

Committee on Government Operations, Veterans Affairs
And Consumer Protection
35th Legislature of The Virgin Islands
Kerry Harrigan, Testimony on Bill 35-0230
Monday, May 20, 2024

Senator Carla Joseph, Chair of the Committee on Government Operations and Consumer Protection, other Senators present, Testifiers, the listening and viewing audience. My name is Kerry Harrigan, I am the Manager of Blue Executive Services and Transportation, LLC.

In the Virgin Islands, the taxi profession is one of the few occupations that local men and women retain independence and, although members of an association, they are essentially self-employed. Self-employment provides taxi drivers with flexible schedules so we can carry food to our elderly parents, drive our children safely to and from school. Many drivers work two jobs so we can provide our children with a college education so they may more opportunities than we.

Over the years, the “tour operator” exception encroached on the taxi industries. The hotels charged often exorbitant fares to shuttle passengers to and from the Airport **(for example Red Hospitality Shuttle Service for the Westin Frenchman Reef charges 42.00 per person each way which is more than double the Taxi Tariff these vehicles are operated by individuals who are not licensed taxi chauffer driver)**. — these fares were not passed on to the “shuttle” drivers – who sometimes were minimum-wage maintenance men. Then, although forbidden for years, “water taxis” transporting passengers to and from hotels took hold. I would like to pause here and note that these hotels pay very little taxes as they are EDC beneficiaries and they have converted self-employed drivers to minimum wage employees. Members of the hotel association attended a taxi meeting regards to the fare increase and complain about the increase and hardship on the tourist that are visiting the Island, but now they have double the same fares.

Although there have been tariff/fare increases, net income has not increased because insurance, fuel and vehicles are all significantly increased. This bill also comes at a time when many of the Virgin Islands taxi drivers have not yet financially rebounded from COVID-19. Drivers were already operating under a deficit because of the high cost of living over the years leading up to a much-needed increase.

A review of this proposed bill reflects that the local taxi industry is again beset with advantaged competitors. I say advantaged because, although driving commercially, there is no requirement for the drivers to obtain a medallion. In the Virgin Islands, each taxi driver is required to either purchase or lease a medallion at significant expense. We are astounded that this bill allows new competitors have access to the market when the very premise of the taxi medallion system was to provide medallion owners with exclusive access to the roads. This bill poses a catastrophic risk to the lives of local taxi drivers and their families.

We do not have to speculate as to the adverse effects; New York City is a prime example. The price of a New York City taxi medallion was extraordinary until Uber and other rideshare companies entered the industry approximately ten years ago. Then, the value of taxi medallion plummeted approximately 90%. Many of the NYC medallion owners were faced with precarious economic circumstances through no fault of their own. Legislators, influenced by lobbyists, created unbearable financial strains for NYC taxi drivers that have led to mental health tragedies and suicides. The Virgin Islands is a small, tightly knit community. Let us learn from others and avoid catastrophic effects. We ask that the legislators seriously consider the needs of hard-working, local taxi drivers as opposed to corporations. I know its hard for some of our elected officials to make the right decisions because of positions they have put themselves in for whatever reasons. However, it's never too late to do the right thing.

Next, the constitutionality of this bill is questionable as we believe that this legislation violates the Fifth Amendment of the US Constitution as a regulatory taking. If the Legislature contemplates such a bill, it should include a provision and funding for just compensation to reimburse or buy-back each and every taxi medallion or require these new competitors to also purchase a medallion.

The bill's language is vague and ambiguous for example, Section 2(a)(4) defines surrey as "a light four wheeled carriage . . ." that could represent a golf cart. We already have several tours operating under jeep and various off-road vehicles that have no safety restraints and no passenger capacity regulations.

Senators need to take time out of their busy schedules and visit the various taxi concessions and observe the operations and

dialogue with member not just during election time to solicit votes.

I am in favor of the bill as it pertains to Taxi Safaris increase in the passenger capacity, However the bill needs to be revisited and certain vague and ambiguous portions need to be more specific.

Thank you for the opportunity to appear before your committee today.

I am available to answer any questions you may have.

Sincerely,

Kerry Harrigan
Manager