Ride-hailing services rolling to smaller areas

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GONZALES—Ross Erwin, a retiree from Dutchtown, figures he is one of a handful of people driving in Ascension Parish for Uber, the worldwide ride-hailing business.

Drawn to Uber by his son, a former cabbie, Erwin has his own reasons for taking to the roads since late last year.

"To me, it's a fun thing to do. It's fun. Either that or I go home and sit on the couch and go watch TV, you know?" Erwin said recently. "I get out, drive around, meet people and make a little bit of money."

Erwin, a chemical plant worker earlier in life, has taken couples out to restaurants and bars in Prairieville and Baton Rouge, driven a man from a Sorrento oil field out for a night on the town.

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and taken people to the doctor and the grocery store.
But he said demand for his services isn't too high just yet.

“Not a booming business, no,” he said.

In the past two years, East Baton Rouge, Orleans and Lafayette parishes have adopted ride-hailing rules, as Uber, a paragon of app-based businesses that some say are reshaping how people work, arrived in Louisiana after emerging in bigger, more technology savvy urban centers on the East and West coasts.

Ride-hailing relies on cell-phone applications that allow customers and drivers, who are independent contractors, to set up point-to-point fares.

Earlier this month, Ascension Parish government became the first suburban Baton Rouge parish to adopt a ride-hailing ordinance.

On Wednesday, Uber, a $62.5 billion company operating in more than 400 cities, became the first ride-hailing company to pay the $500 fee under the new Ascension ordinance and be issued a permit, parish officials said.

But interviews with Uber drivers, restaurant and bar owners and others suggest that the ride-hailing business is fairly low-key so far in less populated parishes outside Baton Rouge and New Orleans.

Lyft, Uber’s main competitor in New Orleans, hasn’t even moved into Baton Rouge yet.

At the same time, some of these same drivers suggest there very well may be a market for ride-hailing in the suburbs, but the lack of exposure is limiting the business.

“There’s definitely a market for it, especially with the college here in town and it (Uber) being very affordable,” said Chanc Kinchen, general manager of Jacmel Inn in downtown Hammond where Southeastern Louisiana University is located.

“I just don’t think people have had the opportunity (to try it), and they haven’t been exposed to it,” he said.

Using Uber’s cellphone app, customers can see whether there are drivers in their area.

When someone wants a ride, they type into the app their starting and ending points. Within a few minutes, Uber sends the customer a picture of the driver who will be picking them up, the driver’s phone number, the type of car the driver will be in along with the expected time of arrival, which is usually in just a few minutes. At the same time, the company debits the customer’s credit or debit card for the ride.

Publicity over Ascension’s ordinance has already piqued some interest elsewhere in the area as West Baton Rouge Parish President Riley “PeeWee” Berthelot said his administration plans to look at a ride-hailing ordinance — at least for a discussion.

Ascension officials said media coverage of their ordinance’s adoption has already raised awareness of Uber’s availability in the parish.

Kyle Gautreau, Ascension Parish President Kenny Matassa’s chief of staff, said parish officials heard from voters in Prairieville and Dutchtown during Matassa’s campaign last year.

Many, he said, wanted access to ride-hailing services for trips between Ascension and south Baton Rouge.

“We reached out to Uber and, from the moment we reached out to them, they were more than ready ... to put together a regulatory framework,” Gautreau said. “So, as far as whether or not they found us a valuable business model when we reached out to them, they responded miltigly.

In Jefferson Parish, a strong taxi cab industry’s fight to require ride-hailing companies to perform tougher background checks — Uber does its own — has kept that parish from passing an ordinance.

The new ordinance in Ascension, which doesn’t have a local taxi business, won easy passage June 2.

Officials in Ascension, which traditionally has had a hard time getting taxi cab service, worked with Uber to develop the law.

It allows Uber and other ride-hailing companies to do their own background checks, but they must maintain a registry of drivers. The structure has sparked concern in Louisiana and elsewhere that a company doing its own background checks isn’t enough, but Ascension officials say they are following Baton Rouge and other parish’s leads.

Since Uber started operating in Baton Rouge in August 2014, the Taxicab Control Board has received two pricing complaints and none over safety, said Darla Vaught, a board member and city-parish assistant revenue manager.

State regulators and Ascension Parish officials acknowledged Uber and other ride-hailing services didn’t need an ordinance to operate in Ascension, which has no taxi cab rules that might otherwise apply.

But O’Neil Parenton Jr., parish attorney, said parish officials wanted the ordinance, in part, to track what ride-hailing services were operating in Ascension after hearing Uber was offering limited service.

“Other factors in pursuing the ordinance, parish officials said, included promoting new job opportunities and the possibility of lowering of drunken drivers.

Despite repeated requests for comment, Uber officials would not agree to a telephone interview nor provide a detailed look into its business rationale for moving into Ascension and other suburban areas.

Bill Gibbons, Uber spokesman, said in a written statement, that the company has seen a lot of interest in both riders and drivers in communities all across Louisiana whether for transportation or “flexible work opportunities.”

Noopur Raval, a doctoral student at the University of California-Irvine, has been interviewing Uber and Lyft drivers as part of a research project.

She said those companies target cities with universities and airports or areas where there is a need for short, cheap rides.

Poorer areas have a harder time with ride hailing and getting drivers, she said.

Raval said Uber came fairly quickly to her home in Orange County, California, where ride-hailing prices are slightly higher than in Los Angeles.

“The simple reason is it’s a place where rich people live and are happy to pay for a taxi that came very quickly,” Raval said of the higher prices.

But Alex Rosenblat, a researcher at the nonprofit Data & Society Research Institute based in New York, said Uber’s really trying to become a ubiquitous service.

“They’re really constantly in a push for drivers and college students, they might do it a little, but somebody who is supporting a family, they might apply themselves a little bit more,” Sutton said.

It appears a limited base of drivers are operating in some suburban parishes. Over the past month and a half, the Uber app didn’t always show many drivers operating in Livingston and Ascension parishes, and it was easiest to find a driver in Gonzales or in the parts of the parish near their border with East Baton Rouge Parish.

Chanc Kinchen, the manager of the Hammond restaurant, said there aren’t enough Uber drivers to get a ride. Other restaurant and bar managers in Hammond, where leaders adopted a ride-hailing ordinance in October, noted the same problem.

Michael Tomancik, 49, of Prairieville, a software developer between jobs who has been working for Uber since January, said he operates mostly in Baton Rouge and has had one fare in Ascension but thinks the parish has potential with its nightlife improving and as awareness of Uber rises.

If there are more drivers in Ascension, more people will use Uber, because you know a lot of people say, ‘I never use Uber in Ascension because there’s never anybody out there,’ so it’s sort of like a Catch-22,” Tomancik said.

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Some critics of ride-hailing companies suggest that moving into a suburban market and the publicity around it might be as much about finding drivers as about seeking customers.

Dave Sutton, spokesman for a public information campaign questioning the safety of Uber and other companies on behalf of the trade group Taxicab Limousine and Paratransit Association, argued Uber has a lot of turnover with its drivers.

Suburban areas with a large number of young families provide a good pool of new drivers.

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