



Disrupting Democracy

How Uber Deploys Corporate Power to Overwhelm and Undermine Local Government

Acknowledgments

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We are running a political campaign and the candidate is Uber ... And this political race is happening in every major city in the world. And because this isn't about a democracy, this is about a product, you can't win 51 to 49. You have to win 98 to 2. — Uber CEO Travis Kalanick¹

Introduction

From Uber Technologies' origins in 2009 as a San Francisco startup to its current \$50 billion² valuation, the transportation network company³ has in just seven years grown into a powerful global corporation. Today Uber operates in 195 U.S. cities, 396 worldwide. This report tells the stories of conflicts between the company and local governments in eight U.S. cities: Austin, Texas; Boston, Massachusetts; Chicago, Illinois; New York City, New York; Philadelphia, Pennsylvania; San Francisco, California; Seattle, Washington; and Washington, D.C.

This giant and powerful corporation portrays itself as the scrappy rival to entrenched interests, but it is in fact able to deploy far greater political power than its public interest and commercial rivals. In cities across the country, Uber is "disrupting"⁴ local democracy.

Uber's primary business is connecting riders⁵ with drivers, who the company calls "partners," through a smartphone app. Through the app, Uber offers a range of versions of its service in various markets. There's "UberBlack," the original Uber service, through which riders summon high-end vehicles such as limousines. There's "UberTaxi," which enables riders in some markets to hail a taxicab through the app instead of hailing from the street. And there's "UberX," the lower-cost service most frequently associated with the company and which most directly competes with local taxi drivers, through which riders summon drivers who use their personal cars to provide rides for hire. Fares, which can "surge" as much as eight times the base in times of high demand, are automatically charged to the rider's credit card through the app, which also automatically divides the fare between the driver and the parent corporation. The company owns no vehicles itself and claims to employ no drivers. The company considers its driver-partners independent contractors.

¹ Kara Swisher, "Man and Uber Man," *Vanity Fair* (Nov. 5, 2015),

<http://www.vanityfair.com/news/2014/12/uber-travis-kalanick-controversy>

² More than the combined value of Hertz, Avis and Enterprise, the three leading car rental companies. Tom Slee, *What's Yours Is Mine* 58 (OR Books, 2015).

³ Transportation network company is the term Uber and competitors such as Lyft use to describe themselves. It is also the term most often used for regulatory purposes. See, for example, the California Public Utility Commission web page for transportation network company regulations:

<http://www.cpuc.ca.gov/General.aspx?id=787>

⁴ A ubiquitous Silicon Valley buzzword adopted from Harvard Business professor Clayton Christensen's theory of "disruptive innovation," *disruption* refers to the way startups compete with larger, more established businesses. For a critical look at the term, see Jill Lepore, "The Disruption Machine" *The New Yorker* (June 23, 2014), <http://www.newyorker.com/magazine/2014/06/23/the-disruption-machine>

⁵ While this service is sometimes called "ridesharing," the AP Stylebook asserts it is more accurate to say "ride-hailing" or "ride-booking." See the "Uber" entree in the AP Stylebook Online at <http://www.apstylebook.com/>.

In each case examined in this report, Uber's expansion has been facilitated through the conversion of money power into political power. When city officials try to enact laws or enforce regulations the company opposes, it fights back with political-style campaign tactics and large-scale lobbying. There is no doubt that Uber has developed a business model that is very attractive to many consumers, nor that taxi service is problematic in many cities. But that is not the point. The issue is whether Uber's practices comport with well-functioning local democracies.

There is a pattern to Uber's conflicts with cities. The company often launches in cities in conflict with local officials' interpretations of local regulations, while at the same time insisting on the legality of its business. When local law enforcement and other officials respond, the company mobilizes a campaign to "save Uber." Likewise, the company often resists local legislative efforts that attempt to require the company to follow standards similar to those required of taxicab and limousine companies, framing them as attempts to "shut down" Uber. Because customers are required to provide an email address to access the company's app, the company is uniquely poised to turn its customer base into grassroots lobbyists who will sign a "save Uber" petition when the company asks. These petitions, which can generate tens of thousands of signatures, help legitimize the lobbying campaigns the company deploys. These campaigns often include high-powered lobbyists, including some who are former colleagues of the government officials they are lobbying. Uber usually wins these battles against rules and regulations the company opposes, but when it loses, it keeps fighting. When cities pass laws that Uber opposes, the company commonly seeks to have them preempted with Uber-approved state law or repealed through voter referenda.

Case Studies

The following eight case studies describe Uber's clashes with city governments across the United States. This list of cities where Uber has attempted to force the dismantling and rewriting of regulations is by no means exhaustive. Nevertheless, the case studies (which are in alphabetical order by city name) illustrate the corporation's pattern of making government prioritize the demands of a profit-driven corporation.

Austin, Texas

Both Uber and its main transportation network company competitor, Lyft, started operating in Austin in the summer of 2014 despite city officials' view that then-in-place regulations did not permit these companies' operations.⁶ Requirements under the regulatory regime for vehicle-for-hire businesses included acquiring a special permit before operating and making special allowances to ensure accessibility for people with disabilities. "As the current city of Austin code is written, you still have to be a permitted ground transportation service to operate in the city of Austin," an Austin Transportation Department spokesperson told the Texas Tribune. "As of right now, [Uber and Lyft]

⁶ Robert Grattan, "Uber follows Lyft's lead, launches in Austin despite official ban," Austin Business Journal (June 4, 2014) <http://www.bizjournals.com/austin/news/2014/06/04/uber-follows-lyfts-lead-launches-in-austin-despite.html>

are not permitted.”⁷ Both Uber and Lyft argued that the vehicle-for-hire regulations did not apply to them because they neither own the vehicles nor, they claim, employ the drivers, who they categorize as independent contractors. Over the objections of taxi companies, the transportation network companies won temporary permission to operate legally in a 6-1 vote before the city council.⁸

In December 2015, the Austin City Council passed an ordinance by a 9-2 vote intended to regulate the transportation network companies more like taxi companies. In the weeks ahead of the vote, Uber ran television ads⁹ in Austin pleading, “Don’t take Uber away,” and directed an in-app campaign toward Council Member Ann Kitchen, the chief author of the proposal. In a press release announcing the campaign, Uber stated Kitchen’s proposal “would regulate rideshare companies like a horse and buggy, eliminating Uber’s ability to operate in Austin”¹⁰; Uber’s response was to create “Kitchen’s Uber,” which customers could use to book a horse and buggy.

The most contentious part of the new Uber regulations was fingerprinting requirements for drivers, a policy with which taxi companies already complied.

The defeat spawned the creation of Ridesharing Works,¹¹ a political action committee largely funded by Uber and Lyft,¹² which paid petitioners to gather the more than 25,000 signatures needed to force the council either to rescind the fingerprinting requirement or to put the question to the voters in a ballot referendum.¹³ The council opted to let the voters decide.¹⁴

Before the referendum, Ridesharing Works had received more than \$8 million from Uber and Lyft.¹⁵

⁷ Aman Batheja, “Uber, Lyft Rolling Forward, but Uncertainty Lingers,” *The Texas Tribune* (June 10, 2014), <https://www.texastribune.org/2014/06/10/uber-lyft-target-texas-cities-despite-unfriendly-r/>

⁸ David Lee, “Austin Gives Temporary Green Light to Uber, Lyft,” *Courthouse News Service* (Sept. 29, 2014), <http://www.courthousenews.com/2014/09/29/71903.htm>

⁹ Melissa Yeager, “Uber combats regulations in Austin with new ad campaign,” Sunlight Foundation blog post (Nov. 10, 2015), <http://sunlightfoundation.com/blog/2015/11/10/uber-combats-regulations-in-austin-with-new-ad-campaign/>

¹⁰ Press Release, Uber, “Kitchen’s Uber: Horse & Carriage,” (Nov. 4, 2015), <https://newsroom.uber.com/us-texas/kitchens-uber-horse-carriage/>

¹¹ Ridesharing Works website <http://ridesharingworks.com/> currently re-directs to <http://www.voteprop1.com/>

¹² Ridesharing Works campaign finance report available at: <http://www.austintexas.gov/edims/document.cfm?id=246592>

¹³ Genevieve Cato, “Are Uber and Lyft Steamrolling Progressive City Politics?” *Burnt Orange Report* (Feb. 25, 2016), <http://www.burntorangereport.com/diary/31838/are-uber-and-lyft-steamrolling-progressive-city-politics>

¹⁴ Elizabeth Wise, “Austin sends decision on Uber, Lyft to voters,” *USA Today* (Feb. 12, 2016), <http://www.usatoday.com/story/tech/news/2016/02/12/austin-city-council-uber-lyft-vote-election/80286830/>

¹⁵ Matt Largey, “Uber/Lyft PAC Spent More Than \$5 Million to Campaign For Prop 1 Last Month,” KUT (April 29, 2016), <http://kut.org/post/uberlyft-pac-spent-more-5-million-campaign-prop-1-last-month>

Meanwhile, Uber spent between \$420,000 and \$945,000¹⁶ lobbying the state legislature, where the company favored a bill that would preempt local regulations with an Uber-approved set of statewide standards (which notably excludes fingerprinting requirements). An online petition supporting the bill has more than 100,000 signatures.¹⁷ While the bill may have failed to make progress¹⁸ in the most recent legislative session, it appears likely that Uber will again push the bill in the next session.

Boston, Mass.

The first major conflict between Uber and local government in the Boston area occurred in August 2012, when the City of Cambridge and the state Division of Standards issued a cease and desist order after citing an Uber driver for non-compliance with local regulations. The sting operation cited the driver for operating an “unlicensed livery” and for calculating fees “using a measuring device not conforming to standards”¹⁹ — that is, a smartphone’s built-in GPS instead of an approved fare meter such as is used in traditional taxis. Uber responded with a press release²⁰ stating, “Uber will continue full speed ahead,” and it did. Within a day of the citation, an online petition had been launched²¹ by a finance executive,²² Governor Deval Patrick’s chief of staff was tweeting support²³ ²⁴ for Uber and the Division of Standards had reversed its decision.²⁵ Cambridge filed a complaint to overturn the reversal.

¹⁶ Ben Wear, “Uber-Lyft legislation runs out of gas in Texas House,” Austin American-Statesman (May 15, 2015), <http://www.mystatesman.com/news/news/state-regional-govt-politics/uber-lyft-legislation-runs-out-of-gas-in-texas-hou/nmHWT/>

¹⁷ Uber’s “Support Uber Texas Petition” available at <http://petition.uber.org/texas/>

¹⁸ Jim Malewitz, “End of the Road for Tesla, Ride-for-Hire Bills,” The Texas Tribune (May 14, 2015), <http://www.texastribune.org/2015/05/14/end-road-tesla-uber-bills/>

¹⁹ Hearing decision signed by Charles Carroll, City of Cambridge Director of Standards (April 1, 2012), <https://2q72xc49mze8bkog2f01nlh-wpengine.netdna-ssl.com/wp-content/uploads/sites/13/2012/08/Div-of-Standards-Decision-re-Uber0-1-1.pdf>

²⁰ “Uber is a first to market, cutting edge transportation technology and the simple fact is that the Commonwealth’s regulations were not written with these innovations in mind,” from Uber Press Release (posted by Travis Kalanick), “Uber Boston Has Been Served,” (Aug. 14, 2012), <https://newsroom.uber.com/us-massachusetts/uber-boston-has-been-served/>

²¹ Uber’s Change.org petition to the Division of Standards of the Commonwealth of Massachusetts available at <https://www.change.org/p/division-of-standards-of-the-commonwealth-of-massachusetts-allow-uber-to-continue-to-operate>

²² From Jason Henrichs’ CrunchBase profile: “Jason is the Chief Operating Officer of PerkStreet Financial and an active member of the start up community as a board member, advisor, mentor and investor,” available at <https://www.crunchbase.com/person/jason-henrichs#/entity>

²³ Tweet from Brendan Ryan, Gov. Patrick’s chief of staff, available at https://twitter.com/brendanbrendan/status/235791964929392641?ref_src=twsrc^tfw

²⁴ Both Gov. Patrick and Boston Mayor Tom Menino would later tweet in support of Uber. See DeBonis, Mike, “Uber is legal in Massachusetts,” The Washington Post (Aug. 16, 2012), https://www.washingtonpost.com/blogs/mike-debonis/post/uber-is-legal-in-massachusetts/2012/08/16/0a7df482-e7ea-11e1-8487-64e4b2a79ba8_blog.html

²⁵ Commonwealth of Massachusetts Division of Standards Memo, “Massachusetts Give Green Light for Uber Technologies” (Aug. 15, 2012), <http://www.mass.gov/ocabr/docs/dos/massachusetts-gives-green-light-for-uber-technologies.pdf>

“The taxi industry is heavily regulated for reasons of public safety, consumer protection, and fair competition,” said Cambridge city attorney Elizabeth Lashway. “To allow Uber to sidestep the applicable laws and regulations goes against those principles.”²⁶ Cambridge’s complaint ultimately would fail,²⁷ but tensions between Uber and its more regulated competitors in the Boston area’s transportation sector would continue to simmer.

At the state level, outgoing Governor Deval Patrick proposed a set of transportation network company regulations in December 2014.²⁸ The regulations, which Uber praised and taxi companies criticized, would give the state Department of Public Utilities authority to oversee the companies, introduce new licensing requirements and essentially enshrine into law Uber’s preferred, fingerprinting-free driver background check process. David Plouffe, who had months earlier become Uber’s senior vice president of policy and strategy, had been Governor Patrick’s campaign manager during his 2006 and 2010 gubernatorial bids. The Patrick proposal required action by the state legislature before it could be fully implemented, and would spark the introduction of competing versions of legislation and a debate that continues into 2016.

Boston Police Commissioner Bill Evans meanwhile repeatedly expressed skepticism toward the companies²⁹ and made known his wish that the companies fingerprint drivers as part of their background checks. The police department lacked authority over the transportation network companies’ operations, however. Meanwhile, Edward Davis, who served for seven years as the previous Boston Police Commissioner, had become an Uber consultant and outspoken defender of Uber’s current background check procedures.³⁰ In February 2016, Evans succeeded in implementing fingerprinting requirements for taxi drivers,³¹ but not for transportation network companies. In a public forum, Plouffe said the reason for Uber’s opposition to fingerprinting was that it would be an additional hurdle to signing up new drivers.³²

²⁶ Coleman Herman, “Cambridge sues to overturn state OK of Uber livery service,” *Boston Globe* (Sept. 29, 2012), <http://www.boston.com/business/innovation/2012/09/28/cambridge-sues-overturn-state-uber-livery-service/a5Qp8MbTqLi3Wh0r1ull9L/story.html>

²⁷ Coleman Herman, “Drive On: Cambridge loses lawsuit to keep Uber off the roads,” *Boston Globe* (June 26, 2013), <http://www.boston.com/business/innovation/blogs/inside-the-hive/2013/06/25/drive-cambridge-loses-lawsuit-keep-uber-off-the-roads/k4wRr243CwSoRG1kAjDKSI/blog.html>

²⁸ Michael Levenson, “Governor Patrick to seek state oversight of Uber, Lyft,” *Boston Herald* (Dec. 10, 2014), <http://www.bostonglobe.com/metro/2014/12/09/governor-patrick-pushes-provide-oversight-ride-sharing-services-lyft-and-uber/a29fXj5gEtDkKDsZHp4HFJ/story.html>

²⁹ Amanda McGowan, “BPD Commissioner Bill Evans: Uber ‘Out and Out Lied’ About Safety Inspections” WGBH (Sept. 16, 2015), <https://news.wgbh.org/post/bpd-commissioner-bill-evans-uber-out-and-out-lied-about-safety-inspections>

³⁰ Max Lewontin, “Why Massachusetts wants Uber drivers to undergo stricter background checks,” *The Christian Science Monitor* (Sept. 17, 2015), <http://www.csmonitor.com/Technology/2015/0917/Why-Massachusetts-wants-Uber-drivers-to-undergo-stricter-background-checks>

³¹ Curt Woodward, “Boston Police are fingerprinting taxi drivers, but Uber says it won’t budge,” *Boston Globe* (Feb. 23, 2016), <http://www.betaboston.com/news/2016/02/23/boston-police-are-fingerprinting-taxi-drivers-but-uber-says-it-wont-budge/>

³² Curt Woodward, “Boston Police are fingerprinting taxi drivers, but Uber says it won’t budge” *Boston Globe* (Feb. 23, 2016), <http://www.betaboston.com/news/2016/02/23/boston-police-are-fingerprinting-taxi-drivers-but-uber-says-it-wont-budge/>

Soon there were competing legislative proposals to regulate transportation network companies pending before the state of Massachusetts. Uber's preferred proposal was introduced by Governor Baker³³ and is similar to the legislation introduced by the previous administration. A second proposal,³⁴ introduced by state Senator Linda Dorcena Forry and state Representative Michael Moran, would add additional regulations, including requiring drivers working through transportation network companies to be fingerprinted and requiring the companies to disclose how they calculate fares.³⁵ Neither proposal would preempt stronger local standards. Uber responded to the second proposal with an alert to its email subscribers that specifically named Senator Forry and Representative Moran and claimed,

[E]ntrenched industries that have failed to innovate for decades are attempting to destroy ridesharing in the Commonwealth by pushing a set of proposed regulations that do nothing to address public safety and are specifically designed to drive Uber and other ridesharing companies out of Massachusetts.

Forry and Moran pushed back against Uber's characterization of their bill with an opinion article in the *Boston Globe*. They write:

In no way are we trying to 'destroy' companies like Uber. We recognize the positive economic impact these companies have for individual drivers and their families — along with the commuting public. [...] We welcome and encourage the kind of innovation that is behind the growth of ride-sharing services. But innovation must be balanced with public safety and consumer protection considerations, no matter what the industry. If common-sense regulations and keeping people safe are going to 'destroy' Uber's business model, then the model needs to change.

Between 2014 and 2015, Uber spent \$421,559.99 on six lobbyists in the Massachusetts state legislature.³⁶ The transportation network company regulation issue remains unresolved.

Chicago, Ill.

Uber's earliest public confrontation with the city of Chicago occurred in October 2012, a year after its launch in the city. That month, Chicago taxi companies^{37 38} and an aggrieved Chicago consumer³⁹

³³ Dan Adams, "New rules proposed for ride services like Uber, Lyft," *Boston Globe* (April 24, 2015), <https://www.bostonglobe.com/business/2015/04/24/baker-proposes-law-regulate-uber-lyft-other-ride-sharing-services/qIrS2IDNs0WEIrtbNxj60I/story.html>

³⁴ H.3702, 189th General Court of The Commonwealth of Massachusetts (2016), <https://malegislature.gov/Bills/189/House/H3702>

³⁵ Linda Dorcena Forry and Michael Moran, "Why we want to regulate Uber," *Boston Globe* (Aug. 5, 2015), <https://www.bostonglobe.com/opinion/editorials/2015/08/05/why-want-regulate-uber/VpzjVS6OEteQAnt2Ss8AAI/story.html>

³⁶ Massachusetts Lobbyist Public Search database shows Uber paid six lobbyists \$306,809.99 in 2015 and \$114,750.00 in 2014, available at <http://www.sec.state.ma.us/LobbyistPublicSearch/>

separately sued the company. Among other issues, the lawsuits complained that Uber's app included a mandatory 20 percent gratuity and did not disclose that 10 percent of the fare went to the parent company instead of the driver. The city's Department of Business Affairs and Consumer Protection then cited Uber over the gratuity issue.⁴⁰ Later that month, the same department would propose new regulations for vehicles-for-hire.⁴¹

Uber responded to the regulatory proposal with an online petition campaign⁴² framing the regulatory proposal as one that would "prohibit" the company from operating. When the city of Chicago in May 2014 did finally adopt regulations allowing transportation network companies to operate within the law, it was over fierce objections by the owners of taxi permits (also "medallions" in Chicago) and drivers.⁴³ A key Uber lobbyist in Chicago was Michael Kasper,⁴⁴ the attorney who defended Mayor Rahm Emanuel's residency status during his 2011 election and who has a note on his website⁴⁵ describing him as Mayor Emanuel's "friend and personal lawyer."

Insurance coverage would become a key point of contention in disputes between the Chicago and transportation network companies. After insurers raised questions about Uber drivers' coverage during a hearing before the Illinois legislature, Uber's CEO announced⁴⁶ an increase in the coverage it would provide.

³⁷ Nitasha Tiku, "Uber Sued for Consumer Fraud and Unlawful Practices by Chicago Taxi and Limo Companies," *Observer* (Oct. 5, 2012), <http://observer.com/2012/10/uber-lawsuit-chicago-taxi-limousine-consumer-fraud-unlawful-practices-travis-kalanick/>

³⁸ *Yellow Cab v. Uber*, Case 1:12-cv-07967 (Filed Oct. 4, 2012), <http://www.scribd.com/doc/109136786/Yellow-Cab-v-Uber>

³⁹ *Caren Ehret v. Uber Technologies*, No. 12CH36714 (Filed Oct. 1, 2012), <http://www.scribd.com/doc/109520460/2012-10-9-Uber-Complaint>

⁴⁰ Cynthia Dizikes and Hal Dardick, "Chicago accuses cab dispatch company of violating city ordinances," *Chicago Tribune* (Oct. 26, 2012), http://articles.chicagotribune.com/2012-10-26/news/ct-met-cab-company-citation-20121026_1_travis-kalanick-violations-taxi

⁴¹ Draft for Public Comment, "Public Passenger Vehicle, Other Than Taxicabs, License Holder Rules and Regulations," City of Chicago Department of Business Affairs and Consumer Protection, Public Vehicle Operations Division (Oct. 22, 2012) <http://www.scribd.com/doc/111726091/Chicago-Public-Passenger-Vehicle-License-Rules-for-Public-Comment>

⁴² Press Release, Uber, "Proposed Chicago Regulations to Shut Down Uber Black – We Need Your Help!" (Nov. 1, 2012), <https://newsroom.uber.com/us-illinois/uberchilove/>

⁴³ Hal Dardick and Jon Hilkevitch, "Chicago rideshare regulations approved," *Chicago Tribune* (May 28, 2014), <http://www.chicagotribune.com/news/local/politics/chi-chicago-rideshare-regulations-approved-20140528-story.html>

⁴⁴ Ted Cox, "Uber Rallies Voters Against Pro-Taxi Bill, Recruits Cabbies to Convert," *DNAinfo* (April 10, 2014), <https://www.dnainfo.com/chicago/20140410/west-loop/uber-rallies-voters-against-pro-taxi-bill-recruits-cabbies-convert>

⁴⁵ Michael Kasper biography from Hinshaw and Culbertson LLP web site, available at <http://www.hinshawlaw.com/attorneys-Michael-Kasper.html>

⁴⁶ Odette Yousef, "State legislators probe rideshare insurance," *WBEZ* (March 14, 2014), <https://www.wbez.org/shows/wbez-news/state-legislators-probe-rideshare-insurance/778c0f95-da17-4b08-a096-8377d6ca1990>

Meanwhile, state lawmakers were considering legislation to regulate transportation network companies in Illinois. Uber strongly opposed the bill,⁴⁷ which included provisions to require transportation network company drivers to undergo background checks and acquire commercial insurance, and launched an online petition⁴⁸ against it. In particular, Uber contested the additional regulatory oversight that would be required of transportation network drivers who spend more than 18 hours a week on the job. While the bill's sponsor, Rep. Michael Zalewski, would describe the bill as a "compromise" between taxi interests and the transportation network companies and tell NPR⁴⁹ that Uber's lobbyist (Kasper) supported the proposal, Uber's Midwest manager blasted the bill, which passed 80-26. Once the Illinois Senate passed⁵⁰ its version of the House's bill, Uber pivoted toward calling for a veto from then-Governor Pat Quinn.

Uber employed 13 lobbyists and lobbying firms⁵¹ to amplify its views before the state legislature and the governor during this 2014 legislative battle. Among those lobbyists was Jack Lavin, Gov. Quinn's former chief of staff.⁵² Quinn was an incumbent in the midst of a heated campaign for reelection — and his opponent, Republican Bruce Rauner (and current Illinois governor), echoed Uber's policy preferences from the campaign trail. "Pat Quinn shouldn't sign this bill," said Rauner in July 2014. "It sends another signal that Illinois is closed to innovation."⁵³ But if Quinn was willing to veto the bill? In that case, Uber announced it would create 425 new jobs in Chicago by opening a customer service facility (or "Center for Excellence," in Uber's terms). "We'd still add jobs," an Uber spokesperson told Crain's Chicago Business when asked what would happen if the governor did sign the bill. "But to what extent, we don't know."⁵⁴

Gov. Quinn ultimately vetoed the bill.

⁴⁷ H.B.4075, 98th Illinois General Assembly (2013-2014),

<http://www.ilga.gov/legislation/fulltext.asp?DocName=09800HB4075ham003&GA=98&SessionId=85&DocTypeId=HB&LegID=77989&DocNum=4075&GAID=12&Session=>

⁴⁸ Press Release, Uber, "Save uberX in Illinois!" (April 9, 2014), <https://newsroom.uber.com/us-illinois/save-uberx-in-illinois/>

⁴⁹ Odette Yousef, "Illinois House moves to rein in ridesharing," WBEZ (April 11, 2014),

<https://www.wbez.org/shows/wbez-news/illinois-house-moves-to-rein-in-ridesharing/79bd0241-5a98-485d-8a4a-12983c7cee7d>

⁵⁰ "Uber blasts latest round of rules in Springfield," Chicago Business (May 16, 2014),

<http://www.chicagobusiness.com/article/20140516/NEWS02/140519829/uber-blasts-latest-round-of-rules-in-springfield>

⁵¹ Illinois lobbying database available at <http://www.ilsos.gov/lobbyistsearch/lobbyistsearch>

⁵² Erin Carlson, "What Pat Quinn Has to Do With Uber Expansion," NBC Chicago,

<http://www.nbcchicago.com/blogs/ward-room/Illinois-governor-Quinn-Uber-Chicago-rideshare-law-266633341.html>

⁵³ Erin Carlson, "Opinion: What Bruce Rauner's Uber Love Means For Illinois," NBC Chicago,

<http://www.nbcchicago.com/blogs/ward-room/Bruce-Rauner-Uber-Chicago-Illinois-governor-Pat-Quinn-268288562.html>

⁵⁴ Greg Hinz, "Uber dangles 425 jobs for Chicago — but there's a catch," Chicago Business (July 8, 2014),

<http://www.chicagobusiness.com/article/20140708/BLOGS02/140709860/uber-dangles-425-jobs-for-chicago-but-theres-a-catch>

When Uber announced the expansion of its Chicago headquarters, it did so in a joint press release with Gov. Quinn.⁵⁵ When questioned about the reasoning behind locating a Center for Excellence in Chicago, Uber told BuzzFeed News that the location's "supportive" government is a factor.⁵⁶

The Washington Post documented⁵⁷ Uber lobbying efforts that helped move the bill toward passage and thwart any attempt by lawmakers to override the governor's veto. Lobbyists "showered attention" on potentially undecided lawmakers and mailed 60,000 fliers to residents of their legislative districts. "Don't let special interests leave you sitting on the curb," said the flier.

New York, N.Y.

When Uber launched in New York in September 2012, it was in the form of a smartphone app for hailing traditional taxis. Canvassers recruited taxi drivers⁵⁸ waiting for passengers at LaGuardia Airport. The Taxi and Limousine Commission would raise questions about this practice, noting rules forbidding taxis from passing up on a fare when en route to another passenger and a pre-arranged contract with credit card payment processors. A group representing local taxi drivers identified 11 potential violations built in to Uber's model. The chairman of the city council transportation committee raised concerns that the app could worsen inequality by creating a "two-tiered taxi system."⁵⁹ Undaunted, Uber carried on with a modest launch and sought to postpone regulatory conflict by offering rides for free. The justification, writes Slate's Will Oremus: "If it isn't allowed to charge customers, Uber reasons, it can at least give them a taste of the service in hopes that will pressure city officials to find a way through the regulatory roadblocks."⁶⁰

Unable to find a workable compromise, Uber withdrew its taxi-hailing service from New York less than a month later. Two weeks later, the city was circulating proposed rule changes to accommodate Uber.⁶¹ By December, the city had adopted the changes, which Kalanick credited

⁵⁵ Press Release, Illinois Governor Pat Quinn and Uber, "Governor Quinn and Uber Announce Major Chicago Headquarters Expansion," (Sept. 29, 2014), <http://insurancenewsnet.com/oarticle/Governor-Quinn-and-Uber-Announce-Major-Chicago-Headquarters-Expansion-a-561081>

⁵⁶ Johana Bhuiyan, "Contracts And Chaos: Inside Uber's Customer Service Struggles," BuzzFeed News (March 6, 2016), <http://www.buzzfeed.com/johanabhuiyan/contracts-and-chaos-inside-ubers-customer-service-struggles#.mp6bzwjzV>

⁵⁷ Rosalind S. Helderan, "Uber pressures regulators by mobilizing riders and hiring vast lobbying network," *The Washington Post*, (Dec. 13, 2014), https://www.washingtonpost.com/politics/uber-presses-regulators-by-mobilizing-riders-and-hiring-vast-lobbying-network/2014/12/13/3f4395c6-7f2a-11e4-9f38-95a187e4c1f7_story.html

⁵⁸ Ibid

⁵⁹ Matt Flegenheimer and Brian X. Chen, "As a Taxi-Hailing App Comes to New York, Its Legality Is Questioned," *The New York Times* (Sept. 4, 2012), <http://www.nytimes.com/2012/09/05/nyregion/as-ubers-taxi-hailing-app-comes-to-new-york-its-legality-is-questioned.html>

⁶⁰ Will Oremus, "Uber Tries To Revolutionize NYC Taxi-Hailing, Ends Up Offering Free Rides," Slate (Sept. 5, 2012), http://www.slate.com/blogs/future_tense/2012/09/05/uber_taxi_startup_launches_nyc_cab_hailing_app_offers_free_rides.html

⁶¹ Jeff Blagdon, "NYC regulators propose rules for taxi apps," *The Verge* (Oct. 29, 2012), <http://www.theverge.com/2012/10/29/3574762/nyc-taxi-app-rule-proposal-e-hail-tlc>

Mayor Michael Bloomberg for pushing. In a statement, Kalanick said Uber's return to New York was "imminent."⁶²

The courts would twice delay that imminent return, first with a temporary restraining order in March⁶³ and then with an injunction in May.⁶⁴ The court lifted the injunction in June, finally allowing the launch to move forward. It did not begin with a bang: that June, *The New York Times* reported smartphone-arranged trips made up "less than one-quarter of 1 percent of all yellow taxi rides."⁶⁵

Two years later, the number of cars affiliated with Uber in the New York City metro area (14,088) would be greater than the number of yellow cabs (13,587) and a proposal to temporarily cap the company's rapid growth would be proposed as a congestion-lessening measure⁶⁶ — and ignite a political firestorm against Mayor Bill de Blasio.

Between the summer of 2013 and spring 2015, Uber's "surge" pricing — which can multiply the cost of a trip by more than seven⁶⁷ — came under fire from New York Attorney General Eric Schneiderman for gouging consumers during a snowstorm.⁶⁸ Schneiderman and Uber eventually came to an agreement⁶⁹ to cap surge pricing during "abnormal disruptions of the market" (emergencies and natural disasters). Not everyone was satisfied with this limited cap; a city council member introduced a proposal to ban surge pricing altogether.⁷⁰

⁶² Press Release, Uber, "All Hail Another Big Win: NYC Paves Way for UberTAXI," (Dec. 13, 2012), <https://newsroom.uber.com/another-big-win-e-hail-coming-to-nyc/>

⁶³ Matt Flegenheimer, "Judge Allows Phone Apps for Hailing Yellow Taxis," *The New York Times* (April 23, 2013), <http://www.nytimes.com/2013/04/24/nyregion/judge-allows-pilot-program-using-smartphone-apps-to-hail-yellow-taxis.html>

⁶⁴ "Taxi-Hailing Apps Blocked by Judge," *The New York Times* (May 1, 2013), <http://www.nytimes.com/2013/05/02/nyregion/judge-blocks-taxi-hailing-app.html>

⁶⁵ Matt Flegenheimer, "Slow Start for Taxi-Hailing Apps, City Data Show," *The New York Times* (Aug. 5, 2013), <http://www.nytimes.com/2013/08/06/nyregion/slow-start-for-taxi-hailing-apps-city-data-show.html>

⁶⁶ Kaja Whitehouse, "NYC taxi industry to propose cap on Uber," *USA Today* (March 22, 2015), <http://www.usatoday.com/story/tech/2015/03/20/uber-success-taxis-medallions-congestion/25027241/>

⁶⁷ Sam Biddle, "The Weekend Uber Tried To Rip Everyone Off," Gawker (Dec. 16, 2013), <http://valleywag.gawker.com/the-weekend-uber-tried-to-rip-everyone-off-1484140137>

⁶⁸ Nick Bilton, "Customers Out in the Cold Balk at Uber Surge Pricing," *The New York Times* (Dec. 16, 2013), <http://bits.blogs.nytimes.com/2013/12/16/customers-out-in-the-cold-balk-at-uber-surge-pricing/>

⁶⁹ Press Release, Attorney General Eric T. Schneiderman, "A.G. Schneiderman Announces Agreement With Uber To Cap Pricing During Emergencies And Natural Disasters," (July 8, 2014), <http://www.ag.ny.gov/press-release/ag-schneiderman-announces-agreement-uber-cap-pricing-during-emergencies-and-natural>

⁷⁰ Erin Durkin, "Councilman proposes law to rein in Uber's 'surge pricing'," *New York Daily News* (Nov. 25, 2014), <http://www.nydailynews.com/blogs/dailypolitics/bill-rein-uber-surge-pricing-blog-entry-1.2023317>

When Mayor de Blasio and the city council in June 2015 introduced a temporary cap on new app-based drivers⁷¹ for the purpose of studying the effect Uber, Lyft and other app-based ride services were having on traffic (which, because of congestion, had slowed from an average 9.35 miles per hour to 8.51 between 2010 and 2014),⁷² Uber responded aggressively. During a hearing on the issue, Uber's senior manager for public policy in New York told the council, "Everyone wants less congestion and cleaner air, but this process makes a mockery of these issues — manipulating them to do one thing: stifle competition."⁷³ Capping Uber's growth, the company asserts, is a fundamentally unfair gift to the competition: the taxi industry.

Within weeks, Uber was airing ads pleading to Mayor de Blasio, "Don't strand New York"⁷⁴ and had installed an in-app stunt with a "de Blasio view" for riders that displayed an empty map with "no cars available." The app predicted, "This is what Uber will look like in NYC if Mayor de Blasio's Uber cap bill passes" and urged riders to contact the mayor and their council members to voice their opposition to the bill.⁷⁵ On Twitter, celebrities such as Uber investor Ashton Kutcher, Kate Upton and Neil Patrick Harris took up Uber's cause.⁷⁶ David Plouffe, now a chief adviser and board member for Uber, meanwhile was dispatched to New York. One day, Plouffe had a "cordial" one-on-one meeting with de Blasio. The next, Plouffe was holding a press conference with African-American leaders in Harlem to criticize the mayor's proposal.⁷⁷ Uber also directly criticized Councilman Ydanis Rodriguez, claiming in a mailer that he was waging a "war on Uber" that will "kill 10,000 jobs."⁷⁸

Plouffe told *The New York Times*, "I think this is less about traffic congestion than it is about political contributions." Indeed, de Blasio received more than \$550,000 in campaign support from taxi

⁷¹ A Local Law in relation to temporarily limiting the issuance of new for-hire vehicle licenses, Int. No. 842-A (2015), <http://legistar.council.nyc.gov/LegislationDetail.aspx?ID=2364032&GUID=38613BB6-5A68-416E-9C27-9F43E3C60372&Options=&Search=>

⁷² Dana Rubinstein, "Citing congestion, city backs limits on car service growth," Politico New York (June 23, 2015), <http://www.capitalnewyork.com/article/city-hall/2015/06/8570804/citing-congestion-city-backs-limits-car-service-growth>

⁷³ Henry Goldman, "New York City Council Joins De Blasio War on Uber With Bid to Limit Growth," TechCrunch (July 1, 2015), <http://www.bloomberg.com/politics/articles/2015-07-01/nyc-council-joins-de-blasio-war-on-uber-with-bid-to-limit-growth>

⁷⁴ An Uber ad against Mayor de Blasio can be viewed at <https://www.youtube.com/watch?v=ePAxy5PCeuk>

⁷⁵ Ann-Christine Diaz, "Uber Introduces 'de Blasio' Mode," Creativity (July 16, 2015), <http://creativity-online.com/work/uber-de-blasio-mode/42741>

⁷⁶ Matt Flegenheimer, "De Blasio Administration Dropping Plan for Uber Cap, for Now," *The New York Times* (July 22, 2015), <http://www.nytimes.com/2015/07/23/nyregion/de-blasio-administration-dropping-plan-for-uber-cap-for-now.html>

⁷⁷ Dana Rubinstein, "Uber blowup continues de Blasio evolution on taxis," Politico New York (July 21, 2015), <http://www.capitalnewyork.com/article/city-hall/2015/07/8572464/uber-blowup-continues-de-blasio-evolution-taxis>

⁷⁸ "Uber slams de Blasio in new video for proposed cap on cars," New York Daily News, <http://video.nydailynews.com/Uber-slams-de-Blasio-in-new-video-for-proposed-cap-on-cars-29382424>

industry donors for his 2013 election bid.⁷⁹ Since then, Uber has between 2014 and the summer of 2015 spent at least \$225,000 on lobbying New York City government, according to city records.⁸⁰

In a July 18 opinion article⁸¹ in the *New York Daily News*, Mayor de Blasio sought to clarify his intentions. “[W]e’re facing the addition of over 25,000 cars to our streets over the next year,” de Blasio wrote, “the rough equivalent of two times the total number of yellow taxis in all of New York City.” The goals of the proposal, he said, were to protect workers, protect riders, improve accessibility, ensure adequate investments in public transit and to promote low-carbon transport. In response to Uber’s opposition, the mayor insisted he would fight back:

But no company's multi-billion-dollar political war chest gives it a blank check to skirt vital protections and oversight for New Yorkers. We wouldn't let ExxonMobil or Wal-Mart or any other corporate giant operate in New York City without basic rules in place to protect the public. And no number of lobbyists or ad campaigns will change that.

The situation worsened for de Blasio when New York Governor Andrew Cuomo entered the fray. “Uber is one of these great inventions, start-ups, of this new economy,” the governor said. “I don’t think government should be in the business of trying to restrict job growth. I don’t believe you can restrict job growth.”⁸² Cuomo was only one of the more visible of de Blasio’s Democratic-affiliated opponents; Politico’s Dana Rubinstein would later characterize Uber’s effort to defeat the temporary cap as “an almost unprecedented display of political power by a corporation in New York.” Rubinstein’s reporting details the breadth of the army of lobbyists and political operatives Uber would amass. Among them: Bradley Tusk, a former press secretary for U.S. Senator Chuck Schumer, deputy governor to disgraced former Illinois governor Rod Blagojevich, and mayoral campaign manager for Michael Bloomberg; Stu Loeser, press secretary for former Mayor Michael Bloomberg; Jimmy Siegel, a marketer who created ads for Hillary Clinton’s 2008 presidential run and Eliot Spitzer’s 2006 gubernatorial campaign, produced Uber’s commercials; Jeffrey Pollock, a pollster associated Clinton’s super PAC; Neal Kwatra, a digital strategist with ties to both Cuomo

⁷⁹ Post Staff Report, “Taxi industry gave De Blasio over \$550,000 for campaign,” *New York Post* (May 17, 2014), <http://nypost.com/2014/05/17/taxi-industry-gave-de-blasio-over-550000-for-campaign/>

⁸⁰ Matt Flegenheimer and Emma G. Fitzsimmons, “City Hall and Uber Clash in Struggle Over New York Streets,” *The New York Times* (July 16, 2015), <http://www.nytimes.com/2015/07/17/nyregion/city-hall-and-uber-clash-in-struggle-over-new-york-streets.html>

⁸¹ Bill de Blasio, “A fair ride for New Yorkers: How the city should respond to the rapid rise of Uber,” *New York Daily News* (July 18, 2015) <http://www.nydailynews.com/opinion/bill-de-blasio-fair-ride-new-yorkers-article-1.2296041>

⁸² Will Bredderman, “Ripping de Blasio Uber Bill, Cuomo Calls E-Hail Apps ‘Great Inventions’,” *Observer* (July 22, 2015), <http://observer.com/2015/07/ripping-de-blasio-uber-bill-cuomo-calls-e-hail-apps-great-inventions/>

and de Blasio. Lobbyists for Uber's campaign against de Blasio also included a range of de Blasio backers and individuals with connections to the mayor and Governor Cuomo.⁸³

Ultimately, de Blasio backed down. Instead of a year-long traffic study and a cap that would slow the company's growth, the city agreed to a four-month study and Uber's offer of greater transparency.⁸⁴ While the city portrayed the agreement as a win-win "compromise," the news media declared the contest an overwhelming victory for Uber, which had reportedly "crushed"⁸⁵ and "mow[ed] down"⁸⁶ the mayor. The final defeat for the mayor arrived in January 2016 with the release of the long-awaited traffic report,⁸⁷ which attributed Manhattan's increasing traffic woes to increased freight movement, construction activity, and population growth — not Uber. The public, meanwhile, came away with a tarnished view of their mayor, with a majority believing the primary motivation for his attempt to regulate Uber was to do a favor for his taxi-affiliated campaign contributors.⁸⁸

Philadelphia, Pa.

Uber started operating its UberBlack limousine service in Philadelphia in June 2012. This premium service, which customers use to book a pricey ride through the app with a licensed limo driver and vehicle, seems to have caused little to no public conflict⁸⁹ between the company and the city's transportation regulator, the Philadelphia Parking Authority (PPA). The October 2014 launch of UberX, the version of Uber's app where ordinary drivers use their private cars to provide paid rides, however, would prove controversial at the local and state level.

During Uber's first weekend operating the ride-hailing service, the PPA impounded six Uber-affiliated cars and fined each driver \$1,000⁹⁰ for operating an unlicensed service. It was not a difficult operation — PPA enforcement officers used Uber's app to hail a ride, and the drivers came

⁸³ Dana Rubinstein and Laura Nahmias, "Uber rewrites the book on beating de Blasio," *Politico New York* (July 24, 2015), <http://www.capitalnewyork.com/article/albany/2015/07/8572755/uber-rewrites-book-beating-de-blasio>

⁸⁴ Michelle Chen, "Uber Wins a Battle With New York, Now It's War," *The Nation* (July 24, 2015), <http://www.thenation.com/article/uber-wins-battle-with-new-york-now-its-war/>

⁸⁵ "Capital Playbook: Beating de Blasio; Bratton's end?," *Politico New York* (July 24, 2015), <http://www.capitalnewyork.com/article/albany/2015/07/8572774/capital-playbook-beating-de-blasio-brattons-end>

⁸⁶ Richard Cohen, "Uber mows down Bill de Blasio," *The Washington Post* (July 27, 2015), https://www.washingtonpost.com/opinions/ubers-bare-knuckle-battle-against-the-taxi-industry/2015/07/27/e0e7be98-3483-11e5-8e66-07b4603ec92a_story.html

⁸⁷ For-Hire Vehicle Transportation Study, City of New York, Office of the Mayor (January 2016) <http://www1.nyc.gov/assets/operations/downloads/pdf/For-Hire-Vehicle-Transportation-Study.pdf>

⁸⁸ Danielle Furfaro, "Campaign contributions behind de Blasio move to cap Uber, New Yorkers say," *New York Post* (Nov. 2, 2015), <http://nypost.com/2015/11/02/campaign-contributions-behind-de-blasio-move-to-cap-uber-new-yorkers-say/>

⁸⁹ Victor Fiorillo, "Uber Launches UberX In Philadelphia, But PPA Says 'Not So Fast'," *Philadelphia Magazine*, (Oct. 25, 2014), <http://www.phillymag.com/news/2014/10/25/uber-launches-uberx-philadelphia/>

⁹⁰ Jonathan Berr, "Philadelphia is Uber's newest battleground," *CBS News* (Oct. 28, 2014), <http://www.cbsnews.com/news/philadelphia-is-the-newest-battleground-for-uber/>

to them.⁹¹ "The first time I heard it was illegal was right now when I get busted for driving, nobody told me it was illegal before this," said one driver caught in the PPA sting operation.⁹² In a press release, Uber insisted its rides were safe and said the operation demonstrated that the PPA "cares nothing about what's best for Philadelphia and instead has chosen to put special interests ahead of consumer interests." Uber pledged to cover the cost of the fines.⁹³

Meanwhile, on the same day that Uber launched in Philadelphia, an Uber representative was seeking to have Pennsylvania's Public Utility Commission (PUC) grant Uber emergency temporary authority to operate in Philadelphia.⁹⁴ The filing reads that Uber has "no intention to launch service in the Counties of Bucks, Chester, Delaware, Montgomery and Philadelphia, Pennsylvania without authority from the Commission." PPA executive director Vince Fenerty criticized Uber's actions, saying it "raises serious credibility issues about whether the public or any regulating agency, or any legislative body can believe anything Uber may say in the future."⁹⁵

After the PPA's high-profile crackdown, Philadelphia Mayor Michael Nutter expressed support for the company.⁹⁶ However, unlike New York City's Taxi and Limousine Commission, the PPA does not answer to city government. Despite having Philadelphia as its sole jurisdiction, the PPA is overseen by a board that is appointed by, and answers to, state elected officials.⁹⁷ As the number of impoundments climbed to 11, the city police warned that drivers of an "illegal taxi" such as Uber could face arrest.⁹⁸

Nonetheless, Uber rapidly scaled up operations. Uber celebrated the anniversary of operating in Philadelphia with claims that it had recruited 12,000 drivers and provided rides to 700,000 people

⁹¹ David Murphy, "Philadelphia Impounds 5 UberX Drivers on Service's (Abrupt) Launch Weekend," PC Magazine (Oct. 26, 2014), <http://www.pcmag.com/article2/0,2817,2471008,00.asp>

⁹² "Parking authority threatens to shut down Uber service in Philadelphia," ABC News, (Oct. 26, 2014), <http://6abc.com/news/ppa-threatens-to-shut-down-uber-service-in-philly/366050/>

⁹³ David Murphy, "Philadelphia Impounds 5 UberX Drivers on Service's (Abrupt) Launch Weekend," PC Magazine (Oct. 26, 2014), <http://www.pcmag.com/article2/0,2817,2471008,00.asp>

⁹⁴ Paul Nussbaum, "Uber told the state it wouldn't operate, then did," *Philadelphia Inquirer* (Nov. 10, 2014), http://articles.philly.com/2014-11-10/business/56395072_1_uber-spokesman-taylor-bennett-uberx-emergency-temporary-authority

⁹⁵ Paul Nussbaum, "Uber told the state it wouldn't operate, then did," *Philadelphia Inquirer*, (Nov. 10, 2014), http://articles.philly.com/2014-11-10/business/56395072_1_uber-spokesman-taylor-bennett-uberx-emergency-temporary-authority

⁹⁶ Chris Morran, "While City Arrests Uber Drivers, Philly Mayor Comes Out In Support Of Service," Consumerist (Oct. 27, 2014), <https://consumerist.com/2014/10/27/while-city-arrests-uber-driver-philly-mayor-comes-out-in-support-of-service/>

⁹⁷ Patrick Kerkstra, "'Running amok' at the PPA The agency has become a patronage machine, pinching drivers for \$192 million a year while giving only a pittance to the city's general fund.," *Philadelphia Inquirer*, (Oct. 28, 2014), http://articles.philly.com/2007-10-28/news/25233438_1_philadelphia-parking-authority-general-fund-authority-executives

⁹⁸ Paul Nussbaum, "Phila. police could start arresting UberX drivers," *Philadelphia Inquirer*, (Nov. 8, 2014), http://articles.philly.com/2014-11-08/news/56394999_1_illegal-taxi-operation-limousine-division-police-officers#SrveAGwb36OQdlmK.01

in the city over the past year.⁹⁹ According to the PPA, the company succeeded in evading authorities by adapted its app to block ride requests from IP addresses and individuals the company identified with the regulator.¹⁰⁰ While the PUC eventually agreed to a two-year experimental license for Uber to operate everywhere in Pennsylvania except Philadelphia,¹⁰¹ the conflict with the PPA continued. In late 2015, the agency filed a lawsuit against the company seeking \$300,000 in damages.¹⁰²

While operating in what one commentator called a “legal gray area,”¹⁰³ Uber engaged in a series of publicity stunts. In the fall of 2015, Uber delivered puppies,¹⁰⁴ kittens¹⁰⁵ and flu shots¹⁰⁶ to local offices and free coffee to college students on finals week.¹⁰⁷

Meanwhile, Uber’s presence in Pennsylvania’s state capitol, Harrisburg, was rapidly increasing. In 2012,¹⁰⁸ Uber spent \$59,860 on two Harrisburg lobbyists and lobbying firms. In 2014, the company’s spending tripled to \$189,384 on nine lobbyists and lobbying firms; in 2015, Uber’s lobbying jumped nearly 60 percent to \$301,147 — a sum that paid for 16 lobbyists and lobbying firms that year.¹⁰⁹

During this time, state lawmakers were pushing competing versions of legislation for implementing statewide transportation network company legislation. The state legislature has yet to pass any version.

On April 22, 2016, the state PUC levied a fine of \$11,364,736 against the company for operating for six months without the agency’s approval in 2014. Uber has vowed to appeal.¹¹⁰

⁹⁹ Jason Laughlin, “UberX marks a year operating illegally in Philadelphia,” *Philadelphia Inquirer*, (Oct. 25, 2015), http://articles.philly.com/2015-10-25/business/67706328_1_uberx-and-lyft-drivers-uberblack-ubersuv

¹⁰⁰ Ibid

¹⁰¹ Kim Lyons, “PUC finalizes Uber’s two-year experimental license,” *Pittsburgh Post-Gazette* (Jan. 29, 2015), <http://www.post-gazette.com/news/transportation/2015/01/29/Pennsylvania-PUC-finalizes-ride-share-firm-Uber-s-two-year-experimental-license/stories/201501290285>

¹⁰² E. Tammy Kim, “Philadelphia tries to put the brakes on Uber,” *Al Jazeera America* (Sept. 2, 2015), <http://america.aljazeera.com/articles/2015/9/2/philadelphia-sues-uber.html>

¹⁰³ Kevin Shelly, “Uber ride service operates in a gray area in most locations,” *Philadelphia Voice* (August 13, 2015), <http://www.phillyvoice.com/uber-ride-service-operates-in-gray-area/>

¹⁰⁴ Layla A. Jones, “Uber delivering puppies to Philly offices today,” *Philadelphia Inquirer* (Aug. 27, 2015), <http://www.philly.com/philly/blogs/phillypets/Uber-delivering-puppies-to-Philly-offices-today.html>

¹⁰⁵ Tim Reardon, “Uber will deliver kittens to your office in honor of National Cat Day,” *Philadelphia Inquirer* (Oct. 28, 2015), http://www.philly.com/philly/blogs/things_to_do/Uber-will-deliver-kittens-to-your-office-in-honor-of-National-Cat-Day-.html

¹⁰⁶ “Uber Offers Flu Shots, Health Packages In Philly Today,” *CBS News*, (Nov. 19, 2015), <http://philadelphia.cbslocal.com/2015/11/19/uber-offers-flu-shots-health-packages-in-philly-today/>

¹⁰⁷ Sharon Lurye, “Uber giving free coffee to college students for finals week,” *Philly Voice* (Dec. 8, 2015), <http://www.phillyvoice.com/uber-giving-free-coffee-college-students-finals-week/>

¹⁰⁸ Uber has reported no Pennsylvania state lobbying spending prior to July 2012. All Pennsylvania lobbying records via <http://www.dos.pa.gov/OtherServices/LobbyingDisclosure/>

¹⁰⁹ Additionally, in 2013 Uber spent \$129,218 on two lobbyists and lobbying firms.

¹¹⁰ Jason Laughlin, “Uber, negotiating with city, ‘shocked’ by PUC fine,” *Philadelphia Inquirer* (April 22, 2016), http://www.philly.com/philly/news/20160422_Uber_negotiating_with_city_shocked_by_PUC_fine.html

San Francisco, Calif.

Uber's 2010 launch in its home town of San Francisco was no less contentious than elsewhere. In its original manifestation, "UberCab" was exclusively what would become UberBlack, the high-end service that used a smartphone app to schedule a limousine or "black car." In October 2010, the San Francisco Metro Transit Authority (MTA) and the California Public Utilities Commission (CPUC) ordered the company to cease and desist for operating an illegal taxi company.¹¹¹ Early UberCab investor Chris Sacca tweeted¹¹² a response that Silicon Valley technology publication TechCrunch took as a "vote of confidence" for the newly embattled startup, saying that the day the company received the cease and desist order "we knew we were in." Another TechCrunch writer mused that the order was "probably the *best* thing that could ever happen" to UberCab and that it represented "a huge validation" for the company because the authorities "would simply not care if the company wasn't on to something."¹¹³ In response to the order, Uber CEO Travis Kalanick told the *Wall Street Journal* that he "verified with his lawyers that what Uber was doing was indeed legal, then the company took its case to the public through Twitter and email." "Did you ever cease?" The *Journal* asked. "Did you ever desist?" "No," Kalanick replied.¹¹⁴ The name UberCab was changed to Uber, and tens of millions of investor dollars poured into the startup's coffers.¹¹⁵

In 2012, the CPUC again attempted to enforce licensing requirements that Uber and other transportation network companies were allegedly flouting; Uber, as well as Lyft and SideCar, were fined \$20,000 each.¹¹⁶ The *San Francisco Chronicle* editorialized against the fines as "not in the public's interest"¹¹⁷ and the PUC initiated a rulemaking effort to enable the new companies to operate within the law. Transportation network companies lobbied to shape the new rules, deploying a former CPUC administrative law judge and former San Francisco mayor and state Assembly Speaker Willie Brown to advocate on their behalf.¹¹⁸

¹¹¹ Lora Kolodny, "UberCab Ordered to Cease And Desist," TechCrunch (Oct. 24, 2010), <http://techcrunch.com/2010/10/24/ubercab-ordered-to-cess-and-desist/>

¹¹² MG Siegler, "UberCab Cease & Desist Means One Thing: They're Onto Something," TechCrunch (Oct. 24, 2010), <http://techcrunch.com/2010/10/24/ubercab/>

¹¹³ Ibid

¹¹⁴ Andy Kessler, "Travis Kalanick: The Transportation Trustbuster," *The Wall Street Journal* (Jan. 25, 2013), <http://www.wsj.com/articles/SB10001424127887324235104578244231122376480>

¹¹⁵ Kara Swisher, "Man and Uber Man," *Vanity Fair* (Nov. 5, 2015), <http://www.vanityfair.com/news/2014/12/uber-travis-kalanick-controversy>

¹¹⁶ Benny Evangelista, "PUC fines 3 app-hailing taxi startups," *San Francisco Chronicle* (Nov. 14, 2012), <http://www.sfgate.com/business/article/PUC-fines-3-app-hailing-taxi-startups-4037863.php>

¹¹⁷ "Editorial: Car-share firms hit needless roadblock," *San Francisco Chronicle*, (Nov. 16, 2012), <http://www.sfchronicle.com/opinion/editorials/article/Car-share-firms-hit-needless-roadblock-4045208.php>

¹¹⁸ Benny Evangelista, "Ride-share services run into fines, suit," *San Francisco Chronicle*, (Nov. 18, 2012), <http://www.sfchronicle.com/news/article/Ride-share-services-run-into-fines-suit-4048980.php>

The CPUC reached temporary settlements with the fined transportation network companies, and when the CPUC finally in 2013 released its new rules for them, the *San Francisco Chronicle* observed that they mostly were rules the companies already had voluntarily chosen to follow.¹¹⁹

After an Uber driver struck and killed Sophia Liu, a six year old girl on December 31, 2013, controversy emerged over whether Uber drivers had adequate insurance.¹²⁰ (Uber denied any responsibility, noting that the driver was not actively transporting any passengers hailed through the Uber app at the time of the incident.¹²¹)

State Assemblywoman Susan Bonilla was the chief sponsor of AB 2293,¹²² a bill to strengthen transportation network company insurance requirements, in particular by requiring \$750,000 worth of coverage from the moment the app is turned on. (By comparison, the Uber driver who struck Sophia Liu had insurance which provided for a maximum payout of only \$15,000 per person and a maximum of \$30,000¹²³). The legislation gained momentum, and in August 2014 was the subject of unusually heated debate. Uber and its transportation network company allies fought back hard. They criticized lawmakers with online petitions. They aired radio ads against the bill.¹²⁴ The *San Francisco Business Times* reports the pushback also included “a fleet of lobbyists, hyperbolic warnings about ceasing doing business in the state, hearings clogged with hundreds of misinformed drivers and Capitol phone lines jammed with calls from the public generated by the companies.”¹²⁵

Assemblywoman Bonilla found herself on the political defensive. Uber mailed voters in a district where she was expected to soon seek election for the state Senate. “Anti-tech. Anti-consumer choice. Pro-special interests. Susan Bonilla. AB 2293 is backed by the insurance industry and trial lawyers to make more profits at the expense of drivers and riders who use ride-sharing apps like Uber. It’s time to stand with consumers and entrepreneurs — NOT special interests,” said one. Another piece of mail said, “Assemblymember Susan Bonilla is leaving consumers and

¹¹⁹ Benny Evangelista and Caleb Garling, “PUC outlines rules for ride-sharing firms,” *San Francisco Chronicle*, (July 30, 2013) <http://www.sfchronicle.com/bayarea/article/PUC-outlines-rules-for-ride-sharing-firms-4697150.php>

¹²⁰ Kale Williams and Kurtis Alexander, “Uber sued over girl’s death in S.F.,” SFGate (Jan. 28, 2014), <http://www.sfgate.com/bayarea/article/Uber-sued-over-girl-s-death-in-S-F-5178921.php>

¹²¹ Anthony Ha, “California Regulator Passes First Ridesharing Rules, A Big Win For Lyft, SideCar, And Uber,” TechCrunch (Sept. 19, 2013), <http://techcrunch.com/2013/09/19/cpuc-ridesharing-regulations/>

¹²² AB 2293, California Assembly (2013-2014) http://www.leginfo.ca.gov/pub/13-14/bill/asm/ab_2251-2300/ab_2293_bill_20140328_amended_asm_v98.html

¹²³ Patrick Hoge, “Uber, Lyft hit by proposed California insurance requirements,” *San Francisco Business Times* (June 10, 2014), <http://www.bizjournals.com/sanfrancisco/blog/2014/06/uber-lyft-insurance.html>

¹²⁴ Josh Richman, “Uber, Lyft, Sidecar: New insurance requirements approved by California Legislature,” *San Jose Mercury News* (Aug. 28, 2014), http://www.mercurynews.com/california/ci_26428057/california-senate-approves-new-insurance-requirements-uber-lyft

¹²⁵ Patrick Hoge, “Uber plays hardball but fails to win the game,” *San Francisco Business Times* (Sept. 3, 2014), <http://www.bizjournals.com/sanfrancisco/blog/techflash/2014/09/uber-plays-hardball-but-fails-to-win-the-game.html>

entrepreneurs on the curb while she takes a ride with her special interest friends.”¹²⁶ Bonilla would lose her election bid.

Ultimately, the version of the bill that passed and Governor Jerry Brown signed¹²⁷ dropped the \$750,000 insurance coverage requirement down to \$50,000 for the death or injury of an individual and additional coverage of no greater than \$200,000 for a single incident.¹²⁸ Uber supported this final version; a company spokesperson said, “Common sense has prevailed, and the winners are Californians.”

Uber has maintained a large lobbying presence in Sacramento — where *The Los Angeles Times* noted the company spends more on lobbying than Wal-Mart, Bank of America or Wells Fargo.¹²⁹ In 2013, Uber spent \$122,303 lobbying the capital of its home state. In 2014, the year of the legislative debate surrounding AB 2293, Uber spent a \$603,037. In 2015, the company spent \$327,854.¹³⁰ State bills to allow drivers to unionize, to require drivers to be drug tested¹³¹ and fingerprinted,¹³² and to strengthen rider privacy protections¹³³ have been defeated.

Seattle, Wash.

Seattle was the third region where Uber launched, after the San Francisco Bay area and New York City. While its 2011 appearance offering the luxury Uber Black service seemed to cause little controversy,¹³⁴ the 2012 appearance of Lyft¹³⁵ and subsequent UberX release in 2013 would lead to confrontations with the Seattle City Council.

¹²⁶ Ibid

¹²⁷ Amended AB 2293, as passed and signed, California Assembly (2013-2014)

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB2293

¹²⁸ Josh Richman, Uber, Lyft, Sidecar: New insurance requirements approved by California Legislature, *San Jose Mercury News* (Aug. 28, 2014) http://www.mercurynews.com/california/ci_26428057/california-senate-approves-new-insurance-requirements-uber-lyft

¹²⁹ Chris Kirkham and Tracey Lien, “Facing regulatory roadblocks, Uber ramps up its lobbying in California,” *Los Angeles Times* (July 26 2015), <http://www.latimes.com/business/la-fi-uber-california-20150726-story.html>

¹³⁰ California lobbying database available at <http://cal-access.sos.ca.gov/Lobbying/Employers/Detail.aspx?id=1354296&session=2015>

¹³¹ Jeremy B. White, “Bills on sick days, Uber drug tests, Prop 47, independent police prosecutor die in Assembly,” *Sacramento Bee* (May 28, 2015), <http://www.sacbee.com/news/politics-government/capitol-alert/article22542120.html>

¹³² Allen Young, “Lawmakers revisit background checks for Uber, Lyft drivers,” *Sacramento Business Journal* (Sept. 9, 2015), <http://www.bizjournals.com/sacramento/news/2015/09/09/lawmakers-revisit-background-checks-for-uber-lyft.html>

¹³³ Blog post, “AB 886’s Privacy Protections For Uber Passengers Held Up,” *Consumer Federation of California* (April 8, 2015), <https://consumercal.org/ab-886-protects-the-privacy-of-uber-passengers/>

¹³⁴ Nick Eaton, “Too good for a taxi? How about taking Uber, new to Seattle,” *Seattle Post-Intelligencer* (Aug. 12, 2011), <http://blog.seattlepi.com/thebigblog/2011/08/12/too-good-for-a-taxi-how-about-taking-uber-new-to-seattle/>

¹³⁵ Jake Ellison, “Does Seattle need another ride-share option, even with a pink mustache?,” *Seattle Post-Intelligencer* (Dec. 31, 2012), <http://blog.seattlepi.com/thebigblog/2012/12/31/does-seattle-need-another-ride-share-option-even-with-a-pink-mustache/>

At a September 2013 hearing on a transportation study, Council President Sally Clark raised the possibility of temporarily halting the operations of Uber and other transportation network companies until the impacts they were having within the city could be better understood. “I think it’s either shut them down completely until we have the new regulatory framework fully ready or put in place short-term rules addressing safety and consumer protection,” Clark said.¹³⁶ In response, the company issued a “Save UberX in Seattle”¹³⁷ missive, which accused the city council of attempting to “outlaw competition,” and an online petition.¹³⁸ The council would postpone consideration of how to regulate these companies.¹³⁹

The city returned to the question again in February 2014. This time, Council President Clark’s proposal included a cap on the number of transportation network company drivers permitted to be active on Seattle roads at any one time. The proposal placed no cap on the number of drivers the companies could recruit, and was presented as a compromise between council members who opposed caps and council members who wanted a firm cap on the the number of drivers who could sign up.¹⁴⁰ Uber kicked off another online petition campaign¹⁴¹ and robo-called residents to campaign against the caps. The company also hired a truck to drive around the city with a billboard displaying an especially succinct version of its consumer choice messaging: “Innovation. Progress. Choice. Tell the City Council to save uberX!”¹⁴² Grammy Award-winning rapper Macklemore, who grew up in Seattle, joined the fray.¹⁴³ The company also bought ads in Seattle alternative newsweekly *The Stranger*, distributed flyers and magnets, and hired a public relations firm whose clients include Monsanto, Facebook and Nike.¹⁴⁴

When the cap proposal passed the council transportation committee, an Uber spokesperson blasted the vote, stating:

It is extremely disappointing that the [committee] has chosen to ignore the tens of thousands of their constituents who support uberX and, instead, decided it is a good

¹³⁶ Taylor Soper, “Seattle may shut down ride-sharing companies as it establishes regulations,” *Geek Wire* (Sept. 20, 2013), <http://www.geekwire.com/2013/seattle-prepares-set-regulations-california-legalizes-ridesharing-companies/>

¹³⁷ Press Release, Uber, “Save uberX in Seattle!” (Sept. 25, 2013), <https://newsroom.uber.com/us-washington/save-uberx-in-seattle/>

¹³⁸ Uber Seattle petition available here <https://www.change.org/p/save-uberx-in-seattle>

¹³⁹ Taylor Soper, “Ride-sharing companies not shutting down in Seattle — for now,” *Geek Wire* (Sept. 26, 2013), <http://www.geekwire.com/2013/seattle-ridesharing/>

¹⁴⁰ Erica Barnett, “Sally Clark Responds to Critics of Her Ridesharing Compromise,” *Seattle Met* (Feb. 28, 2014), <http://www.seattlemet.com/articles/2014/2/28/one-question-for-sally-clark-february-2014>

¹⁴¹ Uber’s Seattle petition available at <https://action.uber.org/seattle/>

¹⁴² Taylor Soper, “City of Seattle to contact Uber about ‘illegal’ marketing tactics,” *Geek Wire* (Feb. 28, 2014), <http://www.geekwire.com/2014/city-seattle-contact-uber-illegal-marketing-tactics/>

¹⁴³ Taylor Soper, “World famous rapper Macklemore joins the fight to save UberX in Seattle,” *Geek Wire* (Feb. 25, 2014), <http://www.geekwire.com/2014/macklemore-uber/>

¹⁴⁴ Matt Driscoll, “City of Seattle to contact Uber about ‘illegal’ marketing tactics,” *Seattle Weekly* (Feb. 27, 2014), <http://www.seattleweekly.com/home/951444-129/uber-goes-big-and-small-in>

policy to protect the taxi industry and effectively shut down uberX in Seattle as we know it. [...] The Committee has sent a strong message that they support the status quo over opportunity, transportation choices and safety.¹⁴⁵

In April, the week the ordinance was supposed to go into effect, an Uber-funded referendum campaign appeared. The campaign group, "Seattle Citizens to Repeal Ordinance 124441," received more than \$400,000 from Uber, Lyft and SideCar, and submitted the necessary number of signatures (more than 16,510) to begin the referendum process.¹⁴⁶ Mayor Ed Murray, meanwhile, began negotiations with the companies to create a new version of the regulations that were more industry-friendly. That summer, the city council repealed the cap and passed more industry friendly rules.

Today, Seattle is embroiled in yet another conflict with Uber. Council Member O'Brien, who had expressed skepticism about regulating Uber at the state level instead of the city level, introduced an ordinance in August 2015 that would allow transportation network company drivers to form unions for collective bargain with the companies.¹⁴⁷ Uber opposed the ordinance¹⁴⁸ and Plouffe came to the city to advocate against it.

In December 2015, the council unanimously passed the bill. Though asked, Uber did not offer a statement in response to the bill's passage to the *Seattle Post-Intelligencer*¹⁴⁹ or *The New York Times*.¹⁵⁰ Council Member Kshama Sawant hailed the legislation as "a historic step towards offering collective bargaining rights for otherwise precarious workers."¹⁵¹ Mayor Ed Murray refused to sign the bill, but he did not try to veto it either. The ordinance became law without the mayor's signature; the unanimous council vote signaled there were enough council votes to override a mayoral veto.¹⁵²

¹⁴⁵ "Seattle clamps down on UberX, Lyft, Sidecar," *Seattle Post-Intelligencer*, (Feb. 27, 2014),

<http://blog.seattlepi.com/techchron/2014/02/27/seattle-clamps-down-on-uberx-lyft-sidecar/>

¹⁴⁶ Taylor Soper, "Seattle ride-sharing regulations suspended; Mayor wants to negotiate with stakeholders," *Geek Wire* (April 17, 2014), <http://www.geekwire.com/2014/ride-sharing-petition-seattle/>

¹⁴⁷ Lydia DePillis, "Seattle might try something crazy to let Uber drivers unionize" *The Washington Post* (Aug. 31, 2015), <https://www.washingtonpost.com/news/wonk/wp/2015/08/31/seattle-might-try-something-crazy-to-let-uber-drivers-unionize/>

¹⁴⁸ Daniel Beekman, "An Uber union? Seattle could clear way for ride-app drivers," *The Seattle Times* (Nov. 28, 2015), <http://www.seattletimes.com/seattle-news/politics/unionize-ride-app-drivers-seattle-in-us-spotlight/>

¹⁴⁹ Daniel Beekman, "City council: Uber, other drivers can unionize in Seattle," *Seattle Post-Intelligencer* (Dec. 14, 2015), <http://www.seattlepi.com/business/article/City-council-Uber-other-drivers-can-unionize-in-6697743.php>

¹⁵⁰ Nick Wingfield and Mike Isaac, "Seattle Will Allow Uber and Lyft Drivers to Form Unions," *The New York Times* (Dec. 14, 2015), <http://www.nytimes.com/2015/12/15/technology/seattle-clears-the-way-for-uber-drivers-to-form-a-union.html>

¹⁵¹ Press Release, Kshama Sawant, "Seattle Will Allow Uber and Lyft Drivers to Form Unions" (Dec. 14, 2015), <http://sawant.seattle.gov/union-rights-in-new-economy/>

¹⁵² Biz Carson, "The Seattle City Council defied the mayor to let Uber drivers unionize, and now he won't sign the bill," *Seattle Post-Intelligencer* (Dec. 14, 2015),

In March 2016, the U.S. Chamber of Commerce sued to block the ordinance from taking effect.¹⁵³ When asked to comment on the lawsuit, an Uber spokesperson said, “The Chamber of Commerce’s challenge to the Seattle ordinance raises serious questions not only about whether the city has run afoul of federal laws, but also about the impact on drivers who rely on ridesharing to earn flexible income.”¹⁵⁴

Washington, D.C.

Uber launched in the nation’s capital in 2011. D.C. Taxicab Commission Chairman Ron Linton soon said the company was “operating illegally.”¹⁵⁵ At the time, Uber’s sole service in the city was Uber Black, the version of the app used to call a limousine. According to Linton, Uber’s hybrid arrangement, with limos charging by time and distance like a taxi, did not fit within the city’s existing regulatory environment — and was thus outside the law. Uber’s Washington, D.C., spokesperson insisted the service was legal: “We launched in Washington confident that we are compliant with the rules and regulations with the District [...] Prior to launching we had conversations with representatives of the [Taxicab] Commission that helped us understand the regulatory landscape and convinced us that the Uber transportation alternative was legal.”¹⁵⁶

Linton continued to disagree. Soon after calling Uber’s actions illegal, the chairman coordinated a sting operation in which he himself hailed a ride using the app. When he arrived at his destination, enforcement officers issued \$1,650 in fines to the driver as local news reporters watched.¹⁵⁷ “What they’re trying to do is be both a taxi and a limousine,” Linton told *The Washington Post*. “Under the way the law is written, it just can’t be done.” Uber CEO Travis Kalanick, meanwhile, insisted on the legality of the service and asserted that the company would continue its D.C. operation.¹⁵⁸

That summer, the D.C. Council moved to enact rules that would affirm the company’s legality. Council Member Mary Cheh, chair of the council committee that oversees transportation,

<http://www.seattlepi.com/technology/businessinsider/article/The-Seattle-City-Council-defied-the-mayor-to-let-6698555.php>

¹⁵³ Rick Claypool, “City of Seattle Stands Up for Uber Drivers’ Rights, Is Sued by U.S. Chamber,” U.S. ChamberWatch blog (March 8, 2016), <http://www.chamberofcommercewatch.org/city-of-seattle-stands-up-for-uber-drivers-rights-is-sued-by-u-s-chamber/>

¹⁵⁴ Taylor Soper, “U.S. Chamber of Commerce files lawsuit against City of Seattle over Uber driver union law,” Geek Wire (March 3, 2016), <http://www.geekwire.com/2016/u-s-chamber-suing-city-seattle-driver-union-law/>

¹⁵⁵ Benjamin R. Freed, “Uber Is Hacking Into Washington’s Taxi Industry, Linton Says,” DCist (Jan. 11, 2012), <http://dcist.com/2012/01/uber-is-hacking-into-washingtons-ta.php>

¹⁵⁶ Ibid

¹⁵⁷ Benjamin R. Freed, “Linton Stings Uber After Calling Livery Service ‘Illegal,’” DCist (Jan. 13, 2012), <http://dcist.com/2012/01/linton-stings-uber-leaves-driver-ho.php>

¹⁵⁸ Mike DeBonis, “Uber car impounded, driver ticketed in city sting,” *The Washington Post* (Jan. 13, 2012), https://www.washingtonpost.com/blogs/mike-debonis/post/uber-car-impounded-driver-ticketed-in-city-sting/2012/01/13/gIQA4Py3vP_blog.html

introduced an amendment¹⁵⁹ that would have set the minimum fare for “sedan-class” transportation, as Uber was categorized, at five times the rate of taxicabs.¹⁶⁰ At the time, the cab rate was \$3 and Uber’s minimum was \$15, so the bill would have required no change. The bill, however, would have blocked Uber’s launch of the lower-priced UberX service within the city.

Uber strongly criticized the legislative proposal. “It was hard for us to believe that an elected body would choose to keep prices of a transportation service artificially high — but the goal is essentially to protect a taxi industry that has significant experience in influencing local politicians,” Kalanick wrote to Uber’s email subscribers¹⁶¹ urging them to sign the company’s latest Change.org petition.¹⁶² According to the petition,

The Council’s intention is to prevent Uber from being a viable alternative to taxis by enacting a price floor to set Uber’s minimum fare at today’s rates and no less than 5 times a taxi’s minimum fare. Consequently they are handicapping a reliable, high quality transportation alternative so that Uber cannot offer a high quality service at the best possible price.

Cheh’s amendment was the topic of heated debate preceding a transportation bill vote. Uber’s opposition combined with the arguments of council members who were skeptical of formalizing rules for the company led Cheh to withdraw the amendment, delaying formal legalization.¹⁶³

In 2014, following another round of pitched legislative and regulatory disputes after Uber in 2013 launched its lower-priced UberX service, the city council passed by a 12-to-1 vote the Vehicle-for-Hire Innovation Act of 2014. David Plouffe praised the legislation and suggested it “could be a model for the rest of the country and maybe the world.”¹⁶⁴ Not only did the bill loosen restrictions on transportation network companies; it also introduced ways for traditional taxi cabs to raise

¹⁵⁹ Amendment proposed by D.C. Council Member Mary Cheh available at

<https://www.scribd.com/doc/99626904/2012-07-10-Taxi-Amendments>

¹⁶⁰ Benjamin R. Freed, “D.C. Council Moves Closer to Making Uber Street Legal, But Uber’s Not Happy About It,” DCist (July 9, 2012), http://dcist.com/2012/07/dc_council_moves_closer_to_making_u.php

¹⁶¹ Ibid

¹⁶² Uber’s Washington, D.C. Change.org petition available at <https://www.change.org/p/dc-council-strike-down-the-minimum-fare-language-from-the-uber-amendment>

¹⁶³ Tim Craig, “D.C. Council delays action on Uber fare regulation,” *The Washington Post* (July 10, 2012), https://www.washingtonpost.com/blogs/dc-wire/post/dc-council-delays-action-on-uber-fare-regulation/2012/07/10/gIQAzCVlaW_blog.html; David Weigel, “The Uber Battle,” *Slate* (July 20, 2012), http://www.slate.com/articles/news_and_politics/politics/2012/07/uber_s_popular_and_pricey_sedan_service_is_posing_a_challenge_to_dc_laws_and_regulations_governing_taxi_cabs.html

¹⁶⁴ Jacob Fischler, “DC Just Passed A Law That Uber Says Could Serve As A “Model For The Rest Of The Country”,” *BuzzFeed News* (Oct. 28, 2014), <http://www.buzzfeed.com/jacobfischler/dc-just-passed-a-law-that-uber-says-could-serve-as-a-model-f#.klll6z7pNA>

prices similar to Uber's "surge pricing" methods.¹⁶⁵ A spokesperson for the taxi sector called it "a step backwards."

Ahead of the vote, Uber spent \$314,074 lobbying¹⁶⁶ the city council, including Council Member Cheh, who introduced the legislation. Cheh disputes that Uber's outsized spending resulted in outsized influence over the final bill. "We passed the legislation because it was in the public interest," Cheh told WAMU 88.5. "Uber's lobbying pretty much consisted of saying 'no regulation, no regulation, no regulation.' Sorry, we can't do that. [...] Now if they want to point out issues or language that they think is problematic, I will look at it. I am not closed minded."¹⁶⁷

Conclusion

Uber's vast resources make it a formidable opponent to lawmakers and regulators who challenge its preferred policies.

As Uber expands, its ambitions grow. On the company blog, additions of new cities are hailed as victories in a steady march toward "UberEverywhere," a kind of corporate manifest destiny whose vision is for there to be nowhere in the world from which a customer is unable to hail an Uber ride.¹⁶⁸ There is now a division of the corporation called "UberEverything," which seeks to transform Uber's network into a delivery service.¹⁶⁹

The Brookings Institution has asked, "Is Uber a threat to democracy?" and implied the answer is no, in part because "Uber creates more jobs than it destroys."¹⁷⁰ But the democracy question is ultimately not a jobs issue. It's not an issue about whether Uber offers a superior product, or whether and how local governments should adjust existing rules to accommodate Uber, or what standards the company should be required to meet.

Living in a democracy means the people have the power to choose their destiny, and it means local governments must make decisions in the public's best interest. No single company or interest should have the power to deploy its wealth to overwhelm democracy's deliberative and decision making processes.

¹⁶⁵ Lori Aratani, "D.C. Council okays bill to legalize Lyft, Sidecar, uberX-type services in the District," *The Washington Post* (Oct. 28, 2014), <https://www.washingtonpost.com/news/dr-gridlock/wp/2014/10/28/d-c-council-okays-bill-to-legalize-lyft-sidecar-uberx-type-services-in-the-district/>

¹⁶⁶ Martin Di Caro, "Uber's Big Lobbying Effort Opened D.C. Doors," WAMU 88.5 (Jan. 29, 2015), http://wamu.org/news/15/01/29/for_uber_in_dc_big_lobbying_costs_produced_results

¹⁶⁷ Ibid

¹⁶⁸ Press Release, Uber, "205/55/24" (Aug. 28, 2014), <https://newsroom.uber.com/2055524/>

¹⁶⁹ Christine Lagorio-Chafkin, "Uber's Insanely Huge Vision of On-Demand Everything," Inc. (Oct. 14, 2015), <http://www.inc.com/christine-lagorio/ubers-insanely-huge-vision-of-on-demand-everything.html>

¹⁷⁰ Kemal Derviş, "Is Uber a threat to democracy?," Brookings Institute blog post (July 23, 2015), <http://www.brookings.edu/research/opinions/2015/07/23-uber-democracy-dervis>