New York’s Ride-Hailing Battleground Moves to the Outer Boroughs

Uber and Lyft say New Yorkers who live outside Manhattan would be the hardest hit if the city curbs new ride-hailing licenses

By
Paul Berger

Updated Aug. 6, 2018 4:32 p.m. ET

Ride-hailing companies warn that a one-year freeze on new licenses, expected to pass the New York City Council Wednesday, will hit outer borough riders hardest.

Uber and Lyft say their drivers will abandon those areas for more lucrative parts of Manhattan, resulting in longer wait times and higher fares for everyone.

More New Yorkers use ride-hailing services, in particular shared trips, to commute to work, pick up groceries or meet up with friends.

Kimberly Lucas, a 24-year-old student from Queens uses the ride-hailing service regularly even though she owns a 30-day unlimited MetroCard. “It’s quick, extremely convenient, affordable and when you’re done after a long day at work, you don’t want to take the MTA,” said Ms. Lucas, referring to the authority that runs the city’s subway and bus systems.
New York City wants to freeze distribution of new ride-hailing licenses while it studies policies that could limit the amount of time ride-hailing cars spend empty, circling for fares. City officials believe it will reduce congestion and raise driver wages.

The City Council is expected to vote on a package of bills on Wednesday that would enforce the freeze and establish a new category of for-hire vehicle that would enable the city to more closely regulate ride-hailing. If they pass, they would need to be approved by Mayor Bill de Blasio, who has voiced support.

Over the past five years, ride-hailing companies have flooded the city with 80,000 vehicles, aggravating congestion and driving down earnings for the city’s fleet of about 45,000 taxis, liveries and black cars.

About 2,000 new ride-hailing vehicles enter the city’s streets every month, according the Taxi and Limousine Commission. In a recent radio interview Mr. de Blasio said the economic pressure on drivers “alone is a reason to call a timeout and assess what’s going on here.”

The Metropolitan Transportation Authority says it is losing riders to ride-hailing services. Subway ridership fell 1.7% last year and is expected to fall another 2% this year, according to MTA figures. Bus ridership fell 5.1% last year and is expected to fall by 4.4% this year.
MTA officials say the biggest declines in ridership are during off-peak hours and within and between the outer boroughs. Between May 2017 and May 2018, subway ridership within the Bronx and Queens fell by 8.2% and 6.6%, respectively.

Uber, which dominates the ride-hailing market in New York, has seen its fastest rate of passenger growth in the outer boroughs.

An Uber spokeswoman said that trips in the Bronx have nearly tripled over the past year, while rides in Queens, Brooklyn and Staten Island have nearly doubled. More than half of those trips are in UberPool, the spokeswoman said, a service that allows passengers to share rides with strangers, lowering the cost of the fare.

Ms. Lucas uses UberPool up to 10 times a week, mostly to commute across Queens between her apartment in Briarwood and a part-time job at a doctor’s office in Bayside. With a coupon, she can ride for between $6 and $9 each way.

Her journey on public transit—either two bus rides, or a subway and a bus—takes about an hour, she said. In a car, the journey takes about 20 minutes.

Yvonne Ortiz, a case worker with New York City Administration for Children’s Services, uses UberPool most days to commute between Wakefield and Mott Haven in the Bronx.

Ms. Ortiz said, depending upon traffic, the ride takes between 30 and 45 minutes and costs $7.99 with a discount program called “ride pass.”
Ms. Ortiz said the same commute on the bus and the subway takes one hour. But only on a good day.

Khalid Weir, a 28-year-old production assistant from East Flatbush in Brooklyn, takes Lyft Line, a ride-share service similar to UberPool, to Long Island City in Queens several times a week.

The rides cost between $20 and $25. “It just takes a lot of stress off my mind knowing I can still get there on time,” he said.

Monica Cotto, a style director, takes UberPool “almost every morning” to her job in lower Manhattan from Sunnyside, Queens. Her Uber ride pass sets the cost of her commute at $12, even if the driver takes the Queens-Midtown Tunnel, which charges a toll of nearly $6.

“The 7 train in the morning is coming from Main Street and it’s just packed,” said Ms. Cotto, who is 43. “The last thing I want to deal with is that in the morning.”

—Lara Korte and Katie Honan contributed to this article.

Write to Paul Berger at Paul.Berger@wsj.com