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How Uber and Lyft Are Disrupting the Taxi Industry in CT and NYC: Cameron on Transportation

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Many people these days love Uber (and other ride-sharing services like Lyft). But what's the real cost of this business-disrupting technology?

Connecticut's taxis have long been regulated by the state Department of Transportation. Now they are on a more level playing field with ride-sharing companies, thanks to new regulations.

Insurance is required, passengers must be picked up and delivered anywhere without discrimination, drivers undergo mandatory background checks, there's a limit on "surge pricing," and drivers must collect 25 cents per ride, which goes into the nearly bankrupt Special Transportation Fund.

Still, Connecticut Uber drivers are at a serious disadvantage to their New York brethren. When Connecticut Uber drivers receive a lucrative trip to New York City airports, they cannot pick up a fare back to Connecticut. However, New York drivers delivering clients to Connecticut can pick up passengers heading back to their home state.

Uber now also competes with mass transit buses, launching Express Pool service in six cities using mini-buses. Fares are about 75 percent less than Uber X. Will that take private cars off the road or just further hurt transit agencies?

Six of the top-10 drop-off points for Connecticut's 10,000 Uber drivers are train stations, seriously hurting local cabs that used to monopolize that traffic.

Remember the myth that ride-sharing was going to cut city traffic? There are now seven times as many ride-sharing drivers (100,000) in NYC compared to yellow cabs (13,587). This has placed an incredible strain on city traffic and cab drivers, especially those who own their medallions, in effect their "license" to be cabbies.

Those medallions, affixed to the hood of yellow cabs, used to cost \$1.3 million four years ago. They are now less than \$250,000 and prices continue to fall.

Uber drivers in NYC don't need medallions, just a commercial driver's license. That means driving a yellow cab, which used to be an immigrant's entry into the American dream, is now a nightmare.

Full-time NYC taxi drivers have seen income fall to \$69,000 from \$88,000 a year while their working hours have soared to 100 from 40 a week.

NYC black car driver Doug Schifter was a good example. Driving since the 1980s, the 60-something-year-old wrote about his colleagues' plight for an industry publication, "Black Car News," railing against regulation and police harassment.

Few people noticed Schifter until Feb. 5 when he pulled up his black car in front of New York City Hall and killed himself, just hours after a lengthy Facebook post detailing his plight.

New York City Mayor de Blasio said Schifter had mental problems and should have sought help. Uber had no comment. But Schifter's plight was not unique. Weeks before his death, two other cabbies committed suicide.

For passengers, Uber has brought convenience and low-cost transportation, but at whose expense? When economists talk about new companies "disrupting" business as usual, we should all remember there are human beings (and their families) who are part of that equation.

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- [Don't Blame Gov for Transport Project Delays, Blame the Legislature: Cameron on Transportation](#) (Feb. 7)
- [State Transportation Chief Describes Service Cuts, Rail Fare Hikes Coming Soon Unless Alternate Funding Found](#) (Jan. 26)
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