



The Information

When Their Cars Get Recalled, Uber and Lyft Choose Not to Know

By Reed Albergotti May. 02, 2018 10:00 AM PT

Faulty Takata airbags have killed 22 people and are responsible for the largest recall in automotive history, affecting 37 million vehicles in the U.S. Some of those cars may be operated by Uber and Lyft drivers, but neither company knows the number or whether their drivers have responded to the recalls, The Information has learned.

Representatives from Uber and Lyft acknowledged that they do not track how many cars in their fleets are subject to auto recalls because they said they expect their drivers to get problems fixed. As drivers could be hurt in an accident, they “have a strong personal incentive to make sure their car is in a safe operating condition,” said Adrian Durbin, a spokesman for Lyft.

THE TAKEAWAY

- **Uber and Lyft don't check for safety recalls on their fleets**
- **Estimates say 20% of cars could have recall defects**
- **Regulations don't require ride-share firms to track recalls**

A spokeswoman for Uber said the company sends its drivers a quarterly reminder to visit safercar.gov, where they can stay up-to-date on recall notices.

By avoiding the issue, Uber and Lyft risk an ugly public relations problem if a passenger is injured in a car accident due to a defect a recall was meant to fix. The risk could be high: Carfax, which publishes reports on used cars, estimates that about one in five Uber and Lyft cars have unresolved defects that have been recalled, a spokesman said. That's the same as the general population of cars.

The defects under recall range from incorrect tire pressure instructions to potentially catastrophic issues like faulty steering columns.

Uber and Lyft's attitude reflects a broader issue for the ride-hailing firms: They don't stay on top of drivers to ensure cars are maintained. Part of the issue is lax regulation. Unlike car rental agencies, which were barred by new federal legislation passed in 2016 from renting out recalled vehicles, ride-hailing companies are bound by no such laws.

The National Highway Transportation Safety Administration, which orders recalls, says it has no authority to force Uber and Lyft to check their fleets for recalls. Regulation of ride-hailing companies is up to the states, an NHTSA spokesman says. In California, one of the most stringent states when it comes to automobile regulation, the Public Utilities Commission requires all Lyft and Uber drivers to get a 19-point inspection to check for things like broken turn signals and seatbelt malfunctions. The inspection doesn't include a recall check.

A bill before the California legislature would require carsharing companies like Getaround and Turo to check vehicles for safety recalls and prevent them from being rented before they

are repaired. But the bill would not apply to Uber and Lyft.

There may also be a financial incentive for Uber and Lyft to do nothing: If they knew how many cars had defects with open recalls, they might be forced to temporarily ground those vehicles. And judging by Carfax's estimate, that could be a significant number.

What's not clear is whether Uber and Lyft could be held liable if a passenger were injured by an exploding airbag, or some other recall-related issue that wasn't addressed. Lawyers say no, arguing that because drivers are independent contractors and not employees, it is the drivers who are liable. (The companies do provide liability insurance to drivers.)

Lawyers frequently sue Uber and Lyft over injuries sustained by customers in car accidents. But the companies typically settle the cases, which means the courts haven't ruled whether the ride-hailing firms are liable.

Moreover, Veena Dubal, a professor at UC Hastings College of the Law, says that if Uber and Lyft did direct drivers not to drive because of a safety recall, they might make themselves liable.

“The drivers could argue they're being treated like employees, and injured passengers could argue that Uber and Lyft have taken responsibility for rider safety,” she said.

Airbag as Hand Grenade

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The Takata airbag problem began in the early 2000s, when Takata replaced tetrazole—the explosive chemical used to fill the airbag with gas—with ammonium nitrate, a cheaper but more volatile option. Over time, as cars were exposed to heat and humidity, the new chemical became more unstable. When the airbag was triggered, its inflator would rupture and send shrapnel throughout the vehicle, like a hand grenade.

For many owners of affected cars, the issue is unresolved. Takata has filed for bankruptcy, and the recall is so big that there aren't enough replacement airbags to go around. Drivers have been waiting years for replacements, and some auto manufacturers have instructed car owners to prohibit passengers from sitting in the front seat so that the passenger-side airbag won't deploy.

Going without a car or keeping the passenger seat empty is difficult enough for most people, but it's an even tougher decision for ride-hailing drivers who use their cars as a source of income. Groups of three or more passengers often use the front seat, and it's common for passengers in Uber Pool or Lyft Line to sit in the front seat.

“If a driver's car does go into the shop or gets a recall notice, they're responsible for the lost income, so it wouldn't surprise me if many drivers were forgoing the recall notices so they don't lose any driving income,” said Harry Campbell, a driver for Uber and Lyft who runs the blog therideshareguy.com.

Uber and Lyft haven't responded to firms offering to help track the number of affected vehicles. Recall Masters, which tracks the recall status of fleets of cars, pitched Uber and Lyft on its services, which he estimates would cost them roughly \$50,000 per month. Recall Masters checks VINs (vehicle identification number) directly with automakers and against a database run by NHTSA.

Christopher Miller, CEO of Recall Masters, said in an interview that “They won't even return our phone calls. They don't want to worry about recalls that would potentially reduce the number of cars in their fleet,” Mr. Miller said. “It's not going to change until somebody dies.”

Carfax, known for its detailed reports on used cars, began offering a free service earlier this month that allows companies with large fleets of cars to upload 10,000 VINs at a time and check for open recalls. So far, Uber and Lyft have not used it, according to Carfax spokesman Christopher Basso.

“Recalled cars that remain unfixed can be ticking time bombs, and the information to help keep those cars safe is readily available and free,” he said.

Carfax estimates that one in five cars on the road, or 57 million, has an open recall, and that includes Uber and Lyft cars. Recall Masters says the number is more like 70 million, and that open recalls among Uber and Lyft cars are even more common— around 30%—because taking cars in for repairs means loss of revenue for drivers.

In a January hearing on autonomous vehicles in front of the California State Senate, Rosemary Shahan, president of Consumers for Auto Reliability and Safety, called out ride-hailing companies for neglecting to check for recalls.

“Should we trust Uber, which advertises that its vehicles are safe, but fails to screen out vehicles with potentially lethal safety recalls?” she asked as part of a broad discussion on consumer safety.

“What I’ve heard is that with Uber, they just want to maximize the number of cars and they don’t care if they’re safe or not,” Ms. Shahan said in an interview with The Information last week.

