



## The Expanding Transportation Network Company

### “Equity Gap”

## Adverse Impacts on Passengers with Disabilities, Underserved Communities, the Environment & the On-Demand Workforce

REPORT IS AVAILABLE  
FOR DOWNLOAD AT:  
<http://bit.ly/2acesDZ>

Republication scheduled  
for late 2016 in  
*Who is an Employee and  
Who is the Employer?:  
Proceedings of the New York  
University 68th Annual  
Conference on Labor  
(LexisNexis, 2016)*

# THE TNC DE FACTO PRIVILEGED ACCESS MODEL



**WELCOME  
TO A TNC  
SERVICE**

## Bank Account

- Nearly one-third (33%) of all Americans are unbanked or underbanked.
- Around 17 million Americans (8%) are unbanked.

## Smartphone

- A large percentage of Americans do not have a smartphone.
- Only 64 % owned smartphones in 2015.

## No physical disability

- An estimated 48.9 million people, or 19.4% of non-institutionalized civilians, have a disability.

# THE TNC EQUITY GAP: Corporate Elimination of Human and Natural Capital Management

- Disabled Passengers Underserved
- Enabled Data Sequestration and “Surge Pricing” Redlining
- Leveraged Access to Public Natural Infrastructure Assets
- TNCs’ Lack of Social and Corporate Responsibility
- “Gigged” — Capital Management Disadvantage in the Sharing Economy

# I. THE TNC FAILURE TO ADEQUATELY SERVE PASSENGERS WITH DISABILITIES





# Wheelchair Accessibility Not a TNC Priority

- The proliferation of TNCs has greatly slowed, if not halted, the progress of to convert taxicabs in to wheelchair-accessible vehicles.
- TNCs claim immunity from Americans with Disabilities Act
- TNC vehicles rarely have the capability to accommodate electric wheelchairs and scooters.
- TNCs are not held to the same accessibility mandates as the traditional For Hire Vehicle industry.



# TNCs fail to provide equivalent service to people with disabilities

- **PROGRESS HALTED:** NY Legislation led to the promise of almost **16,500 wheelchair-accessible yellow and green taxicabs** in the coming years; however, slowdown in yellow medallion and green permit sales can be attributed to inaccessible TNCs.
- **LITIGATION IN AT LEAST 4 STATES** by disability advocates to hold TNCs liable for failing to provide equivalent service.
- TNC laws in 27 states and DC **LACK DISABILITY MANDATE** while taxicab and FHV industry forced to comply with their own local accessibility mandates.



# THE TNC FLAWED BUSINESS MODEL AFFECTING ACCESSIBILITY

- Little or no training: Few or no TNC drivers that operate a wheelchair-accessible vehicle are not properly trained to deal with the needs of a disabled passenger.
- Uber claims it can “accommodate folding wheelchairs” but makes no similar claims for those that cannot be removed from wheelchair.
- Uber farms out accessibility through its **UberWAV** and **UberASSIST** programs that are, in reality, a marketing ploy.



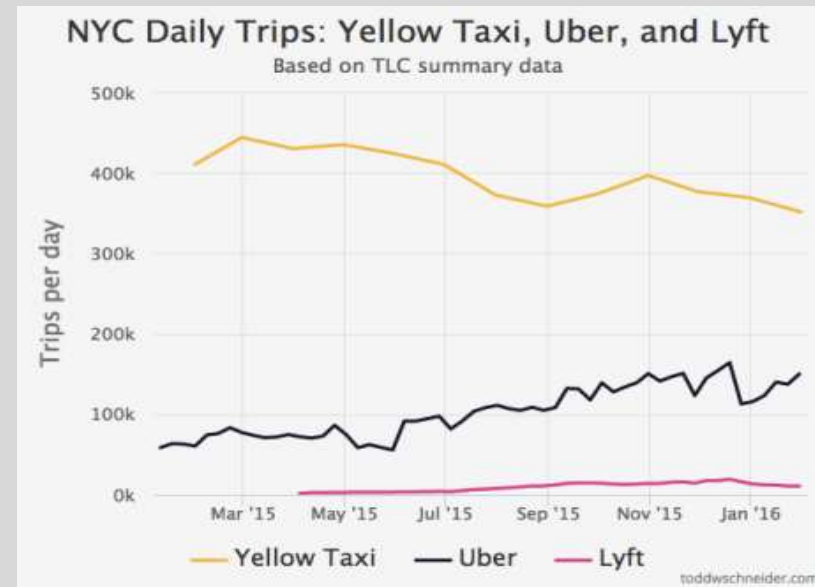
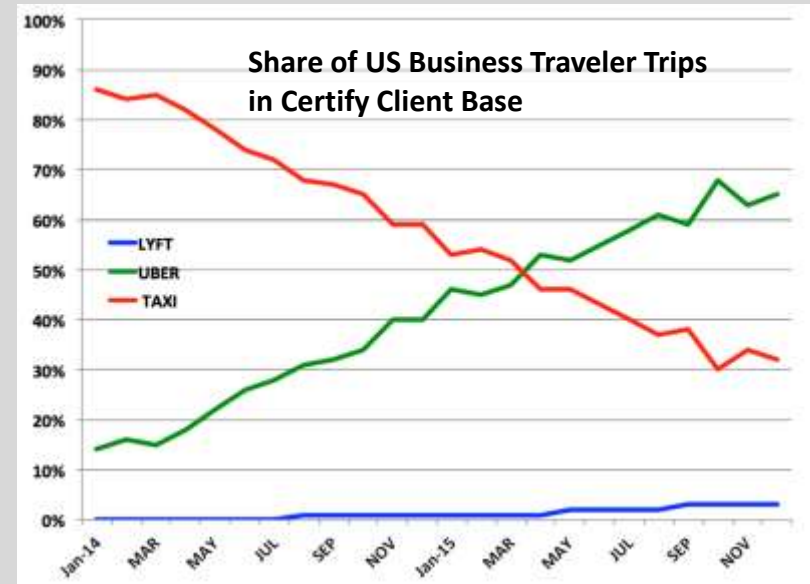
## II. THE BUSINESS MODEL OF TNCS: “SURGE PRICE” As “REDLINING”





# THE BUSINESS MODEL OF TNCS = REDLINING

- One drastic result of TNC “surge pricing” is that communities with limited or no TNC access may be “redlined” since drivers may choose not to operate in those areas.
- Rural communities will be largely excluded from TNC service.
- Unbanked and under-banked communities will be unable to access TNC services.
- Individuals without smartphone access will also be unable to access TNC services.
- A severe reduction in taxicab service for those who do not have access to TNCs and had previously relied on taxi service.



# TRANSPORTATION DISADVANTAGE

Those who are not easily able to travel to jobs, events, education, recreational activities, and social and cultural networks are said to suffer from a “**transportation disadvantage.**”

## Consequences include:

- Loss of economic production.
- Reduced social and community involvement.
- Increased isolation.
- Dependency by those without licenses.

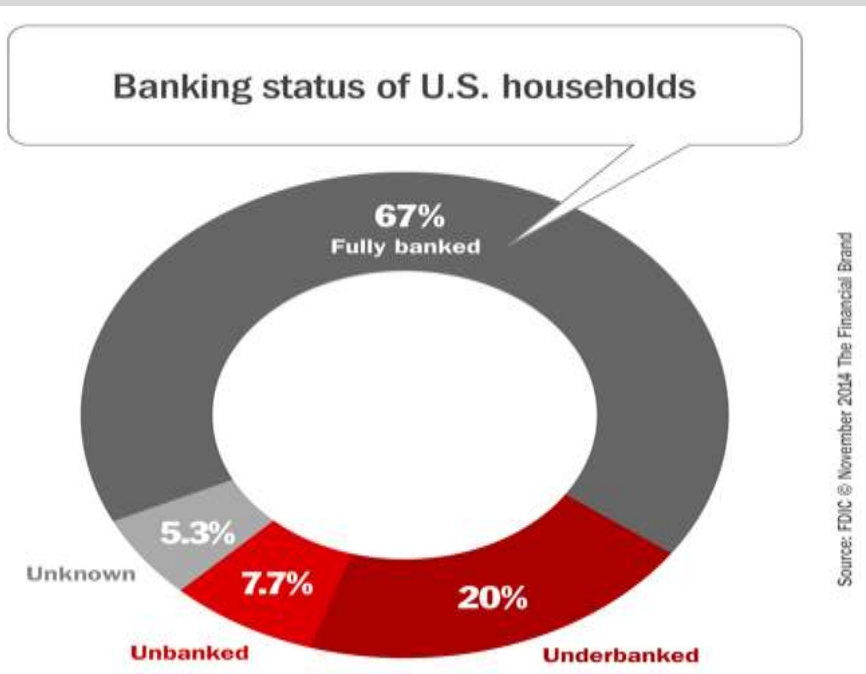
### Where Cars Pick Up Passengers

Percentage of all Uber, yellow cab and green cab pickups from April through September 2014 in each census tract



# UNBANKED POPULATIONS

- Nearly one-third (33%) of all Americans do not utilize banks (i.e. living by cash only).
- Around 17 million Americans (8%) are unbanked.



# PEOPLE WITHOUT SMARTPHONE ACCESS

- 35 percent of Americans owned smartphones in 2011.
- 64 percent owned smartphones in 2015, still leaving 36 percent without the means to utilize a TNC.

## Smartphone Ownership Highest Among Young Adults, Those With High Income/Education Levels

*% of U.S. adults in each group who own a smartphone*

All adults	64%
Male	66
Female	63
18-29	85
30-49	79
50-64	54
65+	27
White, non-Hispanic	61
Black, non-Hispanic	70
Hispanic	71
HS grad or less	52
Some college	69
College+	78
Less than \$30,000/yr	50
\$30,000-\$49,999	71
\$50,000-\$74,999	72
\$75,000 or more	84
Urban	68
Suburban	66
Rural	52

Combined analysis of Pew Research Center surveys conducted December 4-7 and 18-21, 2014.

PEW RESEARCH CENTER

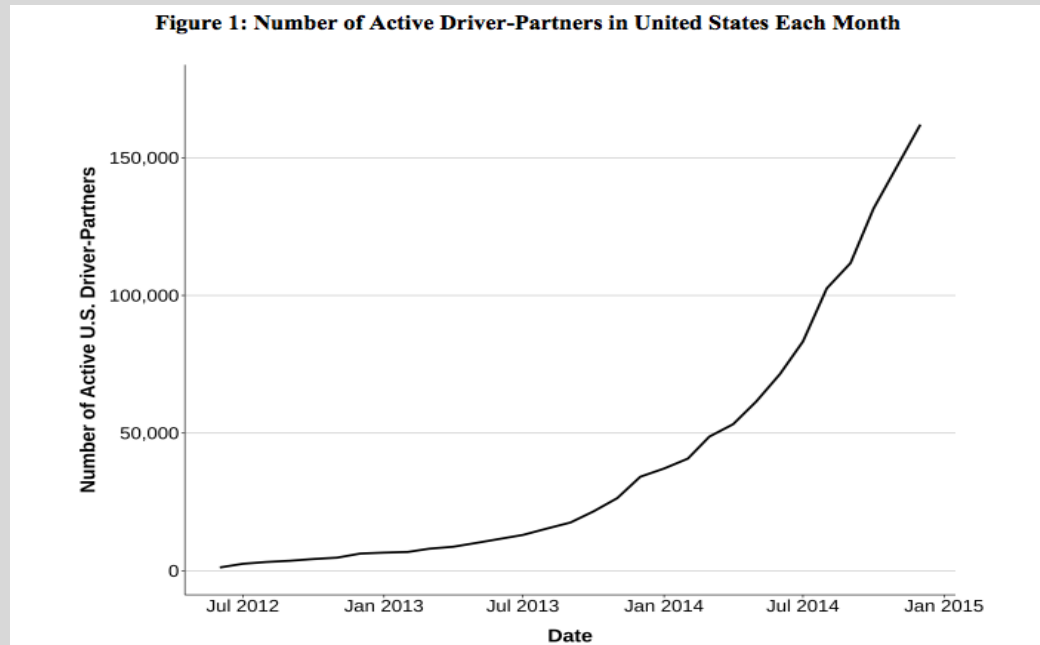
# Leveraged Access to Public Natural Infrastructure Assets: Mobile Source CONTROL Reverse

- *Zero UBER (0) drivers in 2012 to 160,000 actively partnered drivers by the end of 2014 in the United States alone.*
- *TNCs use air, land, and water Assets “at will” with no access controls*





# SUSTAINABLE TRANSPORT FINDINGS



- **Congestion Effects**
  - decreased productivity
  - increased business costs
  - emergency service impairment
  - thousands of deaths annually (32,675 PMV crash deaths in 2014)
- **Airshed Effects**
  - 1.5 Million pounds of CO<sub>2</sub> each day

# DEVOLUTION OF SUSTAINABLE TRANSPORTATION PROGRESS

## Surge pricing - Maximizing Congestion and Pollution

- Surge/dynamic pricing model is designed *specifically to increase the number of drivers on the road.*
- By increasing the number of vehicles on the road by such large percentages the results will be *increased travel times and emissions, diminished air quality, and altogether decreasing the quality of life and health of the populace.*



# IV. TNCs: OFF-LOADED SOCIAL & CORPORATE RESPONSIBILITY



# TAX AVOIDANCE DOWNWARD CYCLE

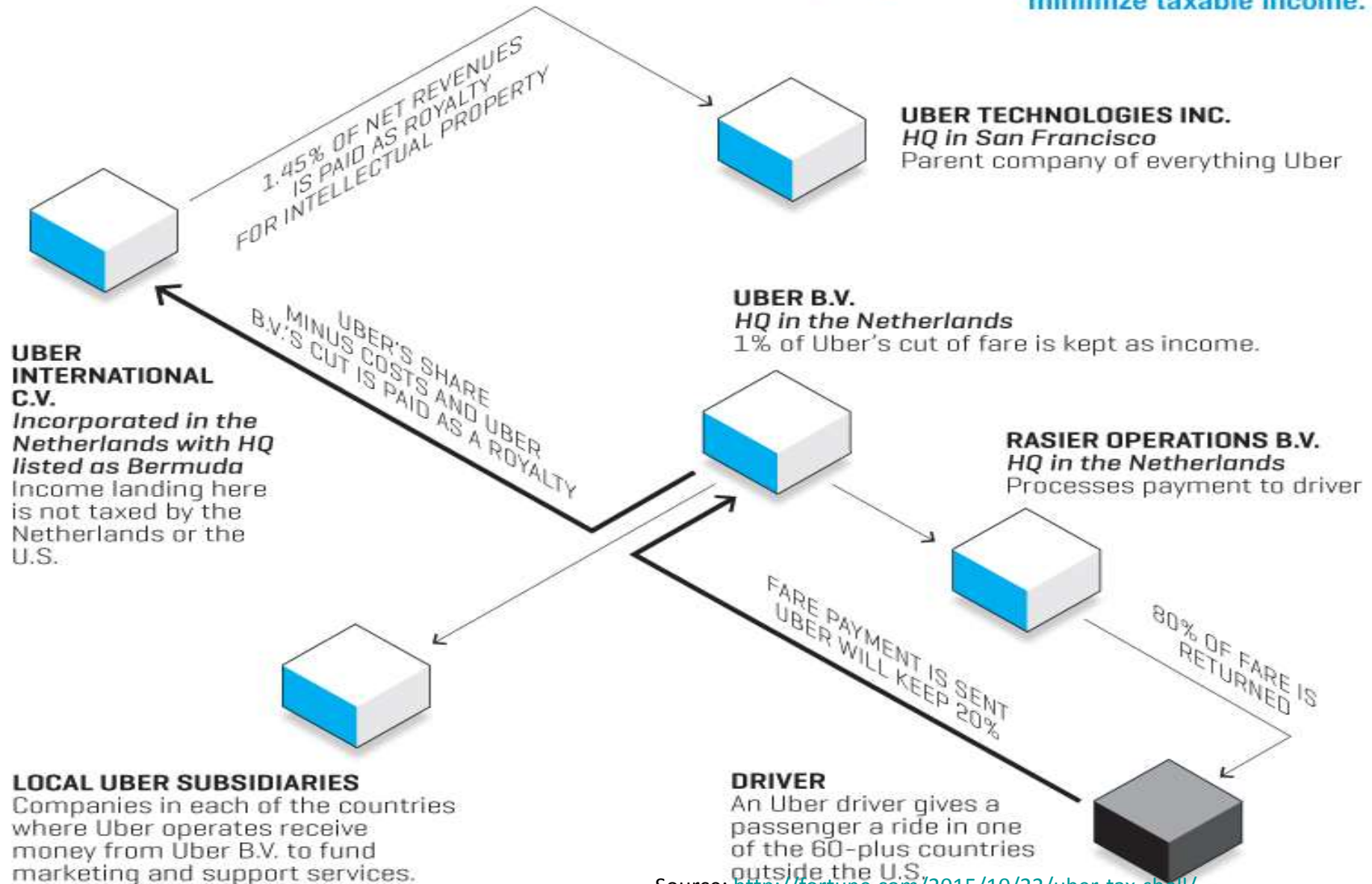
- TNCs utilize a highly sophisticated web of tax avoidance depriving cities millions in tax revenue.
- BURDEN SHIFT to local taxicab & FHV's, forcing higher fares than the TNCs and economic disadvantage
- Local taxicab and FHV's market share decline further decreases critical tax revenue
- Tax burden can be shifted to drivers while TNCs retain the bulk of the non-taxed fare apportionment





# REVENUE DO-SI-DO

Beyond America's borders, Uber has set up a string of subsidiaries, many in the Netherlands, that effectively minimize taxable income.



Source: <http://fortune.com/2015/10/22/uber-tax-shell/>

# V. NOT SHARING IN THE SHARING ECONOMY - THE TNC GIG WORKER, AND ECONOMIC DISADVANTAGE



# UNDERSTANDING THE SHARING ECONOMY - WHAT IS BEING SHARED?

- The common characteristic of companies that claim to be part of the sharing economy is *the lack of sharing and the presence of exchange of goods and services for consideration*.
- One factor for the non-existence of sharing of goods and services in this model is customers' preference to opt into buying rather than sharing.
- In reality, this is an “Access Economy” not involving sharing.

For sale! Not for sharing!



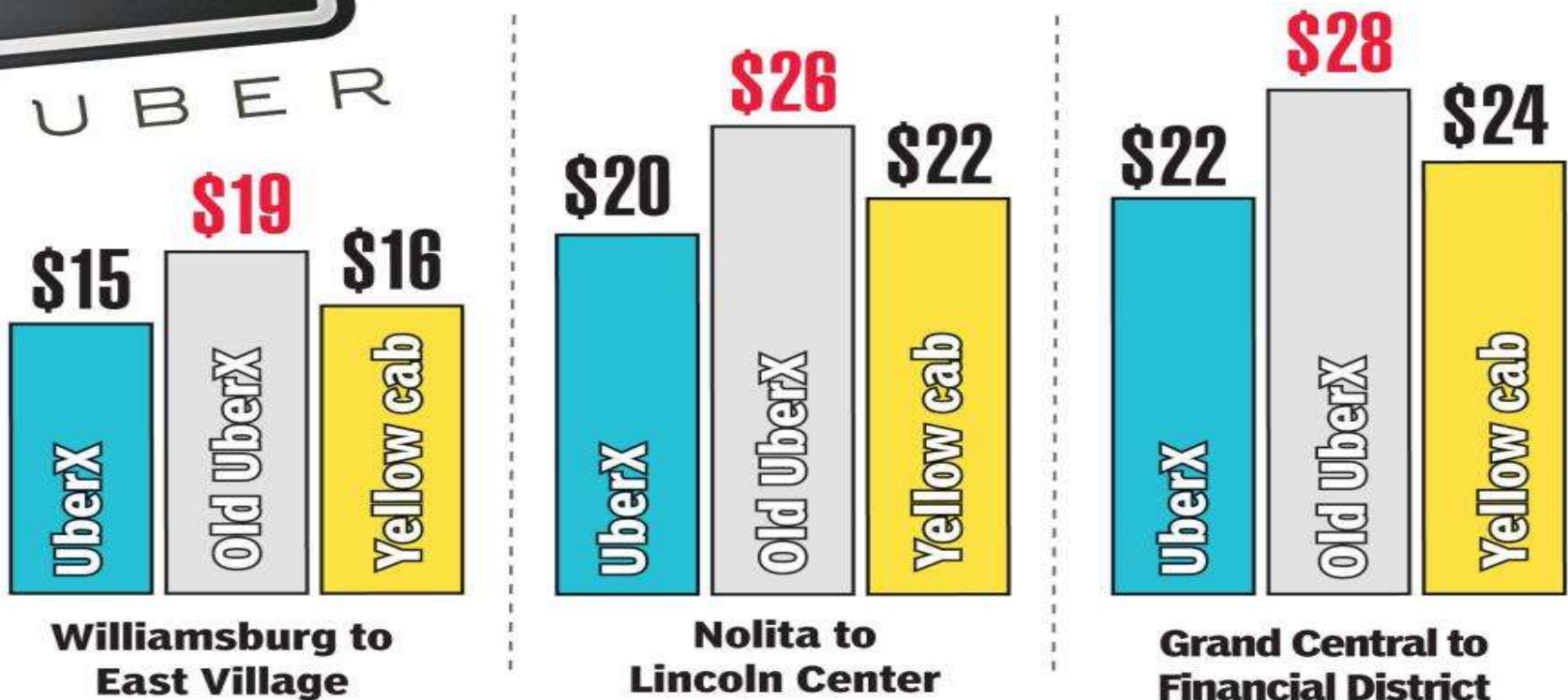
# THE COST OF THE SHARING ECONOMY

- Uber is cheap. But who is paying for its true cost? Its drivers!!!



## HOW LOW CAN THEY GO?

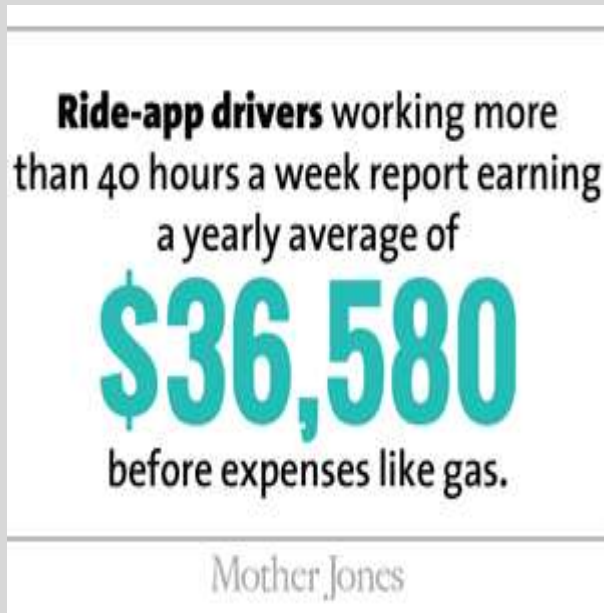
Uber is lowering prices — temporarily, it says — in a hail-raising plan, hoping to grab more fares from city taxis.





# THE COST OF THE SHARING ECONOMY

- The expansion of the sharing economy model has also been cited as a significant factor in the decline of the quality of jobs and the proliferation of a “disposable workforce”



# TNCS' IMPACT ON THE ENVIRONMENT AND THE LABOR MARKET

- In January 2016, Uber slashed its fare by 30% to about 50% per mile, *less than the \$0.54 reimbursement rate set by the government for “wear and tear” on a vehicle.*
- As a result, many drivers are not able to earn enough to reimburse their vehicle's depreciation, let alone making a living out of working for Uber.
- “Economies of SCALE” lost to public managers and consumers alike



# WHAT IS NEXT?

## *Affected Entities and Communities:*

- Transportation Regulators
- Industry Stakeholders
- Disability Advocates
- Environmental Groups
- Academic & Research Institutions (TRB, etc)
- Metro & Regional Planning Associations
- Departments of Transportation & Related Agencies