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Please contact:

Cascade Policy Institute
4850 SW Scholls Ferry Rd.
Suite 103
Portland, Oregon 97225

Phone: (503) 242-0900
Fax: (503) 242-3822

www.cascadepolicy.org
info@cascadepolicy.org

4850 SW Scholls Ferry Road
Suite 103
Portland, Oregon 97225

t: 503.242.0900
f: 503.242.3822
info@cascadepolicy.org
www.cascadepolicy.org

QuickPoint! – Voters Decided to Leave Themselves Stranded by the Side of the Road

By Steve Buckstein

In the month since voters in Austin, Texas [upheld new city regulations](#) on ridesharing companies like Uber, the [law of unintended consequences](#) has been confirmed.

Austin's highly regulated taxi industry got the city to impose strict regulations on their competition, but Uber and Lyft threatened to pull out of the city rather than comply with rules they said would be bad for them and their customers. The ridesharing companies backed an initiative to repeal the regulations.

As [one pundit noted](#), a majority of voters decided "...to leave themselves stranded by the side of the road frantically searching for a ride. Well, that's not what they'd say they did. Strictly speaking, they voted to stick it to corporate interests—by supporting political interests who favored other corporate interests."

The unintended consequences of that vote included about 10,000 ridesharing drivers losing their employment, bars losing business as people had fewer ways to get home safely, and disabled residents looking for new ways to get around the city.

The market responded quickly with unregulated "black market" services such as [Austin Underground Ride](#) springing up to meet demand.

Austin voters may not have realized that the only way big corporations become big in a free market is by meeting consumer demand. In this case, Uber and Lyft may become a little bit smaller, but everyone in Austin lost some of their transportation freedom.

Steve Buckstein is Founder and Senior Policy Analyst at Cascade Policy Institute, Oregon's free market public policy research organization.