



Equity Report from the University Transportation Research Center

The City College of New York

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Summary

The “Equity Report” is a blistering critique of the Transportation Networking Companies like Uber—criticizing them for their treatment of people with disabilities and their discrimination against communities of color. As the paper’s abstract says:

“This report provides an analysis and evaluation of the negative impacts that the proliferation of Transportation Network Companies (“TNCs”) have had on people with disabilities, underserved communities, the environment, social responsibility, and the sharing economy...This report is a colloquy on the adverse impact of TNCs have had on transportation “equity,” and will demonstrate that the TNC template is nothing more than a privileged access model that operates to the detriment of those in most need of their services.” (P.18)

The report uses “equity” as its touchstone, defined as “ensuring that extent and costs of funds, goods and services are fairly divided among their recipients.” In refracting the business practices of Uber and Lyft through this lens, the report concludes that:

“Transportation equity is a civil and human rights priority. Access to affordable and reliable transportation widens opportunity and is essential to addressing poverty, unemployment, and other equal opportunity goals such as access to good schools and health care services. However, current transportation spending programs do not equally benefit all communities and populations. And the negative effects of some transportation decisions— such as the disruption of low-income neighborhoods — are broadly felt and have long-lasting effects. Providing equal access to transportation means providing all individuals living in the United States with an equal opportunity to succeed.” (P.18)

New Yorkers for Equal Transportation Access

<http://nyeta.org/>

The report goes on to touch on what it calls the “uneven regulatory environment,” and goes on to point out that municipalities and other jurisdictions around the country have the ability to “create balance” in the market place:

“In most jurisdictions, TNC are able to avoid licensing procedures and fees, commercial insurance costs, fingerprint based background checks, and a host of other requirements mandated for the taxicab and FHV industry. There are a variety of ways that a ‘level playing field’ can be accomplished; with many jurisdictions nationwide implementing new legislation and many individuals looking to the courts for balance in the marketplace.”

Another avenue for leveling the playing field is through litigation—and the report describes various actions around the country that challenge “*whether unequal regulatory schemes violate their right to equal protection under the laws. The Equal Protection Clause of the 14th amendment of the U.S. Constitution, as well as similar clauses in many state constitutions, prohibit states from denying any person within its jurisdiction equal protection of the laws. On a basic level, this requires that the government must treat similarly situated individuals in the same manner.*” (P.19)

Of particular interest, is the litigation in Chicago under the 14th Amendment’s equal protection clause:

“In an ongoing case, the Illinois Transportation Trade Association filed a lawsuit to challenge the TNCs ordinance in the City of Chicago. The taxi operators said the ordinance should be illegal because it violates their right to equal protection, as it unfairly holds the TNCs to a lesser regulatory standard than their competitors in the traditional taxi business. If equal protection lawsuits are successful, it would force jurisdictions to reconsider applying two different regulatory schemes for TNCs and traditional FHV, and in doing so, have the effect of leveling the playing field. The lack of equal standards across all for-hire transportation industries has led to externalities and inequities among those in competition with TNCs, and the members of the public who rely on for-hire transportation.”

Overall, the report, sees TNC’s operating under to advance privileged communities at the expense of people with disabilities and underserved communities: “This report sets forth disturbing concerns of the unintended consequences for the accessibility and underserved communities due to the TNC business model, and demonstrates that the **TNC template is nothing more than a privileged access model** that operates to the detriment of those in most need of their services.” (P.19)

On the issue of accessibility, the report goes beyond simply chastising the TNCs for failing to provide accessible vehicles—claiming that their proliferation in NYC has also severely harmed the ability of taxis to continue to provide this vital service. Here is its indictment:

Wheelchair Accessibility Not a TNC Priority

- The proliferation of TNCs has greatly slowed, if not halted, progress being made to convert a large portion of taxicabs in New York City to wheelchair-accessible vehicles and creates challenges in jurisdictions throughout the United States and Canada;
- TNCs continue to argue that the Americans with Disabilities Act (“ADA”), a law designed to provide inclusiveness for all, does not apply to their operations in any way;
- TNC vehicles and drivers rarely have the capability to accommodate electric wheelchairs and scooters; and
- TNCs are not held to the same accessibility mandates as the traditional For Hire Vehicle industry.

Harm to low income communities

- (1) One result of TNC “surge pricing” is that communities with limited or no TNC access, such as low-income and minority communities, may be “redlined” since drivers may choose not to operate in those areas.”
- (2) Individuals without smartphone access, or who do not possess the technological expertise necessary to request TNC service, will also be unable to access TNC services; and
- (3) A severe reduction in taxicab service, due to competition from TNCs, could exacerbate transportation disadvantages for those who do not have access to TNC services and had previously relied on taxi service;
- (4) Unbanked and under-banked communities, in which individuals have little or no access to the financial institutions required to pay for TNCs, will be unable to access TNC services.

In addition, the Equity Report also takes a close look at the environmental impact that the TNC’s have had on NYC-citing “negative externalities:

“TNC proliferation threatens cities’ efforts to reduce the number of personal motor vehicles on the road, setting back decades of transportation planning and policy aimed at mitigating congestion and pollution, and encouraging shared mobility and mobility management.”

In particular—likely referencing the mayor’s failed attempt to cap Uber last year—the report evaluates the negative aspects of the unregulated proliferation of Uber cars: “Unregulated TNC growth could cause congestion and harmful environmental impacts through the proliferation of nitrogen oxides, fine particulate matter, volatile organic compounds, carbon monoxide, sulphur dioxide, greenhouse gases and air toxics.”

Lack of corporate responsibility

Finally, the Equity Report, underscoring the existence of an unlevel playing field, slams the TNC for their “highly sophisticated crafted web of tax avoidance.” This is a reference to the fact that these companies are not contributing to the MTA mass transit fund (50 cents a ride); or the TLC’s accessible vehicle fund (30 cents a ride). As the Report makes clear:

“Local taxicab and for-hire vehicle transportation providers are obliged to pay their local taxes, which increases their cost burden and forces them to charge higher fares than the TNCs are able to offer, putting the traditional industry at a competitive disadvantage for fulfilling its civic duty...Without the advantage of a TNC’s tax structure, local taxicab and for-hire vehicle providers are forced out of business, further decreasing the tax revenue to the government.”

A call for action

The Equity Report from the University Transportation Research Center of The City College of New York, should be a call for action for all of New York’s elected and transportation regulators. The TNC’s are discriminators against the disabled and communities of color, and at the same time eschew any sense of social responsibility.

In addition, the uncapped proliferation and absence of regulatory parity, has created an environmental nightmare that needs to be addressed by elected officials who have made climate change and the environment a top priority.

However, what the Equity Report exemplifies most is the egregious failure of the public sector to insure that the public interest is protected in the face of the TNC onslaught. It should serve as a wakeup call for all who are concerned with equal protection under the law, fair treatment for underserved communities, and the protection of the city’s fiscal integrity and its environment.

Read the full report here:

<https://goo.gl/F6bQla>