

Ridesharing deregulation fails in Austin, Uber and Lyft to cease operations

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May 8, 2016

Saturday, Austin declined to pass a proposition that would have lifted requirements for a stringent background check for drivers who work for ridesharing companies such as Uber and Lyft. The requirements include fingerprinting and other measures that Uber and Lyft maintain are overly burdensome and unnecessary. Opponents of the deregulation proposition are engaged in a considerable amount of chest thumping that Austin will not compromise on public safety. The ridesharing companies, true to their word, are preparing to cease operations in the Texas capital.

Companies such as Uber and Lyft have been a boon for people who need options for mobility, including the elderly and disabled, who are not well served by public transportation. A smartphone app pairs riders with drivers and, for a nominal fee, allow the latter to take the former where they need to go. Some evidence exists that ridesharing services have cut down on drunk driving incidents, with inebriated people being able to be driven home in safety. Also, riding sharing provides work for people with a car who might otherwise not be able to find it.

A number of high-profile incidents have taken place in which Uber drivers have assaulted their passengers. But do the kind of stringent background checks being required increase safety of passengers? US News quoted a study by the Cato Institute that suggests, if anything, riding in an Uber car is safer than riding in a taxi, despite the fact that taxi drivers have to pass a stringent background check. Uber and Lyft have their own background check procedures and a rating system for both drivers and passengers that mitigate against criminal incidents. But, the fact remains, no background check system is perfect.

One suspicion that has been raised by supporters of ridesharing is that city governments are being influenced by lobbyists for taxi companies, which have been losing business to companies like Uber and Lyft, who claim to provide better service at cheaper fares. Rather than adjust their operations to meet the new competition, taxi companies are using local governments to eliminate ridesharing in the guise of promoting public safety.

Houston, Texas' largest city and the fourth-largest city in the country, is engaged in a similar game of chicken with Uber. Houston recently passed an ordinance subjecting ride-sharing companies to the same sort of stringent background checks that taxi drivers are required to go through. Lyft has already ceased operations in the city and Uber is threatening to follow suit. If that happens, thousands of Uber drivers will be put out of work and much more thousands of

their customers, including the elderly and disabled that have grown to depend on ride sharing, will be left stranded.

The situation cries out for the intervention of a third party, say the state government in Austin, to provide some arbitration or, failing that, a statewide regulation system that will allow ridesharing companies to operate without compromising safety.