

NYC strikes Uber deal: No cap on company during study

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In this June 30, 2015 file photo, Josh Mohrer, far left, New York's general manager for Uber, speaks during a news conference and rally outside New York's City Hall, while inside lawmakers were holding a hearing on the growth of the For-Hire-Vehicle (FHV) industry in the city, with a focus on Uber. A deal has been struck between New York City and Uber on the eve of a highly watched City Council vote that could have placed a cap on the number of the ride-hailing company's cars on the streets of the nation's largest city. (AP Photo/Bebeto Matthews, File)

New York City and Uber struck an eleventh-hour deal that backs off, for now, placing a cap on the number of cars the ride-hailing company can have on the streets of the nation's largest city.

Mayor Bill de Blasio's administration announced late Wednesday—on the eve of a City Council vote that could have established the restriction—that Uber agreed to a four-month study on the impact of the cars on the city's traffic and the environment.

Under the deal, the city will not cap Uber's growth during those four months.

The agreement contrasts sharply with the legislation the council was set to vote on Thursday, which called for a 1 percent cap on the San Francisco-based company's growth within New York City during a yearlong study. Uber has steadfastly opposed any cap, and the company and City Hall had traded increasingly nasty barbs over the past week.

But the hostilities were set aside to announce the surprise arrangement, which also included a commitment to turn over far more data to the city on the location and duration of its rides. The company also agreed to discuss working toward making more of its vehicles handicap-accessible and contributing to the region's mass transit network.

"The city received a willingness on the company's part to make sure there was no effort to flood the market with dramatically increased rates of growth," said First Deputy Mayor Tony Shorris, in charge at City Hall as de Blasio returns from a conference at the Vatican. "The company eventually agreed to what we've been asking for a while."

City officials said the deal, which will keep Uber at its current rate of growth, was reminiscent of what the de Blasio administration offered Uber early in the negotiating process. It was brokered after Uber

officials reached out to Shorris on Tuesday night, setting up a meeting with officials from the council and the mayor's office the next day.

Though City Council staffers said the cap legislation would have passed, the de Blasio administration's position appeared to weaken as Uber unleashed its ad campaign. Officials in the mayor's office said a cap could still be imposed if Uber reneges on the agreement, though it was unclear if the necessary council votes would still be there in four months.

"We are pleased new drivers will continue to be free to join the for-hire industry and partner with Uber," Josh Mohrer, Uber NYC's general manager, said in a statement. "Together, we can build an even better, more reliable transportation system."

The \$40 billion company has become a dominant force on the streets of New York, dispatching 25,000 cars—up from under 100 just four years ago—compared to 13,000 of the city's iconic yellow taxis.

In pushing for a cap, the de Blasio administration cited concern over increased congestion on Manhattan's clogged streets. When talks broke down last week, sniping between City Hall and Uber reached a frenzy with the ride-hailing service launching an expensive TV ad campaign that depicted the mayor as too influenced by the yellow taxi industry, which ranks among his biggest donors.

Gov. Andrew Cuomo and a growing number of public officials who had been calling for the council to delay the vote, instead cheered the agreement. City Council Speaker Melissa Mark-Viverito announced that the study will be passed Thursday but no longer carry a cap.

Uber rider Kryzstof Anton of Queens said he was pleased the two sides reached at least a temporary halt on the city's plan. The Long Island City resident said he has been riding in taxis in New York for more than a

decade and now always chooses Uber.

He said Uber travel is a more comfortable experience and believes the drivers are more courteous and polite because they are being rated by the customer.

"It's a completely different experience," he said. "I'm a big fan."

The ride-hailing service, which provides cars summoned by smartphone app, attacked the mayor even in the hour before the deal was announced, saying his central argument—that Uber is a leading cause of traffic—was not true.

Yellow taxis make 90 percent of their trips in Manhattan, according to city officials. Uber released data that it said showed a far lower percentage of its rush hour trips began there.

Uber officials also said it has an hourly average of just under 2,000 cars in the city's central business district during the day, a far cry from the huge number of yellow taxis that operate there.

The company's seemingly ubiquitous ads also touted its benefits as a job creator and its service to minority riders in outer boroughs—de Blasio's political base.

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