

THE DAILY ORANGE

Horn: Uber's ability to take legislative low roads should be addressed before expanding statewide

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By [Theo Horn](#) It's not personal, it's business
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Before the increasingly popular ride-hailing service [Uber](#) can be introduced into greater New York state, legislators should take a detour to make sure all is fare.

The former head of the New York City's Taxi and Limousine Commission, Matthew Daus, raised concerns in a [recent radio interview](#) with John Catsimatidis on his Sunday AM 970 morning show about Uber's price surging. Daus outlined that Uber is setting a dangerous precedent for the industry and that it is no different from a normal taxi company yet follows different rules to undercut rivals.

The critique comes as ride-hailing services are pushing the state government to allow them to break the boundaries of New York City and expand into other metropolitan areas like Syracuse. The only thing stopping

the near imminent expansion is an insurance law that will be likely tackled by legislators in April, said Assemblyman John McDonald, a co-sponsor of the bill. But not everyone is eager to welcome the new competitor as taxi companies and experts — like Daus — continue to voice concerns on the matter.

And it is this commentary that justifies a key objective as the bill courses its way through the state legislature: Uber has definitely proven its benefits, but New York should not be too hasty to let it off the leash. Daus is right to take a hard look at Uber, the sanctions that Uber bypasses with practices like price surging threaten both the security of the industry and the consumer. As long as the state can insure that Uber and other transportation services are all following the same set of base regulations, the company should be welcomed into upstate roadways.

The expansion of the service has been pushed for by numerous state lawmakers, advocacy groups and leadership figures — including Syracuse Mayor Stephanie Miner and Syracuse University Student Association President [Aysha Seedat](#) — who have been advocating on the basis of a low-cost, accessible service that would support an augmented job market.

But more than that, Uber also boasts convenience advantages over traditional cabs with a streamlined app for payment and ride booking for customers. Building on this factor, jobs as an Uber driver have the potential to offer a high degree of flexibility with a choice of hours and having insurance covered while on the job. Looking specifically at the Syracuse area, [Uber has estimated](#), as reported by Syracuse.com, it would create 700 new jobs for drivers who could earn a combined \$400,000 a month — or roughly \$571 per driver — over 60,000 fares.

As some [taxi operators in Syracuse](#) and across the country have been quick to point out, Uber is able to achieve low fares because — in places like [New York City](#) — its fares are not controlled by the city government like that of the taxi industry. And if it were to grow under this same system, it's simply not right to have taxis crippled in this way while Uber would be able to have an unfair advantage in the local market.

This lack of fixed fare could also hurt customers: the New York Daily News reported that during a January blizzard [earlier this year](#), Uber took advantage of the inclement weather to increase its UberX fares to 3.5 times the normal rate before capping the increase to remain aligned with a 2014 deal made with Attorney General Eric Schneiderman.

In a city that is as snowy as it is economically downtrodden, such a stunt would be disastrous in Syracuse. If Uber was to become the dominant service in the city, riders could end up paying one fare going to their destination only to be informed that their return home will be triple that because it started snowing. There is also the chance that without a dedicated fleet of drivers that taxi companies currently maintain, there could be a shortage in times of inclement weather as Uber drivers have the option to simply choose not to work.

Mark Ilacqua, president of [Suburban Taxi](#), a dominant taxi company in Syracuse, explained that it would be unwise to ignore the fact that Uber and traditional taxis are not playing by the same rules.

“In (New York City), Uber complies with all the insurance and local regulations in place for for-hire livery vehicles. They purposely deceive the public by stating they are allowed to operate in (New York City) and not allowed to operate in Upstate,” said Ilacqua in an email. “That is a lie, they comply with the rules and regulations in (New York City), and they refuse to comply with these same rules and regulations in Upstate.”

Uber is currently not [required to pay](#) unemployment insurance, payroll tax or local licensing, all which contribute to a stable job scene for the consumer and worker. Yes, Uber is not a full-time job, which lends to its [flexibility for those giving rides](#). But this leads to workers not being afforded the benefits of stable employment, which is exacerbated by the fact that a number of dispatch and mechanical jobs would be eliminated if taxi companies were to fold.

Ilacqua continued to fire back at Uber by citing that the extra fees taxis pay are there for a reason and Uber's low rates mark a stark difference in required costs.

“Traditional taxi and livery companies in Upstate spend anywhere between \$5,000-\$7,000 per vehicle for for-hire insurance auto insurance, and \$2,000-\$3,000 per vehicle for workers' compensation, plus other taxes and fees,” said Ilacqua. “If traditional transportation companies no longer have to incur these costs, we could pass on the savings to the consumer and have more vehicles on the road to reduce wait times as well. Therefore, if for-hire laws become less stringent for Uber, these same laws must apply for all other transportation companies, ultimately deregulating the industry as a whole.”

Though ride-hailing services are popular because they are cheap and easy to book, some [advocacy groups](#) have rightfully identified that this service could mean a serious [decrease in DUI cases](#), something that college campuses, including SU's, would surely welcome. But the convenience and affordability of Uber has led many uninformed consumers to clamor for the service to come to their city and ignore the question of whether or not the expansion of ride-hailing services is worth the damage to the industry.

It's a tightrope to walk for legislators, but it's a necessary to find a balance to soften the blow and protect the local economy and larger transportation sector when Uber is beginning to dominate city markets. And in what is sure to be a time of transition for the industry, state lawmakers should ensure these services are faced with the same regulations on insurance and fare limits that traditional taxi services are met with.

If not, Uber will surely undercut local businesses and leave hundreds jobless due to a ruthless campaign of cost cutting and regulation dodging.

Theo Horn is a sophomore political science and public policy dual major. His column appears weekly. He can be reached at tahorn@syr.edu.

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