

Kent, OH: Local Taxis vs Uber

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Host Lead : In five short years, ridesharing transportation company Uber has spread from San Francisco, to dozens of U.S. cities, to now [37 countries around the world](#). Uber has been in Ohio since October 2013. They launched in August in 2014. Reporter Rachel Godin covers the impact Uber is making on local taxi business.

Godin: Last night Wednesday October 7th the city of Kent's board of control committees passed a motion to continue developing language that would regulate Uber, a transportation network service that works off of a smartphone app. Local transportation and taxi businesses wonder whether the city of Kent will hold Uber to the same regulatory standards as they are held. Jason Hoopes, owner and president of 1 Fast Transport, sees that the council's lack of enforcement of taxi laws on Uber as a problem. He's just come out of the council meeting, where he voiced his concerns.

Hoopes: We've been calling the police and we've been calling the council members and they're not enforcing taxi law yet on these Uber drivers and it's costing us a lot of business.

Godin: What is at the heart of the matter is this: Uber's brand new business model is shaking up the transportation industry. Across America cities have experienced difficulty regulating Uber because, well, nothing like it has existed before. It's new territory. Uber doesn't require insurance policies on each car because each Uber driver drives their own insured car. In this way, Uber is labeled a rideshare company rather than a taxi company.

Taxi companies have historically consists of cars registered under one commercial license and are required to pay certain fees and to abide by certain rules. Uber's new rideshare business model essentially sidesteps these requirements. Competitors, Like Hoopes' 1 Fast Transport, want to have a fair chance to compete without having to invest in tech and want to see the same regulations on transportation services across the board.

Hoopes: I'm not saying Uber's a bad thing. I think it would be nice to hit a button and be on a network like that. But for a small business like us the cost is outrageous. That's tailored to their business. They have opportunities that we don't, being a local business.

Godin: Other transportation businesses are functioning on old state regulations that Uber seems to have dodged. But at the council meeting, Delon White, Uber's local general manager, insisted that it's not the confusion on how to regulate Uber that is inspiring customers to prefer it.

White: Clearly in the communities where we roll out, we're filling a void that wasn't being filled. Clearly this is something that's different than what preceded it and some of the legacy forms of transportation. If you look at the uptick of using uber to using other forms of transportation it's pretty clear that there's something about it that's causing people to use Uber.

Godin: Based on current state and city regulations, are taxis being given a fair chance to compete with Uber? Uber uses dynamic pricing, which allows for surges and gouges in price. Current state regulations do not allow taxis to do this. Kent's taxi services are required to fingerprint, while Uber is not . Kent's city council expressed concerns about the disparity in safety requirements, but generally held that diversity and competition are good for Kent's economy and that Uber will not be barred from Kent because they work off of

a different business model. As council member Garrett M. Ferrara said in the meeting, :

Ferrara: It's a different demand is what I would argue. It's a different service that has become available to people that wasn't there before. You're discounting the generation that's willing to use the technology that wasn't willing to call and reserve a taxi.

Godin: The board members created a list of suggested regulations for Uber. These regulations were adopted in large part from the regulations Cincinnati created in 2014 when Uber came to the city. Regulations called for vehicles to be inspected annually and issued a sticker to be placed in a back window, labeling it as an inspected transportation vehicle. Other safety rules are included and the language on these will be continuously reworked as the Kent adjusts to the transportation newcomer. For Kent Wired, I'm Rachel Godin.

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