

# New York City Council caps Uber

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New York's City Council passed legislation last week capping the number of cars operated by the app-based services Uber and Lyft for a year in order to evaluate their impact on traffic congestion, together with a second bill that would allow the city to set a minimum wage for drivers. Mayor Bill de Blasio is expected to sign both bills into law.

Hailed as a "major blow" to Uber by taxi driver advocacy groups and left-posturing Democratic politicians, the combined bills are little more than a temporary glitch for the app-based ride hailing services and will do little to address the underlying crisis of public transportation in the country's largest metropolis. As in the case of public education, where the claim of "no money" has been the excuse for slashing government spending in order to promote for-profit charter schools, Lyft and Uber have arisen and profited from the decades-long underfunding of the Metropolitan Transit Authority (MTA), which has resulted in an unprecedented number of breakdowns and delays.

According to an October 2017 report from the city's Independent Budget Office (IBO), "subway delays have soared by roughly 200 percent over the past five years as the agency has struggled to upgrade its outdated infrastructure, the aging equipment buckling under an increase in ridership."

The delays disproportionately affect workers with longer commutes from outer boroughs who have lost wages and in some cases their jobs as a result. The IBO report found that "the hours that riders have lost during a typical morning rush hour have increased on every line by at least 24 percent from 2012 to 2017. Declining subway service is costing New York City workers about \$1.2 million in lost wages each workday," the report continues. "That comes out to about \$307 million in income lost to transit woes each year."

As a result, since 2017, ridership has begun to fall, as

those who can afford alternative means of transportation have headed for the exits. A *New York Times* report earlier this month revealed that "annual subway ridership fell in 2017 to about 1.73 billion trips, down about 2 percent from 2015, according to statistics from the Metropolitan Transportation Authority, and subway officials said ridership continues to slip, falling during the first five months of this year by about 2 percent."

The fall-off in ridership has prompted the moves against Uber and Lyft as ready scapegoats for a crisis that threatens to further undermine the revenues of the transit authority, a state agency controlled by New York Governor Andrew Cuomo's office in Albany. Revenues from lost fares since 2015 reach upward of \$95 million. It has also intensified the conflict between the governor's office and that of NYC Mayor Bill de Blasio. The former has long argued that the city should be responsible for a larger share of financing for the MTA, while the latter, beholden to Wall Street, has already had to back down once in 2015 in the face of the Uber's determined resistance to anything impinging on its profits for wealthy investors and shareholders.

In the run-up to the City Council vote, Uber ran a pseudo-populist ad campaign on platforms such as the music-sharing app Pandora appealing to "people of color" who lived in the outer boroughs, and who as a result, the ad said, were often ignored by government, urging them "to make their voices heard" by opposing the cap on Uber.

The company argued that the imposition of a minimum wage for drivers would only make Uber rides more expensive, decreasing demand and availability, thus harming rather than improving the livelihood of taxi drivers, a number of whom have committed suicide out of desperation at their financial plight.

The company, valued at \$68 billion and poised to go public with its shares later this year, is already

preparing counter-measures to circumvent the cap. Uber spokesman Josh Gold told the *Washington Post* that “the company will shift its strategy from opposing efforts to freeze the number of vehicles to gobbling up the outstanding for-hire vehicle licenses available under the new cap. Ride-hailing services have an estimated 80,000 of the 120,000 available for-hire vehicle licenses in New York, the companies say.”

There is little doubt that studies undertaken by the mayor’s office over the next year will confirm what previous studies have already shown, namely that the app-based services increase traffic congestion in major urban areas, including New York, Washington, D.C., Seattle, San Francisco, Los Angeles, Boston, and Chicago, in part by pulling from more sustainable modes of public transportation.

How much the necessary upgrades to the transportation infrastructure will cost fluctuates widely depending on who you ask, but the answer is always “too much.”

The recently appointed president of the New York City Transit Authority Andy Byford’s “sweeping plan to fix the subways comes with a \$19 billion price tag,” according to a *Times* headline in May.

The proposals to raise necessary funding to upgrade the transit system, such as congestion-based pricing in the city center, which is favored by the Uber and Lyft because it does not single them out, or revenue taxes on the ride-hailing apps which they oppose, would fall short of the funding required and have little chance of passing the state legislature.

Even without such measures, funding for the rational upgrading of the transportation infrastructure to meet the needs of twenty-first century urban centers exists; it is just one more thing that the American oligarchy sees no need to deprive itself to pay for, preferring to spend money on private jets, helicopters, limousines and yachts rather than on public transportation. The one-third share that the Trump administration recently floated for cutting the capital gains tax—\$102 billion over 10 years, with two-thirds of that, or \$66 billion, accruing to the top 0.1 percent of Americans—would easily cover the funding required over the same period to upgrade a system that transports 1.7 billion riders annually.

See also: Another New York City taxi driver commits suicide

[21 June 2018]

I mpoverishment pushes another New York City taxi driver to suicide

[1 June 2018]



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