

OPINION

What does Pa. government have against Uber anyway?: Antony Davies and James Harrigan

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By Antony Davies and James Harrigan

Two-hundred years ago, Pennsylvania was ground zero for liberty. Today, not so much.

To the benefit of no one save special interests, Pennsylvania Public Utility Commission (PUC) judges have decided to punish people who offer a service the public wants - people who willingly pay for that service.

By recommending that the ride-sharing company Uber be fined for operating without the permission of the almighty overseers in Harrisburg, unelected judges have declared their right to control what buyers and sellers have already decided they want.

It turns out that regulators like the PUC get angry when people don't do exactly as they demand.

Uber had the temerity to operate without the blessing of nanny-state functionaries, and those functionaries have now proposed the highest fine ever imposed by the PUC.



Is it cheaper to Uber or taxi in Harrisburg, Lancaster and York?

At \$50 million, Uber's fine clocks in at more than 25 times the second largest fine - levied against Hiko Energy last year.

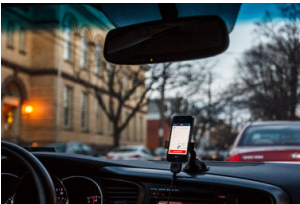
And what heinous crime against the state did Uber commit to deserve such treatment?

Uber provided a service that people like more than they like the service they get from PUC-approved taxis. How do we know? Because people often pay more for Uber than they do for PUC-approved taxis.

If people like Uber so much, why would the PUC fine the company? There are three reasons.

First, the taxi cartel has been losing a significant amount of money to Uber. The cartel relies on the PUC to kill competition as less competition means more money in the cartel's pockets.

But what goes unrecognized, is that a lack of meaningful competition makes taxi service, statewide, marginal at best.



Uber excited: Ride-sharing companies could soon be allowed to operate throughout Pennsylvania

It's the same reason people complain about their internet service providers, the DMV, and the Post Office. Without meaningful competition, customers can't punish firms for lousy service because customers have nowhere else to go.

Second, Uber calls into question the value of the PUC itself. The taxi industry that the PUC oversees produces an inferior product to Uber, a company the PUC does not oversee.

So why are Pennsylvanians spending almost \$70 million annually on the PUC, when it appears that the agency actually degrades the quality of products it touches?

Third, restricting competition is good for politicians. When politicians control what businesses are allowed to operate, those businesses will happily curry favor with those politicians come election time.

Politicians call them, "regulated industries" making "campaign donations." We call them cronies paying kickbacks.

Tellingly, the PUC ultimately seeks to fine Uber, not Uber's passengers. But, as with the tango, it takes two: a driver and a passenger.

The reason Uber ran afoul of PUC regulations to begin with, was because Pennsylvanians willingly paid the drivers to pick them up and take them places.

In representing one-half of the transaction, those riders are as culpable as Uber.

But you won't see the PUC or any other agency going after riders because the people wouldn't stand for it. Either both sides of the transaction are blameworthy, or neither is.

The PUC, as regulatory agencies do, will counter that regulation is necessary for the "public safety" - as if the PUC is more concerned about people's safety than the people are themselves. The public safety interest the PUC is aiming to fulfill is halfhearted at best.

Does the PUC require taxi drivers to provide customers with their license numbers and pictures before picking them up? No, but Uber does.

Does the PUC allow customers to publicly rate drivers for courtesy and promptness? No, but Uber does.

Does the PUC require taxi drivers to complete a criminal background check? Yes, but only a Pennsylvania State Police background check. Uber requires multiple state and FBI background checks.

In the end, only one thing should matter: People want Uber. If the taxi cartel wants people's money, let it compete by offering a better product at a lower price. As for the PUC, it has shown that it has nothing of value to offer. Not only should it not be regulating Uber, it shouldn't be regulating taxis, either.

Pennsylvanians have voted with their wallets: They believe they are better off with Uber than without it. That should be all the government needs to know.

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