



The Expanding Transportation Network Company

“Equity Gap”

Adverse Impacts on Passengers with Disabilities, Underserved Communities, the Environment & the On-Demand Workforce

REPORT IS AVAILABLE
FOR DOWNLOAD AT:
<http://bit.ly/2acesDZ>

Replication scheduled for late 2016 in
Who is an Employee and
Who is the Employer?:
Proceedings of the New
York University 68th
Annual Conference on
Labor (LexisNexis, 2016)

THE TNC DE FACTO PRIVILEGED ACCESS MODEL



Bank Account

- Nearly one-third (33%) of all Americans are unbanked or underbanked.
- Around 17 million Americans (8%) are unbanked.



Smartphone

- A large percentage of Americans do not have a smartphone.
- Only 64 % owned smartphones in 2015.



No physical disability

- An estimated 48.9 million people, or 19.4% of non-institutionalized civilians, have a disability.

WELCOME
TO A TNC
SERVICE

THE TNC EQUITY GAP: Corporate Elimination of Human and Natural Capital Management

- Disabled Passengers Underserved
- Enabled Data Sequestration and “Surge Pricing” Redlining
- Leveraged Access to Public Natural Infrastructure Assets
- TNCs’ Lack of Social and Corporate Responsibility
- “Gigged” — Capital Management Disadvantage in the Sharing Economy

I. THE TNC FAILURE TO ADEQUATELY SERVE PASSENGERS WITH DISABILITIES



Wheelchair Accessibility Not a TNC Priority

- The proliferation of TNCs has greatly slowed, if not halted, the progress of to convert taxicabs in to wheelchair-accessible vehicles.
- TNCs claim immunity from Americans with Disabilities Act
- TNC vehicles rarely have the capability to accommodate electric wheelchairs and scooters.
- TNCs are not held to the same accessibility mandates as the traditional For Hire Vehicle industry.



TNCs fail to provide equivalent service to people with disabilities

- **PROGRESS HALTED:** NY Legislation led to the promise of almost **16,500 wheelchair-accessible yellow and green taxicabs** in the coming years; however, slowdown in yellow medallion and green permit sales can be attributed to inaccessible TNCs.
- **LITIGATION IN AT LEAST 4 STATES** by disability advocates to hold TNCs liable for failing to provide equivalent service.
- TNC laws in 27 states and DC **LACK DISABILITY MANDATE** while taxicab and FHV industry forced to comply with their own local accessibility mandates.



THE TNC FLAWED BUSINESS MODEL AFFECTING ACCESSIBILITY

- Little or no training: Few or no TNC drivers that operate a wheelchair-accessible vehicle are not properly trained to deal with the needs of a disabled passenger.
- Uber claims it can “accommodate folding wheelchairs” but makes no similar claims for those that cannot be removed from wheelchair.
- Uber farms out accessibility through its **UberWAV** and **UberASSIST** programs that are, in reality, a marketing ploy.

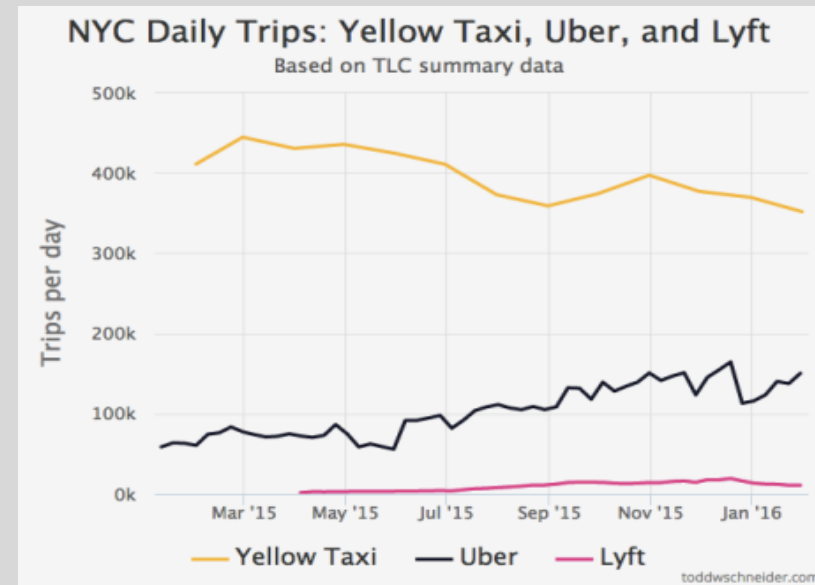
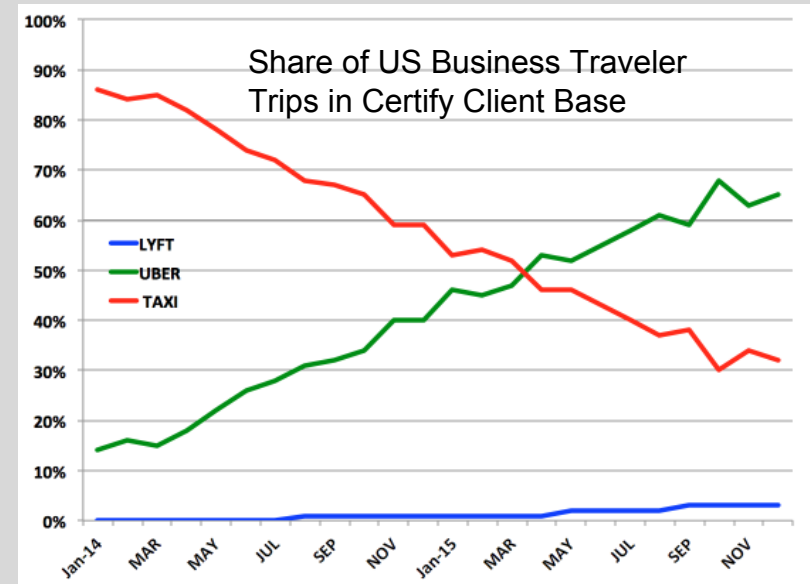


II. THE BUSINESS MODEL OF TNCS: “SURGE PRICE” As “REDLINING”



THE BUSINESS MODEL OF TNCS = REDLINING

- One drastic result of TNC “surge pricing” is that communities with limited or no TNC access may be “redlined” since drivers may choose not to operate in those areas.
- Rural communities will be largely excluded from TNC service.
- Unbanked and under-banked communities will be unable to access TNC services.
- Individuals without smartphone access will also be unable to access TNC services.
- A severe reduction in taxicab service for those who do not have access to TNCs and had previously relied on taxi service.



TRANSPORTATION DISADVANTAGE

Those who are not easily able to travel to jobs, events, education, recreational activities, and social and cultural networks are said to suffer from a “**transportation disadvantage.**”

Consequences include:

- Loss of economic production.
- Reduced social and community involvement.
- Increased isolation.
- Dependency by those without licenses.

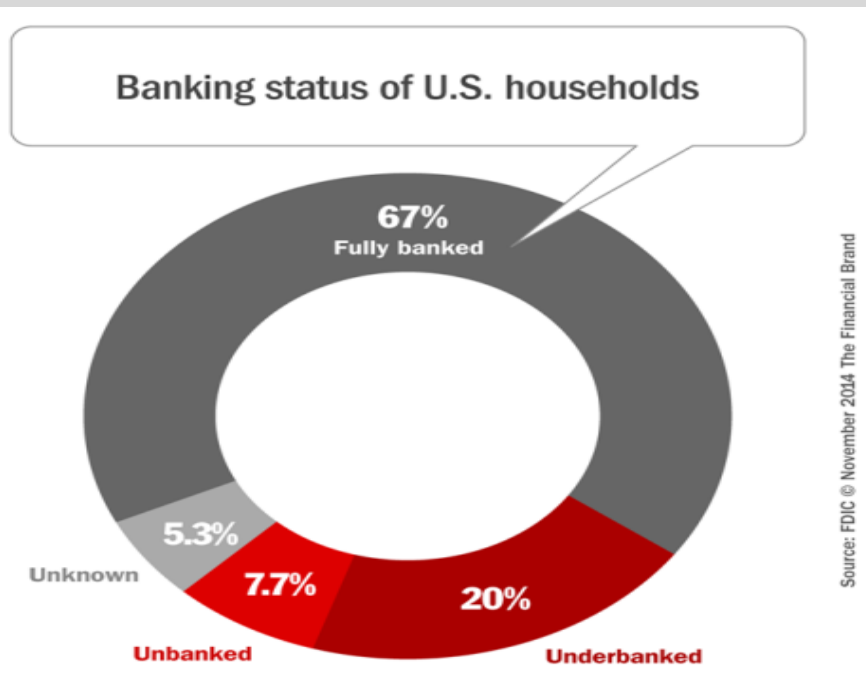
Where Cars Pick Up Passengers

Percentage of all Uber, yellow cab and green cab pickups from April through September 2014 in each census tract



UNBANKED POPULATIONS

- Nearly one-third (33%) of all Americans do not utilize banks (i.e. living by cash only).
- Around 17 million Americans (8%) are unbanked.



PEOPLE WITHOUT SMARTPHONE ACCESS

- 35 percent of Americans owned smartphones in 2011.
- 64 percent owned smartphones in 2015, still leaving 36 percent without the means to utilize a TNC.

Smartphone Ownership Highest Among Young Adults, Those With High Income/Education Levels

% of U.S. adults in each group who own a smartphone

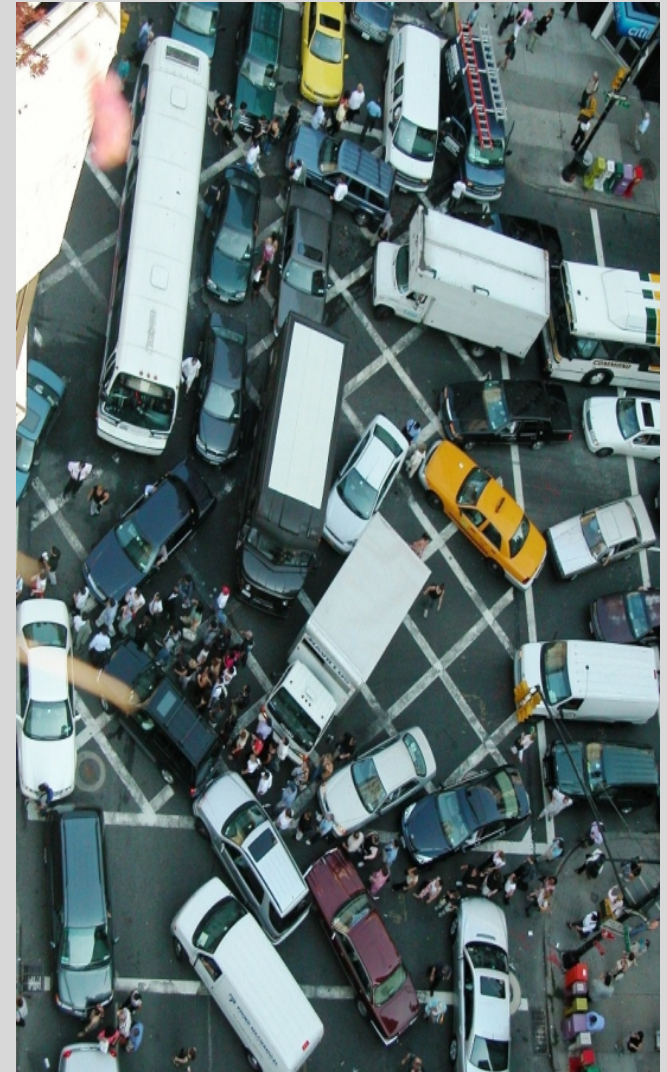
All adults	64%
Male	66
Female	63
18-29	85
30-49	79
50-64	54
65+	27
White, non-Hispanic	61
Black, non-Hispanic	70
Hispanic	71
HS grad or less	52
Some college	69
College+	78
Less than \$30,000/yr	50
\$30,000-\$49,999	71
\$50,000-\$74,999	72
\$75,000 or more	84
Urban	68
Suburban	66
Rural	52

Combined analysis of Pew Research Center surveys conducted December 4-7 and 18-21, 2014.

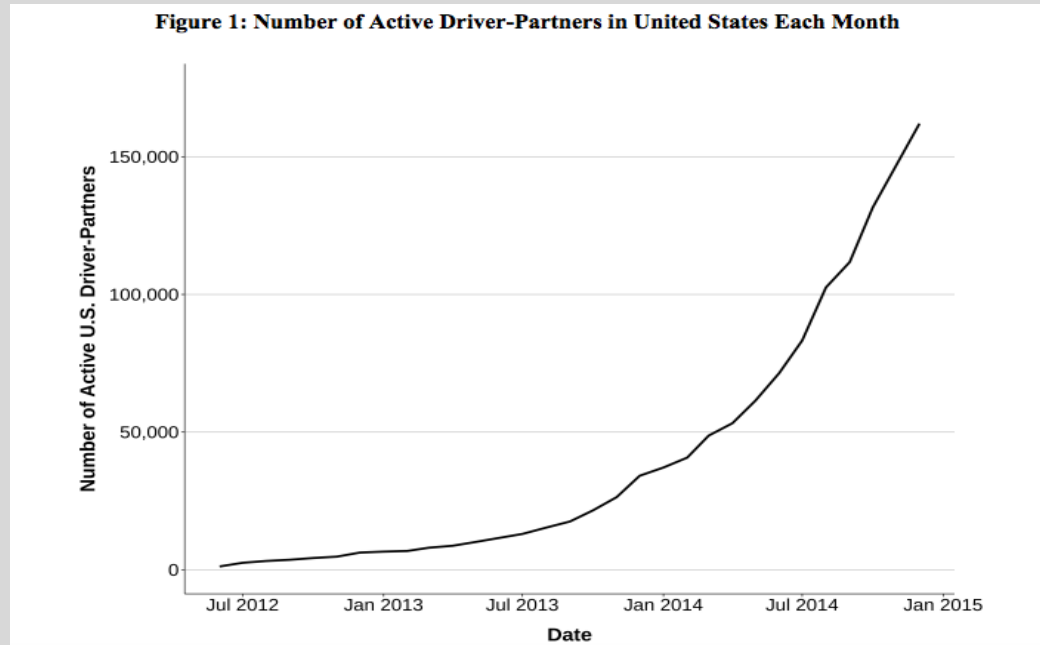
PEW RESEARCH CENTER

Leveraged Access to Public Natural Infrastructure Assets: Mobile Source CONTROL Reverse

- *Zero UBER (0) drivers in 2012 to 160,000 actively partnered drivers by the end of 2014 in the United States alone.*
- *TNCs use air, land, and water Assets “at will” with no access controls*



SUSTAINABLE TRANSPORT FINDINGS



- **Congestion Effects**
 - decreased productivity
 - increased business costs
 - emergency service impairment
 - thousands of deaths annually (32,675 PMV crash deaths in 2014)
- **Airshed Effects**
 - 1.5 Million pounds of CO₂ each day

DEVOLUTION OF SUSTAINABLE TRANSPORTATION PROGRESS

Surge pricing - Maximizing Congestion and Pollution

- Surge/dynamic pricing model is designed *specifically to increase the number of drivers on the road.*
- By increasing the number of vehicles on the road by such large percentages the results will be *increased travel times and emissions, diminished air quality, and altogether decreasing the quality of life and health of the populace.*



IV. TNCs: OFF-LOADED SOCIAL & CORPORATE RESPONSIBILITY



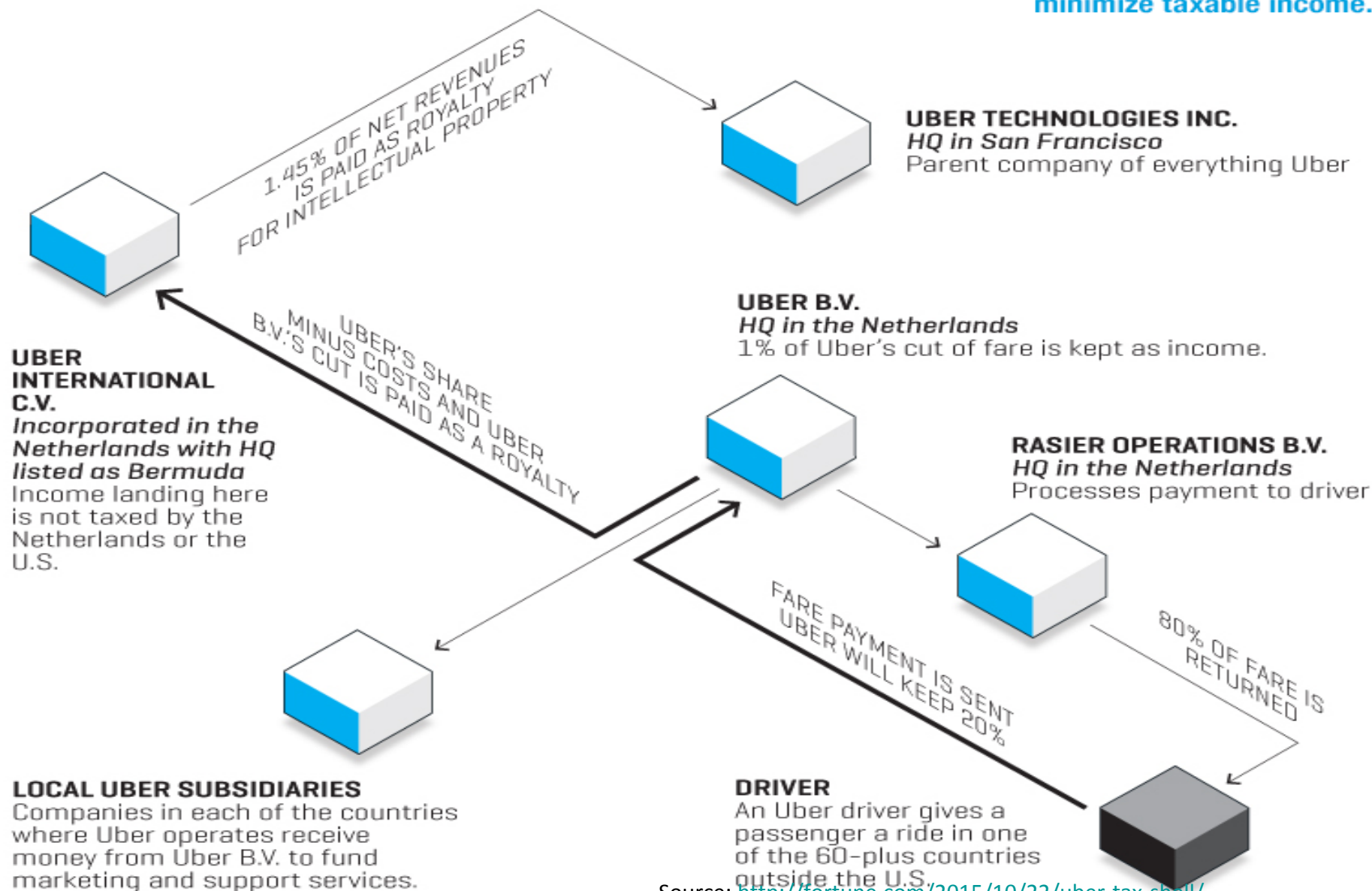
TAX AVOIDANCE DOWNWARD CYCLE

- TNCs utilize a highly sophisticated web of tax avoidance depriving cities millions in tax revenue.
- BURDEN SHIFT to local taxicab & FHVs, forcing higher fares than the TNCs and economic disadvantage
- Local taxicab and FHVs market share decline further decreases critical tax revenue
- Tax burden can be shifted to drivers while TNCs retain the bulk of the non-taxed fare apportionment



REVENUE DO-SI-DO

Beyond America's borders, Uber has set up a string of subsidiaries, many in the Netherlands, that effectively minimize taxable income.



Source: <http://fortune.com/2015/10/22/uber-tax-shell/>

V. NOT SHARING IN THE SHARING ECONOMY - THE TNC GIG WORKER, AND ECONOMIC DISADVANTAGE



UNDERSTANDING THE SHARING ECONOMY - WHAT IS BEING SHARED?

- The common characteristic of companies that claim to be part of the sharing economy is *the lack of sharing and the presence of exchange of goods and services for consideration*.
- One factor for the non-existence of sharing of goods and services in this model is customers' preference to opt into buying rather than sharing.
- In reality, this is an “Access Economy” not involving sharing.

For sale! Not for sharing!



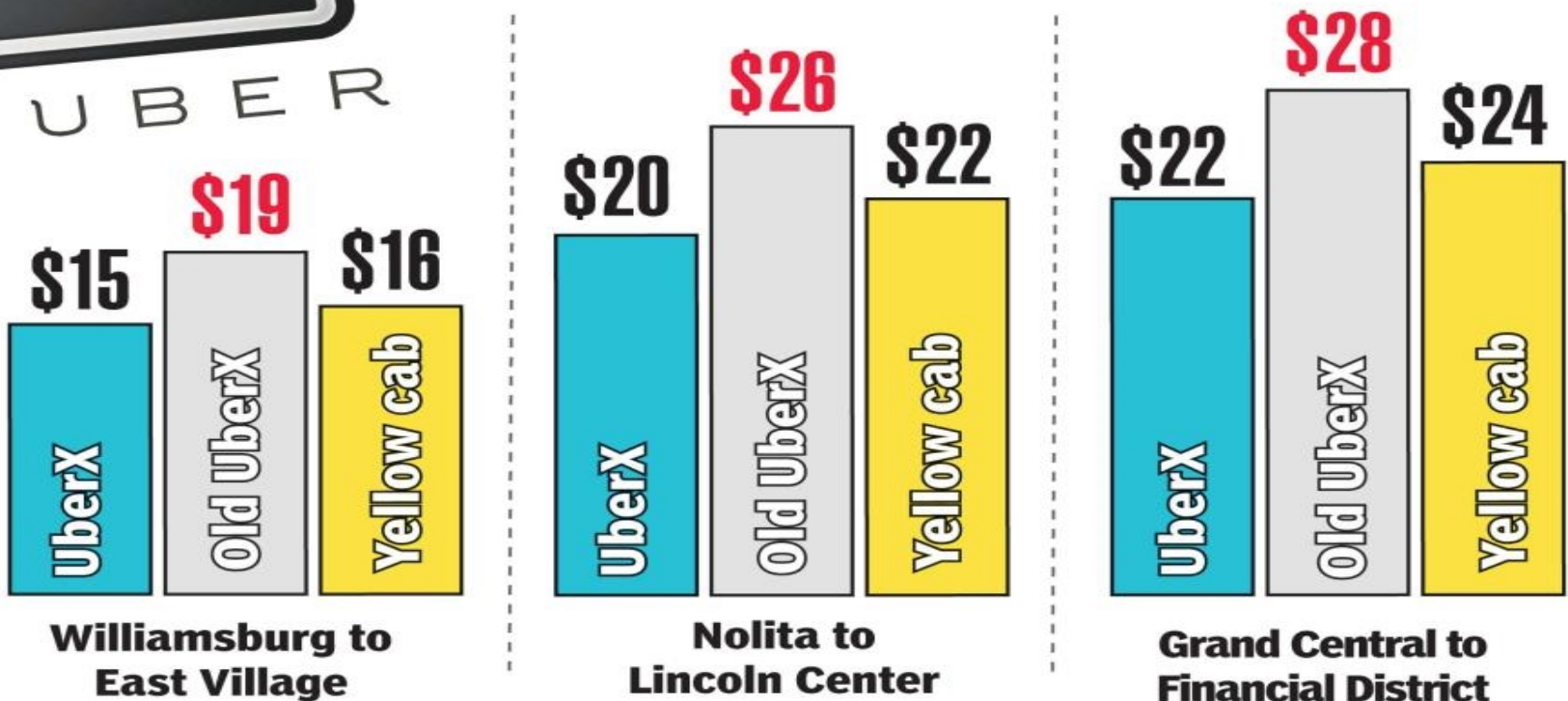
THE COST OF THE SHARING ECONOMY

- Uber is cheap. But who is paying for its true cost? Its drivers!!!



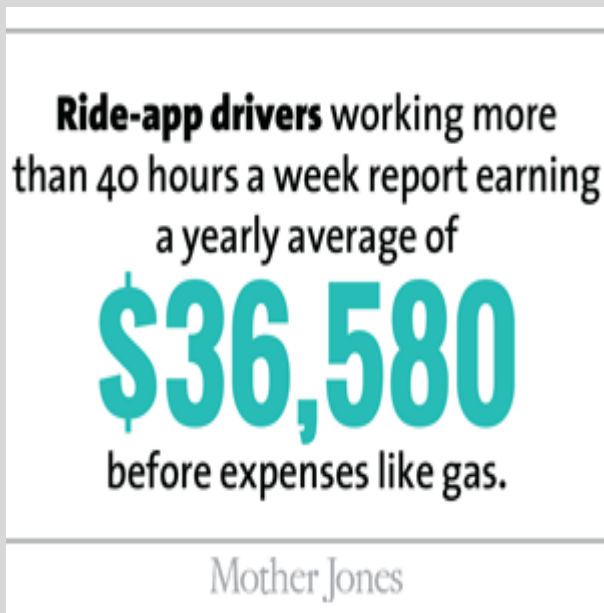
HOW LOW CAN THEY GO?

Uber is lowering prices — temporarily, it says — in a hail-raising plan, hoping to grab more fares from city taxis.



THE COST OF THE SHARING ECONOMY

- The expansion of the sharing economy model has also been cited as a significant factor in the decline of the quality of jobs and the proliferation of a “disposable workforce”



TNCS' IMPACT ON THE ENVIRONMENT AND THE LABOR MARKET

- In January 2016, Uber slashed its fare by 30% to about 50% per mile, *less than the \$0.54 reimbursement rate set by the government for “wear and tear” on a vehicle.*
- As a result, many drivers are not able to earn enough to reimburse their vehicle's depreciation, let alone making a living out of working for Uber.
- “Economies of SCALE” lost to public managers and consumers alike



WHAT IS NEXT?

Affected Entities and Communities:

- Transportation Regulators
- Industry Stakeholders
- Disability Advocates
- Environmental Groups
- Academic & Research Institutions (TRB, etc)
- Metro & Regional Planning Associations
- Departments of Transportation & Related Agencies