

Others May Take Notice If Fla. County Law Prompts Uber Exit

April 30, 2015

By: **Mark J. Stempler**

By Nathan Hale April 30, 2015

Uber is threatening to leave the Fort Lauderdale, Florida, market in light of a new county ordinance increasing requirements for ride-hailing services, a measure that an attorney representing traditional taxi services said could influence other local governments grappling with the issue.

Broward County commissioners voted 9-0 Tuesday after a 4 1/2-hour public hearing on the measure to regulate so-called transportation network companies like Uber and Lyft Inc. While interested parties said they are awaiting the final wording and implementation of the measure before reaching their conclusions, Uber has signaled it may be packing up, and an attorney on the traditional taxi side of the debate said other locales may take notice.

Broward's actions "could have a profound impact on how other governing bodies across the country respond to the presence of transportation network companies," said **Mark Stempler** of Becker & Poliakoff PA, who is representing B&L Services, which operates in the county as Yellow Cab.

He cited Nevada and San Antonio, Texas, as other places where legislation or ordinances have prompted Uber to leave the jurisdiction, but he said he thinks Uber has made efforts to re-enter those markets through legislative means or by urging that new regulations be calmed. He also noted that neighboring Miami-Dade and Palm Beach counties are currently considering how to allow TNCs to operate within their boundaries.

"Broward County sent a message they are going to put the interests of the public, consumers — the people they ultimately serve — ahead of the wants and needs of the transportation network companies," Stempler added, noting that with a reported valuation of \$40 billion, it seems to him that it really comes down to Uber's business decision if it wants to keep operating under the new conditions.

Uber has indicated an openness to regulation, including some efforts toward a statewide model that the Florida Legislature started considering but failed to complete during this year's session. But in a statement, Uber spokesman Bill Gibbons suggested the Broward ordinance will have a negative impact on county residents.

“This decision lets down tens of thousands of Broward County residents who urged the commission to protect their jobs and access to safe, reliable rides through countless calls and emails,” Gibbons said. “We cannot operate in Broward County if such onerous regulations are enforced, and stand ready to re-engage with the commission to bring more choice and opportunity back to Broward County.”

Representatives for Lyft did not immediately respond to requests for comment Thursday.

Provisions that appear to require full-time commercial insurance coverage for TNC drivers and for those drivers to get chauffeur’s licenses could be nonstarters for Uber. Uber currently provides \$1 million in insurance coverage for its drivers when they are engaged in providing transportation services.

Other areas where commissioners increased regulations were by requiring all for-hire transportation service drivers to undergo so-called Level 2 background checks, which would include providing fingerprints. TNC drivers would also have to subject their vehicles to a county-regulated inspection regimen.

Uber has in the past pushed to handle background checks and vehicle inspections on its own, a scenario that Stempler said presents some safety concerns.

“There are ramifications for a TNC taking certain responsibilities upon itself that are traditionally provided with county oversight,” Stempler said.

Public safety seemed to be the driving force behind the county’s current actions, he said. That focus meant that the taxi industry too did not get all that it necessarily hoped for from the new ordinance, as the changes do not impose fare regulations on the ride-hailing services and allow them to register an unlimited number of vehicles.

Stempler said that can allow companies like Uber and Lyft to undercut traditional taxi and other transportation providers’ fare while making up the difference with what Uber refers to as “surge” pricing at times when certain events or weather conditions might increase demand.

“If a government body chooses to regulate part of the industry, then those same rules should be consistent with TNCs,” Stempler said. “Otherwise they’re creating an unlevel playing field that gives one group an advantage over others.”