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## **Car-Ride Services UberX and Lyft to Compete in Miami.**

What began as a civil campaign to change Miami-Dade County laws so passengers could hail car rides using their cellphones has, in the face of political opposition, evolved into an outright insurgency.

Ride-sharing service UberX plans to launch in the county Wednesday, joining Lyft, which began offering rides two weeks ago.

The cutthroat rivals will compete against each other while fighting on the same side against county government, which considers their business illegal. Regulators say they have already issued 11 fines to Lyft drivers.

Openly defying local laws amounts to a guerrilla blitz against Miami-Dade, though the dueling companies explain their strategy in much friendlier — and strikingly similar — terms.

“What we’re hearing more and more is an urging and an excitement to try to work to find a solution,” said Rachel Holt, a regional general manager for Uber.

Said Paige Thelen, a Lyft spokeswoman: “We’re committed to working with local leaders to pass new rules for this new, peer-to-peer industry.”

Uber lobbied county commissioners unsuccessfully last year to deregulate the car-service industry, which has long-established protections for limousine and — especially — taxicab operators. The San Francisco-based firm also tried to appeal to Florida lawmakers in Tallahassee, to no avail.

Neither Lyft, which is also based in San Francisco, nor Uber hires drivers or owns a fleet of vehicles. Instead, they’re technology companies that act as on-demand digital dispatchers. Passengers rely on the mobile apps to bring them together with drivers. The companies charge variable fares and take a commission for each ride.

Uber’s signature service, formally known as Uber Black, partners with independent drivers who own luxury cars. Those rides would compete with limos, for which county regulations cap the number of driver permits, require that rides be pre-arranged at least 15 minutes in advance and set a minimum fare far higher than for taxicabs.

UberX, the service launching at noon Wednesday by offering free rides through June 20, is not as upscale. Like Lyft, it connects drivers of regular cars (Uber says they must be “midsize”) to passengers looking for rides (hence “peer-to-peer”). Most drivers work part-time and, both companies say, are vetted to make sure they have licenses, pass background checks and have automobiles that are in good shape.

But even though these aren’t luxury rides, they still run afoul of the Miami-Dade rules requiring a permit per for-hire driver, according to the county. For cabbies, those permits are known as medallions, and they’re valued at hundreds of thousands of dollars.

Doing away with the permits, as Uber pushed to do, would make the value of those medallions plummet, taxicab companies have said. Ride-sharing services, with their ability to hike fares during peak times and to avoid costly insurance mandates, would also compete unfairly with cabs, whose rates and liability coverage are regulated, said Diego Feliciano of the South Florida Taxicab Association.

“The reality is that these people disguising themselves as shared-ride services are not a shared-ride service. Shared-ride service is people going to a common destination,” he said. “They’re being picked up with a phone call and taken from Point A to Point B, like a taxicab” — but without taxi safeguards, he added.

Michael Hernández, a spokesman for County Mayor Carlos Gimenez, said the mayor wants competition for taxis and limos, and more transportation options for residents and visitors, but his administration can’t flout the law.

“Mayor Gimenez certainly wants to attract companies like Uber and Lyft to Miami-Dade County, but his position hasn’t changed: As long as our regulatory code is what it is, he’s going to continue to enforce what we have on the books,” Hernández said.

Since commissioners on a transportation committee rejected legislation that would have opened the door to Uber and other companies, Hernández said, Gimenez has tasked one of his deputy mayors, Jack Osterholt, to take a look at regulations and perhaps once again push for changes.

It was already difficult earlier this year to get commission approval for basic taxi upgrades such as a requirement that cabs take credit cards. Feliciano said that political battle and the push by Uber have prompted more taxi companies to embrace e-hailing apps such as Flywheel and Hailo to attract more passengers.

In less than two weeks, the county’s for-hire transportation regulators have issued 11 citations to Lyft drivers for failing to obtain a chauffeur registration and for operating a for-hire vehicle without a valid for-hire license, said Joe Mora, the division chief. That amounts to a total of \$2,000 per citation.

Lyft’s Thelen said the company, which has only been made aware of four citations, helps its drivers fight and pay for the fines. So will UberX, Holt said.

The competitors appear willing to take on the fines as a cost to break into the coveted Miami market, with its urban sprawl, throngs of tourists and fledgling tech scene eager to take advantage of ride-sharing services available in scores of other big cities across the country and the world. Though Lyft doesn’t have a permanent office here, Uber is advertising for three Miami-based management positions.

While spokeswoman Thelen wouldn’t release figures for how many drivers or rides Lyft has provided in Miami so far, she said the service has received a “positive response” from users who “can choose to leave their cars at home or when going to a work meeting during the day.”

Holt, the Uber regional manager, reiterated that the company has tracked “tens of thousands” of users who have opened their Uber app in Miami only to find that there is no service here.

“It’s high time there are transportation options in Miami,” she said.

BY PATRICIA MAZZEI, MCCLATCHY NEWS SERVICE / JUNE 4, 2014

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