



Testimony of John Wicker

CEO, AutoReturn

Before the Pennsylvania House Veterans Affairs and Emergency Preparedness and House Judiciary Committees

May 14, 2014

Good morning, Mr. Chairman and distinguished members of the Committee. Thank you for allotting me time to come and speak with you today.

I am John Wicker, CEO and Founder of AutoReturn. Though I live in California now, my roots run deep in Pennsylvania. In the 1730s, my forefathers emigrated from Switzerland and settled in Lancaster. My Pennsylvanian relatives fought in Civil War. [reference slide] My grandmother, Dorothy Jackman, or "Momo," grew up in this house. Momo and my grandfather, Howard Jackman, or Papap, both went to Peabody High School. He went on to play quarterback for Pitt, helping them win the Rose Bowl in 1937. Papap then joined the navy and spent World War II on a destroyer in the South Pacific stationed out of Pearl Harbor. My mother, Elaine Jackman was born at St Francis Hospital, and my brother, David, was born at Magee-Women's Hospital. My aunt Donna and uncle Jeff Jackman still live in Beaver Falls, having spent their careers as schoolteachers at Black Hawk High School, where Uncle Jeff was also the swim coach.

I might have been born in Pennsylvania myself if not for the fact that my dad was stationed at Norton Air Force Base when my mom was pregnant with me. My parents did return to Pittsburg after I was born but my dad joined a Federal systems development contractor after leaving the Air Force and

ultimately we settled in the Virginia suburbs of Washington DC. I graduated from Virginia Tech with a computer science degree and eventually moved to San Francisco at the age of thirty because it is the innovation hub of the world and a top destination for technologists. I live there now with my lovely wife, Nathalie, and our two young children, Jack and Blake.

By the end of my short time with you today, I'd like you to have a clear understanding of what AutoReturn is and what our company is not; to understand our mission, our intentions, and what we stand for. I'd also like for you to firmly grasp what we are doing in Pennsylvania. Our primary goals are to help the State Police and contribute to public safety while saving taxpayer dollars. I hope to dispel any misinformation, to establish the facts, and to tell you a bit about how well the AutoReturn pilot program has worked in Erie and elsewhere.

I want to begin by giving you a sense of why we started AutoReturn and the problems we solve for people. Before AutoReturn, I built a career focused on making business more efficient through the application of technology. So after the dot-com crash of 2000, my colleagues and I began looking for an industry where we could make a positive difference using what we had learned. When we found that there is a set of problems in law enforcement towing that is common to all agencies, and that applying appropriate

technology to those problems could make a difference for public safety, efficiency, and fairness for the tow operators, Auto Return was born.

The problems in law enforcement towing are not with the highly capable, local tow operators. I have the greatest respect for them and what they do, their commitment to public safety, and their desire to run a profitable business, as we all should. The problems exist largely because of the manual processes used in the administration and logistics of law enforcement towing.

Many of the problems stem from inefficient voice communications used to execute the majority of routine tow requests. This inefficient process increases the burden on police dispatchers, making them order takers rather than exception handlers with the bandwidth to focus their time and energy on the unusual tows that need special attention. Because the communications are primarily verbal, details of the transactions are rarely kept after the tow is complete and understanding what happened after the fact becomes nearly impossible. This non-transparent and laborious process can lead to unfair distribution of towing opportunities, increased officer wait times, and decreased public safety. We created AutoReturn to streamline the process to increase efficiency, increase public safety, increase the fair distribution of business opportunity, decrease administration surrounding this important agency service, and decrease the cost to the taxpayer.

That's what AutoReturn is; we are a technology company laser focused on only one thing – law enforcement towing logistics. That's all we do. Logistics. Our primary goals are to minimizing tow response times, allowing troopers to return to patrol duties faster, and decrease the administrative burden surrounding the towing program.

To be clear, AutoReturn is not a towing company. We do not own a single tow truck. We are not in the business of dismantling unclaimed vehicles. We are not a tow operator and we don't compete with tow operators. AutoReturn is also not an auto club. We don't decide to partner with towing companies based on "low bid" contracts at the expense of service levels.

AutoReturn stands for safety, efficiency, respect, and fairness. We are the only firm that works with existing tow companies in communities to customize our operational model to maximize the effectiveness of these important, local independent businesses – the tow and impound company operators for law enforcement towing. Our proven processes and tools help our towing partners meet police mandated service levels, and our transparent practices result in higher service levels to the vehicle owner. We've created a competitive, open and transparent system that lets tow companies compete evenly and fairly.

Let me give you a sense of how our system works. The AutoReturn system receives tow requests from the police electronically (and in some cases verbally). The police dispatcher's job is done at this point. The system then instantaneously allocates the tow request to a police authorized tow operator according to the rules set by the police. Then the system automatically tracks the job, and assuming the tow progresses normally, no other human is involved in the communication. If the job shows any signs of difficulty, then an AutoReturn dispatcher calls the tower to provide assistance long before a service issue has occurred. The problems are addressed and the tow gets back on track. The key benefit of the system is that by handling the vast majority of tows automatically, dispatchers have the time to address periods of peak demand like during emergencies. Here's an example.

Shortly after we went live in Baltimore County, we faced back-to-back blizzards, the likes of which are not uncommon here in Pennsylvania. On Saturday, January 30, 2010 with two feet of snow on the ground, Corporal Friedman was tasked with removing over a hundreds vehicles from roads across the county. He fondly tells the story of how AutoReturn facilitated seamless dispatch and tracking of all of these tows, and how surrounding countries were incurring massive overtime dispatching the tows and subsequently handling customer requests about lost vehicles many days later.

So that's how it looks in a region where the members of the towing community are partners in making the system successful - easy, efficient, and safe. From the police point of view, the dispatcher simply enters the tow request into the system and that's it. AutoReturn handles everything after that point.

Let me give you a sense of how the system works from the point of view of the tow operator. Towers receive a dispatch request any way they would like. Some take automated calls from good old-fashioned land lines or cell phones. Others choose to take advantage of increased capabilities available on today's smartphones, but this is not a requirement to be part of the program. The tow request includes the location, and other information about the situation that the tower will need to complete job safely and quickly. They accept the request and then go do the job. When they return back to their office with the towed vehicle, we do ask them to enter basic information about the vehicle so it can be found later (license plate, make) and ultimately, information about the fees charged and when it left their facility. There is no special software to install or administer. They just use any Internet browser to go to their AutoReturn page online. When the customer shows up to get his car, the tower bills him for the tow adding a \$35 administrative fee to the total bill. After and only after the customer pays the bill, AutoReturn gets \$22.50 for

its service fee. The tow company keeps the remaining \$12.50 from the administrative fee, to cover vehicles that go unclaimed and other costs. The customer receiving the tow service pays for administrative costs of the tow, not the government and taxpayer.

As part of the program AutoReturn relieves the State Police of all of the administration around a tow and any follow up inquiries after a tow. This is no small burden freeing the State Police to focus on other activities.

So that is the way the AutoReturn system works. I'd like to now turn to how AutoReturn got invited by the Pennsylvania State Police to pilot our system here. In May, 2012, the Pennsylvania State Police published a Request for Solicitation for towing Third Party Administration of towing services. Along with other companies, we submitted proposal in response, and based on AutoReturn's flexible platform and proven track record improving law enforcement towing nationwide, our company was chosen in July to transition the State Police out of the towing business and to provide a more streamlined service to the Commonwealth of Pennsylvania. We began work in October and dispatched our first tow on December 3, 2013.

I'm pleased to announce we are now operating in nine of the eleven stations that are a part of the pilot program. Since the beginning of the pilot program through Monday, we have facilitated 1003 tows. Our network grows

every week; we are partnering with 43 local Pennsylvania towing companies, with 3 additional companies who have agreed to join and are providing the required documentation, 22 of them towed for the PSP prior to the pilot and 21 companies are new to the program. In our proposal accepted by the PSP, we agreed to integrate our systems with the "Mobile Office" platform already in troopers' vehicles, allowing the PSP to further leverage its existing investment in laptops in troopers' vehicles, and to further reduce burden on communications officers and to create a direct communication link between tow operators and troopers in the field.

For years, taxpayers in Pennsylvania have paid to fund the State Police's towing operations. Now with AutoReturn, as part of this pilot program, the only people who are paying for towing are those who receive the service. And, as I mentioned before, the amount of the fee is \$35, which gets split between AutoReturn and the towing company. The tax dollars that were being spent on police towing operations can now be freed up for other purposes.

Our pilot program has been a success story. Starting in Erie, towing companies readily joined our program, as they were reluctant to miss out on towing opportunities. Here is a chart of the response times across the pilot area. You can see by the green dots just how many calls we've answered since the pilot program started last December. Where the network is robust, there

is proven success in improving response times. In other areas, the results have not been quite as good due to a lack of participation. Network coverage is a key success factor for the system to work as designed. Gaining network coverage is an incremental process not yet complete across the pilot area, and we are addressing that challenge day-by-day. The benefit to the citizens so far is that law enforcement agencies are able to do what they do best – keep people safe - by getting the PSP out of the towing business.

We realize that implementing the AutoReturn system is a change to the status quo in Pennsylvania towing. Everyone acknowledges that change can be difficult. Both the State Police and AutoReturn are facing some unfortunate hostility to this important public safety program. Since December, there has been a small but motivated group of towing companies that fear change or want to maintain the status quo, that have prosecuted a misinformation campaign and continue to do so even when presented with the facts. Led by these influential operators, a number of other towing companies in Pennsylvania have refused to participate in the pilot program. Through spreading misinformation and untrue allegations, that small handful of operators has made some tow companies refuse to join our program. Many have chosen not only to not join, but refuse to take a phone call from us in lieu of the state police to perform paid tow services in their area to assist the

public, with no contract, and no fees going to AutoReturn, causing increased response times and public safety problems.

An example of the misinformation being spread are untrue stories that I personally own land in Pennsylvania in anticipation of opening AutoReturn impound facilities. People have been told that I own tow companies and tow trucks. Nothing could be further from the truth. I am not in the towing business. AutoReturn is not a towing company. We do not own a single tow truck. AutoReturn is a technology company, laser focused on one thing – law enforcement towing logistics. That's all we do. *Logistics.*

Another example of the misinformation is that people are being told that we'll come in for one rate, but after a while, we're going to lower the maximum tow fee, or we'll require everyone to buy a smart phone. It's not in our interest to do this. We are not an auto club. We do not gain financially by putting downward pressure on rates because we're simply providing logistics support to this important public service.

Our opponents are also saying that 911 centers can do what AutoReturn does more effectively. That is simply not true. Just shifting the manual, laborious communication process for allocating tows from the police communications officers to the 911 operators will not provide any of the efficiencies of the AutoReturn approach I just described. It just makes a

different group of people as over burdened by inefficient processes as the current group. Somebody would still be responsible for maintaining a tow company roster, verification of minimum requirements, site inspections, and following up on requests for information after the tow.

This public conversation has gone on out without us in a one sided way so far. This ends today. Historically, we have not engaged the towing community at large. We have not had to in the past. Today, we finally have a public forum so the actual facts can be shared.

To begin with, we have worked successfully with the tow companies who have chosen to participate in the pilot program to change the dispatch model, simplify the contract, as well as respond to many other requests from the PSP and the towers to make many other adjustments during this pilot. We are doing in Pennsylvania what we have done with all our other satisfied customers in Indianapolis, Kansas City, Baltimore County, San Diego, San Francisco and Concord (Calif.) to optimize the program for safety, efficiency, and public service. Across the country we have 100% agency reference-ability. In 100% of our jurisdictions, response times are reduced, and agencies get increased control while reducing administrative burden. It's not just us saying this, our contracts have been renewed at every occasion, nine times and counting.

The fact is that modern logistics drives the worldwide distribution of goods and services most everywhere on the planet. Without this technology, we would get no UPS, US Mail Service, or FedEx packages delivered. There would be no online commerce or fresh food delivery at all times of the year. Modern logistics is here to stay. No one can argue that being able to instantaneously contact and engage the statewide fleet of tow operators in service to the needs of the public is a bad thing. AutoReturn is bringing this to law enforcement towing.

We at AutoReturn are honored and grateful for the opportunity to speak here today - to speak with those who haven't talked with us before. We intend that everyone listening in this room today leave the meeting with a clear understanding of the truth and renewed in the values of respect, fairness, efficiency, and public service, which we believe everyone here shares.

I'm personally very grateful to have had this time before you and that you've given me the courtesy of your attention. Thank you to the Pennsylvania State Police who have allowed AutoReturn to help transform the way police towing works in this Commonwealth and for how they keep the public safe. Thank you to the hardworking tow operators who put themselves on the line every day clearing accidents from the highways and side streets. We are grateful to be working with you.

Mr. Chairman, that concludes my remarks. My team and I will be glad to answer any questions you or the committee have for us at this time.



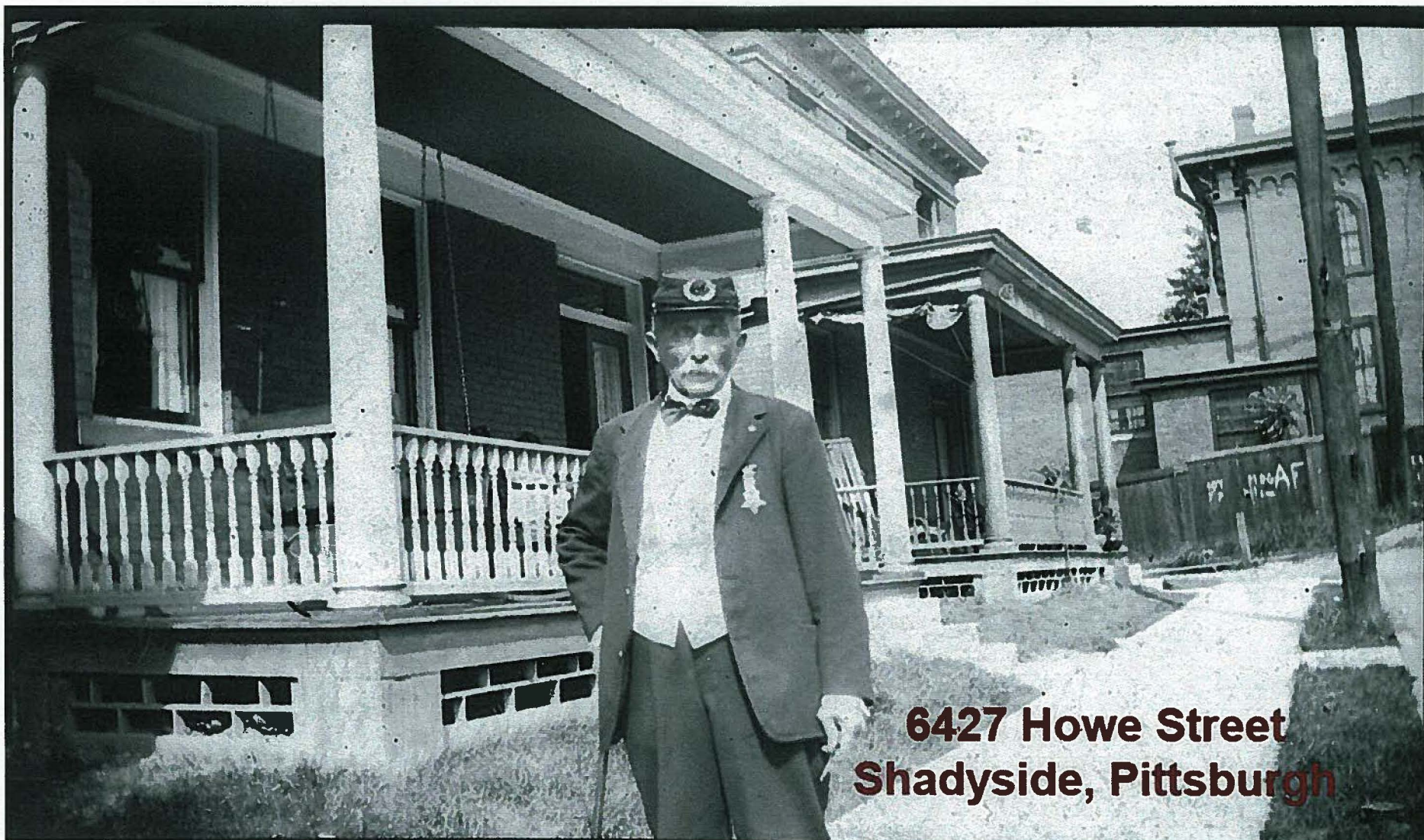
May 14, 2014

PA State Police Towing Pilot



**PA House Veterans Affairs and Emergency
Preparedness Committee**

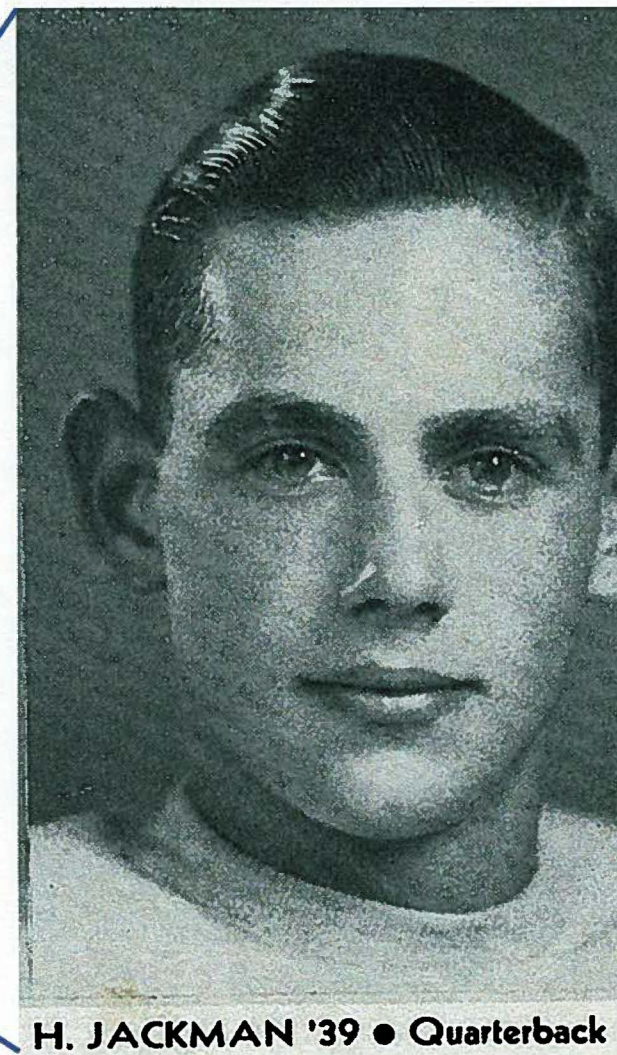
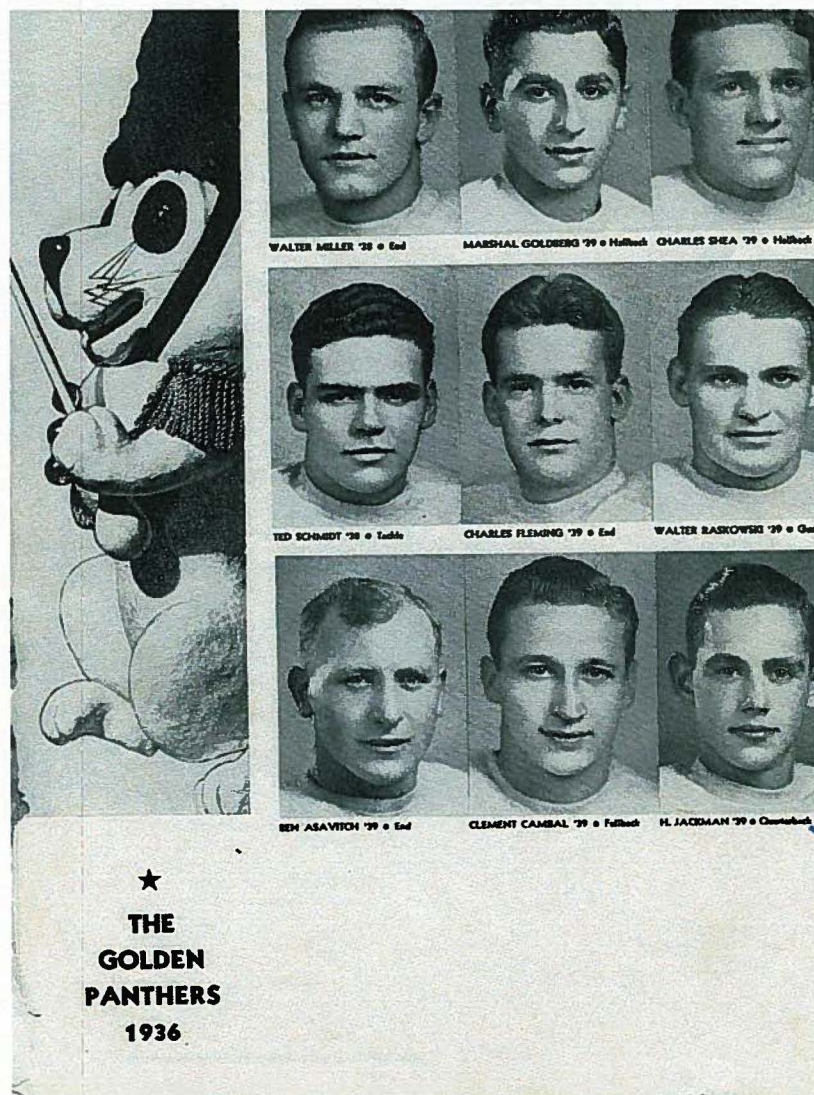
My great great grandfather



**6427 Howe Street
Shadyside, Pittsburgh**



My grandfather, "Papap"



My grandfather, "Papap"



My family, circa 1992





By the end of today...

You will have a clear understanding of:

- **what AutoReturn *is* and *is not***
- **our mission, intentions,**
- **and what we stand for**

Dispel any misinformation

Establish the facts

Share how the Pilot Program is working

AutoReturn stands for...



Public safety

Efficiency

Fairness

Respect



What AutoReturn is

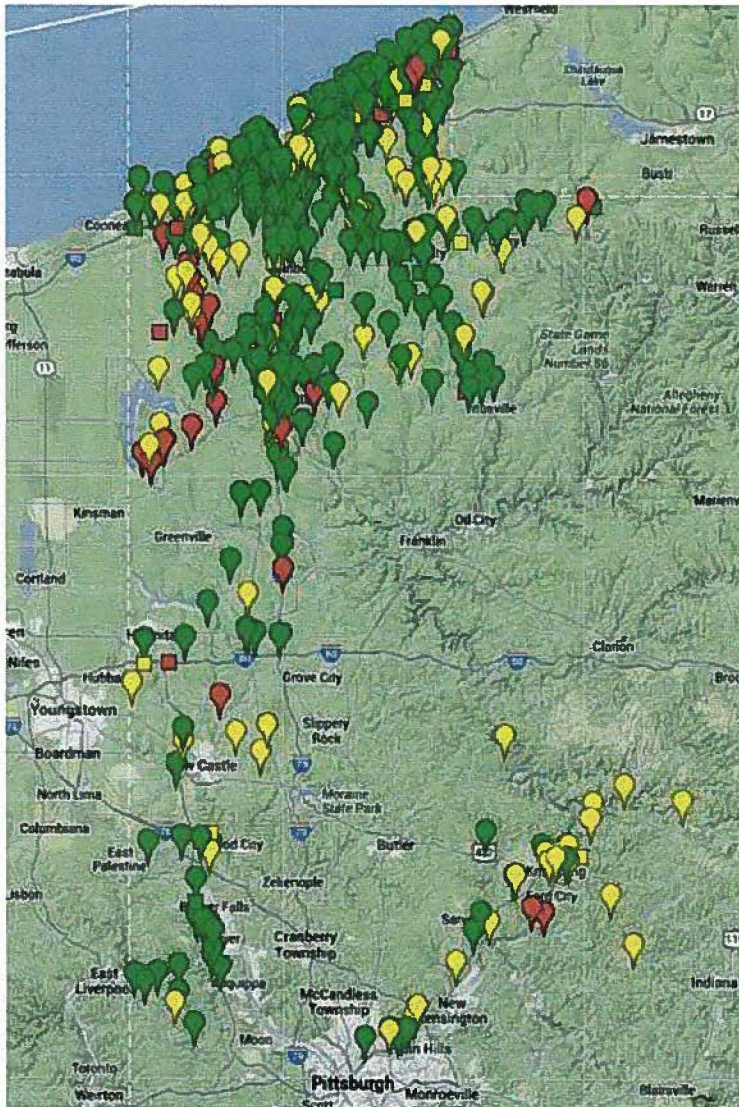
Our Third Party Administration (TPA) law enforcement towing logistics platform consists of:

World-class technology (cloud / mobile software platform for all stakeholders)

24x365 dispatch command and partner support center

Project management, implementation and integration services

Response times through Monday



Green = on scene < 35 minutes
Yellow = on scene < 60 minutes
Red = on scene > 60 minutes

Response times are proportional to the strength of our towing network in a given area:

- **Larger network = better response**
- **Weaker network = slower response**



THANK YOU