

Uber just an ordinary taxi firm: EU lawyer

BRUSSELS, Belgium: Ride-hailing app Uber may be a pioneer in its field but at heart it is just an ordinary taxi company and should be regulated as such, a top EU lawyer said Thursday.



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Uber claims it is a service provider, connecting riders with freelance drivers directly and much more cheaply than traditional cab companies.

It has run into huge opposition from critics and competitors who say this allows it to dodge costly regulations such as licensing requirements for drivers and vehicles.

Should be treated as traditional taxi company

In an opinion on a case brought by a taxi drivers' association in the Spanish city of Barcelona, Advocate General Maciej Szpunar of the European Court of Justice said California-based Uber should be treated as a traditional taxi company.

"The Uber electronic platform, whilst innovative, falls within the field of transport," Szpunar said in an ECJ statement. "Uber can thus be required to obtain the necessary licences and authorisations under national law," he said.

Harming innovation

The company reacted sharply, saying the opinion would change little in practice and only harm innovation.

"To be considered a transport company will not change the regulations we are subject to in most European countries," a spokesman for Uber France said.

"It will, however, hurt the necessary reform of outdated laws which prevent millions of Europeans being able to find a reliable ride with just one click," the spokesman said.

The opinions given by the ECJ's advocate generals - its top lawyers - are potentially significant since the EU's top court very often follows their advice in its final rulings, expected later this year for the Uber case.

Rough ride in Spain

Uber has had a rough ride in Spain, where a judge ruled in 2014 that its UberPop service risked breaking the law, leading to the Barcelona submission to the ECJ which Szpunar reviewed.

Early last year it decided to operate in Spain only a limited a version of its UberX service which uses licensed, professional drivers the amateurs who had previously worked via the UberPop application.

A lawyer for the Barcelona taxi drivers association said Szpunar's findings marked a "memorable day".

"We think it is very positive as the advocate general examined each of our arguments and says very clearly, without a trace of a doubt, that Uber is not a new technology information service as it claims but is simply a transport company," lawyer Montse Balaguer said.

Uber does not employ drivers or own vehicles, but instead relies on private contractors with their own cars, allowing them to run their own businesses.

Licensed taxi drivers must undergo hundreds of hours of training, and they accuse Uber of endangering their jobs by using more affordable drivers who need only a GPS to get around.

Composite service

Szpunar said could not be considered solely an information service, which falls under a different regulatory regime.

Instead, he said it was a composite service, providing both information electronically and then the all-important means of transport.

Since the transport component is the main part of its offering, Uber "must be classified as a 'service in the field of transport'."

"It is thus subject to the conditions under which non-resident carriers may operate transport services within member states, (in this case, possession of the licences and authorisations required by the city of Barcelona regulations)," Szpunar concluded.

Source: AFP