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BROWARD COUNTY

Uber didn't want to play by the rules

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Uber decided to suspend service in Broward County instead of complying with basic public safety regulations. Uber has been operating illegally in Broward for almost a year, despite the county's formal notices to stop, which included a cease-and-desist letter last fall.

In response, Broward County passed amendments to an ordinance late last April that allowed "transportation network companies" — TNCs — to operate legally. The regulations passed were not "hostile."



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Rather, they were simple, common-sense safeguards designed to protect the public. Instead of working with the county to improve public safety, not only for Uber's customers but also for all residents and visitors in Broward, Uber apparently determined it made more economic sense to leave.

The amended ordinance has three key safety provisions. First, Uber and other TNCs are required to have its vehicles inspected, just like taxis, shuttles and limousines have for decades. The inspections were to be conducted by a master mechanic designated by the county. Broward wanted to better ensure the safety of TNC vehicles. This benefits passengers and the rest of the public that occupy the roads. Uber did not want to comply, even though it has complied with similar requirements in other jurisdictions, including New York City.

In addition, the county required more-thorough background checks of drivers, including fingerprinting. The so-called Level II checks are authorized by state statute and are the best way to reveal criminal history, according to the Florida Department of Law Enforcement.

The background checks currently run by Uber might not detect many offenses or infractions. Background checks have been required for all for-hire drivers for decades. Uber did not want to comply, even though it operates in several areas in the United States, which have similar requirements.

Further, the county required TNCs to have insurance in place that is required by state law. The ordinance simply

could not require different insurance, because that would violate the law. In fact, Uber's own insurance-policy manager told the Broward County Commission before the ordinance passed that Uber was "pleased to hear" that the county's proposed insurance requirements would track those required by state law. However, once the ordinance passed, Uber did not want to comply.

The taxi industry did not benefit from the county's amendments. These regulations are the same for all for-hire transportation licensed by Broward. Taxis, shuttle vans and limousines must have the same insurance, vehicle inspections and driver background checks.

Every legal for-hire operation in Broward, many of which are small local companies, must comply with these requirements, and have done so in the past. They do not have Uber's purported \$40 billion valuation.

Even with the regulations, Uber enjoys a competitive advantage over the taxi industry. Taxi rates are set by Broward County, and taxis must adhere to them at all times. In contrast, TNCs in Broward do not have prescribed fares. So, they can undercut taxi fares and charge less, making it difficult for taxis to compete.

Also, unlike taxis, TNCs can make up that difference by charging as much as they want during peak usage periods — surge pricing.

TNCs, while certainly innovative in their approach, perform the same function as a taxi. With both services, a driver transports a passenger in a vehicle for a fee.

Further, both forms of transportation typically use a method of dispatch: TNCs dispatch through an online application; taxis have dispatchers that a passenger can call, and several of them also have an app. Despite these similarities, TNCs insist they deserve special treatment.

Broward County did not overregulate TNCs. Instead, it tried to create an environment where TNCs could operate, while balancing the need for public safety.

Uber knows that Miami-Dade County and Palm Beach County are considering their own regulations. Both counties should also balance the desire to have TNCs operate with the safety of the public.

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