




## MEMORANDUM

**TO:** Mayor and Council

**CC:** Marc A. Ott, City Manager  
Robert D. Goode, P.E., Assistant City Manager

**FROM:** Robert Spillar, P.E., Director,   
Austin Transportation Department

**DATE:** Wednesday, November 21, 2012

**SUBJECT:** “Heyride” Cease and Desist Order

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The Austin Transportation Department (ATD) on October 31, 2012 issued a formal Cease and Desist order to prohibit the illegal operation of "Heyride", a company advertising a mobile phone application to connect passengers with drivers of unpermitted vehicles for-hire. The cover story of the Austin Chronicle this week features this service, though it is unclear if they are aware of the issued Cease and Desist order.

ATD, in consultation with the City Attorney's office issued the Cease and Desist order via certified letter, advising that ground transportation services is regulated by the City of Austin and requires authorization from the city in order to conduct "for-hire" transportation services within the incorporated limits of the City of Austin. ATD regulates the "for-hire" vehicle operations to maintain basic safety standards as established by City ordinance

On Tuesday, November 6, Heyride CEO Josh Huck contacted ATD acknowledging receipt of the order and requested to meet with the department. A meeting was arranged for Friday, November 9. Mr. Huck again contacted the department, a day later, stating he was no longer willing to meet with ATD.

A review of City Ordinances shows that this operation very closely resembles that of a taxi franchise and that any operation dispatching drivers to potential passengers on-demand requires a City Council approved Franchise Agreement, and that all drivers are required to successfully satisfy criminal background and driving history checks as set forth by the Austin City Code. The City Code has specific requirements related to liability insurance for vehicles for hire. Also, all vehicles utilized in providing ground transportation services should be presented for inspection to ensure the safety of all wishing to use this service.

As we move forward, ATD continues to remain open to discussing these requirements with Heyride. However, should those associated with Heyride proceed with providing

unlicensed for-hire services in Austin, citations will be issued to all observed operating without a permit/operating authority, which is a Class C misdemeanor.