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Russian Taxi Firms Lobby for Restrictions on Internet Services

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Uber, Yandex and GetTaxi have denied that they are breaking any laws and contend that increased competition is healthy for Russia's multibillion-dollar taxi market.

Russian taxi companies are seeking the imposition of restrictions on Internet-based taxi providers such as Uber, the Kommersant newspaper reported Monday.

Established firms contend that Internet-based dispatchers are deliberately undercutting prices and operating illegally with impunity, according to Kommersant.

“Aggregators do not have the same costs as we do: they don't conduct medical examinations of their staff, provide training or renew their fleets,” Kommersant quoted Felix Margaryan, head of New Yellow Taxi firm, as saying during a recent discussion in the Public Chamber, a state consultancy institution.

Like taxi firms in other countries, Russian companies have seen their market share and profits eroded by competition from Internet-based operators including Uber, Yandex Taxi and GetTaxi.

Uber set up a representative office in Russia in 2013.

Both the Federal Anti-Monopoly Service and the Public Chamber have received requests from drivers' organizations to look into whether the major Internet-based taxi providers violate any laws, according to Kommersant. Industry lobby groups have also appealed to Russian prosecutors to check the legality of their rivals' operations.

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Earlier this month, taxi drivers in St. Petersburg wrote an open letter to Governor Georgy Poltavchenko urging him to ban Uber, GetTaxi and Yandex Taxi because of a “critical" situation.

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