

Uber, Lyft to stop Phoenix airport trips over higher fees

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Passengers find their rides at the Ride Share point as they exit Phoenix Sky Harbor International Airport Wednesday, Dec. 18, 2019, in Phoenix. The Phoenix City Council is set to vote on raising fees charged to ride-hailing companies at the airport. If approved Wednesday afternoon, the proposal will increase the current fee from \$2.66 per pickup. That would jump to \$4 starting Jan. 1 and be applied to drop-offs as well. (AP Photo/Ross D. Franklin)

Uber and Lyft said they will make good on their threats to stop taking customers to and from the airport in the nation's fifth-largest city, creating confusion next year for travelers used to opening a phone app to catch a ride after Phoenix decided to raise fees on ride-hailing companies.

Both companies confirmed late Wednesday that they would stop curbside service at Phoenix Sky Harbor International Airport after the City Council voted to raise fees for pickups and drop-offs at one of the largest commercial U.S. airports, serving some 44 million passengers annually. Neither provided an exact date for stopping airport operations.

"This will definitely impact what I earn in a day," said Uber driver David Kueneman, 34, who typically makes at least one trip to the airport daily.

Ride-hailing in recent years has become one of the most common ways people around the United States get to the airport and back home after their flights. Sky Harbor was among the few remaining airports where Uber and Lyft still had curbside service rather than the nearby pickup lots now used in Los Angeles, San Francisco and Boston.

Increased use of Uber and Lyft in recent years has even pushed out once popular services such as the vans operated for decades by SuperShuttle, which is stopping service Dec. 31 at Sky Harbor and other airports across the U.S. and Latin America, Canada, Europe and Asia.

Standard taxis will continue to offer curbside service.



Vehicles wait for their passengers at the Ride Share pickup point at Phoenix Sky Harbor International Airport Wednesday, Dec. 18, 2019, in Phoenix. The Phoenix City Council is set to vote on raising fees charged to ride-hailing companies at the airport. If approved Wednesday afternoon, the proposal will increase the current fee from \$2.66 per pickup. That would jump to \$4 starting Jan. 1 and be applied to drop-offs as well. (AP Photo/Ross D. Franklin)

Phoenix airport officials say ride-hailing operators represented just 9.3% of the commercial business when they began at Sky Harbor in June 2016 but now represent 70 percent of the commercial traffic.

Uber said in a statement that it would halt its service at the Phoenix airport sometime next month.

"Our riders and drivers should not be treated as a piggybank to fill the airport's budget holes," the statement said. "On behalf of the riders and drivers who rely on Uber, we cannot accept a partnership that unfairly burdens our shared passengers."

Lyft said it was stopping operations at Sky Harbor "ahead of the fee implementation in order to prevent the unfair penalization of our drivers."

Sky Harbor has said it will not directly charge the increases to drivers or passengers, but Uber and Lyft have indicated the fees could be passed on to them.

Lyft spokesman Lauren Alexander didn't provide specifics but said her company has ceased service in the past "when we believe rules, regulations or fees create unavoidable threat to the health of our business."



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Phoenix is raising the fee of \$2.66 per curbside pickup at Sky Harbor to \$4 on Feb. 1. It also will create a drop-off fee of \$4. The fees to the ride-hailing companies would gradually increase to \$4.25 in 2021, \$4.50 in 2022, \$4.75 in 2023 and \$5 in 2024.

A city aviation commission had recommended the fee increase after a study showed airports in many other cities charge ride-hailing companies

more to drop off and pick up passengers.

Republican state Rep. Nancy Barto, filed a complaint with the Arizona attorney general's office Thursday alleging the increase violates a voter-approved measure blocking state and local government from raising taxes on services. City officials say their fee increase is allowed.

Phoenix could lose its share of state revenue, a third of its general fund budget, if the fee hike is found to be illegal.

In voting for the measure, Mayor Kate Gallego said Phoenix was justified in raising the fees to help fund airport infrastructure.

The measure also included a second option for ride-sharing, a \$2.80 fee for the companies to pick up or drop off at the Phoenix light rail's 44th Street station, which connects to an airport train. The companies have not said whether they will continue to provide pickups and drop-offs there.

It's not the first time Uber has stopped service over increased fees or additional regulations. It halted trips to and from Ontario International Airport in September, a few months after the airport east of Los Angeles raised fees from \$3 to \$4.

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