

DRAFT



The TNC Regulatory Landscape

An Overview of Current TNC Regulation
in California and Across the Country



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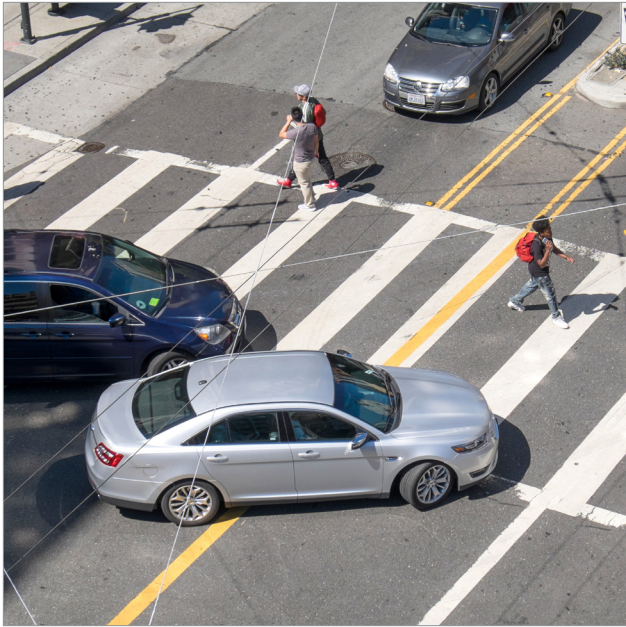


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Executive Summary

The rapid expansion of Transportation Network Companies (TNCs) across the country over the last seven years has led to a wide range of new policy and legislative measures at both state and local levels. As of June 2017, 48 states and the District of Columbia have passed legislation to regulate TNCs statewide in some form.¹ At the state level, regulation of TNCs is driven primarily by concerns around safety, insurance, and fares.² In addition, dozens of cities and counties across the country have enacted their own policies to regulate TNC operations within their boundaries. Policy responses at the local level are driven primarily by concerns around safety, mobility for all modes, accessibility, data sharing, and congestion management. Some jurisdictions and transit agencies are also initiating pilots and marketing partnerships, typically in an effort to enhance first/last mile transit access.

The purpose of this report is to provide an overview of existing state and local regulations in San Francisco, California and across the country. The report is also intended to inform the San Francisco County Transportation Authority (the Transportation Authority or TA) Board, state and local policymakers in other arenas, and the general public of potential paths forward for TNC policy.

This is the second in a series of reports and studies to ad-

dress important analytic and policy topics regarding TNCs. Future reports will address additional topics in depth, including the effects of TNCs on roadway congestion, public transit operations and ridership, disabled access, safety, and equity.

The report is structured around two primary questions:

HOW ARE TNCs REGULATED IN CALIFORNIA?

The California Public Utilities Commission (PUC) generally oversees statewide policies for TNCs, and is currently engaged in Phase III of a rulemaking process to refine regulations for these companies. In addition to existing state regulations, there are local business registration requirements and airport permit requirements in place in some areas of the state, including San Francisco.

WHAT IS THE TNC REGULATORY FRAMEWORK IN OTHER JURISDICTIONS?

Most states now have TNC regulatory frameworks in place, but the extent of the rules and regulations vary widely. In most cases, states with major metropolitan centers allow those jurisdictions to establish more specific regulations or provide financial support from state fees to mitigate local impacts.³

¹ "Transportation Network Companies (TNC) Legislation," 17 June 2017. Transportation Policy Research Center, Texas A&M Transportation Institute. Retrieved from <https://tti.tamu.edu/policy/technology/tnc-legislation/>.

² National Association of Regulatory Utility Commissioners. (2017). *Report of the NARUC Task Force on Transportation*.

³ Most state constitutions permit local jurisdictions to develop their own regulatory ordinances in areas where state and federal governments have not explicitly established exclusive regulatory power, provided that those ordinances do not conflict with state or federal laws.

Introduction

The rapid expansion of Transportation Network Companies (TNCs) across the country over the last seven years has led to a wide range of new policy and legislative measures at both state and local levels. As of December 2017, 48 states and the District of Columbia have passed legislation to regulate TNCs and TNC drivers and vehicles state-wide in some form.⁴ At the state level, regulation of TNCs is driven primarily by concerns around safety, insurance, and fares.⁵ At the local level, dozens of cities and counties across the country have enacted their own policies to regulate TNC operation within their boundaries.

The purpose of this report is to provide an overview of existing state and local TNC regulatory frameworks within California and across the country. This report also is in-

⁴ "Transportation Network Companies (TNC) Legislation," 17 June 2017. Transportation Policy Research Center, Texas A&M Transportation Institute. Retrieved from <https://tti.tamu.edu/policy/technology/tnc-legislation/>.

⁵ National Association of Regulatory Utility Commissioners. (2017). *Report of the NARUC Task Force on Transportation*.

How are TNCs Regulated in California?

STATE REGULATION IN CALIFORNIA

California Public Utilities Commission

In California, the California Public Utilities Commission (CPUC) generally oversees regulation and permitting of Transportation Network Companies (TNCs) such as Uber and Lyft as charter-party carriers.⁶

Pursuant to Article XII of the California Constitution and the Charter-party Carriers' Act, California Public Utilities Code sections 5351, et seq., the CPUC generally has regulatory authority over the transportation of passengers for compensation. In 2013, the CPUC issued Decision 13-09-045 which established its regulatory authority over TNCs. However, taxicab service rendered wholly within the corporate limits of a single city or city and county are exempt from CPUC regulation when these services are licensed or regulated by local ordinance.⁷

The CPUC is currently in Phase III of a rulemaking process for regulations for TNCs. Rulemaking is the process by which the CPUC passes policies and regulations on specific topics related to that industry. The CPUC invites

⁶ California Public Utilities Commission Decision 13-09-045, "Order Instituting Rulemaking on Regulations Relating to Passenger Carriers, Ridesharing, and New Online-Enabled Transportation Services" (2013).

⁷ California Public Utilities Code § 5353.

tended to inform the San Francisco County Transportation Authority Board, state and local policymakers in other arenas, and the general public of potential paths forward for TNC policy.

This report addresses the following key questions:

- How Are TNCs Regulated in California?
- What is the TNC Regulatory Framework in Other Jurisdictions?

This report is the second in a series of reports and studies addressing important analytic and policy topics about TNCs. The first report, *TNCs Today*, provided the first comprehensive estimates of TNC activity in San Francisco. The "Future Research" section below describes additional topics that the Transportation Authority and San Francisco Municipal Transportation Agency (SFMTA) will address in upcoming reports.

comments from public agencies, private companies and groups to participate in the rulemaking process by issuing questions and prompts to which those parties may provide feedback and persuasive arguments. Ultimately, the CPUC gathers those comments to the rulemaking process and issues orders based on its decisions.

Key rules and regulations determined in Phase I and II of the rulemaking process are outlined below.

TNC OPERATION: Under CPUC regulations, TNCs may provide only pre-arranged trips. They may not accept "street hails," or passengers flagging the vehicle from the street

LOCAL AUTHORITY AND STATE PREEMPTION

Each California city derives from the California Constitution the same power to adopt and enforce within its city limits ordinances regulating private businesses as the California State Legislature; however, a city may not adopt ordinances that conflict with state law. A local ordinance conflicts with state law when the Legislature has made clear its intent to preempt local regulation over a specific subject. For example, the State Legislature can preempt local legislative authority by passing laws establishing statewide regulatory structures that leave no room for local regulation or prohibit local municipalities from further regulating an activity. In other circumstances, the State Legislature can carve out local exceptions to state pre-emption, allowing local governments that meet certain criteria to have certain regulatory authority, even though the state retains regulatory authority for most of the state.



CONSUMER SAFETY AND BACKGROUND CHECKS: TNCs are required to complete national criminal background checks of all prospective drivers, and must exclude any drivers who have been convicted within the past seven years of driving under the influence of drugs or alcohol, fraud, sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage and/or theft, acts of violence, or acts of terror. Drivers with convictions for reckless driving, driving under the influence, hit and run, or driving with a suspended or revoked license are also excluded, as are those with more than three points on their driving records for lesser offenses. All drivers must be 21 or older, and must have at least one year of driving experience. On October 4, 2017, the CPUC issued a Proposed

Decision declining to require TNCs to conduct fingerprint (biometric) criminal background checks for its drivers.

CONSUMER SAFETY AND INSURANCE: TNC drivers are required to provide proof of the TNC's commercial insurance in the

who have not requested the ride using the app. However, drivers have no geographic restrictions, and may operate anywhere within the state, with the exception of airports, where they may only operate under the authorization of the airport. All TNC vehicles must display consistent trade dress—company colors or logos—that is visible at a distance of 50 feet for identification. As with many of the CPUC requirements, there is no publicly available data on whether and how TNCs have complied with these requirements. However, the CPUC did include the issue of public access to TNC data in Phase III of its rulemaking and has accepted comments on whether the Commission should establish a website portal for TNC data; and whether the Commission should share TNC trip data with interested California government entities in July, 2017. Various parties including San Francisco International Airport, SFMTA, the Transportation Authority, the San Francisco City Attorney's Office, and Los Angeles Department of Transportation submitted comments strongly encouraging the CPUC to share TNC travel data with the public or, at a minimum, with other governmental entities.

VEHICLE SAFETY AND VEHICLE INSPECTIONS: The CPUC requires TNC drivers to have a 19-point inspection of their vehicles at a California Bureau of Automotive Repair-licensed facility before providing service and again annually or every 50,000 miles thereafter, whichever occurs first. TNCs are also required to maintain records of all vehicles used for TNC services. There is no publicly available data on whether and how TNCs have complied with these requirements.

CPUC TNC PHASE III RULEMAKING

The CPUC is currently in Phase III of a rulemaking process on regulations relating to TNCs. The scope of issues to be considered in Phase III currently includes the following:

- **Track 1:** Criminal background check requirements applicable to TNCs*
- **Track 2:** Uber's Legal Status, Part I.
- **Track 3:** TNC data: (a) Should the Commission establish a website portal for TNC data; and (b) Should the Commission share TNC trip data with interested California government entities?
- **Track 4:** Is Uber a TNC?
- **Track 5:** Accessible vehicle requirements for TNCs.
- **Track 6:** Requirements that should be applicable to TNCs concerning the incidental transportation of minors
- **Track 7:** Additional requirements that should be applicable to TNCs to ensure public safety
- **Track 8:** Regulation of Autonomous Vehicles

* On October 4, 2017, the CPUC issued a Proposed Decision for Track 1.



event of a collision.⁸ The CPUC also requires all TNCs to have a zero-tolerance drug and alcohol policy for all drivers. There is no publicly available data on whether and how TNCs have complied with these requirements. However, the CPUC filed an order in 2017 instituting an official investigation into Uber's failure to comply with the zero tolerance requirements after finding that the company failed to promptly suspend drivers and/or investigate 151 out of 154 complaints received from members of the public.⁹

ROADWAY SAFETY AND DRIVER TRAINING: To promote safety, TNCs are required to provide driver training programs and report on the number of drivers completing the course. The San Francisco Bicycle Coalition has also provided additional safety training videos to the TNCs for use by TNC-drivers to reduce conflicts with bicyclists in San Francisco. There is no publicly available data on whether and how TNCs have complied with the CPUC requirements.

VEHICLE ACCESSIBILITY: TNCs are required to allow passengers to indicate whether they require a wheelchair-accessible vehicle or a vehicle otherwise accessible to individuals with disabilities, and must provide an annual report to the CPUC Safety and Enforcement Division detailing the number and percentage of customers who requested accessible vehicles, and how often the TNC was able to comply with requests for accessible vehicles. Currently, data from these reports are not made publicly available by the CPUC, ex-

cept in high-level annual summaries.¹⁰ CPUC also requires TNCs to submit an accessibility plan with annual updates; a plan on "avoiding the divide between the able and disabled communities"; and a report detailing the company's driver training program. These accessibility plans are not made public.

TNCs have partnered with automakers and rental car companies to provide TNC drivers with new vehicles. The programs are designed for would-be TNC drivers whose vehicles do not meet TNC vehicle standards. TNC drivers are offered lower per-week and per-month vehicle rental rates and unlimited mileage in exchange for providing TNC driving services. TNC drivers pay their rental rates from their TNC trip wages. The sub-prime rental program has drawn concern because drivers struggle to pay for their rental fees when TNC companies lower fares to compete with one another. As a consequence, TNC drivers are encouraged to drive more miles when customer fare rates drop to compensate for the income loss.¹¹

LABOR AND EMPLOYMENT STATUS: The employment status of TNC drivers is an unresolved issue in California. Currently, TNCs assert that their drivers are independent contractors who use their platform; however, ongoing class action lawsuits are challenging that status designation and assert

⁸ California Public Utilities Code § 5442.

⁹ "Order Instituting Investigation and Order to Show Cause Why the Commission Should Not Impose Appropriate Fines and Sanctions on Rasier-CA LLC." California Public Utilities Commission. April 6, 2017.

¹⁰ California Public Utilities Commission. "Summary of Transportation Network Companies' Annual Reports 2014 and 2015 submissions." (2015). http://www.cpuc.ca.gov/uploadedFiles/CPUC_Website/Content/Safety/Presentations_for_Commission_Meeting/2840_PowerPointforthe11515Meeting.pdf

¹¹ Bloomberg Technology. "Inside Uber's Auto-Leasing Machine, Where Almost Anyone Can Get a Car." May 31, 2016. Retrieved from <https://www.bloomberg.com/news/articles/2016-05-31/inside-uber-s-auto-lease-machine-where-almost-anyone-can-get-a-car>

that these drivers are, in fact, employees.¹² For its part, the CPUC does not regulate the employment status of TNC drivers and that generally, because TNC drivers are specifically considered ‘not professional,’ the regulations remain generally silent regarding employment status.

ACCOUNTABILITY AND REGISTRATION FEES: The CPUC currently assesses a \$1,000 fee upon a company’s initial application as a TNC, with a \$100 annual fee due thereafter to maintain the registration. In addition, 0.33% of a TNC’s gross California revenues, plus a \$10 administrative fee, are collected by the CPUC on a quarterly basis as part of overall fees and paid into the CPUC’s Transportation Reimbursement Account (PUCTRA) for the purpose of funding any expenses incurred by the CPUC in regulating TNCs, TNC drivers, and TNC vehicles.¹³ While TNCs cannot own their own fleets of vehicles, there is currently no limit to the number of TNC drivers or vehicles that can be associated with each TNC permit.

ACCOUNTABILITY AND REPORTING REQUIREMENTS: CPUC requires TNCs to report quarterly on the following: provision of accessible vehicles; service provided by zip code; problems reported about drivers; hours logged by drivers; miles logged by drivers; and drivers completing a driver training course.¹⁴ In January 2016, Uber was fined \$7.6 million

for failure to meet data reporting requirements in 2014. The company subsequently provided all required reports.¹⁵ However, it is not currently known to what extent TNCs are complying with these reporting requirements. Information that has been reported is not currently available to other public agencies or to the general public. In June 2017, San Francisco City Attorney Dennis Herrera filed a public records request to the CPUC to release all annual reports submitted by TNCs since 2013, in addition to other data the CPUC has collected on congestion, public safety, greenhouse gas (GHG) emissions, effect on public transit operation and parking, and other areas relevant to maintaining San Francisco’s transportation networks.¹⁶ The CPUC declined to provide this information.

California Department of Motor Vehicles

TNC OPERATION: Under the California Vehicle Code, the California Department of Motor Vehicles (DMV) regulates all drivers’ (whether TNC or otherwise) use of wireless communication devices (cell phone) while operating a motor vehicle. As of 2017, drivers are prohibited from holding and operating a cell phone and driving. The cell phone must be mounted to the center console or windshield and not obstruct their view of the road. Furthermore, the driver may only use a feature or function on the phone that requires only one motion, a single swipe, or touch.¹⁷

DRIVER’S LICENSES AND VEHICLE REGISTRATION REQUIREMENTS: The DMV regulates license issuance for all individual vehicle drivers, including those who drive for TNCs, as well as the registration for all motor vehicles. The vehicles currently used by TNC drivers must be personal non-commercial vehicles. In 2015, DMV briefly issued and then retracted guidance that any passenger vehicle used for hire, compensation, or profit must be registered as a commercial vehicle.¹⁸ The DMV’s definition of “personal” vehicles includes vehicles that a private individual owns, leases, or rents for a period of less than 30 days.¹⁹

ACCOUNTABILITY AND REPORTING REQUIREMENTS: TNCs are also required to participate in the DMV’s Employer Pull Notice (EPN) Program. The EPN Program adds a code to the driver’s license of each participating driver and sends the employer the driver’s record annually to a TNC or whenever the driver has a conviction, failure to appear, collision, license suspension or revocation, or other action

ESTIMATED CPUC FEES GENERATED FROM TNCs

The project team has not been able to determine how much revenue has been generated from TNC fees paid to the CPUC and how these fees have been used. The last public data point on San Francisco revenue is from 2015, when Uber reported San Francisco trip revenues of \$500 million/year, growing at about 200% per year.* Based on that reporting, CPUC would have collected \$1.65 million from Uber alone in 2015 from San Francisco trips. Given ongoing growth of TNC ridership and other companies in the market, it is likely that CPUC is collecting over \$10 million per year in TNC fees in San Francisco alone.**

* “Uber CEO Reveals Mind-Boggling New Statistic That Skeptics Will Hate.” Business Insider. 19 January 2015. Retrieved from <http://www.businessinsider.com/uber-revenue-san-francisco-2015-1>.

** San Francisco Transportation Authority estimate based on stated 200% growth.

12 In March 2017, Lyft settled *Cotter v. Lyft Inc.*, No. 13-cv-04065 (N.D. Cal.) for \$27 million and agreed to a set of conditions in order for its drivers to retain their status as independent contractors. The settlement was challenged by a number of parties, including Teamsters groups who supported unionization of TNC drivers. Unionization is possible only if drivers are accorded employee status. *O’Connor v. Uber Technologies, Inc.*, No. 3:13-cv-03826-EMC (N.D. Cal.). A proposed settlement was rejected in the most recent lawsuit, *James et al v. Kalanick et al*, was filed Los Angeles Superior Court in June 2017 and is currently pending.

13 California Public Utilities Commission. D.13-09-045, Regulatory Requirements item P, p. 33. Retrieved from <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K192/77192335.PDF>.

14 Transportation License Section, State of California Public Utilities Commission. “Required reports TNCs must provide the CPUC.” Accessed at <http://www.cpuc.ca.gov/General.aspx?id=3989> on August 17, 2017.

15 David Pierson. *Los Angeles Times*. “Uber fined \$7.6 million by California utilities commission.” (14 January 2016).

16 City Attorney of San Francisco. “Herrera orders Uber, Lyft to provide data on driver practices, accessibility and service.” (5 June 2017).

17 California Vehicle Code §23123.5.

18 California Department of Motor Vehicles. *Vehicle Industry News*. “Converting from Auto to Commercial Plates.” (5 January 2015).

19 California State (Assem.) Bill no. 2763 “Transportation Network Companies: Personal Vehicles.”

against the driving privilege.²⁰ The program enables TNCs to regularly check the driving records of their drivers.²¹

Under the California Vehicle Code, all drivers must submit a Traffic Accident Report to the DMV within 10 days following a collision if (1) the resulting property damage was more than \$1000, (2) any person was injured as a result of the collision, or (3) the collision resulted in a fatality.²²

CONSUMER AND DRIVER SAFETY AND DRIVING TIME: The Vehicle Code prohibits any driver transporting passengers for compensation from driving for more than 10 consecutive hours or for more than 10 hours spread over a total of 15 consecutive hours. After that period has elapsed, the driver must rest for at least 8 hours. In addition, compensated drivers cannot drive for more than 12 hours in a 24-hour period without an 8-hour rest.²³ Uber does not currently limit driving time in California.²⁴ Lyft requires a 6-hour break for every 14 hours of driving time for drivers in most of the country, including California (which does not meet the DMV's restrictions).²⁵ Numerous media reports have reported that TNC drivers in San Francisco routinely exceed the DMV's requirements.²⁶ The project team is unaware of any enforcement of these regulations by the CPUC. It is also unclear what mechanisms exist to enforce maximum drive time restrictions across multiple platforms (e.g. TNC drivers who drive for both Uber and Lyft).

AUTONOMOUS VEHICLES: TNC companies have also expressed interest in using autonomous vehicles in the future, although TNCs are currently prohibited from owning their own fleets of vehicles. In 2014, the California DMV issued regulations on the testing of autonomous vehicles. As of June 2017, the DMV has issued Autonomous Vehicle Testing Permits to over 30 companies.²⁷ Proposed regulations on the deployment and use of autonomous vehicles on California streets were released for public comment in March and October 2017. Final regulations are still under development. The CPUC has pending Phase III.B rulemaking regarding potential regulations for TNCs' use of autonomous vehicles for passenger transportation services (Track 8) but the dates for filing opening and reply com-

ments have not yet been determined.

LOCAL PLANNING, POLICIES, AND REGULATION IN SAN FRANCISCO

San Francisco Municipal Transportation Agency

The San Francisco Municipal Transportation Agency (SFMTA) is charged with operating Muni, San Francisco's rail and bus public transit system; regulating parking and traffic including enforcement; administering taxicab rules and regulations; and planning and designing for San Francisco streets. The SFMTA Board of Directors consists of seven members appointed by the Mayor and confirmed by the San Francisco Board of Supervisors.

TAXICAB REGULATIONS: While taxis share many features with TNCs, State law provides that cities and counties regulate taxicab transportation services by adopting local regulations.²⁸ In San Francisco, as the result of a Charter Amendment, the Board of Supervisors transferred the regulation of taxis from the former Taxi Commission to the SFMTA on March 1, 2000.²⁹ The SFMTA develops and enforces rules and regulations related to the issuance of taxicab medallions and the operation of taxicabs and other for-hire vehicles throughout the city.³⁰ SFMTA also assesses annual fees for taxicab permit holders and drivers and implements the Clean Taxi Policy. Today, nearly 100 percent of the San Francisco taxicab fleet is comprised of clean vehicles.³¹

TRANSPORTATION ENGINEERING: As a user of public rights-of-way, TNCs are also affected by transportation engineering decisions. SFMTA is responsible for making decisions about the installation and modification of traffic control devices, including traffic signs, traffic striping, traffic signals and color curb markings. SFMTA is also responsible for curb regulations on city streets. This includes residential parking regulations, installing metered parking, and designating color curbs—red, blue, yellow and white zones. To that end, SFMTA allows businesses to request white zones on the curb fronting their businesses to facilitate passenger loading.³² SFMTA does not have jurisdiction over streets on Port or Recreation and Park property.

PARKING AND TRAFFIC ENFORCEMENT: SFMTA also has enforcement duties that apply to all vehicles on city streets,

20 California Vehicle Code § 1808.1

21 California Public Utilities Code § 5444.

22 California Vehicle Code § 16000

23 California Vehicle Code § 21702.

24 Uber. "CPUC Requirements: San Francisco." Retrieved from <https://www.uber.com/drive/san-francisco/resources/cpuc-information/>.

25 Lyft. "Taking breaks and time limits in driver mode." Retrieved from <https://help.lyft.com/hc/en-us/articles/214585717-Taking-breaks-and-time-limits-in-driver-mode>.

26 See for example Carolyn Said, *San Francisco Chronicle*. "Long-distance Uber, Lyft drivers' crazy commutes, marathon days, big paychecks." (February 18, 2017). Eric Newcomer and Olivia Zaleski, *Bloomberg Businessweek*. "When Their Shifts End, Uber Drivers Set Up Camp in Parking Lots Across the U.S." (January 23, 2017).

27 California State Department of Motor Vehicles. "Testing of Autonomous Vehicles." (2017). Retrieved from <https://www.dmv.ca.gov/portal/dmv/detail/vr/autonomous/testing/>.

28 California Government Code § 53075.5.

29 San Francisco Charter § 8A.101(b); Board of Supervisors Ordinance No. 303-08.

30 San Francisco Transportation Code § 1100.

31 San Francisco Office of the Mayor. "San Francisco Taxis Surpass Emissions Goal." (2 February 2012). Retrieved from <http://sfmayor.org/san-francisco-taxis-surpass-emissions-goal>.

32 San Francisco Municipal Transportation Agency. Installation Requests: New Color Curb. <https://www.sfmta.com/services/streets-sidewalks/installation-requests/new-color-curb>

including TNCs. Parking Control Officers are responsible for enforcing the City's parking regulations. Enforcement consists of various details including general meter enforcement, color curbs, double parking, abandoned autos, residential permit parking, standing or stopping in unpermitted zones, etc. Parking Control Officers also help support peak hour travel, respond to emergencies, and facilitate special events by directing traffic around the city.

San Francisco Police Department

The Police Department (SFPD) treats TNC vehicles the same as any other passenger vehicle. They have the authority to issue moving violations including speeding, illegal U-turns, transit and bicycle lane violations. In the September 2017 San Francisco Land Use and Transportation Committee hearing, SFPD presented traffic violations statistics over a three-month period between April and June. During this period, the SFPD recorded 2,656 transit violations in the South of Market, Financial District and Mission District neighborhoods, of which 1,723 violations were made by TNC drivers (approximately 65%). The majority of those violations were from TNC drivers traveling in a transit-only lane (1,144 of 1,715 violations). Because the SFPD only noted whether the vehicle included TNC trade dress, it is unclear whether the TNC drivers was actively providing a TNC trip or driving for personal use.³³

San Francisco County Transportation Authority

The Transportation Authority's mission is to make travel safer, healthier, and easier for all. The Transportation Authority plans, funds, and delivers local and regional projects to improve travel choices for residents, commuters, and visitors throughout the city.

CONGESTION MANAGEMENT: The Transportation Authority serves as the Congestion Management Agency (CMA) for San Francisco County,³⁴ and as such is tasked with developing congestion management strategies and adopting a Congestion Management Program for San Francisco.

The Transportation Authority Board consists of the eleven members of the San Francisco Board of Supervisors, acting as Transportation Authority Commissioners. As the county CMA, one of the Transportation Authority's key roles is to understand traffic patterns affecting congestion

and develop programs to manage congestion within San Francisco. The Transportation Authority is collaborating with SFMTA to understand and measure the impacts that TNCs, as a relatively new mode of transportation, have in San Francisco. The first in a series of reports, *TNCs Today*, estimated that over 5,700 TNC vehicles operate on San Francisco streets at peak weekday times, with over 6,500 TNC vehicles on the street on Friday evenings—over 15 times the number of taxicabs on the street at these times of day.³⁵

San Francisco Mayor's Office

In a May 2017 open letter to city agencies and emerging mobility companies, Mayor Ed Lee expressed his concerns about the safety and traffic implications of ride-hailing vehicles double parking, blocking bike lanes and impeding transit lanes. In his letter, the Mayor called on the SFMTA and emerging mobility companies, like Uber and Lyft, to work together on a pilot project. Under the Mayor's direction, SFMTA has been meeting with several emerging mobility companies to determine how such a pilot would be developed, implemented and measured.³⁶

San Francisco International Airport

San Francisco International Airport (SFO or Airport) issues permits to TNCs that provide transportation services at the Airport, and was one of the first airports in the



country to create an airport permit process for TNCs.³⁷ The City and County of San Francisco owns and operates SFO, although the Airport is located in San Mateo County. The San Francisco Public Utilities Commission held authority

33 *Curbed San Francisco*. "Lyft, Uber Commit 64 Percent of Downtown SF Traffic Violations." Accessed at <https://sf.curbed.com/2017/9/26/16367440/lyft-uber-traffic-citations-sfpd-board-supervisors>.

34 San Francisco County Transportation Agency. "Congestion Management." Retrieved from <http://www.sfcta.org/congestion-management>.

35 *TNCs Today: A Profile of San Francisco Transportation Network Company Activity*.

36 *San Francisco Examiner*. "Mayor Lee to tackle Uber, Lyft Traffic Congestion Through Pilot Program." Accessed at <http://www.sfexaminer.com/mayor-lee-tackle-uber-lyft-traffic-congestion-pilot-program/>

37 The California State Aeronautics Act of the Public Utilities Code grants the State agency powers and jurisdiction over airports in California.

over SFO until 1970, when the Airport Commission was created as the result of a Charter Amendment and tasked with the operation and management of the Airport. Today, the Airport Commission develops rules and regulations for the safe and efficient operation of the Airport.

TNC OPERATION: To operate at SFO, TNCs must be permitted by the CPUC; apply for and obtain an Airport operating permit;³⁸ and comply with all CPUC and SFO Rules and Regulations. Similar to the CPUC, the Airport issues permits to TNCs, not individual drivers; however, drivers must comply with the requirements of their TNC's operating permit and the Airport's Rules and Regulations concerning parking and traffic.³⁹

Permit conditions include restrictions on passenger drop-off and pick-up locations. The Airport requires TNCs to pick up and drop off passengers on the Departures level in white zones designated for passenger loading/unloading, although pick-up/drop-off locations can change depending on congestion. In-app messaging directs TNC passengers to the appropriate level and location for pick-ups, and passengers select a terminal and door number for their pick-up location when requesting a ride. In terminals where the Airport has restricted TNC pick-ups to specific areas, the TNC apps display only the allowed terminal doors to passengers.

CONSUMER SAFETY AND INSURANCE: SFO requires TNCs to list the City and County of San Francisco as an additional insured on the TNC operator's certificate of insurance.

ACCOUNTABILITY, PERMITTING AND ADMINISTRATION FEES: Permit conditions for all commercial ground transportation modes, including TNCs, includes the payment of per-trip fees. These fees are set annually based on a cost recovery model and are currently \$3.80 per trip for TNCs. In 2016, the Airport collected \$21,817,219 in TNC fee revenue from a total of 5,709,336 trips—a 75% increase from 2015.⁴⁰

ACCOUNTABILITY AND REPORTING REQUIREMENTS: The Airport requires TNCs to submit trip activity records monthly as supporting documentation for their trip fees. TNCs must also provide real-time TNC vehicle activity, as tracked by their drivers' TNC apps, to the Airport's tracking system. The Airport's TNC permit requires TNC drivers to keep their apps open for the entire time they are on Airport premises. A 'ping' is sent when a TNC vehicle enters the geo-fenced space; another 'ping' occurs when a passenger is dropped off; a third ping occurs when a passenger is picked up; and a final 'ping' occurs when the TNC vehicle exits the Airport premises.

ENFORCEMENT: The terms of the Airport's ground transportation permits allow the Airport to issue fines to permittees for violations of the permit terms or the Airport's Rules and Regulations. SFPD and Airport Ground Transportation Compliance officers issue citations to TNC drivers who are in violation, but the associated administrative fine is issued to the TNC that holds the operating permit. The Airport's real-time TNC tracking system allows officers to determine which TNC platform the driver is using and which TNC should be issued the fine.

San Francisco City Attorney's Office



The City Attorney's Office (CAO) provides legal services to the Mayor, Board of Supervisors and City departments. In June, 2017, the CAO issued a Public Records Act request to the CPUC for various records including copies of all TNC annual reports submitted to the CPUC. That request for records was denied. The CAO has also issued administrative subpoenas to Uber and Lyft aimed at ensuring that these companies' estimated 45,000 drivers in San Francisco do not create a public nuisance by jeopardizing public safety, discriminating or otherwise violating local and state laws. The subpoenas seek travel data and other information from these companies including four years of records in eight categories, including

miles and hours logged by drivers, incentives that encourage drivers to "commute" to San Francisco from as far away as Fresno or Los Angeles, driver guidance and training, accessible vehicle information, and the routes taken by these

38 Under San Francisco Administrative Code § 2A.171(b), the issuance and revocation of operating permits at SFO is at the sole discretion of the Airport Director.

39 The Airport Commission, City and County of San Francisco. (21 October 2014). *Rules and Regulations, San Francisco International Airport*. Retrieved from <http://media.flysfo.com/media/sfo/about-sfo/sfo-rules-and-regulations.pdf>.

40 San Francisco International Airport. *Transportation Network Companies: Monthly Trip Report*, April 2017.

drivers in San Francisco.⁴¹

San Francisco Treasurer and Tax Collector Office

The San Francisco Office of the Treasurer and Tax Collector is responsible for collecting taxes, fees and other revenues for the City and County of San Francisco. Their office generally requires that TNC drivers who are independent contractors register with the City as a business.

ACCOUNTABILITY AND BUSINESS REGISTRATION: In general, each driver conducting business as an independent contractor in San Francisco must register as a business within fifteen days of beginning operations in the city. TNCs operating in the city are required to provide contact information for their drivers to the Treasurer and Tax Collector's Office, if requested to do so, to facilitate enforcement of the registration requirement. Although Uber challenged the City's authority to obtain driver information in a May 2017 lawsuit, the Superior Court upheld the Tax Collector's right to obtain such information from the TNCs.⁴²

41 City Attorney of San Francisco. "Herrera Seeks Court Orders Requiring Uber and Lyft to Follow the Law." July 21, 2017. Retrieved from <https://www.sfcityattorney.org/2017/07/21/herrera-seeks-court-orders-requiring-uber-lyft-follow-law/>

42 *Uber Technologies, Inc. v. City and County of San Francisco Office of the Treasurer-Tax Collector*, San Francisco Superior Court, CPF-17-515627, decided June 22, 2017, on appeal to the First District Court of Appeal, A152024; *City and County of San Francisco v. Uber Technologies*, San Francisco Superior Court, CPF-17-515663, decided June 22, 2017, on appeal

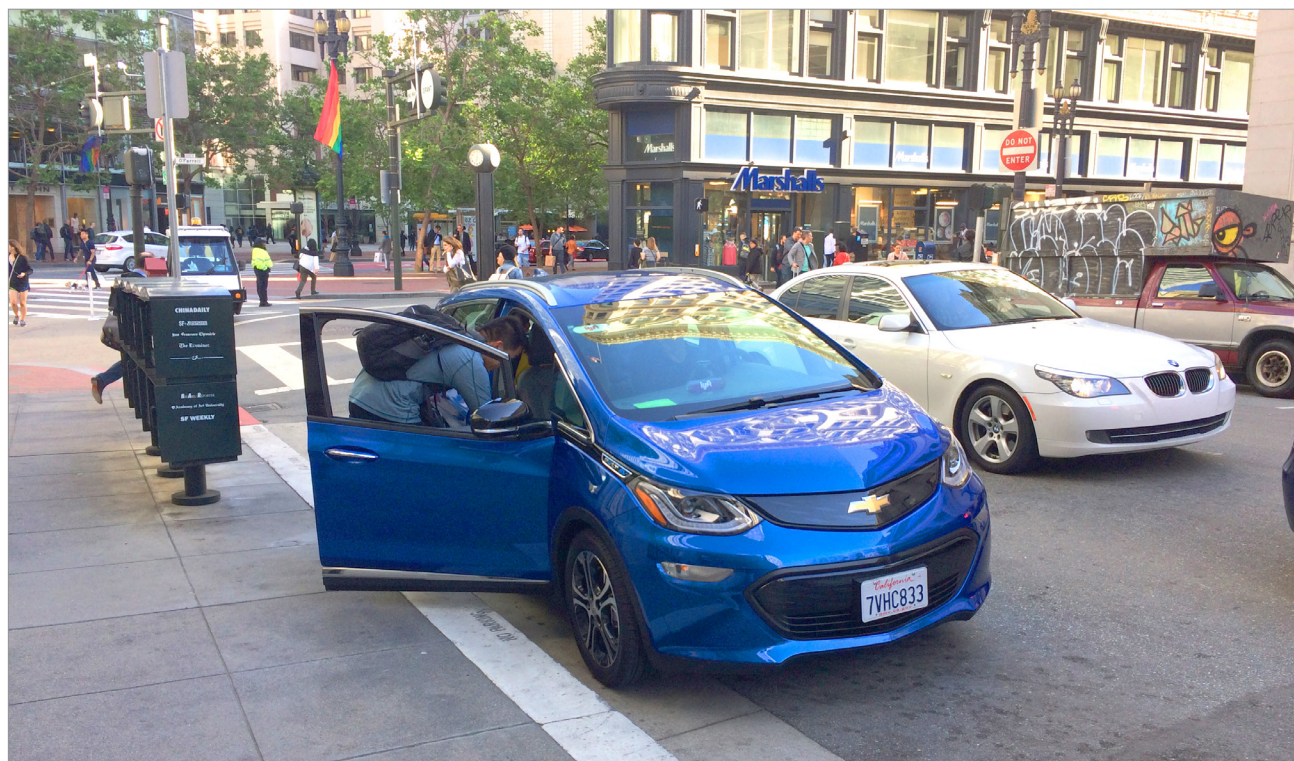
This decision is on appeal. According to data provided by the Treasurer and Tax Collector's Office and analyzed by the Transportation Authority, approximately 21,000 TNC drivers have complied with the registration requirement.⁴³ It has been estimated that as many as 45,000 TNC drivers may operate in San Francisco, based on the number of letters sent by the Treasurer and Tax Collector's office to potential TNC drivers, notifying them of the requirement to register as a business with the City.⁴⁴ All businesses including TNC drivers are required to renew the Business Registration Certificates annually and pay a tax (\$91 for drivers with \$100,000 or less in San Francisco gross receipts) if they expect to drive on San Francisco streets for seven days or more that year.⁴⁵ Senate Bill 182, signed by the Governor on October 13, 2017, and effective on January 1, 2018, limits the TNC drivers subject to the City's registration requirement to those drivers who are domiciled within the city and who operated as drivers for more than 30 days in the preceding fiscal year.

to the First District Court of Appeal, A152003.

43 The San Francisco County Transportation Authority. (June 2017). *TNCs Today: A Profile of San Francisco Transportation Network Company Activity*.

44 "Mayor Lee to tackle Uber, Lyft traffic congestion through pilot program." San Francisco Examiner. 15 May 2017. <http://www.sfexaminer.com/mayor-lee-tackle-uber-lyft-traffic-congestion-pilot-program/>.

45 San Francisco Business and Tax Regulations Code §§ 6.2-12; 853; 855(e)(1); 856.





What is the TNC Regulatory Framework in Other Jurisdictions?

The following cities (New York City, Seattle, Chicago and Boston) were chosen because their regulatory frameworks (whether at the state or local level) all vary, allowing for a rich comparison of approaches. This summary table is provided solely for comparison purposes and is not intended to recommend any specific policies whether locally in San Francisco or for California State agencies. Moreover, policies and regulations are compared strictly by Guiding Principle, and represent varying levels of authority across jurisdictions, including state and municipal agencies.

See Table 1: Comparison of TNC-related Regulations Across Sister Cities by Guiding Principle, p. 14.

CASE STUDY EXAMPLES OF TNC-RELATED ISSUES

The following section identifies specific examples of state and local TNC regulations that offer a broad cross section of approaches compared with those in place in California today.

State Regulatory Authority

As of June 2017, 48 states and the District of Columbia have passed TNC legislation to regulate TNCs in some form.^{46,47} The majority of states have established state-

46 Vermont and Oregon have yet to pass TNC legislation at the state level, although TNCs are subject to municipal regulations in cities such as Portland and Salem, Oregon, and Burlington, Vermont.

47 Transportation Policy Research Center, Texas A&M Transportation Institute. "Transportation Network Companies (TNC) Legislation." Retrieved from <https://tti.tamu.edu/policy/>

wide regulatory frameworks that preempt local control. At the state level, regulation of TNCs is driven primarily by concerns around safety, insurance, and rates.⁴⁸ States have pursued a range of different approaches in establishing rules and regulations.

The following describes examples of two ways other states have approached regulating TNCs, compared to California. Colorado established a higher flat permit fee for each TNC operating within the state, rather than the primarily revenue-based fee that California assesses. In Massachusetts, TNCs are assessed both a per-trip surcharge and a revenue-based fee. Unlike California, that state has also established a dedicated TNC Division within its Department of Public Utilities to oversee regulation of TNCs. Both Colorado and Massachusetts have stricter background check requirements than California; details of each state's checks are examined in the paragraphs below.

Colorado: Annual Permit Fees

The Colorado Public Utilities Commission (Colorado PUC) has jurisdiction over the regulation of all TNCs operating within Colorado. In 2014, Colorado became the first state to legislatively address TNCs when the Colorado Legislature passed Senate Bill 14-125, defining which services qualified as TNCs and creating a limited regulatory structure for TNCs. TNCs operating in Colorado are exempt from the regulation for common carriers, contract carriers, and motor carriers, but must be permitted by the Colorado PUC. They must also file a certificate of insurance with the Colorado PUC for at least \$1 million in primary liability coverage per occurrence and conduct safety inspections of vehicles operating in their networks before approving drivers and annually thereafter. TNCs are also required to conduct background checks of all drivers, including obtaining criminal history records and driving history reports. They must also ensure that drivers in their networks have personal automobile liability insurance that acknowledges their status as TNC drivers. No training program is required.⁴⁹ Drivers may not drive or be logged into the TNC network longer than 12 consecutive hours, and TNCs are required to keep records of time logs. As in California, TNCs must display trade dress while in service, and may operate statewide with no geographic restrictions. The annual permit fee, currently set at \$111,250⁵⁰, is adjusted based on the Colorado PUC's direct and indirect costs of regulating TNCs.⁵¹

technology/tnc-legislation/.

48 Report of the NARUC Task Force on Transportation. p.7

49 Colo. Code Regs. 723-6 (2015).

50 Colo. Revised Statute § 40-10.1-606(2) (2016).

51 Del Collo, C. (2016, December). "Issue Brief: Transportation Network Companies." Colorado Legislative Council Staff. p.2

Massachusetts: TNC Fees as a Per-Trip Surcharge and State-Run Background Checks

The Commonwealth of Massachusetts enacted Chapter 187 of the Acts of 2016 in August 2016 to create a new TNC Division within the Department of Public Utilities (DPU) to regulate TNCs. While parts of the law went into effect in November 2016, DPU is currently engaged in a rulemaking process to develop and adopt a state regulatory framework by November 2017. Goals of the legislation include transparent pricing, properly marked and inspected vehicles,⁵² clear insurance standards,⁵³ authorization for the Massachusetts Port Authority to allow service at Boston Logan International Airport⁵⁴ and the Boston Convention and Exhibition Center (BCEC), and extensive background check requirements.⁵⁵ TNCs operating in Massachusetts must conduct a full state Criminal Offender Record Information (CORI) background check, including sex offender registry status, and a bi-annual national commercial background check on their drivers. These background checks, which include a review of state CORI and whether the driver is a registered sex offender but do not include fingerprinting, are currently some of the strictest in the nation, and more stringent than the background checks now required in California. In November 2016, TNC companies Uber and Lyft agreed to let the Commonwealth run the background checks on their drivers in exchange for the right to access Logan Airport. The Commonwealth's background checks disqualified over 8,000 Uber and Lyft drivers—over 11 percent of the current driver pool—who had passed the companies' own background checks.⁵⁶

To fund the new TNC Division, TNCs will pay a surcharge based on intrastate operating revenues from the previous year. The DPU is currently engaged in a rulemaking process to create regulations for TNCs.⁵⁷ The legislation also includes a \$0.20/trip fee to be assessed on every TNC trip.⁵⁸ The fee is intended to be paid by the TNC company, rather than by the rider, to create a Transportation Infrastructure

Enhancement Trust Fund.⁵⁹ Of the \$0.20 fee, 5 cents provides financial assistance for the taxicab industry; 10 cents is allocated to cities and towns based on number of TNC trips originating there to address TNC impacts; and 5 cents goes to the Commonwealth Transportation Fund.⁶⁰ With the exception of the Massachusetts Port Authority, local municipalities and other state agencies are not permitted to impose taxes on or require additional licenses, permits, or operational requirements from TNCs.

Local Regulatory Authority in Other States

Local municipalities have long held regulatory authority over taxicab and other livery services, and in many areas, counties, cities, and towns regulate TNCs as well, either under existing taxicab regulations or under new TNC-specific regulations. Local ordinances to regulate TNCs typically focus on safety, mobility for all modes, accessibility, and congestion management. As with state TNC laws, local ordinances employ a wide range of approaches to regulating TNC operators, drivers, and vehicles.

The following cases illustrate several notable local regulatory structures. In New York City, TNCs are regulated under the city's longstanding Taxi & Limousine Commission; TNC drivers and taxicab drivers are subject to the same rules. New York also requires TNCs to provide trip data, and is actively using these data to understand impacts on the city's transportation networks. In Philadelphia, TNCs pay a percentage of gross revenues in fees that help to fund both the cost of regulation and the city's schools. For approximately a year, Austin required fingerprint-based background checks, prompting two major TNCs to leave the city. Chicago and Seattle both assess per-trip accessibility fees to create accessibility funds that offset the cost of making accessible transportation available to passengers with disabilities. Chicago also uses per-trip fees to incentivize TNC drivers to provide more rides in underserved areas of the city. Each of these cases offers policy ideas for exploration and consideration.

New York City: Regulation of TNCs Under Taxicab Authority and Use of TNC Data to Understand Transportation Patterns

In New York City, TNCs operate under the jurisdiction of the New York City Taxi & Limousine Commission (TLC). TNCs pay a \$500 fee per company for a three-year e-hail app provider license. They are subject to a set of regulations defined by the TLC, including transparent pricing and trip data reporting. All TNC drivers are required to be

52 2016, August 5. Chapter 187 of the Acts of 2016, "An Act Regulation Transportation Network Companies." Section 2-3.

53 2016, August 5. Chapter 187 of the Acts of 2016, "An Act Regulation Transportation Network Companies." Sections 2.

54 2016, August 5. Chapter 187 of the Acts of 2016, "An Act Regulation Transportation Network Companies." Section 11.

55 2016, August 5. Chapter 187 of the Acts of 2016, "An Act Regulation Transportation Network Companies." Section 4.

56 Vaccaro, A. and D. Adams. (2017, April 5). "Thousands of current Uber, Lyft drivers fail new background checks." *Boston Globe*. Retrieved from <https://www.bostonglobe.com/business/2017/04/05/uber-lyft-ride-hailing-drivers-fail-new-background-checks/aX3pQy-6QOpJvbtKZKw9fON/story.html>.

57 "Transportation Network Company Division Overview." Energy and Environmental Affairs: Commonwealth of Massachusetts. <http://www.mass.gov/eea/grants-and-tech-assistance/guidance-technical-assistance/agencies-and-divisions/dpu/dpu-divisions/transportation-network-company-division/>

58 Massachusetts Department of Public Utilities. DPU 17-81 TNC Rulemaking Order & Regulations. (24 March 2017).

59 *ibid*.

60 Massachusetts Bill H.4570, 189th Legislature (2015-2016).

licensed with the TLC. The TLC requires prospective TNC drivers to take a drug test and be fingerprinted, just as it does prospective taxicab drivers. In addition, drivers must have a TLC-licensed vehicle with commercial insurance. In April 2017, the New York State Legislature passed a law as part of the state's 2018 budget to allow TNCs to operate statewide, except within New York City, under a single license. Within New York State, counties and cities with populations of over 100,000 may pass local laws to opt out of the law by enacting local ordinances to prohibit TNC pickups within their jurisdictions, but may not otherwise regulate them.⁶¹ Cities with populations of over one million are not covered by the state legislation; New York City will continue to regulate TNCs within its borders.

Philadelphia, Pennsylvania: TNC Fees as a Percent of Gross Revenue

The Philadelphia Parking Authority (PPA), which has long held the authority to regulate taxicabs and limousines in Philadelphia,⁶² now also has jurisdiction over TNCs within the city under legislation adopted by the Pennsylvania General Assembly in 2016.⁶³ The same legislation granted the Pennsylvania Public Utility Commission jurisdiction over TNCs that operate in the rest of the state.⁶⁴ Within Philadelphia, the PPA collects a \$50,000 application fee for each TNC permit. TNCs are also required to pay an assessment of 1.4 percent of gross fares for all rides that originate in Philadelphia; two thirds of funds generated go to the School District of Philadelphia, while one third remains with the PPA.⁶⁵

Chicago, Illinois: TNC Driver and Vehicle Licensing and Per-Trip Fees

In June 2016, the Chicago City Council passed rules on ridehailing platforms that require TNCs to be licensed with the City and pay an annual fee of \$10,000. TNC drivers must acquire either a public chauffeur license or a City of Chicago TNC chauffeur license issued by their TNC through an online application. The City assesses a \$0.40/trip fee, a \$0.02/trip fee to fund administrative costs, and an additional \$0.10/ride fee for each ride in a TNC vehicle that is not wheelchair-accessible to support an accessibility fund. TNCs may claim a credit of 50 percent of the \$0.40 fee (\$0.20/trip) if the trip includes a pick-up or drop-off in

61 New York State Senate Bill S2009C, Section 14. P.115.

62 *Germantown Cab Co. v. Philadelphia Parking Authority*, 20 January 2012. <http://case-law.findlaw.com/pa-supreme-court/1591853.html>.

63 "Advanced Notice of Proposed Rulemaking - Transportation Network Companies." Philadelphia Parking Authority. 25 July 2017. <http://www.philapark.org/2017/07/advance-notice-of-proposed-rulemaking-transportation-network-companies/>.

64 *Report of the NARUC Task Force on Transportation*.

65 Pennsylvania Senate Bill 984. Regular Session 2015-16.

UNDERSTANDING TNC TRIP PATTERNS IN NYC

New York City is one of the few jurisdictions for which TNC trip data are available due to the TLC reporting requirement. A February 2017 report found that while TNCs had primarily attracted yellow cab passengers in their first years of service with minimal impact on total number of vehicle trips, there has been a marked shift in this pattern since 2015. According to the report, TNC growth now far exceeds taxicab trip losses, and based on currently available data, has increased vehicle miles traveled within New York City by an estimated 7 percent.* These new trips are heavily concentrated in the city's most congested areas of Manhattan, Brooklyn, and Queens. The rapid growth of TNCs has also paralleled drops in subway and bus ridership. New York City is currently exploring how to balance the mobility benefits provided by TNCs with increased congestion, traffic delays, and mobility by other modes.**

* Schaller, B. (2017). *Unsustainable? The Growth of App-Based Ride Services and Traffic, Travel and the Future of New York City*. p.18

** "Schaller. P.22

an area designated as an underserved area. There is also a separate TNC airport surcharge of \$5.40. Chicago recently approved raising the city's \$0.52 per trip TNC fee by 15 cents in 2018 and an additional 5 cents in 2019 to pay for transit improvements.⁶⁶

Chicago prohibits TNC drivers from operating any TNC vehicle for more than 10 hours in a 24-hour period and prohibits TNC vehicles from being driven, even if by more than one driver, for more than 10 hours in that period.⁶⁷ Initially, Chicago also sought to implement fingerprint-based background checks of prospective TNC drivers, but did not pursue this after a commission tasked with studying the value and fairness of fingerprinting recommended against it for both TNC and City employees.⁶⁸

Austin, Texas: Fingerprint-Based Background Checks & Subsequent State Preemption

In December 2015, the Austin City Council approved an ordinance⁶⁹ regulating TNCs within the city limits to ad-

66 Spielman, F. (2017, November 21). "Emanuel's 2018 Budget Passes With Only Three dissenting Votes." Chicago Sun-Times. Retrieved from <https://chicago.suntimes.com/news/city-council-poised-to-approve-emanuels-8-6-billion-budget/>.

67 Chicago, Illinois Municipal Code, Chapter 9-115.

68 Spielman, F. (2017, March 7). "Alderman: City won't fingerprint Uber, Lyft drivers, city workers." Chicago Sun-Times. Retrieved from <http://chicago.suntimes.com/news/alderman-city-wont-fingerprint-uber-lyft-drivers-city-workers/>.

69 City of Austin Ordinance No. 20151217-075, "An Ordinance Amending City Code Chapter 13-2 Relating to Transportation Network Companies (TNCs) and Terminating TNC Operating Agreements." (2016).

dress safety and congestion concerns. At the time, no state regulation of TNCs existed in Texas. While the ordinance was in effect, TNCs operating in Austin were required to have permits from the city, pay annual fees, limit driver hours, and use geo-fenced pickup and dropoff areas during special events. Most controversially, TNCs were required to complete both driving history checks and fingerprint background checks of prospective drivers. Fees could be calculated using one of three methods based on the TNC's choosing, and were capped at two percent of a TNC's annual gross revenue.⁷⁰ In May 2016, Austin voters overwhelmingly defeated Proposition 1, a ballot measure backed by ridehailing operators Uber and Lyft that would have reinstated the city's less restrictive regulations. As a result of the vote, Uber and Lyft left the Austin market for approximately a year. However, ten small TNCs with approximately 9,000 drivers were operating in the city by December 2016.⁷¹ In May 2017, the Texas State Legislature passed HB 100, which nullified Austin's ordinance, along with those of 19 other Texas cities, and enacted a statewide regulatory framework for TNCs. Under the new state law, TNCs must have a permit from the Texas Department of Licensing and Regulation and pay an annual fee of \$5,000 to operate throughout the state. Companies are also required to perform annual background checks on drivers, but no longer have to fingerprint drivers. Uber and Lyft both returned to Austin in late May 2017.⁷²

⁷⁰ Ordinance No. 20151217-075.

⁷¹ Sisson, P. (2016, December 7). "Uber, Lyft, and the Future of Transportation in Austin." *Curbed.com*.

⁷² Texas House Bill 100, 2017-2018, 85th Legislature.

Seattle, Washington: Per-Trip Accessibility Surcharge

In July 2014, the Seattle City Council enacted a city ordinance that established a \$0.10/ride surcharge on all non-accessible taxicab, for-hire, and TNC rides originating in the City of Seattle, to be placed in a Wheelchair Accessible Services Fund. The funds are used to offset the higher operational costs of wheelchair accessible taxicab ("WAT") services for taxicab owners and operators including, but not limited to: vehicle costs associated with purchasing and retrofitting an accessible vehicle, extra fuel and maintenance costs, and time involved in providing wheelchair accessible trips. The City of Seattle also prioritizes three-minute curbside loading zones, designated by signage and a white curb, over all other uses except transit. These zones permit all drivers, including TNC drivers, to briefly stop to load and unload passengers near residences and businesses.⁷³

⁷³ Seattle Department of Transportation. "Curb Use Priorities in Seattle." Retrieved from <https://www.seattle.gov/transportation/parking/parkingcurb.htm>.

**THE TNC REGULATORY LANDSCAPE: AN OVERVIEW OF CURRENT TNC REGULATION
IN CALIFORNIA AND ACROSS THE COUNTRY | DRAFT REPORT**
SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY • DECEMBER 2017

Table 1. Comparison of TNC-related Regulations Across Sister Cities by Guiding Principle

The following table summarizes how different cities and states have developed regulations that apply to San Francisco's 10 Guiding Principles for Emerging Mobility Services and Technologies (Appendix 1) and compares them to ones identified in California. While comparisons are drawn across different cities, the default regulatory body for TNCs is listed directly under those city names (Appendix 2 provides a more detailed comparison of the policies).

Guiding Principle (Regulatory agency, unless otherwise stated.)	San Francisco (California PUC)	New York City (Taxi and Limousine Commission)	Seattle (TNC City Ordinance)*	Chicago (TNC City Ordinance)	Boston (Massachusetts DPU)
SAFETY					
Background Checks	Background check with social security number; driver history check through DMV Employer Pull Notice program.	Background check with fingerprint; driver history background check. Annual drug testing.	Background check with option of fingerprint or third-party vendor national database search.	Background check with fingerprint; TNCs must obtain each applicant's driving record.	Multi-state criminal history database search and driving history database background check.
Vehicular Inspection	19-point vehicle inspection before service and annually or every 50,000 miles.	Vehicles inspected once every four months.	Vehicles inspected before service.	21-point inspections for vehicles under six years of age annually; vehicles over six years semi-annually.	Annual vehicle and emissions inspection also inspects braking and suspension.
Driver Safety	Requires driver training program be made available. DMV limits max drive time 10 hours, resets after 8-hour rest period.	Defensive Driving Course required every three years. Max drive time 10 hours in 24-hour period, resets after 8-hour rest period; max 60 hours per week.	Defensive Driving Course required. Max drive time 12 hours over 15 hours period in any 24-hour period. resets after 10-hour rest period.	Required driver training. Max drive time 10 hours in a 24-hour period.	No training requirements. Max drive time 10 hours in a 24-hour period.
Consumer Safety	Zero-tolerance drug and alcohol policy.	No explicit zero-tolerance drug and alcohol policy. Drivers may not operate vehicles while impaired by alcohol or other substances.	Zero-tolerance drug and alcohol policy.	Zero-tolerance drug and alcohol policy.	No explicit zero-tolerance drug and alcohol policy. Drivers may not operate vehicles while impaired by alcohol or other substances.
Pedestrian and Bicycle Safety	DMV requires hands-free operation of cell phones. Local laws against double parking and stopping in crosswalks.	State law requires hands-free operation of cell phones. Local laws against double parking and stopping in crosswalks. Safety reminder stickers inside vehicle.	State law requires hands-free operation of cell phones. Local laws against double parking and stopping in crosswalks.	State law requires hands-free operation of cell phones. Local laws against double parking and stopping in crosswalks.	Hands-free operation of cell phones. Local laws against double parking and stopping in crosswalks or traveling in 'safety zones.'
Insurance	TNCs provide insurance during ride (pre-ride request, ride-accepted and transporting the rider).	TNCs and drivers provide insurance during ride (pre-ride request, ride-accepted and transporting the rider).	TNCs provide insurance during ride (ride-accepted and transporting the rider); City of Seattle named as additional insured.	TNCs provide insurance during ride (pre-ride request, ride-accepted and transporting the rider); City of Chicago named as additional insured.	TNCs and drivers provide insurance during ride (pre-ride request, ride-accepted and transporting the rider).
TRANSIT					
Operations	Local restrictions limit use of bus stops and transit lanes.	Local restrictions limit use of bus stops and transit lanes.	Local restrictions limit use of bus stops and transit lanes.	Local restrictions limit use of bus stops and transit lanes.	Local restrictions limit use of bus stops and transit lanes.
EQUITABLE ACCESS					
	Rating platform may not discriminate against protected classes.	No applicable policies.	Drivers may not refuse to transport any person with limited exceptions.	TNCs have affirmative duty to respond to requests in underserved areas.	No applicable policies.
DISABLED ACCESS					
Customer Accessibility	Required annual accessibility plan.	TNCs must provide an accessible vehicle or arrange for alternate service for passengers with disabilities. Must ensure consistent pick up times. Required accessibility training.	Driver may not refuse service. TNCs pay into accessibility fund.	Required accessibility plan. Drivers may not refuse service. Required accessibility training. TNCs pay into accessibility fund.	Required accessibility plan. Accessible Transportation task force.

continued next page

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SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY • DECEMBER 2017

Guiding Principle (Regulatory agency, unless otherwise stated.)	San Francisco (California PUC)	New York City (Taxi and Limousine Commission)	Seattle (TNC City Ordinance)*	Chicago (TNC City Ordinance)	Boston (Massachusetts DPU)
SUSTAINABILITY					
Fleet Management	TNCs prohibited from owning fleet.	No fleet ownership restriction.	All cars/drivers must be individually permitted. No fleet ownership restriction.	TNCs prohibited from owning fleet or providing financing to obtain, lease or own vehicles.	No fleet ownership restriction.
CONGESTION					
	No applicable policies.	No applicable policies.	No applicable policies.	No applicable policies.	No applicable policies.
ACCOUNTABILITY					
Trip Reporting	Annual trip reporting requirements.	Real-time trip reporting requirements.	Quarterly trip reporting requirements.	Trip reporting upon request.	Annual and monthly trip reporting requirements.
Licensing and Registration	3-year TNC permit term with application requirements. Local drivers' business license requirements.	Taxi and Limousine Commission (TLC) permitting and licensing requirements. TNC vehicles must have NY State T&LC license plates.	TNC permitting and licensing requirements. TNC driver for-hire licensing and business license requirements.	Local permitting requirements. TNC driver licensing requirement.	Annual permitting requirements. Drivers' license requirements.
LABOR					
Employment Status	Operating as independent contractors; unresolved.	Recent State ruling recognizes drivers as employees of TNC; unresolved.	Operating as independent contractors, recent Seattle law grants right to organize but not yet implemented; unresolved.	Operating as independent contractors; unresolved.	Operating as independent contractors; unresolved.
FINANCIAL IMPACT					
Registration Fees	\$1,000 initial company application fee for TNC; \$100 annual fee.	\$500 company application/renewal fee every three years for TNC. \$252 driver's license fee upon application and renewal every three years.	Applications and licensing costs covered by per-trip fees assessed jointly by the City of Seattle and King County.	\$10,000 annually TNC company fee in addition to license fees.	Application fee and licensing costs covered by per-trip fees assessed by State of Massachusetts.
Administration Fees and Funds	0.33% gross California revenues, paid into CPUC Transportation Reimbursement Account. Airport charges \$3.80/trip cost recovery fee.	TNC companies collect 2.5% per trip to contribute to Black Car Fund for workers' compensation.	\$0.35/trip fee (trips originating outside City of Seattle). \$0.14/trip fee (trips originating in the City of Seattle). \$0.10/trip for the Wheelchair Accessible Services Fund for all trips.	\$0.40/trip for City of Chicago. \$5.40/trip for airports/convention/pier. \$0.02/trip fee for administrative costs. \$0.10/trip Vehicle Accessibility Fund Contribution Fee for trips in non-accessible vehicles.	\$0.20/trip to transportation infrastructure enhancement fund.
COLLABORATION					
Proposal Solicitation	No applicable policies.	No applicable policies.	No applicable policies.	No applicable policies.	No applicable policies.
Community Engagement	No applicable policies.	TLC holds regular meetings with drivers and the public.	No applicable policies.	No applicable policies.	No applicable policies.

* King County and the City of Seattle partner in an interlocal agreement under which King County manages all for-hire driver licensing for both jurisdictions and the City of Seattle manages all for-hire vehicle licensing functions for both jurisdictions.

Conclusion

Given the lack of available data about the TNC industry, the impacts of TNC operations on state, regional, and local transportation networks are not yet fully understood. Although the CPUC does require data reporting by TNCs, the agency does not currently share these data with local jurisdictions, and there is very little TNC data publicly available. To better understand the current size, location, and time-of-day characteristics of the TNC market in San Francisco, the Transportation Authority undertook its own study of local TNC usage (trips made entirely within San Francisco) from mid-November to mid-December of 2016 using data shared by researchers. The June 2017 report, *TNCs Today*, demonstrated that TNC operate in the most congested areas of the city at the most congested times.⁷⁴ On a typical weekday, TNCs may account for upwards of 170,000 vehicular trips and 570,000 Vehicles Miles Traveled (VMT).

Looking forward, San Francisco is interested in understanding how emerging mobility services and technologies—which includes TNCs—are helping San Francisco meet its goals. The Transportation Authority and SFMTA have established a series of ten guiding principles which illustrate the city's goals and delineate a path forward for how San Francisco will evaluate any emerging mobility service or technology and its impacts in San Francisco. The unstudied impacts of TNC trips are of critical concern to local agencies tasked with regulating congestion, safety, mobility, infrastructure, and other key areas in both San Francisco and in other California cities. Several other cities, including Los Angeles, are interested in revisiting existing policies and engaging in similar further research on the impacts of TNCs and how to address them.

Although the *TNCs Today* report provided essential information about patterns of TNC operation within San Francisco, many questions remain. The answers to some may lie in data collected by TNCs or by the CPUC, while others may require longitudinal study of how TNCs affect transportation patterns as the industry matures.

⁷⁴ San Francisco County Transportation Authority. *TNCs Today: A Profile of San Francisco Transportation Network Company Activity*. June 2017. Retrieved from <http://www.sfcta.org/tncstoday>.

Future Research

The following lists a series of outstanding questions about TNC operations in San Francisco:

TNC BEST PRACTICES. What potential impacts of TNCs have other agencies identified, and how have agencies partnered with TNCs?

TNCS AND STREET SAFETY. How do TNCs affect the safety of people who use the roads, including public transit riders, bicyclists and pedestrians? How can TNCs implement practices to support San Francisco's Vision Zero goals?

TNCS AND PUBLIC TRANSIT DEMAND. How do TNCs complement, compete with, or otherwise affect public transit ridership and mode share?

TNCS AND PUBLIC TRANSIT OPERATIONS. How do TNCs affect public transit service operations?

TNCS AND CONGESTION. How do TNCs affect roadway congestion, delay and travel time unreliability? How do TNCs affect air quality?

TNCS AND DISABLED ACCESS. To what extent do TNCs serve people with disabilities?

TNCS AND EQUITY. Can TNCs be accessed by all San Francisco residents including communities of concern and those without smartphones or credit cards? Are all neighborhoods served equitably?

TNCS, LAND USE, AND CURB MANAGEMENT. What are the best practices for loading/curbside/roadway space allocation? How do TNCs affect parking demand? Is TNC demand associated with certain land uses? What are the effects of TNCs on location choices and auto ownership?

Appendix 1

Guiding Principles for Emerging Mobility Services and Technologies

In Spring 2017, the TA worked with SFMTA to develop Guiding Principles to serve as a framework for the consistent application of policies and programs in San Francisco. The Guiding Principles will be used to evaluate services and technologies; identify ways to meet city goals; and shape future areas of studies, policies, and programs. The table of potential policies and options that appears below was developed with the Guiding Principles for Emerging Mobility Services and Technologies in mind.



SAFETY: Emerging Mobility Services and Technologies (EMST) must be consistent with the City and County of San Francisco's goal for achieving Vision Zero, reducing conflicts, and ensuring public safety and security on roads, sidewalks and public rights of way.



CONGESTION: Emerging Mobility Services and Technologies must consider the effects on traffic and public rights of way congestion, including the resulting impacts on road and sidewalk safety, modal choices, emergency vehicle response time, transit performance and reliability.



TRANSIT: Emerging Mobility Services and Technologies must complement rather than compete with public transit services, must support and account for the operational needs of public transit and encourage use of high-occupancy modes.



ACCOUNTABILITY: Emerging Mobility Services and Technologies providers must share relevant data so that the City and the public can effectively evaluate the services' benefits to and impacts on the transportation system and determine whether the services reflect the goals of San Francisco.



EQUITABLE ACCESS: Emerging Mobility Services and Technologies must promote equitable access to services. All people, regardless of age, race, color, gender, sexual orientation and gender identity, national origin, religion, or any other protected category, should benefit from Emerging Mobility Services and Technologies, and groups who have historically lacked access to mobility benefits must be prioritized and should benefit most.



LABOR: Emerging Mobility Services and Technologies must ensure fairness in pay and labor policies and practices. Emerging Mobility Services and Technologies should support San Francisco's local hire principles, promote equitable job training opportunities, and maximize procurement of goods and services from disadvantaged business enterprises.



DISABLED ACCESS: Emerging Mobility Services and Technologies must be inclusive of persons with disabilities. Those who require accessible vehicles, physical access points, services, and technologies are entitled to receive the same or comparable level of access as persons without disabilities.



FINANCIAL IMPACT: Emerging Mobility Services and Technologies must promote a positive financial impact on the City's infrastructure investments and delivery of publicly-provided transportation services.



SUSTAINABILITY: Emerging Mobility Services and Technologies must support sustainability, including helping to meet the city's greenhouse gas (GHG) emissions reduction goals, promote use of all non-auto modes, and support efforts to increase the resiliency of the transportation system.



COLLABORATION: Emerging Mobility Services and Technology providers and the City must engage and collaborate with each other and the community to improve the city and its transportation system.

Appendix 2

Expanded Comparison of TNC-Related Regulations Across Sister Cities by Guiding Principle

Guiding Principle	San Francisco (California PUC)	New York City (Taxi and Limousine Commission)	Seattle (TNC City Ordinance)	Chicago (TNC City Ordinance)	Boston (Massachusetts DPU)
SAFETY					
Background Checks	<p>Criminal: Required national criminal and sex offender database background check conducted with social security number at time of hiring.</p> <p>Driver History: TNCs must conduct a driver history check (DMV’s Employer Pull Notice program).</p>	<p>Criminal: Applicants are fingerprinted to secure criminal history records from the New York State Division of Criminal Justice Services.</p> <p>Driver History: All applicants undergo a driver history background check.</p> <p>Drug Testing: Annual drug testing required; licenses revoked for any positive test.</p>	<p>Criminal: TNC companies must run fingerprint FBI or Washington State Patrol criminal background checks or have background checks conducted by an approved third-party vendor for both the TNC driver and vehicle owner.</p> <p>Driver History: No driver history background check required.</p>	<p>Criminal: TNC companies are responsible for conducting criminal background checks of prospective drivers. Drivers must also be fingerprinted and submit photographs.</p> <p>Driver History: TNCs must obtain each applicant’s driving record.</p>	<p>Criminal: TNC companies must conduct a multi-state criminal history database search every 6 months and National Sex Offender Public website search at time of issuing certificate.</p> <p>Driver History: TNC companies must conduct multi-state motor vehicle driving history database background check. Annually, the Division shall conduct a Driver background check based on information that the Division receives from the Department of Criminal Justice Information Services, Sex Offender Registry Board, Warrant Management System, Registry of Motor Vehicles, and other reliable sources.</p>
Vehicular Inspection	<p>Vehicle Inspection: TNC vehicles must undergo a 19-point vehicle inspection before a vehicle can provide service and annually or every 50,000 miles.</p>	<p>Vehicle Inspection: TNC vehicles must be inspected once every four months. Vehicles may not be apple green or taxicab yellow.</p>	<p>Vehicle Inspection: TNC vehicles must have all major vehicle components inspected before being put into service. This inspection also covers vehicle features that aid the driver and keep the passenger comfortable and confirms that all required plates, decals and notices are legible and properly displayed.</p>	<p>Vehicle Inspection: TNC companies must conduct 21-point inspections of TNC vehicles under six years of age annually. Vehicles six years of age or older must be inspected semi-annually. Vehicles must be rust-free and pass a 21-point inspection.</p>	<p>Vehicle Inspection: Annual vehicle and emissions inspection. The vehicle inspection must test the vehicle’s braking and suspension.</p>
Driver Safety	<p>Driver Training: TNCs are required to establish a driver training program to ensure that all drivers are safely operating the vehicle prior to the driver being able to offer service. Drivers must be 21 years old and have one year of driving history.</p> <p>Driving Time Limits: TNC drivers prohibited by DMV from transporting passengers for compensation for more than 10 consecutive hours or for more than 10 hours spread over a total of 15 consecutive hours. After that period has elapsed, the driver must rest for at least 8 hours. In addition, compensated drivers cannot drive for more than 12 hours in a 24-hour period without an 8-hour rest.</p>	<p>Driver Training: All TNC drivers must attend, complete and pass a Defensive Driving Course at least every three years, and must complete a 24-hour driver education course as part of the licensing process. Video training in sex trafficking awareness and wheelchair accessible vehicles is also required.</p> <p>Driving Time Limits: TNC drivers may not drive for more than 10 hours in any 24-hour period, although the 10-hour clock will reset after any period in which the driver has gone at least 8 consecutive hours without transporting passengers. Drivers may not transport passengers for hire for more than 60 hours in a calendar week.</p>	<p>Driver Training: TNC drivers must complete a driver’s education course, undergo a training including completion of the National Safety Council’s Defensive Driving Course and at least one additional driving training program approved by the Director of the Department of Finance and Administrative Services. Training programs must include information about defensive driving, instruction on use of emergency equipment and procedures for driver safety, information about risk factors for crimes against drivers, training in passenger relations, and information about standards of professional conduct.</p> <p>Driving Time Limits: Drivers may not operate a TNC vehicle for more than 12 hours spread over a total of 15 hours in any 24-hour period. After that, drivers must not drive any for-hire vehicle until 10 consecutive hours have passed.</p> <p>Traffic Collision: Drivers must report collisions that occur while operating a TNC vehicle within three days to both the State of Washington, as required, and to the Director of the Department of Finance and Administrative Services.</p>	<p>Driver Training: Drivers must complete an online or in-person transportation network driver’s training program approved by Commissioner and conducted by the TNC company or other authorities approved by the commissioner. Training must include transporting passengers in a safe manner; Rules of the Road specific to the City of Chicago; zero-tolerance policy; guidelines on providing service to people with disabilities; guidelines on compliance with City of Chicago laws specific to TNCs; and guidelines and information on compliance with these rules. (9-115-150)</p> <p>Driving Time Limits: TNC drivers may not drive for more than 10 hours in a 24-hour period, nor may TNC vehicles be operated by one or more drivers for more than 10 hours in a 24-hour period. The TNC company must monitor compliance with this requirement. (9-115-190)</p>	<p>Driver Training: No mandated training. Must be 21 years of age. Must be at least 21. If 23 or older, must have US driver’s license for at least 1 year. If under the age of 23 with US driver’s license for at least 3 years.</p> <p>Driving Time Limits: TNCs must ensure that no driver drives longer than 12 hours in a 24-hour period.</p>

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Guiding Principle	San Francisco (California PUC)	New York City (Taxi and Limousine Commission)	Seattle (TNC City Ordinance)	Chicago (TNC City Ordinance)	Boston (Massachusetts DPU)
Consumer Safety	<p>Zero Tolerance Policy: TNCs are required to have a zero-tolerance intoxicating substance policy that allows riders to report unsafe activity, and requires TNCs to immediately suspend the driver until an investigation is conducted.</p> <p>Vehicle Signage: TNC must display consistent trade dress color contrasted as to be readable during daylight hours at a distance of at least 50 feet.</p> <p>Proof of TNC Affiliation: Must carry proof of TNC insurance. The app used by a TNC to connect drivers and passengers must display for the passenger: 1) a picture of the driver, and 2) a picture of the vehicle the driver is approved to use.</p> <p>Complaints: TNC websites and mobile applications must include a phone number or in-app call function and email address to report zero-tolerance complaint as well as the CPUC’s Consumer Intake Unit.</p> <p>Data Security: TNCs must ensure the security, protection and privacy of Driver and Rider personal information.</p>	<p>Zero Tolerance Policy: No explicit reference to a zero-tolerance policy, though there is language prohibiting drivers from driving under the influence.</p> <p>Vehicle Signage (TLC): Licensed vehicles must display signs identifying them as TLC-licensed, three valid Commission license decals, a valid registration sticker from an authorized state motor vehicle department, and a valid New York State DMV inspection sticker that has no fewer than eight months left before the sticker expires.</p>	<p>Zero Tolerance Policy: TNC companies must have a zero-tolerance drug and alcohol policy for TNC drivers. Drivers may not drink any alcoholic beverage while on duty or less than eight hours prior to going on duty, and may not possess an open or unsealed container of alcoholic beverages while on duty. Drivers may not smoke in the vehicle.</p> <p>Vehicle Signage: A decal identifying the affiliated TNC must be affixed to the windshield of the TNC vehicle.</p> <p>Proof of TNC Affiliation: Drivers must carry proof that of affiliation with the TNC company whenever they are actively driving as well as display an enlargement of the for-hire license.</p> <p>Complaints: The TNC app must include a telephone number, website link and email through which passengers can register complaints about drivers suspected of being under the influence of drugs or alcohol. The app also must also include the phone number and email of the Consumer Protection Unit of the Department of Finance and Administrative Services for reporting complaints.</p> <p>Passenger Assistance: Drivers may not refuse to transport groceries, packages or luggage when accompanied by a passenger, and must help passengers by placing luggage or packages that weigh less than 50 pounds in and out of the vehicle.</p> <p>Routes: Drivers must use the most direct available route on all trips unless the passenger specifically requests to change the route. Drivers must carry a map of Seattle and the region, published within the past two years, and display the map to passengers upon request.</p> <p>Payment: TNC apps must disclose the full rate, including any variable fees or possible surcharges, before the customer confirms the ride. Additionally, drivers may accept payment only electronically via the TNC app.</p>	<p>Zero Tolerance Policy: TNC companies must maintain and enforce a zero-tolerance policy for intoxicating substances, potentially including education, random testing, assistance programs and counseling, among other strategies. Companies must have a written process to identify a driver suspected of operating a vehicle under the influence of intoxicating substances and a process for deactivating the driver. TNC companies must also maintain a list of credible zero-tolerance complaints received against its affiliated transportation network drivers and make the list available to the Department.</p> <p>Proof of TNC Affiliation: TNC companies must issue all drivers identification cards, they must display interior signage must clearly identify the company with which the driver is affiliated and must contain the vehicle identification number, license plate of the vehicle in which it is placed, and the name and photo of the driver associated with the vehicle in addition to displaying trade dress.</p> <p>Complaints: TNC drivers must have a sign visible to the passengers in the rear seat of the vehicle that reads, “for compliments and complaints, please call 311.”</p>	<p>Zero Tolerance Policy: No explicit reference to a zero-tolerance policy, though if a driver is verifiably intoxicated, they would be deactivated through mandated driver deactivation policy.</p> <p>Vehicle Signage: A decal identifying the affiliated TNC must be affixed to the windshield of the TNC vehicle.</p> <p>Fare Transparency: TNC applications must disclose the full rate, including any variable fees or possible surcharges, before the customer confirms the ride and excessive base fares are prohibited.</p> <p>Proof of TNC Affiliation: Driver’s must carry their TNC certification at all times.</p> <p>Complaints: TNC app must offer a 24-hour hotline for complaints.</p> <p>Data Security: TNCs must ensure the security, protection and privacy of Driver and Rider personal information.</p>
Pedestrian and Bicycle Safety	<p>Distracted Driving: DMV prohibits all drivers from texting and requires hands-free operation of cell phones while operating a vehicle.</p> <p>Roadway Safety: City laws against double parking and stopping in crosswalks.</p>	<p>Distracted Driving: DMV prohibits all drivers’ use of mobile phone unless it is in hands-free mode.</p> <p>Pedestrian/Cyclist Safety Stickers: Each vehicle must display an internal safety sticker, with the following inscription: “Turning? People are Crossing.” (§59A-29) The TLC also distributes “LOOK for Cyclists” and “Your Choices Matter” stickers to licensed vehicles at inspections.</p>	<p>Distracted Driving: DMV prohibits all drivers’ use of mobile phone unless it is in hands-free mode.</p>	<p>Distracted Driving: DMV prohibits all drivers’ use of mobile phone unless it is in hands-free mode.</p>	<p>Distracted Driving: DMV distracted driving law, exception for audio emergency or navigation. All drivers are prohibited from sending/reading text messages.</p> <p>Roadway Safety: City laws against double parking violations, stopping violations in crosswalks and bike lanes, or pedestrian safety zones.</p>
Insurance	<p>General Coverage Requirements: TNCs are required to provide coverage over each period of primary insurance for death and personal injury and property damage as well as excess coverage during all three periods of operation: pre-ride request, ride-accepted, and transporting the rider.</p>	<p>General Coverage Requirements: Both drivers and TNCs are required to have coverage during the three periods of operation.</p> <p>TNC Company Insurance: TNC companies must carry commercial general liability coverage with a limit of \$5M, professional liability coverage with a limit of \$1M, crime insurance with a limit of \$1M, and business automobile liability insurance. TNC companies must also become members of the Black Car Fund, an operators’ injury compensation fund that provides workers’ compensation insurance to New York State black car companies. TNC companies must register with the New York State Department of State as a member of the Black Car Fund.</p>	<p>General Coverage Requirements: TNC companies must maintain commercial general liability insurance for all TNC-affiliated vehicles at any time they are active on the TNC app. From the point when the passenger requests a ride until the passenger leaves the vehicle, liability coverage with a limit of \$1M is required, with a lower coverage requirement for the period before the ride request. The City of Seattle must be named as an additional insured. TNC drivers must also have their own personal auto insurance policy to provide coverage when the vehicle is not being used to transport passengers.</p>	<p>General Coverage Requirements: TNC companies must maintain commercial general liability insurance with limits of \$1M per occurrence. The City of Chicago must be named as an additional insured. TNC companies must also carry commercial automobile liability insurance covering the company and its drivers.</p>	<p>General Coverage Requirements: DPU requires automobile liability coverage for TNC drivers during three period s of performance, and requires TNC’s to be liable if drivers do not carry the proper insurance.</p>

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TRANSIT					
Operations	Managed Lanes and Transit Stops: Local restrictions limiting usage of bus stops and travel in red transit lanes.	Managed Lanes and Transit Stops: New York has red bus lanes and signed with the hours they are in effect. Parking and standing, double parking, or stopping of any kind is not permitted in any bus lane.	Managed Lanes and Transit Stops: Painted red bus lanes are for transit use only, and no other vehicles may travel in them.	Managed Lanes and Transit Stops: Chicago has a network of dedicated bus lanes as part of the Loop Link, designated by red paint. No other vehicles may travel or stop in these lanes.	Managed Lanes and Transit Stops: Exclusive/restricted bus lanes, no parking at bus stops, passenger vehicles may not stop temporarily during the actual receiving or discharging of passengers, while taxis may stop for 20 minutes. .
Curb Management	<p>Solicitation of Passengers: TNC drivers may not solicit passengers, cruise for passengers or pick up passengers in a taxi zone.</p> <p>Curb Management: City code color curb program delineates parking, loading and standing regulations. Drivers may not stop or park a vehicle in a traffic lane, at any time.</p>	<p>Solicitation of Passengers: TNC drivers may not solicit passengers through any means other than an e-hail.</p> <p>Curb Management: City code allows TNC vehicles to stop in “no parking” or “no standing zones” to pick up or drop off passengers and may double park alongside another vehicle if there is no curb space available, provided they do not block traffic flow, pedestrian crosswalks, intersections, bicycle lanes, bus lanes, or horse-drawn carriage boarding areas.</p> <p>Driver Relief Stands: New York also has 69 taxi relief stands, 33 of which are open to for-hire vehicles (including TNC vehicles). Taxi relief stands are designated curb spaces that allow drivers to park their vehicles for up to one hour to leave their vehicles and take care of personal needs.</p>	<p>Solicitation of Passengers: TNC drivers may not solicit passengers, cruise for passengers or pick up passengers in a taxi zone.</p> <p>Curb Management: City code curb color program delineates parking, loading, and standing regulations, and is supplemented by signage. Bus stops are also designated by curb color. Seattle has three-minute passenger loading zones, designated by white curbs and signage, located throughout the city for brief stops to pick up and drop off passengers.</p>	<p>Solicitation of Passengers: TNC drivers may not solicit passengers, respond to passengers attempting to hail drivers on the street, or pick up passengers at taxi stands.</p> <p>Curb Management: City code allows TNC drivers to stop in public parking areas only long enough to load and unload passengers.</p>	<p>Solicitation of Passengers: TNC drivers may not solicit passengers through any means other than an e-hail.</p> <p>Curb Management: City code color curb program delineates parking, loading and standing regulations.</p>
EQUITABLE ACCESS					
	Ratings: Although TNCs may provide platforms allowing drivers and passengers to “rate” each other, TNCs shall ensure that such ratings are not based on unlawful discrimination, and that drivers do not discriminate against passengers or potential passengers on the basis of geographic endpoints of the ride, race, color, national origin, religion, sex, disability, age, or sexual orientation/identity.	No applicable policies	Response to Calls: Drivers may not refuse to transport any person except when they have already been dispatched on another call, the passenger is acting in a disorderly or threatening manner, the passenger is otherwise acting in a way that would cause a reasonable person to be concerned for the health and safety of the driver or others, or the passenger refuses to state a specific destination upon entering the vehicle.	Response to Calls: TNC companies have an affirmative duty to respond to requests for service in underserved areas and to ensure that their drivers respond. They must immediately report to the Commission drivers who fail to respond to such calls.	No applicable policies
DISABLED ACCESS					
Customer Accessibility	<p>Accessibility Plan: TNCs must submit and annually update a plan that includes a timeline for including a way for passengers to signify their needs and/or the accompaniment of service animals, a plan for how to get accessible vehicles for those who need them, a timeline for making websites meet accessibility standards, and a plan for ensuring that driver’s review of customers doesn’t result in discrimination</p> <p>Design: TNC’s must provide a timeline for modifying the app and website to meet Web Content Accessibility Guidelines.</p>	<p>TLC Accessibility Rule: To comply with the TLC accessibility rules, TNC companies must dispatch an accessible TNC-affiliated vehicle upon receiving a call from a passenger with a disability, or arrange for an accessible vehicle to be dispatched from another TLC-licensed base station.</p> <p>Accommodation: TNC companies must ensure that equal service is given to persons with disabilities whether they dispatch a TNC-affiliated vehicle or contract with another base to provide service. This includes ensuring that response time to pick up passengers is the same for those with and without disabilities and that fares are consistent. The TNC company must provide service to passengers with disabilities for the same hours and days that service is provided to all other passengers.</p> <p>Design: Each vehicle with Hearing Induction Loop capability must display a Hearing Induction Loop Decal.</p> <p>Driver Training: All TNC drivers must complete a Wheelchair Passenger Assistance Training as part of the licensing process.</p>	<p>Accommodation: Drivers may not refuse to transport any passenger’s wheelchair if it can be folded and placed in the passenger, driver or trunk compartment of the vehicle. Drivers may not refuse to transport any service dog that assists passengers with disabilities.</p> <p>Accessibility Fund: A per-trip fee of \$0.10 on all TNC rides is intended to be used to offset the higher operational costs of wheelchair accessible taxi (“WAT”) services for owners and operators.</p>	<p>Accessibility Plan: Each TNC company must submit a plan to enhance service to customers with disabilities; if the plan is approved by the commissioner, the TNC company must implement the plan within 6 months from the date of approval of the plan. Failure to submit or implement this plan results in a fine of \$10,000 per day.</p> <p>Design: The TNC application must be accessible to customers who are blind, visually impaired, and deaf and hard of hearing, and must provide customers with an opportunity to indicate whether they require a wheelchair-accessible transportation network vehicle.</p> <p>Accommodation: TNC companies must provide service to customers who require a wheelchair-accessible transportation network vehicle either by connecting customers with TNC drivers who operate wheelchair-accessible vehicles; or by entering into a service agreement.</p> <p>Driver Training: For TNC applications that allow drivers to rate their passengers, TNC companies must train their drivers not to discriminate against people with disabilities in their passenger ratings. Wheelchair-accessible vehicles must be inspected by the city for compliance with legally required safety standards before they are put into use. They must have clear signage indicating that they are accessible.</p>	<p>Accessibility Plan: To obtain a permit, the TNC must demonstrate procedures governing the safe pickup, transfer, and delivery of individuals with visual impairments and individuals who use mobility devices, including but not limited to wheelchairs, crutches, canes, walkers, and scooters.</p> <p>Accessibility Fund: Task force established to investigate a possible annual surcharge fee to enhance wheelchair-accessible service within the TNC industry.</p>

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SUSTAINABILITY					
Fleet management	Fleet Ownership: TNCs are prohibited from owning and managing fleet.	Fleet Ownership: Drivers own or lease cars independently. TNC companies apply separately for an E-Hail License that permits them to make apps available to connect riders and drivers, but TNC drivers must still go through standard licensing procedures.	Fleet Ownership: There are no restrictions in place on fleet ownership, although all cars and all drivers must be individually permitted.	Fleet Ownership: TNC companies cannot own, provide financing for the obtaining, leasing, or ownership of, or have a beneficial interest in transportation network vehicles.	Fleet Ownership: Definition of TNC does not include specifications on vehicle ownership.
CONGESTION					
	No applicable policies	No applicable policies	No applicable policies	No applicable policies	No applicable policies
ACCOUNTABILITY					
Trip reporting	<p>Trip Records: TNCs must supply the following reports to the CPUC annually:</p> <ol style="list-style-type: none"> 1. Reports on the provision of accessible vehicles. 2. Reports on each trip’s acceptance, origin, destination (zip code), miles traveled, time and amount paid. 3. Report on number of driver violations and collisions. 4. Report on average and mean driver hours of operation. <p>San Francisco International Airport (SFO) uses GPS and geo-fencing application to monitor entry and exit</p>	<p>Trip Records: All TNC companies must be capable of automatically collecting and transmitting to the Commission data on all E-Hail requests and the outcome of those requests (including pickup and drop-off locations specified by latitude and longitude). They must also track drivers, itemized fares, fees, and payments. A Trip Record must be kept in the Vehicle during any trip between New York City and an Issuing Jurisdiction, including a trip through either New York City or an issuing jurisdiction, and must be presented upon request to any police officer or other person authorized by the Commission.</p>	<p>Trip Records: TNCs must supply the following reports reported quarterly:</p> <ol style="list-style-type: none"> 1. Total number of rides provided by each taxi, for-hire vehicle license holder or transportation network company. 2. Type of dispatch for each ride (e.g., online app). 3. Percentage or number of rides picked up in each ZIP code. 4. Pickup and drop off ZIP codes of each ride. 5. Percentage by ZIP code of rides that are requested but do not happen. 6. Number of collisions, including the name and number of the affiliated driver, collision fault, injuries and estimated damage. 7. Number of rides when an accessible vehicle was requested. 8. Reports of crimes against drivers. 9. Records of passenger complaints. <p>Any other data identified by the director of the Department of Finance and Administrative Services to ensure compliance.</p>	<p>Trip Records: TNC companies must record and report upon request:</p> <ol style="list-style-type: none"> 1. Number and percentage of customers within the city who requested wheelchair accessible vehicles and the number of filled requests; 2. Number and percentage of rides requested and accepted, and the number of rides requested and not accepted, by the licensee’s drivers, organized according to the geographic parameters and time frames specified by the commissioner; 3. Information on drivers alleged to have committed a violation of TNC rules or their terms of service or who have been suspended or banned from driving for the TNC company, including any zero-tolerance complaints and the outcome of the investigation into those complaints; <p>Information on any collision or other incident that involved a TNC driver and that was reported to the TNC company; the cause of the incident; the amount paid, if any, for compensation to any party in each incident; and the time and date of the incident.</p>	<p>Trip Records: TNC’s are responsible for keeping a seven-year record of reports on driver/riders and accessibility incidents as well as records pertaining to pricing.</p> <p>Annual reports:</p> <ol style="list-style-type: none"> 1. Number of rides and origin and destination of each trip; 2. Aggregated and anonymized trip route and length (miles and minutes); 3. Collision locations; 4. Interstate operating revenues. <p>Monthly reports: Detailed driver/riders complaints and the actions to respond to complaints.</p>
Licensing and Registration	<p>TNC Company Licensing: A TNC may apply for a permit from the CPUC every three years. TNCs also need to apply for a San Francisco International Airport permit should they wish to operate in that jurisdiction.</p> <p>Driver Licensing: City law requires TNC drivers operating in San Francisco to obtain a business license from the San Francisco Treasurer and Tax Collector’s office, currently, though this is currently being contested. TNC drivers must have a driver’s license and be 21 years of age with one year of experience driving a vehicle.</p>	<p>TNC Company Licensing: TNCs must be licensed as E-Hail App Providers by the Taxi and Limousine Commission.</p> <p>Driver Licensing (TLC): TNC drivers must be at least 19 years old. A medical exam is also required as part of the licensing process.</p> <p>Vehicle Licensing: TNC vehicles must have New York State license plates affixed to the Vehicle that are embossed with the legend “T & LC.”</p>	<p>TNC Company Licensing: City law requires TNCs to have a valid Seattle business license. In addition, TNCs must hold a valid TNC license.</p> <p>Driver Licensing: TNC drivers in Seattle must hold both a valid Washington driver’s license and a valid King County for-hire driver’s license. They must also hold a valid City of Seattle business license. Drivers must pass a licensing test that may be administered by the City of Seattle, by the City jointly with King County, or by an approved TNC company or third-party vendor. The examination must test drivers’ knowledge of requirements and laws for operating TNC vehicles; ability to speak and read English well enough to fulfill the duties of a driver, knowledge of vehicle safety requirements; knowledge of the geography of Seattle, King County and the surrounding region; knowledge of local public and tourist destinations and attractions; and knowledge of risk factors for crimes against drivers, of emergency procedures and of personal safety equipment. Curriculum for driver training programs and exam procedures and content must be approved each year.</p> <p>Vehicle Licensing: Any vehicle driven for a TNC must have a TNC vehicle endorsement, and drivers or owners must allow the City to inspect the vehicle upon request.</p>	<p>TNC Company Licensing: TNCs must apply for a permit from the City of Chicago.</p> <p>Driver Licensing: TNC drivers in Chicago must hold City of Chicago TNP chauffeur licenses. TNC companies must ensure that all drivers have these licenses. Drivers must be at least 21 years old and have been licensed for at least one year with no convictions for reckless driving, hit and run, or driving with a suspended or revoked license. They may not have been convicted of or placed on supervision for two or more offenses involving traffic regulations governing the movement of vehicles within the 12 months immediately prior to applying to become a TNC driver.</p>	<p>TNC Company Licensing: TNCs may apply for a permit from the Department of Public Utilities annually.</p> <p>Driver Licensing: Driver’s license, and certificate issued by TNC showing that the driver passed the background check.</p> <p>Vehicle Licensing: TNC drivers must have their car inspected before driving for a TNC.</p>

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THE TNC REGULATORY LANDSCAPE: AN OVERVIEW OF CURRENT TNC REGULATION
IN CALIFORNIA AND ACROSS THE COUNTRY | DRAFT REPORT
SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY • DECEMBER 2017

Guiding Principle	San Francisco (California PUC)	New York City (Taxi and Limousine Commission)	Seattle (TNC City Ordinance)	Chicago (TNC City Ordinance)	Boston (Massachusetts DPU)
LABOR					
Employment Status	Unresolved: Operating as independent contractors though unresolved Federal Court cases continue to contest this status.	Unresolved: In June 2017, a New York State administrative law judge ruled that Uber drivers in New York City were employees of Uber and entitled to unemployment benefits. However, under state law, ridehailing companies operating in New York City are considered and licensed as black-car companies, while in the rest of the state they are considered to be transportation network companies and regulated separately.	Unresolved: In January 2016, the Seattle City Council enacted City of Seattle Ordinance 124968, an ordinance allowing for-hire drivers to collectively bargain with the companies that hire, contract, or partner with them. Originally set to go into effect in September 2017, the ordinance is currently being challenged in court by the U.S. Chamber of Commerce on the grounds that it violates and is preempted by federal antitrust law, is preempted by the National Labor Relations Act, and violates the Washington Consumer Protection Act and the Washington Public Records Act. In the interim, TNC drivers in Seattle continue to operate as independent contractors.	Unresolved: Operating as independent contractors though unresolved Federal Court cases continue to contest this status.	Unresolved: Operating as independent contractors though unresolved Federal Court cases continue to contest this status.
FINANCIAL IMPACT					
Registration fees	Application Fee: \$1,000 initial application fee for TNC; \$100 annual fee due thereafter.	Application Fee: \$500 application/renewal fee for E-hail provider license, paid every three years. Driver License Fee: \$252 upon application and renewal every three years.	Application Fee: Cost of applications and licensing is covered by per-trip fees, with no additional costs to TNC drivers.	Application Fee: TNC companies pay \$10,000 annually in addition to license fees.	Application Fee: Registration fees are set to cover the cost of the division's review of an application for a transportation network company permit, for renewal of the permit and to issue background check clearance certificates. The division may charge the transportation network company a reasonable fee to cover the costs.
Administration fees and Funds	Percent Revenue Fee: 0.33% gross California revenues and a \$10 administrative fee paid into CPUC Transportation Reimbursement Account. Per-Trip Fee: San Francisco International Airport charges a \$3.80 based on cost-recovery model for TNC program.	Workers' Compensation Surcharge (NYS Department of State): As members of the Black Car Fund, TNC companies must collect a 2.5 percent surcharge on each ride to contribute to the Black Car Fund for workers' compensation. All black car bases that own less than 50 percent of their fleet and do a minimum of 90 percent of their business on a non-cash basis are required to contribute.	Per-Trip Fee: TNC companies must pay a fee of \$0.35 per-trip fee (for all trips originating outside the City of Seattle) and \$0.14 per-trip fee (for all trips originating in the City of Seattle). These fees are collected by the TNC company and submitted quarterly to cover the costs of enforcement and regulation of TNC licensing, vehicle endorsements and driver licensing. Accessibility Fund: TNC companies must pay \$0.10 per trip for the Wheelchair Accessible Services Fund.	Per-Trip Fee: The City of Chicago Ground Transportation Tax Rate is currently \$0.40 per trip, while the Ground Transportation Tax Rate at O'Hare and Midway Airports, McCormick Place, and Navy Pier is \$5.40 per trip. TNC companies also pay an additional administrative fee of two cents per ride accepted. The Commission may assess additional fees sufficient to cover the costs of processing fingerprints and photos for driver licensing. TNC companies also pay a \$0.02 per trip fee for administrative costs. Accessibility Fund: TNC companies must pay \$0.10 per trip in a non-accessible TNC vehicle as a TNP	Transportation Infrastructure Enhancement Trust Fund: \$0.20/trip annual fee contribution to fund address the impacts of TNCs both in terms of encouraging transportation alternatives and re-tooling the taxi industry. Accessibility Fund: Task force established to investigate a possible annual surcharge fee to enhance wheelchair-accessible service within the TNC industry.
COLLABORATION					
Proposal solicitation	No applicable policies	No applicable policies	No applicable policies	No applicable policies	No applicable policies
Community engagement	No applicable policies	Community Engagement: TNC companies and drivers are regulated under the Taxi and Limousine Commission (TLC), which holds regular meetings and engagements with both drivers and the broader public.	No applicable policies	No applicable policies	No applicable policies