

Judge rules Lyft must follow New York rules for driver minimum wage

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New York Mayor Bill de Blasio praised a judge's decision that ride-hailing company Lyft must follow new regulations about paying drivers a minimum wage

Ride-hailing company Lyft must abide by a new rule in New York

guaranteeing the equivalent of a minimum wage to drivers, a judge ruled Wednesday.

The [company](#), which made its NASDAQ debut in March, has been fighting since January to block a city regulation starting in February requiring ride-sharing drivers to make at least \$17.22 per hour—a first in the United States.

Lyft insists that paying such a salary—which is based on a formula using a so-called utilization rate, meant to prevent drivers from spending too much time sitting in empty cars—would give its competitor Uber an unfair advantage, because they might be able to pay drivers less based on a higher utilization rate.

But New York Judge Andrea Masley dismissed the concerns, arguing that the city's regulator, the Taxi and Limousine Commission (TLC), had already revised its calculation method based on Lyft's concerns and promised to review its effects "no less than annually."

New York Mayor Bill de Blasio heralded the decision in a statement.

"This is a victory for the hardworking drivers of New York City, who have been taken advantage of by these companies for far too long."

And the head of an organization representing independent drivers said Masley's ruling was clear.

"By upholding this law, the courts today ensured that the more than 70,000 drivers and their families who have been struggling to get by on less than [minimum wage](#) for years will finally have the certainty of a decent wage," said Jim Conigliaro, founder of the Independent Drivers Guild.

Democratic bastion New York City, the world's biggest market for ride-hailing [mobile platforms](#), in 2018 set a minimum wage for such drivers over the objections of companies like Uber, Lyft and Juno.

An hourly minimum wage of \$17.22 should guarantee [drivers](#) the equivalent of the state of New York's \$15 minimum [wage](#) after costs.

It could translate into an annual average earnings increase of \$9,600 per driver, according to estimates.

The decision sent Lyft shares downward Wednesday, as the company ended the session down 1.76 percent to \$58.75.

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