



Community-wide Taxi Service Endangered by 'Ridesharing'

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Many people imagine the typical taxicab ride involves customers traveling to an airport or barhopping on Saturday night—**not so**. The typical taxicab ride involves transporting a customer to a nearby errand or appointment. These trips typically don't generate much profit—if any—for taxicab companies.

People in underprivileged communities use taxicabs as an essential part of their daily routine. This is one reason why lawmakers in American cities view the provision of taxicab service as an essential component of public transportation. Although taxicab companies are private businesses, they operate in a quasi-public service environment. They make a commitment to the public to be available, affordable and safe. Most major American cities mandate that taxicab companies provide service throughout the entire community 24 hours a day, seven days a week.

So-called 'ridesharing' companies such as Uber, Lyft and Sidecar severely disrupt this service system. Unlicensed and unregulated services do not serve people who don't have smart phones or credit cards. They do not accept cash for payment. These companies purposefully target well-to-do communities and avoid underprivileged areas—openly basing their chosen service areas on wealthy demographics.

"Uber, Lyft and Sidecar simply do not serve all areas of a community at all hours of the day. By stealing more lucrative fares, they will ultimately leave transportation deserts in underprivileged neighborhoods where people rely on taxicabs for daily errands." —Robert Werth, President of the Taxicab, Limousine & Paratransit Association.

Due to the significantly reduced cost of driving a 'ridesharing' company vehicle, [drivers are abandoning the legitimate taxicab model](#). Because these so-called 'ridesharing' companies place an unlimited number of vehicles on the road targeting lucrative areas, drivers for legitimate taxicab companies are earning less. As a result, taxicab companies that provide service to all areas of a city, and to all customers regardless of their income level or neighborhood, are damaged as drivers leave the industry due to shrinking incomes. By cream skimming from the most lucrative sectors of the taxicab market—without serving any of the corresponding unprofitable sectors—so called 'ridesharing' companies are severely degrading the quality of service to customers who rely on taxicabs for essential life activities.

City officials must act now to preserve essential services to their low-income communities. Healthy competition is welcomed by the taxicab industry, but no company should be allowed to pick and choose when and where they operate, or who they serve.

'Who's Driving You?' is a public-safety initiative designed to educate the public about the dangers of unlicensed transportation companies. It was launched by the Taxicab, Limousine & Paratransit Association, an international non-profit trade association whose membership consists of 1,100 regulated transportation companies. For more information, visit www.WhosDrivingYou.org, follow us on Twitter (@WhosDrivingYou) and on Facebook (facebook.com/WhosDrivingYou).