

# Six-year boom pushes New York to mull Uber regulation

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Should Uber be forced to pay drivers better? After years of untamed growth, app-based for-hire services have brought New York's iconic

yellow cabs to their knees and the city is mulling regulatory action.

It's a rare New Yorker whose smart phone is not hooked up to market leader Uber or several of its biggest competitors—Lyft, Juno and Via. The [city](#) of 8.5 million is the biggest app-ride market in the United States.

The nightmare of getting behind the wheel in traffic-clogged streets, the astronomical cost of parking and poor public transport in outlying neighborhoods has seen demand for these services skyrocket since they were first introduced to America's most populous city in 2012.

Today around 80,000 [drivers](#) work for at least one of the big four app-based companies, compared to 13,500 yellow cab drivers in New York, according to a new study commissioned by the Taxi and Limousine Commission (TLC).

If New Yorkers for years ignored criticisms that met the arrival of Uber in London and Paris, and then today they are more aware.

For all the US financial capital's embodiment of unfettered wealth creation, it is also more heavily regulated than many US cities.

In 2017, a report by expert Bruce Schaller highlighted worsening congestion, the deteriorating efficiency of public transport and pollution concerns in a city that wants to spearhead efforts to counter climate change.

Since December, six yellow cab drivers have committed suicide in deaths interpreted as acts of desperation in the face of plummeting income.

## **'Everybody in trouble'**

"Everybody now is in trouble. Not only me and the yellow cab drivers, also Uber," sighs Malik Awan, 60, a driver originally from Pakistan who switched from yellow cabs to Uber, only to switch back again.

"It's the same piece of bread. But before it was hundreds of people eating from it. Now it is 10,000 people eating the same piece."

The TLC, the agency responsible for regulating taxis, commissioned two economists to carry out the latest study in a bid to underscore the chaos and push city authorities into taking action.

Increased competition from the app-dispatch companies has slashed the value of "medallions"—the New York yellow cab taxi licenses. In 2014, they sold for more than \$1 million. Today they are valued at less than \$200,000.

Unlike drivers in smaller towns, most in New York work full time and not just to make extra money at the end of the month, according to the TLC study.

Often immigrants without higher education, they get into heavy debt to buy their vehicle license and have little other means of generating income.

Around 85 percent earn substantially less than the equivalent of a \$15-an-hour minimum wage, according to the TLC-commissioned study.

After more than 30 years on the job, Awan says his monthly income has fallen from \$8,000—based on 10-12 hour shifts seven days a week—to \$6,500.

## **Uber dismisses 'flaws'**

Hence, calls to regulate the market have multiplied. A May editorial in The New York Times called on Democratic Mayor Bill de Blasio and elected officials to make the transportation system fairer to paid drivers, responsive to the needs of commuters and more environmentally sustainable.

The Democrat city council is now mulling various options, such as a cap on driver numbers, raising taxes on journeys or imposing a minimum income for drivers.

The TLC-commissioned study recommends a guaranteed income of \$17.22 an hour for drivers—\$15 plus a supplement to mitigate against rest time—and claimed it can be implemented without over-penalizing Uber and its competitors.

The salary hike could be off-set by limiting the number of drivers, reducing the percentage they take off each ride and by making customers wait about 15 seconds longer to reduce the number of passenger-less cars.

But Uber is not impressed. A company spokesman dismissed "assumptions" in the report as "over-simplified to the point of (being) flawed," arguing that the proposals would hurt riders "through substantially increased prices."

But the Independent Drivers Guild, a union set up in New York in 2016, said it was "optimistic" that the city will act based on this report.

"The hope is that it would trigger a raise for workers across the country," says Jim Conigliaro, guild president.

The TLC calls its own report "an excellent foundation for public policy" and says it is "happy" to work with the city council "on legislation that

helps increase driver pay."

The city is expected to decide on the proposals at the end of the summer.

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