

# Uber, Lyft halt Austin service after losing vote

Chris Woodward and Greg Toppo, USATODAY 2:54 p.m. EDT May 9, 2016



(Photo: ANDREW CABALLERO-REYNOLDS, AFP/Getty Images)

In a dispute that could play out in other cities, Uber and Lyft say new rules required on them in the Austin area, including fingerprinting of drivers, makes it hard for them to continue to follow their business models. The pullback becomes a de facto victory for the taxicab industry, which has seen ride-sharing services turn their business on its ear around the country.

Both Uber and Lyft suspended service Monday morning. A click on the Lyft app in Austin prompted this message: "Lyft is not available in this area yet." Uber offered users a window declaring "NO PICKUPS as of May 9th." It continued: "Due to regulations passed by the City Council, Uber is no longer available within Austin city limits" and urged its followers to contact the city council, with a link to the Austin city website.

"Disappointment does not begin to describe how we feel about shutting down operations in Austin," said Chris Nakutis, Uber's general manager in the city, in a statement Sunday. Uber says that, since starting operations in Austin in October 2014, it has signed up 10,000 drivers and that 500,000 riders have opened its app to request a pickup.

Rival Lyft, which, like Uber, is based in California, said in its own statement that "the rules passed by the city council don't allow true ridesharing to operate." As a result, it says it hopes a "pause" in operations will show it is taking a stand in defense of app-based ridesharing.

Uber and Lyft spent about \$8 million on the campaign leading up to Saturday's vote, which was defeated by a 56% margin, to overturn rules adopted by the city that it considers onerous.

Long considered one of the nation's top cities for tech, Austin is an unusual place for the dispute involving tech industry disrupters to play out. The state capital is home to the SXSW festival, which marries music and tech innovations, and the [University of Texas](#).

The city doesn't yet have enough information to estimate how the ride-hailing services' absence would affect Monday's traffic, says Jason Stanford, spokesman for Austin Mayor Steve Adler. The councilwoman who led the fight for more regulation over Uber and Lyft, Ann Kitchen, says the city will work with any transportation providers who "will abide by our rules."

When Uber and Lyft began operations, they were allowed to self-regulate. But in December, the city council adopted a set of rules that included requiring fingerprinting of drivers, which draws strong objections from both companies as being unnecessary because of their own background checks. Uber says it also is threatening to pull out of Houston, which also requires fingerprinting. It notes that other cities, like Toronto and Miami, have passed ridesharing laws that don't require fingerprints.

Uber and Lyft both indicated they're open to returning to Austin if the rules are changed. Stanford said Adler has been clear that "he wants Uber and Lyft to stay and they're welcome to the table to try and figure this out. We're a better town with them in it. That's clear to everybody."

Dan Driscoll, a 33-year-old tech entrepreneur who splits his time between Austin and Boston, said he worries that the absence of the ride-hailing companies will make area roads less safe. He predicted "a huge spike" in drunk driving on area roads.

Driscoll, a regular Lyft and Uber user, said he plans to avoid Interstate 35, the main north-south corridor that takes him home at night. "I'm going to take the long, slow ... route to my house from downtown."

He said the absence of ride-hailing could also take a bite out of Austin's famous nightlife, with fewer people going out — or, he fears, more people driving while impaired.

"Austin is a town where the weekend runs from almost Wednesday until Sunday afternoon," he said. "The reality is that people don't take cabs because logistically they're a nightmare. They don't show up when you call them."

Driscoll, who actually drove for both Uber and Lyft for about a year, "mostly out of personal curiosity," said that after a while, "It started to feel like, to me, a service — to keep my city safe."

The fares helped him underwrite a startup and the experience helped him understand the city.

Fingerprinting won't necessarily improve safety, he said. The ride-hailing system "was never broken."

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