

Nev. judge puts brakes on ridesharing Uber

By Michelle Rindels and Kimberly Pierceall, AP

It didn't take long for Uber to come to a screeching halt in Nevada. District Court Judge James Russell in Carson City has blocked Uber from offering any rides in the state through at least Nov. 7. A hearing is set for Nov. 6.

The state's attorney general sought the temporary order late Friday afternoon.

The car company – whose smartphone app remained active late Friday – responded to the order with a statement calling on state officials to “embrace innovation, support powerful job creation, and stand with the people of Nevada who need them most.”

“For far too long, the people of Nevada have been denied access to the reliable, safe and affordable transportation options millions of other Americans are enjoying. We've already received overwhelming demand and support from thousands of residents who have downloaded the app, and drivers looking to meet that need,” company spokeswoman Eva Behrend said in a statement.

Uber launched its service in Las Vegas, Reno and Carson City on Friday after months of rumors that included recruitment posts on Craigslist and cryptic front-page newspaper advertisements.

The company contends it's not a taxi company but rather a technology company facilitating a way for drivers and would-be passengers in need of a ride to meet.

The company faces a fierce battle with the state's highly

regulated and influential taxi industry.

Four cars driven for Uber had been impounded statewide for not being licensed as of midafternoon and faced fines of up to \$10,000, said Teri Williams, a spokeswoman for the Nevada Taxicab Authority.

Uber spokeswoman Eva Behrend called the impoundments “unjust” and said the company will have its drivers’ backs financially and legally. Uber is the only ridesharing company now operating in the three metro areas. Las Vegas has been among the few metropolitan cities in the country to not be served by the company.

The company tiptoed around Nevada until its Friday launch. A multitude of regulations govern the state’s taxicab industry, and there are limits on the number of cabs that can operate and where they can pick up passengers. In Las Vegas, unlike other metropolitan cities that draw tourists, cabs can’t be hailed from the sidewalks along the Strip, for example. They have to pick up and drop off passengers at the individual hotel properties.

Behrend said that hundreds of drivers in the state have already signed up and passed background checks and vehicle inspections that clear them to respond to requests for rides via smartphone. Before the court order, drivers could pick up passengers from anywhere in the service areas, except from the Las Vegas Strip between the Mandalay Bay and SLS casinos and from McCarran International Airport. They can drop off customers anywhere.

Uber rides are generally 10 to 20 percent cheaper than taxi fares – a competitive advantage especially in light of an 8 percent cab fare hike approved earlier this week in Las Vegas.

An early afternoon Uber ride from downtown Las Vegas to Mandalay Bay at the south end of the Strip cost \$22.50. Drivers don’t accept tips, just a ranking of one to five

stars. A taxi ride back to downtown Las Vegas cost \$28.50, including a \$3 fee for a credit card charge. The cost didn't include a tip.

Uber has often been met with strident opposition from taxi companies, and heavily regulated Las Vegas is no exception.

Bill Shranko, an executive at Yellow Checker Star taxi company in Las Vegas, asked regulators with the Nevada Taxicab Authority in April to warn Uber and similar companies that the city has hefty fines for operating unlicensed cabs and maintained that the company was operating illegally.

About 2,000 cabs fill the streets of Clark County, including the Las Vegas Strip, Shranko said.

He criticized Uber for picking and choosing customers, saying, "They're taking all the cream off the top."

As of early Friday afternoon, just a few cars were visible on Uber's app.

Marco Falchi's Mazda 6 was among them. He excitedly picked up some of the company's first Vegas passengers, greeting them with a "Ciao" text. The chatty Italian has never driven a traditional cab before, but six months ago, he applied to be a driver for Uber, submitting his license, insurance and driving record.

His first customers were two young men heading from a suburban condo to downtown Las Vegas for the three-day Life is Beautiful music festival that starts Friday.

"Here the politics are really tough," Falchi said, referring to the Vegas area's taxi industry. But he's undeterred. "If you work more, you make more money."

Sun reporter Pashtana Usufzy contributed to this report.