

Uber, Lyft set to leave Texas city over fingerprinting rule

May 8 2016

Ride-sharing services Uber and Lyft are set to quit the Texas city of Austin after voters on Saturday said fingerprinting should be part of driver background checks, reports said.

The companies had poured \$8.6 million into a campaign to keep fingerprinting, which can be expensive and time-consuming, out of driver checks.

Results from the vote on Proposition One—the most expensive campaign in city history—showed 56 percent in favor of fingerprint checks, compared 44 percent against, according to the Austin American-Statesman newspaper.

The vote came after the City Council passed an ordinance in December that, among other rules for ride-sharing companies, required their drivers to undergo fingerprint-based background checks by February 1, 2017.

Uber and Lyft announced after the results of Saturday's vote that they were set to suspend operations in Austin, the capital city of Texas, on Monday morning.

"Disappointment does not begin to describe how we feel about shutting down operations in Austin," Uber Austin general manager Chris Nakutis said in a statement.

"We hope the City Council will reconsider their ordinance so we can

work together to make the streets of Austin a safer place for everyone."

Lyft added in its own statement: "We're very disappointed to leave the Lyft Austin community—and we hope to come back soon. If you'd like to help make Austin rideshare-friendly again, reach out to your City Council member and tell them."

Currently, New York and Houston are the only US cities that require fingerprinting for ride-sharing drivers, media reports said.

Uber has threatened to pull out of Houston if fingerprinting rules aren't changed, saying they hamper driver recruitment.

Business is booming for ride-sharing companies but they face tricky regulatory issues in cities around the world.

They are up against stiff resistance from traditional taxi drivers, as well as bans in some places over safety concerns and questions over legal issues, including taxes.

On Wednesday, San Francisco-based Uber announced a policy board that includes a former European Commission vice president to help the company overcome regulatory and other hurdles.

© 2016 AFP

Citation: Uber, Lyft set to leave Texas city over fingerprinting rule (2016, May 8) retrieved 26 April 2024 from <https://phys.org/news/2016-05-uber-lyft-texas-city-fingerprinting.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.