

Rio becomes first Brazilian city to ban use of Uber

September 30 2015, by Mauricio Savarese

The city that hosts next year's Olympic Games has become the first in Brazil to ban the use of smartphone-based ride-hailing-applications like Uber.

Rio de Janeiro Mayor Eduardo Paes on Tuesday signed legislation recently passed by Rio's <u>city</u> council banning Uber and similar technologies from operating in the city.

"Uber is forbidden," Paes said after signing the bill. "We are open to discuss the matter, but it is forbidden."

Uber drivers who ignore the ban can be slapped with fines of nearly \$500.

"It is a sad day for Rio," Uber said in a statement. "To please taxi owners in the city, Mayor Paes sanctioned a completely unconstitutional bill to ban technology from the city, leaving cariocas (Rio residents) with less options to move around." It said it is studying possible legal actions.

In Brazil's biggest city, Sao Paulo's city council also recently passed legislation banning Uber, but Mayor Fernando Haddad has yet to sign or veto the bill.

Haddad told the Globo network he wanted to find "a middle path" to address the issue.



"We aren't thinking only about Uber. We are thinking of ways to include this new technology in our city's regulations," he said.

Uber has drawn increasing use since last year's World Cup of soccer, with many of its cars cleaner and newer than those of regular cabs.

Cab drivers complain Uber is unfair competition,.

"They are a multinational that pays no taxes. How can we compete with that?" said Rio cab driver Elizeu Soares, 54. "We have to go through inspections; they don't. We have to pay for special documentation; they don't. The only advantage we have is to pay a bit less when we buy new cars, but even that doesn't make up for all the costs. They can't just come to Brazil and throw us out of business."

Traffic expert Eduardo Biavati said that "although Uber isn't that big here yet, it can surely become big soon."

He said Haddad's proposed approach can be more effective.

"Mayor Paes sided with the cabbies, but that kind of legislation will soon become useless. Technology is faster than politics and this shouldn't be about Uber becoming taxis. It should be about taxis becoming Uber, with less regulations for all," he said.

Brasilia and Belo Horizonte are the only other two cities where Uber is present. To prevent its spread, city councils in at least 13 other state capitals have laws pending approval to <u>ban</u> the service.

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