

Soured on Uber

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Body

PITTSBURGH -- When Uber picked this former Rust Belt town as the inaugural city for its driverless car experiment, Pittsburgh played the consummate host.

"You can either put up red tape or roll out the red carpet," Bill Peduto, the mayor of Pittsburgh, said in September. "If you want to be a 21st-century laboratory for technology, you put out the carpet."

Nine months later, Pittsburgh residents and officials say Uber has not lived up to its end of the bargain. Among Uber's perceived transgressions: The company began charging for driverless rides that were initially pitched as free. It also withdrew support from Pittsburgh's application for a \$50 million federal grant to revamp transportation. And it has not created the jobs it proposed in a struggling neighborhood that houses its autonomous car testing track.

Blame is being pointed in many directions. While Mr. Peduto had trumpeted his relationship with Uber's chief executive, Travis Kalanick, he didn't get any commitments in writing about what the company would provide for Pittsburgh. That became an issue in Pittsburgh's Democratic mayoral primary this month, with Mr. Peduto's challengers criticizing his relationship with Uber and one calling the company a "stain" on the city. (Mr. Peduto won the primary.)

"This was an opportunity missed," said Michael Lamb, Pittsburgh's city controller, who has called on Uber to share the traffic data gathered by its autonomous vehicles.

The deteriorating relationship between Pittsburgh and Uber offers a cautionary tale, especially as other cities consider rolling out driverless car trials from Uber, Alphabet's Waymo and others. Towns like Tempe, Ariz., have already emulated Pittsburgh and set themselves up as test areas for self-driving vehicles. Many municipalities see the experiments as an opportunity to remake their urban transportation systems and create a new tech economy.

Yet Pittsburgh shows the clash of private-versus-public interests that can result. The lessons are college course level "101," said Linda Bailey, the executive director of the National Association of City Transportation Officials.

Uber "is a business, and they want to make money," she said. "With Pittsburgh, we learned we need to present the city's needs upfront."

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Uber said it was open to a deal with Pittsburgh but had yet to see a draft of proposed commitments the city is seeking from the company. Uber said it planned to share some data collected by its autonomous vehicles with the city this year, though Pittsburgh officials say the data Uber shares with other cities is insufficient.

The company, which still has allies in Pennsylvania's state and county government, said it had created 675 jobs in the greater Pittsburgh area and had helped local organizations like a women's shelter, among other moves.

"Uber is proud to have put Pittsburgh on the self-driving map, an effort that included creating hundreds of tech jobs and investing hundreds of millions of dollars," the company said in a statement. "We hope to continue to have a positive presence in Pittsburgh by supporting the local economy and community."

Pittsburgh's frustrations with Uber are encapsulated in the Hazelwood neighborhood along the Monongahela River, where the company opened a driverless vehicle testing track last year. From the second floor of the neighboring Center of Life church, the track is in full view. Sky-blue Volvo S.U.V.s with large revolving lidar devices on their roofs navigate around shipping containers and stoplights. The area is enclosed by a chain-link fence wrapped in a black tarp.

When Uber picked the site in 2016, a company representative told community leaders that it wanted to hire from the neighborhood. Tim Smith, a pastor at the Center of Life church and the head of a neighborhood group, said he had given Uber a list of job candidates, including a mapping engineer and technicians.

Since then, Mr. Smith said, he has been told that applicants should go through Uber's general jobs site. None have been hired.

"We have been underserved for decades, and now there are people who live right on the other side of that fence that are missing out," he said.

Uber has benefited Pittsburgh in some ways. The company has raised Pittsburgh's profile, and its Advanced Technologies Center there, which Uber opened for driverless research in 2015, has revived the former steel mill neighborhood known as the Strip District.

Yet city officials and residents are reconsidering even those benefits, especially as Uber has recently grappled with several controversies. Those include a Justice Department criminal investigation into Uber's use of a software tool to deceive law enforcement. Some Pittsburghers also objected to Mr. Kalanick's being a member of the Trump administration's business advisory council this year.

In January, Pittsburghers for Public Transit, a nonprofit representing bus drivers and riders, organized a #DeleteUber social media campaign and a street demonstration against the company's decision to continue airport service when taxi drivers had halted rides to protest the Trump administration's travel ban.

Molly Nichols, executive director of the group, said Uber had called to ask her to cancel the protest, which ultimately went ahead.

"The warning signs about Uber's questionable business practices were all over the place, and the mayor should have recognized that and worked harder to create a partnership that was more equitable," Ms. Nichols said.

She added that there might be longer-term problems from autonomous vehicles, including automation's effect on Uber's 4,000 drivers in the city. Parking fees also make up about 15 percent of Pittsburgh's revenue, and the city has not said how those funds would be replaced if fewer people owned and parked cars and used driverless services instead, she said.

Mr. Peduto, a third-generation Pittsburgher, has perhaps had the most noticeable change of heart.

Mr. Kalanick first approached Mr. Peduto in 2015 with plans to start driverless trials in Pittsburgh. At the time, Mr. Kalanick had hired away more than three dozen researchers and robotics experts from the city's Carnegie Mellon University, upsetting some faculty and officials. Mr. Peduto defended Uber and said he shared Mr. Kalanick's vision.

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The two exchanged texts frequently. In September, Mr. Peduto became the first passenger to hail a driverless car and posted a photo of himself grinning in the back seat of an Uber car.

"It was inspiring, and we knew in Tempe, the innovation center of Arizona, we wanted to have that kind of partnership," said Mark Mitchell, the mayor of Tempe, where Uber began testing driverless cars last fall.

But hidden from the public was Mr. Peduto's simmering frustration with Uber. In early 2016, Uber had indicated it would support Pittsburgh's application for a federal grant to redo local transportation, according to Mr. Peduto. He asked Uber to commit private funds to enhance the proposal. Uber said that the request had come too late and that the desired amount -- \$25 million -- was too much. Pittsburgh didn't win the federal competition.

In January, Mr. Peduto was also surprised to get billed for a ride home in an Uber autonomous vehicle. "Travis Kalanick had told me the rides would be free and a service for the public," he said.

Uber said it had always intended to charge for driverless rides.

Still, there are signs that Uber is trying to improve some relations. The company said it had agreed to work with Hazelwood residents on an art installation along the black chain-link fence surrounding the test track. This month, Uber officials also invited Mr. Smith, the church pastor in Hazelwood, to discuss job training for young adults.

"I'm cautiously optimistic," Mr. Smith said.

Mr. Peduto, who has stopped texting Mr. Kalanick, said Uber and other self-driving car companies remained crucial to Pittsburgh's ability to break from its steel industry past. He said he was now talking to Ford, which is investing \$1 billion in a Pittsburgh-based driverless technology company, Argo AI, about signing commitments on data sharing and work force development. Ford declined to comment.

"When it came to what Uber and what Travis Kalanick wanted, Pittsburgh delivered," Mr. Peduto said. "But when it came to our vision of how this industry could enhance people, planet and place, that message fell on deaf ears."

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<https://www.nytimes.com/2017/05/21/technology/pittsburgh-ubers-driverless-car-experiment.html>

Graphic

PHOTOS: Top, a self-driving Uber car in Pittsburgh last year. Among those critical of Uber are City Controller Michael Lamb, left, and Tim Smith, pastor in a neighborhood where promised jobs have not materialized. (PHOTOGRAPHS BY GENE J. PUSKAR/ASSOCIATED PRESS

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Above, an Uber self-driving car at a test site in Pittsburgh's Hazelwood neighborhood. Right, Michael Lamb, the city controller, has called on the company to share traffic data gathered by its vehicles. (PHOTOGRAPHS BY TOM M. JOHNSON FOR THE NEW YORK TIMES) (B6)

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