

NYC taxi commission OKs new rules for app-based car services

June 22 2015, byLejla Sarcevic

New York City's taxi regulatory agency on Monday approved new rules governing how Uber and other app-based car services operate within the five boroughs.

Part of the proposal unanimously passed allows the companies to update their apps without approval from the regulators—a change from the initial proposed rules—a small but important shift that Uber, the multibillion-dollar ride-hailing app that has exploded in New York City in recent years, hailed as a victory. It ensures riders will have the most up-to-date-versions, an Uber spokesman said Monday after the agreement was reached.

"What that means is that every New York City rider would have had a worse version of the app than anywhere else in the world," spokesman Matt Wing said.

The initial proposed rules would have required companies like Uber and competitor Lyft to submit app updates to the Taxi and Limousine Commission for approval. Uber updates its app regularly and Wing said the proposed rules would have held up even the smallest changes. The proposal drew ire throughout the tech world and sparked an open letter from tech lobbyists representing Google, Amazon and Uber over fears the rules would stifle innovation, cause headaches for New York City riders and ultimately hurt business.

The commission, which licenses and regulates more than 50,000 vehicles

and approximately 100,000 drivers, is grappling with how to regulate the booming app-based services. Uber has about 26,000 riders in New York City and is the biggest ride-booking service in a pool that includes competitors Lyft and Gett. Lyft markets itself as the more fun competitor to Uber while Gett doesn't charge surge pricing during peak times.

The commission revised the planned rules to require the app-based companies to update the commission on any tech changes—not approve them. The rules also include a requirement that companies provide the option for a wheelchair accessible vehicle and inform passengers that official complaints must go through the commission; even if a ride-hailing company ends its contract with a driver, only the commission can revoke a license.

"We re-stylized the rules so they're tech agnostic because our point is not to go after one particular technology—things change quicker than we do—it's to provide baseline consumer protection and driver safety requirements," Meera Josh, the commission chairwoman and CEO, said at the hearing.

The revision also was praised by Lyft.

"Lyft applauds the TLC's willingness to rethink their proposed rules after learning about the unintended consequences they would cause for drivers, consumers and competition," David Mack, Lyft's director for government relations, said in a statement.

San Francisco-based Uber lets passengers summon cars through an app in more than 250 cities worldwide, and the privately held company is valued at around \$40 billion. The cars were introduced in New York in 2011.

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