

First round, California.

By Don McCurdy

Uber's first trip to court over the new "gig economy" law did not go well. Seeking an injunction to halt enforcement of the new law, Uber was sent packing. Not only did the judge not grant the injunction, she informed them that she didn't see their case as likely to prevail.

Independent contractor status is important to Uber and Lyft's approach to the transportation business, so this case is critical to their California operation. Uber is reported to have taken some steps to offer drivers more autonomy, but it is unlikely that their new and improved method will impress the judge.

Like the taxicab industry, Uber and their ilk depend heavily on the status of their drivers. Should the drivers be declared employees it will undoubtedly raise price and demand an entirely different approach to the California market. The logistics of that change are no doubt being studied by Uber, if not them then their competition.

Who wins?

Uber and Lyft were in the news after posting their earnings. Uber is reported to have moved up their projected target date of profitability while Lyft was a bit more conservative and stayed with their profit projections. Uber's stock went up on the news while Lyft's, beating expectations, stock went down.

Uber is reported to be divesting some of the Uber Eats side of the business which is reported to have been a money pit. Who could have foreseen that? I can't hardly wait to hear how profitable their "commercial passenger drone shuttles" are going to be.

Meanwhile Lyft has been focusing on their core business of providing rides. It seems there are two paths being taken to achieve the brass ring of profitability. I wonder who wins?

Public-private?

A recent article from New York City reports that the city's appointed panel wants \$500 million to save taxi drivers "trapped in unscrupulous medallion loans." The Taxi Workers Alliance thinks it's a splendid idea, though the panel didn't exactly say where the money was going to come from to "take over the debt."

The article didn't explain a couple of key points, such as who gets the medallion. A movement was afoot to cover any tax liability medallion owners might face as a result of their debt being covered. Another point I thought relevant is how do you tell which loans are unscrupulous? Is this a bailout for the drivers or the medallion loan holders?



George Miquilena

I know that if I had financed a loan on a now near valueless medallion, I would be hopeful that I wouldn't have to write off as much. It will be interesting to see how this proposal progresses with the city.

Will this affect stock price?

It has been reported that Uber's head of diversity has left the company. Comments from Uber are that he "helped make Uber a more inclusive and diverse company." Having worked in the business world and never had a head of diversity, I wondered what exactly heads of diversity do? Reports are that shortly after joining the company Uber issued their first ever "diversity report." Apparently, diversity has something to do with the racial makeup of the company's workforce.

The article also introduced me to a new term I hadn't heard, I don't get out much, Latinx. Latinx, based on context, seems to be the latest iteration of Hispanic, a word that lumps together a group of people who are kind of similar. The good news for Uber investors is that there is a new head of diversity and this one is a woman. That should make them even more diverse. That should bolster the stock price and assure ongoing profitability. Do you think?

Uh, is that cheating?

Reports are that Uber has developed a new technology for customers to order an Uber vehicle, the voice telephone. Say what? Yep, there's a call center somewhere that will answer the phone and enter your address and send you an Uber, kind of like ordering a taxicab. It's not a taxicab, though.

I'm not sure why, but the "new" feature is designed for us old folks who just can't understand those new fangled smarty pants phones. Since I've owned a "smart" phone since 2005 I'm not sure what mileage they'll get out of this, but it's good to know that Uber is paying attention to their core business, since some of their more diverse businesses are gobbling up cash with no positive results.

The number is not supposed to be used to call in complaints or problems, but the author thought that it probably would be used for those purposes. I can tell you from personal experience that it is somewhat frustrating to see your Uber parked at the wrong hotel waiting for you to come out. Having a number to call would have been helpful.

That's not good.

While I like to confine my commentary to the North American market an event took place in Japan that is worth note. It may well be a moot point by the time this column is published but it is being reported that a Tokyo taxicab driver has been tested positive for the Coronavirus.

Since a carrier can be asymptomatic for weeks it is highly possible that the taxicab driver infected dozens of people. Couple that with a London Coronavirus patient showing up at the hospital in an Uber vehicle and a Thai taxicab driver contracting it, you get the idea how fast a population can spread the disease.

While we here in the states may wish this away it doesn't look like it's going to happen that way. While reports are that most US cities are more sanitary than Wuhan China, I can't help but wonder what will happen in the major cities like Los Angeles when their homeless populations gets the disease. This disease has serious potential here in the US and I hope our political theatre crown in DC can get their heads on straight to deal with this as effectively as possible. Good luck with that.

Uh Ola.

Since we're international let's visit London. While Uber struggles to keep the right to operate in London, Ola, an Indian rideshare company, has entered the London market. It has been reported that Ola has been serving cities in the UK since August of 2018 and was licensed in London in July of last year.

Ola is reported to be starting out with the driver getting one hundred percent of the fares for the first six weeks and customers get a line of credit for signing up in the first week. Like minicabs of London fame, Ola nor Uber drivers have to pass the Knowledge, the multiyear test London Taxi Cab drivers must pass to get a license. Ola and Uber are a cheaper alternative to the iconic London Cabs. Long the established height of the trade, it may be that London's Taxi Cabs have become an endangered species. That would truly be a loss.

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