

Attack of the Uber Terrorists

When I first heard about Uber, Lyft, and other creative new ridesharing and car-hire companies, I felt sure they would be characterized as a bad idea by those enjoying the benefits of the current taxi cartel. It turns out that I underestimated the depths of both the taxi industry's creativity and its narcissism.

I offer a humble mea culpa. Not only have the taxi bigwigs told us repeatedly that Uber is a bad idea (even if the drivers are insured and have undergone background checks), but one of the taxi grandees recently likened Uber to a brutal and vicious international terrorist group. *Exactly.*

Speaking at a Philadelphia Parking Board Authority meeting last October, Pennsylvania Taxi Association president Alex Friedman explained, "I try to equate this illegal operation of UberX [the ridesharing branch of Uber's business] as a terroristic act like ISIS invading the Middle East." That would have been plenty, but he went on: "It is exactly the same menace." I can only presume that, at that point, anyone in the audience not laughing or crying was either hard of hearing or experiencing the same kind of inhumanly brutal attack on his profits as Friedman himself.

"Out of touch white guy thinks devaluing his business investments is morally on par with beheading journalists," tweeted Keystone Politics, a self-described source for liberal news and commentary in Pennsylvania. Which sounds about right.

But while Friedman's comments were more—shall we say—*hyperbolic* than most critics', they ultimately weren't all that different. According to those who insist that Uber and its ilk are problematic—a group that appears to include the municipal councils of many modern metropolises—the biggest



issue is that Uber is moving in on others' turf. And that turf has already been officially, legally, and handily reserved by the government for a select group of businesses.

That's the real problem here. Friedman is joined by many more articulate people than himself in thinking that a spot in the market—providing rides—is and should be the government's to assign, rather than being open to free competition based on who best serves customers' needs.

No area of any industry should be forcibly cordoned off by regulation to such an extent that a fresh innovation that makes life better for willing customers and opens profitable avenues for new sellers can be blocked as an "invasion" or "attack." Maybe if the taxi industry hadn't been so firmly shielded from competition for so long, it would be in better shape to weather the challenges from Uber and Lyft, having been more responsive to consumer wishes and preferences all along.

If not for the healthy incomes guaranteed by government-capped medallions and licenses—incomes often earned on the backs of drivers—taxi owners and companies themselves might have been moved, by necessity, to innovate their own useful apps and devices. I don't mean to diminish the simple elegance of Uber's model, of which I

am a big fan, but the truth is that it wouldn't be nearly the success and threat it is if the alternative weren't so pitifully inadequate.

I was recently traveling in a major Canadian city where Uber currently doesn't operate. My average wait time for a cab at a major chain hotel on the south end of town was

40 minutes. Word on the street was that the three taxi companies that control the market there had taken to not answering their phones during peak times, hoping to pressure the local council to release more taxi licenses—which those companies presumably would buy and use to charge more

rent from their drivers.

In Toronto, where I live, I use Uber's taxi service. The cars and drivers are the exact same ones I'd be using without Uber. But the wait times are three minutes instead of 30, and the trip is automatically charged to my credit card with a tip included (no lectures about how much the bank is charging the driver to use a credit card machine). That last detail is actually a huge motivator for me, given that I'm always short on cash, I hate calculating tips on the fly, and I don't like guilt trips.

Clearly, taxi companies could have offered those perks themselves. But they never did because they didn't have to. Now that they do, they're crying foul rather than stepping up.

Government is hugely complicit in this mess, having created and perpetuated a scheme in which drivers were easily exploited by owners, customers were ill-served by limited options, and owners were incentivized to do as little as they could get away with.

In a sense, maybe Friedman has it sort of right. Uber, Lyft, and similar companies have "invaded" this sovereign taxi territory. It's no wonder the taxi kings aren't pleased. But I suspect the rest of the taxi-land citizens are pretty happy to see them. R