



August 7, 2023

Council Member Lisa Goodman, Chair
Business, Inspections, Housing and Zoning Committee
Minneapolis City Hall Room 307
350 South Fifth Street
Minneapolis, Minnesota 55415

RE: Proposed Ordinance 2023-00044
Chapter 343, Transportation Network Company
August 8, 2023 Public Hearing Comments

Chair Goodman:

Please accept and enter these written comments for the official record at the public hearing on proposed ordinance 2023-00044 on behalf of Uber Technologies, Inc. (Uber). Uber operates a licensed transportation network company (TNC) in Minneapolis under chapter 343 of the Minneapolis City Code of Ordinances and values the working relationship we've had with the city since 2013.

We respectfully request that the city defer action on the proposal for several sound public policy considerations we detail below. At its core, the proposal largely fails to account for its dramatic negative impacts on drivers, riders, the disability community, and the overall transportation system in the metropolitan area.

The proposal is in many respects identical to legislation that was vetoed by Governor Walz earlier this year. In his veto message, Governor Walz said the proposal was simply not ready to be codified into Minnesota law and did not balance the interests of all Minnesotans. Like the Governor, Uber is committed to finding statewide solutions through a thoughtful and data driven process.

As outlined below, the proposed ordinance does not address any of the issues identified by others concerned with the original proposal and is not ready to advance for a vote.

Governor's Task Force

Through Executive Order 23-07, Governor Walz has established a task force to consider the working conditions for TNC drivers and consider how potential changes may impact access and cost for riders. The work is being led by the Departments of Labor and Commerce and will be a data-driven effort that will consider both the impact on transportation access *and* the impact on drivers. Simultaneously, the Department of Labor and Industry will prepare a report, using data we are providing to understand driver earnings within the industry, among other things.

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Executive Order 23-07 requires a report by January 1, 2024 and has set a meeting schedule of every three weeks between now and the end of the year.

Uber and many others are committed to working with the Governor's committee and we believe the proposed ordinance 2023-00044 will upend and short circuit this statewide process. Regulating driver earnings and account deactivations without any data or collaboration with different stakeholders will have many negative outcomes, including a significant loss of earning opportunities for drivers and loss of access to reasonably-priced transportation for the public.

The Governor appointed a representative from the City of Minneapolis to serve on the committee and it seems unproductive, at best, to engage with the Governor's efforts if the City has predetermined its own policy before a single data point has been collected.

Uber's experience in Seattle is instructive of the "city first" approach. The Seattle minimum earnings standard that predated Washington's HB2076 led to a significant increase in rider fares, which negatively impacted consumers, who demanded fewer rides. The rideshare pandemic recovery in Seattle was one of the slowest in the US. Given the higher rates within the city limits, there was less incentive for drivers to accept rides outside the city of Seattle, which can be a particular problem for those seeking service near the city limits.

As a local example, the Minneapolis – St. Paul International Airport is a destination that generates significant rideshare use. As an origination point that is not subject to the proposed ordinance, the City's approval might reduce the number of drivers serving the airport as they seek to generate trips wholly within the city with the expectation of higher compensation. This reluctance to serve areas outside the city could impact each of Minneapolis's neighboring cities for rideshare service, diminishing transportation service far outside the city.

These are the types of considerations we believe the Governor's Task Force will analyze and provide recommendations on to limit these types of negative impacts.

It should be noted that the Washington State legislature took action subsequent to the Seattle Ordinance and not only preempted local regulation, but they provided certainty on TNC drivers' classification.

These reasons alone warrant a delay in moving forward with ordinance 2023-00044 but there are significant problems with the proposal that we feel are not based on data, have negative impacts on riders and survivors, and are inconsistent with the existing TNC ordinance in Minneapolis.

Cost Impacts On Riders

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Governor Walz noted in his veto message that the cost imposed by the legislation would make rides in Minnesota one of the most expensive in the nation, including Seattle and New York City, which have substantially higher costs of living. The proposed costs in ordinance 2023-00044 are even HIGHER than the bill that was vetoed. These unrealistic rates will eliminate earning opportunities for drivers and reduce service for riders.

Uber informed the Governor that with these proposed costs Uber would be forced to restrict offers in Minneapolis to premium service only. That outcome would not change if this proposal is implemented in Minneapolis. Premium service requires premium vehicles and will eliminate some of the current rideshare pool of cars (and drivers). Rides will be unaffordable for many, assuming the services even remain viable for riders and drivers alike.

The reduction of affordable rides to the disabled and low-income communities is counterproductive to a balanced and diverse transportation system.

Deactivation Process

The proposed deactivation process is unworkable as written, inconsistent with Uber's commitment to public safety and in conflict with the existing Minneapolis ordinance for TNC driver eligibility.

We are committed to driver education and language-specific processes that help drivers navigate issues with onboarding, compensation, and loss of access to the platform. The proposal falls short of these goals in many respects and is similar in most respects to the vetoed legislation that raised concerns from the elderly and violence prevention advocates.

The lists of permanently disqualifying criminal offenses are inconsistent with the existing TNC background check policy of the city and will result in the loss of earning opportunities for many drivers. TNCs will be obligated to review all current drivers for disqualifying offenses, even if they are eligible under the current background check requirements.

The requirement that 5 days' notice be required before a deactivation is effective has the potential to allow drivers who are the subject of reports raising exigent safety concerns to remain active on the platform and does not match Uber's commitment to victims or sound public safety policy.

Also, the proposed ordinance does not allow a TNC to act against a driver that refuses service to people with disabilities or within certain areas of the city. Proposed Chapter 343.125 sub. 5 (k). This provision is contrary to TNC obligations under the Americans with Disabilities Act (ADA) and the existing Minneapolis ordinance that requires a TNC to provide service to all areas of the city.

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The deactivation process in the proposed ordinance is poor public policy and should be rejected or rewritten with stakeholder engagement.

City Non-Profit Driver Center and Data Practices

Minneapolis may choose to create or fund a non-profit driver resource center as authorized by the proposed ordinance. However, the corresponding change to the existing ordinance that allows the city to designate the driver resource center to seek all records and information from a TNC is dangerous, violates Uber's privacy policy, and has the potential to place confidential and trade secret information in the hands of competitors.

Changing the classification of ride data from non-public is a significant policy change that needs great scrutiny. This change is not consistent with the original ordinance and the cooperative approach TNC's have taken with the city. We urge rejection of this portion of the ordinance.

Conclusion

As noted above, there are many detailed and specific issues with the proposed ordinance 2023-00044. Following participation in the first task force meeting and several meetings with the Department of Labor and members of the Governor's staff, it is Uber's belief and commitment that many of these issues will be addressed by the Governor's Task Force.

We urge the city to allow the existing process to unfold without having the city predetermine the outcome for a large market in the state. This proposal has many negative consequences for drivers, riders and the transportation system.

Respectfully,

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Attachments Included

cc: Governor Tim Walz
Commissioner Nicole Blissenbach
Mayor Jacob Frey
Minneapolis City Council
Rick King, Chair Metropolitan Airports Commission