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It’s Still Perilous to Catch a Lyft in San Francisco

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It’s Still Perilous to Catch a Lyft in San Francisco

In February, Golden Gate University Law Review member Cassie Heuckroth wrote about the questionable legality of “ridesharing” services like Lyft, Uber, and Sidecar. Since then, there have been some changes. Notably, the California Public Utility Commission stopped lawsuits against the companies and drew up regulations for such services. This means that ridesharing services are on the up-and-up, but Joe Eskenazi points out in SF Weekly that they still have some thorny problems. Eskenazi recounts a dispute between an UberX driver and his fare that resulted in the police being called. If this had been a taxicab, there would have been a camera inside that recorded the incident. But Uber cars are not required to have cameras, so the dispute remains unresolved.

The fact remains that, even though ridesharing services are now legal, they lack the same protections as other livery services: “Uber et al. have stripped the gears out of the archaic machine; it runs smoothly out of the device in the palm of your hand, a cutting-edge service for a cutting-edge city,” writes Eskenazi. “And that’s all well and good. Until something goes wrong. And then you’re on your own.” There are no standard fares, no dispute-resolution systems (If you’ve ever been bored in a San Francisco taxi — and of course you have — you’ve read the little notice informing you that, in the event of a fare dispute, you can be taken to the nearest police station to settle it out. But not with Uber.)

Also unchanged since February? All the ridesharing companies continue to operate on the fiction that they have no responsibility for what their drivers do, on the theory that they’re merely providing a “platform” for “ridesharing” that exempts them from liability. Observes Eskenazi, “Like a friend with benefits, it reaps all of the fun, while distancing itself from the difficult and complicated elements of life.”

And one thing that Eskenazi didn’t write about is still up in the air: insurance. Ms. Heuckroth wrote, “When asked about insurance, both SideCar and Lyft tell their drivers that their cars do not need to be covered by commercial liability insurance.” But that may or may not be true. Auto insurance companies are more than happy to deny coverage when a personal vehicle is being driven commercially, so it’s an open question whether Lyft’s claim of “excess” coverage means anything if the driver’s insurance won’t pay a dime. This is where the “rideshare” metaphor breaks down: Lyft drivers aren’t already on their way to somewhere and cheerily accepting passengers on the way as a convenience. No, Lyft drivers are summoned to all parts of town in order to make money. They weren’t already on their way to Market and 2nd: you asked them to come there, and here they are. Insurance companies, which are pretty shrewd, can see through this thin veil, meaning it will take several lawsuits before Lyft, Uber, and Sidecar abandon the transparent delusion that they’re not in the livery business and their drivers are ferrying people around town out of the goodness of their hearts.

Yes, the taxicab system is old and busted, especially in San Francisco, where the taxicab medallion system has sparked criticism. But commercial ride-for-hire services like taxicabs are regulated for good reasons, and merely being legal isn’t good enough. Rideshare services should still be subject to some of the same regulations that taxis are.
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Kevin Williams
January 23, 2014 at 1:49 pm Reply

Agreed that there should be some of the same regulations. Thankfully the CA PUC has taken care of that. There’s all kinds of rules they have to follow. You can read them here:
http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K192/77192335.PDF

A Pete
January 24, 2014 at 9:35 pm Reply

Well, how nice of the PUC have established some rules! But PUC has not bothered to show how they are going to monitor or enforce the rules on the TNCs.

Robert in graham
January 23, 2014 at 6:34 pm Reply

Essentially the CPUC has done nothing. They have set up rules of the road yes, but they are not being followed the ride shares. Consumers are still not being protected by the PUC nor the SFMTA as there is not even an inkling of any attempts to enforce meager regulations laid out. In tragic accident involving the killing of a young child by the Uber driver in SF New Year’s Eve, Uber has claimed they have no liability.

James Dunn
January 24, 2014 at 12:28 pm Reply

Check out the cover story in the San Francisco Business Times on lawsuits and liability issues facing UberX, Lyft and Sidecar, here:
https://twitter.com/SFBTPatrickHoge