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Decision on Uber & Lyft: A lesson on sharing

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Pennsylvania judges Mary D. Long and Jeffrey Watson issued a cease and desist order on Lyft and Uber operations last week but the demand for the ride-sharing companies in Pittsburgh remains substantial.

“Having Uber around is crucial to helping me do my job and live my life more easily,” “Please don’t make life in Pittsburgh boring again” and “I can say absolutely that not having this great service will affect my life in a very negative way,” were some of the statements Uber gathered from Pennsylvania residents to prove to the Pennsylvania Public Utility Commission, the regulatory agency that originally requested the cease and desist order.

The PUC issued the cease and desist out of concern for public safety, as the ride-sharing companies lack driver background checks, insurance and inspections that are up to the commission’s standards.

Nonetheless, Pittsburghers have fallen in love with the services Uber and Lyft have provided since the ride-sharing companies started operating in the city earlier this year . The love affair is unsurprising, considering the options Pittsburgh residents had before the companies moved into town.

Take taxicabs, for instance. There is an information gap between this traditional service and the customer — when you hail a cab, there is no way to know what to expect before you get in. The cleanliness of the vehicle and reliability of the driver is uncertain for the potential passenger. And, because of the inconsistency of available cabs, we usually have no choice but to accept the uncertainty — unless we feel like waiting for another one.

This is probably why taxi companies in Pittsburgh average about two out of five stars on Yelp.

Thankfully for us, the market has a way of expanding to fill in the gaps, as is demonstrated by Uber’s and Lyft’s innovative business models. All of the essential information about the ride — like whether or not you will have a safe driver, if he or she is dependable and even if he or she is fun to talk to — is available to the potential passenger via smartphone apps. Another ride can be requested with the touch of a button if the would-be passenger is not satisfied with the driver’s reviews and all of this can be scheduled in advance from the customer’s own home.

Regulators should be malleable in order to allow valuable innovation to become available to the public.

That hasn't been the case. The PUC has played the role of obstructionist by refusing to evolve with the times.

In a statement published by his office on Wednesday, July 2, Mayor Bill Peduto warned, "While the commission may wish for Pennsylvania to cling to a Jurassic Age of transportation options, people in Pittsburgh and other communities know our state must adapt or die in the global marketplace."

History is rife with examples of new industries taking the place of the old — always to the dismay of those involved with the latter — in the form of lost jobs and profits. Despite the obstruction, it is understandable why taxi companies and the PUC are frustrated about Lyft and Uber.

But, as Matthew Feeney, a policy analyst with the Cato Institute, said in an interview with *The Post-Gazette* on Saturday, "frustration is no reason to halt innovation. If it were, we would not have cars or computers."