assisted state legislators improving Wisconsin State Law affecting taxicabs. We have tried to act in the best interest of our stakeholders and our neighbors. We are a little dumbfounded as we watch this legislation moving forward without any input from our businesses.

On a related matter --we're not certain-- but we also don't see much evidence that the authors of this legislation involved anyone from the Wisconsin Department of Transportation. Indeed a person might have expected that if Wisconsin goes ahead with TNC legislation -- then the DOT might be asked to monitor and report on outcomes. But instead the authors of this legislation have assigned oversight to an agency which has no particular expertise in transportation.

The companies you are trying to accommodate call themselves TNCs. These so-called TNCs are really nothing but cab companies. What else would you call an outfit which -- after you summon them on your phone -- arrive with a vehicle and take you away to your stated destination in exchange for payment.

It is quite likely that today's new technologies make it essential that Wisconsin should adopt new codes and statutes governing taxicabs. My organization --WATO-- would love to be asked to help in such an effort.

But this week it seems as if legislators are intent upon creating a new statewide taxicab law without calling it such and without consulting with the businesses and the other stakeholders who are dependent upon taxicab transportation. And from how the proposed legislation currently reads it is likely to create an uneven playing field -- and also to create disincentives for any company to engage in the work of transporting the disabled and the disadvantaged.

Do any of you think that this bill would allow simple unemployed residents to start-up TNC companies in smaller-towns which currently lack taxicab service? This legislation clearly does not allow any such thing!

Please vote against AB 143 and SB 106 as they currently read. Instead please send these companion bills to committees. Please ask the committees to consider the problem of the unequal playing field – and also to consider the problem of the disincentives to service the disabled and the disadvantaged.

I ask you to please move more cautiously. This expedited legislative process you have chosen is very disrespectful to those of us fellow taxpayers and Wisconsin citizens who have been involved in transportation services for decades. To have both the Senate and Assembly public hearings on Holy Thursday with the very minimum of public notice, does display powerful inside maneuvering... but it does little to craft sound public policy in our State. This display of power not only insults us but shows disrespect to all the communities around the state who are by the legislation preempted from further involvement by the very bill itself.

I urge you to oppose companion bills AB-143 and SB-106.

Thank You.

Richard Running, President
Wisconsin Association of Taxicab Owners

Notes Regarding the Level Playing Field:

Cab companies must accommodate under ADA. This legislation would carve out a lesser obligation for TNC companies which will compete against cab companies.

Cab companies must pay into Wisconsin Workers Compensation fund (regardless of independent contractor status). This legislation doesn't impose any such requirement on the TNC companies.

Cities with regulations generally require cab companies to operate without redlining. The legislation would not allow local governments to impose similar expectations on TNCs.



CHRIS TAYLOR

STATE REPRESENTATIVE ♦ 76th ASSEMBLY DISTRICT

April 2, 2015

Chairman Paul Farrow
Committee on Education Reform and Government Operations
Wisconsin State Capitol
PO Box 7882
Madison, WI 53707

Dear Senator Farrow:

I write today as a representative from Madison in opposition to Senate Bill 106, which would preempt local ordinances with respect to transportation network companies. This bill is yet another attack on local control and should move no further than today's public hearing.

This bill follows a dangerous pattern of legislative preemption of local control, which have included attacks on living wages and repealing tenants' rights. Wisconsinites should be concerned that the Republican Party, which used to be in favor of local control, philosophically morphed to state control and now seems to be intent on total control. Particularly, I was troubled when one of the lead authors of this bill threatened the City of Madison's shared revenue funding for daring to tackle this important issue in a way that protects Madisonians. Frankly, this follows in the footsteps of former Senator Glenn Grothman, who pitched a fit and threatened to strip Madison of its jurisdiction of local roads over snow storm clean-up.

I hope we can all agree that government has an important job in creating a fair marketplace while protecting the public. When unsuspecting members of the public get into a cab or a rideshare vehicle, they have every right to believe that drivers have undergone independent background checks. Further, these riders should expect they will ride in a safe vehicle with adequate insurance, they won't be price gauged and won't be discriminated against based on their pick-up or drop-off location. Cities certainly have an interest in ensuring fair and transparent pricing and protecting residents.

This bill went from co-sponsorship to public hearing in a matter of days. This committee should stop the swift attacks on local control by putting the brakes on this bill.

Sincerely,

Rep. Chris Taylor
76th Assembly District



TO: Members of the Wisconsin Legislature

FR: Steve Schneider, American Insurance Association
Jeff Junkas, Property Casualty Insurance Association of America
Mark Johnston, National Association of Mutual Insurance Companies
Andy Franken, Wisconsin Insurance Alliance

RE: AB 143/SB 106, Regulation of Transportation Network Companies

The above captioned organizations jointly support recently agreed-to model language to regulate the activities of Transportation Network Companies (TNCs) and create common sense insurance rules, which is now included in the proposed legislation, Assembly Bill 143/Senate Bill 106.

Over the past months, state legislatures have been evaluating proposals to regulate the activities of TNCs. The auto insurance and transportation network industries share a mutual commitment to ensuring safe transportation options and this includes ensuring that transportation network companies and their drivers maintain appropriate automobile insurance.

The new compromise model bill as seen in AB 143/SB 106 is designed to eliminate consumer confusion, provide a framework for safe transportation options, and support continued marketplace innovation.

Additionally, AB 143/SB 106 will help bring clarity and consistency to TNC insurance laws, and will enhance consumer choice, increase entrepreneurial activity, and bring greater stability and confidence to the transportation network industry.

We believe AB 143/SB 106 imposes reasonable and workable requirements for TNCs and their drivers and provides insurers with the ability to make sound underwriting and pricing decisions.

We are pleased to offer our joint support of Assembly Bill 143/Senate Bill 106, which will benefit all Wisconsin residents.



Survival Coalition

of Wisconsin Disability Organizations

P.O. Box 7222, Madison, Wisconsin 53707

Date: April 2, 2015

To: Hon. Paul F. Farrow, Chair Senate Committee on Education Reform and Government Operations

Hon. Rob Swearingen, Chair Assembly Committee on State Affairs and Government Operations

From: Maureen Ryan, Wisconsin Coalition of Independent Living Centers, Inc.
Beth Swedeen, Wisconsin Board for People with Developmental Disabilities Kit Kerschensteiner, Disability Rights Wisconsin
Survival Coalition Co-Chairs

Re: Senate Bill 106/ Assembly Bill 143 – Transportation Network Companies

The Survival Coalition of Wisconsin Disability Organizations submits testimony today on behalf of more than 30 member groups representing people of all disabilities and all ages, their family members, advocates and providers of disability services. We advocate and support policies and practices that lead to the full inclusion, participation, and contribution of people living with disability. Transportation is one service that is crucial for people with disabilities for a number of reasons.

There are over 650,000 people with disabilities in our state. They live in every part of the state and their population is growing significantly as the baby boom ages.

Many of these people can drive and use the same transportation networks as other Wisconsinites. However, many of these people cannot drive due to visual impairments, epilepsy, cognitive impairments or other disability. Some cannot navigate the bus systems, where they exist. Often they rely on paratransit, taxis, or other specialized transportation.

Everything that people do outside the home begins and ends with transportation. Any change to transportation systems affects their ability to go to school, work, church, get medical care and live their lives.

Survival Coalition takes no position on these bills at present. However, we urge caution in their consideration. We know that transportation networks such as Uber and Lyft are not accessible to all people with disabilities.

We appreciate the action of the authors in including non-discrimination and accessibility clauses in the bills. However, these clauses do not require that apps used are accessible to all. Nor do they require that any of the drivers used by the networks or

their vehicles are accessible. As a result, any benefits that regulating these services at the state level may provide will elude many people with disabilities.

Thank you for considering the needs of people with disabilities as you consider these bills.

Survival Coalition Issue Teams: education, employment, housing, long term care for adults, long term care for children, mental health, transportation, workforce, voting, Medicaid and health care.

**Real Lives, Real Work, Real Smart, Wisconsin
Investing in People with Disabilities**



April 2, 2015

**TO: Senate Committee on Education Reform and
Government Operations**

FROM: Tom Still, president, Wisconsin Technology Council

RE: LRB 1723/2

Dear Chairman Farrow and committee members:

My name is Tom Still. I am the president of the Wisconsin Technology Council, a bipartisan, non-profit organization that has served an advisory role to the governor and the Legislature since its formation in 2001.

You may know us because of our work on a variety of issues related to improving Wisconsin's tech-based economy, from its investment capital climate to its supply of human capital to its technology development strategies. Our Wisconsin Innovation Network is active across Wisconsin.

I am here today to talk about an opportunity facing Wisconsin – and opportunity to declare itself open to what has been named the “shared economy” or the “on-demand economy.”

By whatever name, it refers to creation of companies and systems that capitalize on making more efficient use of people and their possessions. This phenomenon is changing some traditional business models.

The most familiar examples are mobile applications that facilitate ride-sharing – Uber, Lyft and Sidecar are prominent examples – or ways to rent other people’s homes, such as Airbnb.

But the shared economy has spread into other sectors, ranging from routine chores such as grocery shopping and laundry -- Instacart, TaskRabbit and Homejoy are examples – to legal and other professional services.

In Wisconsin, where natural resources and outdoor recreation are a big part of life, shared-economy companies are emerging to rent hunting lands and watercraft.

An example is competing in the final stages of the 2015 Governor’s Business Plan Contest. It’s called “HuntButler” and it’s all about willing landowners being able to rent use of their lands to qualified, licensed hunters via an online platform.

It’s a trend called the “Uberization” of the economy, an app-driven labor market that advocates see as more efficient, liberating for workers and satisfying for customers.

Unfortunately, and I believe largely incorrectly, opponents fear the shared economy as unregulated and somehow unstable for workers.

As you know, the debate over transportation networks such as Uber and Lyft has been a subject of debate in the state's largest cities, Milwaukee, Madison and Green Bay.

In other major cities, the regulatory climate around ride-sharing is much more relaxed because people like the service and have voted with their feet and wallets. During a recent visit to Washington, D.C., my own experience with ride-sharing services was superb – and pricing was competitive with traditional cab rates.

A few clicks on the mobile app and a ride appeared within minutes, usually in a new, freshly washed vehicle driven by someone who knew the city streets well. In many major cities, competition from ride-sharing companies is raising the level of service among incumbent cab companies.

Municipal opposition to ride-sharing and other shared economy trends is partly motivated by public safety. City officials worry that ride-sharing drivers won't be fully insured, that their vehicles won't be safe or that their backgrounds aren't fully vetted.

There's also an undercurrent of "fence-me-in" economics at play. Many cities appear reluctant to unleash market forces and innovation. In the process, they may be costing their own constituents a chance for part-time work that pays pretty well.

A recent report by Princeton economist Alan Krueger noted that Uber had 160,000 drivers working regularly in the United States at the end of 2014. Those drivers worked fewer hours and earned more per hour than traditional tax drivers – even after accounting for their expenses.

Cities that want to stand out as innovation hubs to the rest of the country and the world should walk the walk as much as possible. That means accepting the fact that the shared economy is here and growing... not just with transportation networks, but with other services and products the market has yet to create.

Protecting public safety is one thing; hiding behind it is quite another. Wisconsin should embrace the "shared economy" by getting ahead of the curve and supporting this exciting trend in innovation.

Thank you.

###



STATE REPRESENTATIVE
CORY MASON

WISCONSIN STATE ASSEMBLY
66TH ASSEMBLY DISTRICT
REPRESENTING THE RACINE COMMUNITY

To: Members, Senate Committee on Education Reform and Government Operations
From: Representative Cory Mason
Date: April 2, 2015
Re: Senate Bill 106, regulation of transportation network companies, providing an exemption from emergency rule procedures, granting rule-making authority, and providing a penalty.

Chairman Farrow, Vice-Chair Harsdorf and Members of the Committee, thank you for holding this public hearing today on Senate Bill 106, which creates a uniform, statewide consumer protections and regulations standards for transportation network companies (TNC's), also known as rideshare services. I am pleased to co-author this bipartisan legislation with Representatives Tyler August, as well as Senators Paul Farrow, and Julie Lassa. This legislation is an important step forward to allowing rideshare services to operate statewide while ensuring strong consumer protection standards.

Senate Bill 106 will ensure that rideshare companies are licensed by the State Department of Safety and Professional Services (DSPS), that all rideshare drivers are properly insured, and that drivers are subject to background checks and drug tests. Consumers and drivers will be able to operate knowing that the rideshare experience will be safe and secure. A uniform standard to ensure safety and consumer protections will ensure that rideshare services can operate throughout Wisconsin. A patchwork of potentially conflicting and contradictory municipal regulations will make it much more difficult for rideshare services to pick up a rider in one municipality and drive them to another. Rideshare services are increasingly popular among millennials and increasingly utilized by business travelers, who expect that they will be able to use rideshare apps on their smartphone when visiting a new city. Joining the share economy will encourage economic growth in Wisconsin, and help attract new businesses and residents to our state.

The Racine community which I represent has historically been underserved by traditional taxi services. The City of Racine is located far from the interstate and faces declining public transit budgets. Rideshare services would help fill an unmet need for new, affordable transportation options. Rideshare services will help many Racine residents go to the grocery store and run other errands that are vital to achieving a middle-class quality of life. Rideshare services will also make it easier for bar patrons to get home safely at the end of the evening, which could reduce instances of drunk driving in the Racine community and across the state.

Senate Bill 106 has bipartisan support from diverse parts of the state. This bill is a practical solution to protect consumers while increasing rideshare service in Wisconsin. Thank you again for the opportunity to testify on this legislation. It is my hope that this bipartisan legislation is adopted soon.



April 2, 2015

Dear Chairman Farrow and members of the committee,

Thank you for the opportunity to testify before you today.

On behalf of 125,000 activists in Wisconsin, Americans for Prosperity strongly supports ride-sharing freedom in Senate Bill 106: Relating to Ridesharing & Transportation Network Companies.

Americans for Prosperity champions innovation and entrepreneurship, and a new class of for-hire vehicles that use digital dispatch and charge by time and distance may revolutionize local transportation.

Ride-share technology is providing more options beyond the traditional means of how we get around town. Ride sharing services are part of a growing economy in which ordinary people can make money using their personal assets to offer a service and receive compensation.

These new companies are already adding dynamism to old business models, and can bring them into the 21st century. This new kind of competitor can encourage better services among all providers.

While barriers to entry are nothing new for innovative companies, progress is being made to eliminate those roadblocks. The D.C. city council, for example, suddenly reversed an outright ban on ride share service, creating in December the new class of digitally-dispatched rides. Consumers in almost 30 cities in the US enjoy ride-share services, and the companies operate in a number of countries.

Ride-sharing companies did not invent the car – just an improved way to get around using one.

As entrepreneurs launch new business models, burdensome regulations can place barriers to new business startups and stifle innovation. While, in the turn of the century, the horse buggy manufacturer may have wanted to impede Henry Ford's invention, the automobile revolutionized transportation.

Ride-sharing apps meet a need for which consumers have shown a demand. Consumer interests are best served by promoting opportunities for entrepreneurship and we are apt to use an app to do just that right here in Wisconsin.

Americans for Prosperity supports Senate Bill 106 and plans to applaud those legislators who stand for free market competition, and hold accountable those who side with special interests instead.

Once again, on behalf of our more than 125,000 activists across this state, I thank you for the opportunity to testify, and offer our strong support for Senate Bill 106.

Thank you.

Sincerely,

David Fladeboe
Wisconsin State Director