



TAXICAB, LIMOUSINE &
PARATRANSIT ASSOCIATION

Representing taxicab, limousine, sedan, airport shuttle, paratransit, Medicaid & non-emergency medical fleets worldwide.

August 4, 2015

Submitted online @ <https://ftcpublic.commentworks.com/ftc/sharingeconomyworkshop/>

Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

RE: TLPA Supplemental Comments – The “Sharing” Economy: Issues Facing Platforms, Participants, and Regulators A Federal Trade Commission Workshop:

Dear FTC Commissioners and Staff:

The Taxicab, Limousine & Paratransit Association (TLPA), on behalf of its member companies, submits the following supplemental comment letter¹ urging the FTC to carefully reflect on the concerns of government picking winners and losers, Uber’s market dominance, and the consumer protection issues that were discussed during the “Sharing” economy workshop sponsored by the FTC on June 9, 2015 (the “FTC Workshop”).

TLPA is a non-profit trade association representing companies in the for hire passenger transportation industry. Our membership includes owners and managers of taxicabs, sedans and limousines, airport shuttles, non-emergency medical transport, and paratransit services. Our 1,100 member companies operate more than 100,000 passenger vehicles; transporting well over 2 million passengers each day – more than 900 million passengers annually. For-hire passenger transportation is an essential part of public transportation that is vital to this country’s economy and mobility, to the relief of traffic congestion, and improving the environment.

Don’t Pick Winners and Losers

TLPA agrees with many of the opening comments delivered by The Honorable Maureen Ohlhausen at the FTC Workshop, particularly, that it is not the job of those “in government to pick the winners and losers in the marketplace.”² The Commissioner further stated that “picking winners by creating a regulatory differential in favor of new entrants should be just as undesirable as retaining regulations that deter meaningful entry.”³ Unfortunately, this is exactly what is happening

¹ TLPA’s initial comments were submitted to the FTC on May 26, 2015, available at: https://www.ftc.gov/system/files/documents/public_comments/2015/05/01712-1.pdf

² FTC Sharing Economy Workshop, June 9, 2015, Transcript Segment 1, available at: https://www.ftc.gov/system/files/documents/videos/sharing-economy-workshop-part-1/ftc_sharing_economy_workshop_-_transcript_segment_1.pdf

³ Id.

in the approximately forty jurisdictions that have adopted so-called transportation network company or Uber regulations. The new rules only appear to apply to new entrants in the for-hire transportation marketplace and allow these new entrants to operate under a different and more flexible set of regulations than incumbent operators. For example, thanks to Uber's lobbying power, new entrants are able to operate with less stringent driver background checks, offer dynamic pricing, and maintain insurance coverage with gaps. This differential regulatory scheme not only favors new entrants, but it fails consumers by putting passengers at a greater safety risk. TLPA urges the FTC and all regulators to support a level playing field and standard common sense regulations that promote legitimate regulatory goals of public safety and consumer protection.

Uber's Market Power

TLPA respectfully disagrees with Commissioner Ohlhausen's comments that there is a "brother may I" situation controlled by existing competitors in the transportation industry through "protectionist legislation."⁴ The existing competitors are largely independent local small business taxicab and limousine operators that are no match for Uber's global market power, reported 250+ lobbyists spread out across the country⁵, and unlimited financial resources (Uber has a reported 50 billion dollar valuation). Elected government officials and Uber's lobbyists are the real gatekeepers not the incumbent taxicab and limousine competitors. Legislation or regulations that protect passengers – fingerprint criminal background checks for all drivers, fare transparency, comprehensive insurance, and non-discriminatory access – is not incumbent protectionist legislation, but is simply common sense consumer protection.

Furthermore, common sense consumer protection and public safety rules should apply equally to ride-sharing, digital platforms, innovation, taxicabs, limousines or whatever else one chooses to label a customer paying a stranger to drive them from point A to point B. New and different regulations for one multi-billion dollar company that help keep its costs down at the detriment to public safety and consumer protection is simply short sighted.⁶

Conclusion

TLPA supports a flexible regulatory framework that provides consumers with more choices, but greater choice should not come at the expense of passenger safety. Consumer protection issues run across all operators whether old or new entrants. Therefore, a regulatory framework that addresses concerns like customer privacy, driver background checks, fare transparency and surge pricing, liability and insurance coverage, and non-discriminatory access should be the same for old and new entrants. In the words of Commissioner Ohlhausen, a regulatory differential in favor of new entrants should be just as undesirable as retaining regulations that deter meaningful entry.

⁴ Id.

⁵ See <http://www.bloomberg.com/news/features/2015-06-23/this-is-how-uber-takes-over-a-city>

⁶ See <http://www.theguardian.com/technology/2015/jul/28/uber-lawlessness-sharing-economy-corporates-airbnb-google>

Please contact TLPA at 301-984-5700 or alagasse@tlpa.org if you have questions or would like to set up a meeting to discuss our comments.

Yours very truly,

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Mike Fogarty, President
Taxicab, Limousine & Paratransit Association