City will fight last-ditch effort by cab companies to preserve unfair monopoly

The City of Milwaukee will move forward with plans to issue 100 new taxi cab licenses, even as a group of current taxi owners and operators attempt to preserve the status quo and thwart the legislative process with a last-ditch federal lawsuit, Public Works Committee Chair Alderman Robert J. Bauman said Thursday.

The plaintiffs in the pending legal case seek an injunction from the court that would prevent the city from issuing new taxi cab licenses, as well as a declaration that the new ordinance is invalid. Alderman Bauman said that, after nearly a year of work on ordinance revisions designed to improve cab service in the city, several public hearings in which dozens of witnesses testified and a circuit court ruling that the city’s previous limit on the number of cab licenses was unconstitutional, the cab companies’ federal complaint amounts to a desperate stall tactic.

Bauman said more than 550 people have declared their intent to apply for one of the 100 new taxi cab licenses, and that the License Division of the City Clerk’s office will continue to prepare to issue them. Once the filing deadline of February 28 passes, the City Clerk’s office will hold a lottery to determine which applicants are allowed to continue in the licensing process.

The City Attorney’s office is also making preparations to defend the ordinance in an anticipated injunction hearing, which is yet to be scheduled.

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Led by American United and the Sanfellipo brothers, one of whom is a Republican state representative, these cab companies want to prevent any of the 550 potential applicants from ever getting a foot in the door,” Alderman Bauman said. “These companies argue that there is no demand for new taxis. It’s tantamount to telling these 550 enthusiastic applicants that they’re signing up to commit economic suicide.”

Currently, 320 cabs are licensed to operate in the City of Milwaukee. The Milwaukee Common Council in November passed legislation that increased the limit to 420, and also enables the council to review the need for additional cab licenses on an annual basis.

The Council’s adoption of the ordinance also established a system of affiliation to which all (permittee) taxicabs in the city are required to belong. It requires taxicab fleet affiliations to receive, maintain and report dispatch information, and to assure that affiliated permittees and vehicle drivers comply with requirements that include driver training, driver appearance standards, vehicle inspection standards, written plans to assure passenger and driver security, and rear-seat credit card payment capacity. Finally, fleet affiliations must now provide citywide service on a 24-hour basis.

“Our legislation is a direct response to constituents’ calls for increased and improved taxicab service, as well as a judge’s order,” Alderman Bauman said. “If existing cab companies feel their monopoly is threatened, perhaps they should focus more on improving their customers’ satisfaction instead of trying to throw up judicial roadblocks to progress.”

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