

Uber taxi app worth \$17bn as new funds come in

SAN FRANCISCO, USA: Internet Age taxi app Uber rose to the elite ranks of Silicon Valley with a round of funding that gives the California-based start-up a whopping \$17bn value.



Uber has added \$1.4bn to its funding and will use the money to expand services to other cities.

Image: [Business Tech](#)

"With our growth and expansion, the company has evolved from being a scrappy Silicon Valley technology start-up to being a way of life for millions of people in cities around the world," Uber said in a blog post.

Uber maintained that its mission is to enable a transportation alternative in cities that makes car ownership a thing of the past.

Since launching in San Francisco four years ago, Uber has spread to 128 cities in 37 countries, according to the company. Uber said the latest funding round will result in about \$1.4bn being raised and give the company a value of \$17bn.

The stunning valuation is one of the highest ever for a technology start-up, trumping home-sharing app Airbnb and the largest for a venture-backed group since social networking star Facebook.

Uber, launched in 2009, offers smartphone applications letting passengers connect with taxis along with a "black car" service. Uber is shaking up the traditional taxi landscape in cities around the world.

Regulators resist the service

The company has faced significant resistance from regulators. In New York, for example, Uber's rates run foul of fares set by the city's taxi commission.

Uber has also faced regulatory issues in Europe and protests from taxi operators who claim the service is unfair competition and fails to live up to standards set for such services.

Ride-sharing apps for smartphones are part of a "collective consumption" trend in which people use mobile devices and social networks to find vacation lodging; rides around town, and more. Such services threaten to disrupt traditional ways of doing business and pit fans against critics.

This week Colorado became the first US state to pass a law aimed at reining in the business of ride-sharing. The law empowers a state commission to balance "openness to new business modalities with the need for limited safeguards" when it comes to ride-sharing.

Uber this week also received a cease-and-desist letter from the state department of motor vehicles in Virginia.

"We are surprised and disappointed by the DMV's actions," Uber said in a blog post that noted it has been working with Virginia for months to modernise regulations.

Legal wrangles

"Uber will operate as usual, and we plan to continue with our commitment to providing Virginians access to safe, affordable and reliable rides."

Worries prompted by Uber and other ride-share services include how to vet drivers and whom to hold responsible in accidents.

A girl died after being hit by an UberX driver in San Francisco earlier this year. The driver was reportedly logged into the UberX application wasn't involved with fetching or transporting anyone.

The tragedy resulted in legal wrangling over whether the driver's insurance company is bound to cover costs stemming from the accident.

Uber is known for operating like a taxi service, except people summon and pay for transportation using smartphone applications.

A lower-priced version of the service featuring more modest car models was launched under the banner of UberX. A number of new services have sprung up that enable smartphone users to locate and request taxis with GPS.

Drivers confirm they're on the way, and payment is made by mobile phone, with no cash changing hands.

Source: AFP via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>