

Ride-share service Lyft reaches deal with New York

25 July 2014

Ride-share operator Lyft has struck a deal allowing its launch in New York City two weeks after a snag over safety and licensing forced a postponement.

Lyft said it was launching a service in all five boroughs of the city starting at 7:00 pm (2300 GMT) Friday.

"We've finalized an agreement to offer immediate access to our friendly, affordable rides through a licensed model," Lyft said.

"Lyft will serve all corners of the city from Manhattan to Staten Island, starting with a limited beta launch and then a full rollout in coming weeks."

The ride-share service, a rival of Uber, had been due to launch two weeks earlier before city and state officials put the brakes on, citing its failure to comply with local regulations.

New York state finance superintendant Benjamin Lawsky and Attorney General Eric Schneiderman said in a joint statement that Lyft "has agreed to operate in New York State in full compliance with existing laws and regulations."

"The company will launch in New York City with commercial drivers only and will operate in a manner that is consistent with existing laws and regulations," the statement said.

In addition, Lyft will suspend operations in the cities of Buffalo and Rochester by August 1.

"We are pleased that our offices have reached an agreement today with Lyft," the statement said.

"We are firmly committed to the notion that regulators can work constructively with companies so that new ideas can come to the market—and that smart regulation should create an environment where innovators can compete."

The squabble over Lyft was the latest in a simmering war that has played out in cities around the world, where new car-dispatching apps have been challenging regulated taxi services.

The San Francisco-based firm contends the service, which uses a smartphone app and geolocation to put travellers in touch with drivers, saves money for consumers.

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