The TNC Regulatory Landscape
An Overview of Current TNC Regulation in California and Across the Country
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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 TNC regulatory frameworks across the country and within California. 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 address 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.\(^3\)

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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.
THE TNC REGULATORY LANDSCAPE: AN OVERVIEW OF CURRENT TNC REGULATION
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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 June 2017, 48 states and the District of Columbia have passed legislation to regulate TNCs and TNC drivers and vehicles statewide 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 operations 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 intended 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 future reports.

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 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 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 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, airports, and other facilities.

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.

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7 California Public Utilities Code § 5353.
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 TA, 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.

**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 the TNC’s commercial insurance in the event of a collision. 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

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**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.

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8 California Public Utilities Code § 5442.
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, and further, to what degree drivers are watching the safety training videos made available for them.

DISABLED ACCESSIBILITY AND 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, except in high-level annual summaries.10 CPUC also requires TNC 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 driv-


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. 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.

ing 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 in light of 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.\(^\text{11}\)

**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 that these drivers are, in fact, employees.\(^\text{12}\)

**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.\(^\text{13}\) 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.\(^\text{14}\) 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.\(^\text{15}\) 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.\(^\text{16}\) The CPUC declined to provide this information in response to this request.

**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.\(^\text{17}\)

**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 are privately-owned

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12 In March 2017, Lyft settled Corner 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. D13-09-045, Regulatory Requirements item F, p. 33. Retrieved from http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/ K192/7719235.PDF
16 City Attorney of San Francisco. “Herrera orders Uber, Lyft to provide data on driver practices, accessibility and service.” (3 June 2017).
17 California Vehicle Code §23123.5.
(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 Personal vehicles used by TNC drivers is not limited to vehicles owner but also leased, or rented for a term 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, accident, license suspension or revocation, or other action 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 an accident if (1) the resulting property damage was more than $1,000, (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).

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 Taxi and Accessible Services Division 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

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.32 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 comments have not yet been determined.

19 California State (Assem.) Bill no. 2763 “Transportation Network Companies: Personal Vehicles.”
20 California Vehicle Code § 1808.1
21 California Public Utilities Code § 5444.
22 California Vehicle Code § 16000.
23 California Vehicle Code § 21702.
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.
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. 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, 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. SFMTA also works closely with the San Francisco Police Department which has the authority to issue moving violations including speeding, illegal U-turns etc.

San Francisco County Transportation Authority

The Transportation Authority is responsible for long-range transportation planning for the city, and coordinates, plans, funds and delivers improvements to the city’s many roadway and public transportation networks. The TA Board consists of the eleven members of the San Francisco Board of Supervisors, acting as TA Commissioners.

GRANT ADMINISTRATION: The TA administers and oversees the delivery of the Proposition K (and previously Proposition B) half-cent local transportation sales tax program, as well as the Proposition AA local vehicle registration fee and other funding programs.33

CONGESTION MANAGEMENT: The TA also 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. As the county CMA, one of the TA’s key roles is to understand traffic patterns affecting congestion and develop programs to manage congestion within San Francisco. The TA 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 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.36 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 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,37 and comply with all CPUC and SFO Rules.

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35 TNCs Today: A Profile of San Francisco Transportation Network Company Activity.
36 The California State Aeronautics Act of the Public Utilities Code grants the State agency powers and jurisdiction over airports in California.
37 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.
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.38

Permission 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 2015.39

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 reoffended 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 drivers in San Francisco.40

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. This decision is on appeal. According to data provided by the Treasurer and Tax Collector’s Office and analyzed by the TA, approximately 21,000 TNC drivers have complied with the registration requirement. 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. 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. SB 182, signed by the Governor on October 13, 2017, and effective on January 1, 2018, purports to limit 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.

41 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 to the First District Court of Appeal, A152003.
42 The San Francisco County Transportation Authority. (June 2017). TNCS Today: A Profile of San Francisco Transportation Network Company Activity.
44 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 rapid expansion of TNCs across the country over the last seven years has led to a wide range of new policy and legislative measures at both the state and local levels. The following table summarizes how different cities have developed regulations that apply to San Francisco’s 10 Guiding Principles for Emerging Mobility Services and Technologies and compares them to ones identified in California, described above (Appendix 1 provides a more detailed comparison of the policies).

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 models that differ from those in place in California today. These case study examples were selected based on concerns identified by community partners and advocates, San Francisco partner agencies, and TA Board representatives.

State Regulatory Authority

As of June 2017, 48 states and the District of Columbia have passed TNC legislation to regulate TNCs in some form. The majority of states have established statewide regulatory frameworks that preempt local control where local regulation would be less strict. At the state level, regulation of TNCs is driven primarily by concerns around safety, insurance, and rates. 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

45 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 Report of the NARUC Task Force on Transportation, p.7

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 for other modes.

** Schaller 8:22
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. 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 $111,250, is adjusted based on the Colorado PUC’s direct and indirect costs of regulating TNCs.49

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, clear insurance standards, authorization for the Massachusetts Port Authority to allow service at Boston Logan International Airport48 and the Boston Convention and Exhibition Center (BCEC), and extensive background check requirements.44 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.55

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.56 The legislation also includes a $0.20/trip fee to be assessed on every TNC trip.57

The fee is intended to be paid by the TNC company, rather than by the rider, to create a Transportation Infrastructure Enhancement Trust Fund.58

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,43 44 45 46 47

57 Massachusetts Department of Public Utilities. DPU 17-81 TNC Rulemaking Order & Regulations. (24 March 2017).
58 ibid.
counties, cities, and towns regulate TNCs as well, either under existing taxicab regulations or under new TNC-spe-
cific regulations. Local ordinances to regulate TNCs typi-
cally 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 regulat-
ing TNC operators, drivers, and vehicles.

The following cases illustrate several notable local regula-
tory structures. In New York City, TNCs are regulated un-
der 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 incen-
tivize 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 regula-
tions defined by the TLC, including transparent pricing
and trip data reporting. All TNC drivers are required to be
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. 60 Cities with populations of over one mil-
on are not covered by the state legislation; New York City
will continue to regulate TNCs within its borders.

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**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, 61 now also has jurisdiction over TNCs within
the city under legislation adopted by the Pennsylvania
General Assembly in 2016. 62 The same legislation granted
the Pennsylvania Public Utility Commission jurisdiction
over TNCs that operate in the rest of the state. 63 Within
Philadelphia, the PPA collects a $50,000 application fee
for each TNC permit. TNCs are also required to pay an as-
seessment 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. 64

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

In June 2016, the Chicago City Council passed rules on
ridesharing platforms that require TNCs to be licensed
with the City and pay an annual fee of $10,000. TNC driv-
ers 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 accessi-
bility 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 an area designated as an underserved area. There is
also a separate TNC airport surcharge of $5.40. Chicago
also 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. 65 Initially,
Chicago also sought to implement fingerprint-based back-
ground checks of prospective TNC drivers, but did not pur-
sue this after a commission tasked with studying the value
and fairness of fingerprinting recommended against it for
both TNC and City employees. 66

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60 New York State Senate Bill S2009C. Section 14. P.115

law.findlaw.com/pa-supreme-court/1591853.html

62 “Advanced Notice of Proposed Rulemaking: Transportation Network Companies.”
notice-of-proposed-rulemaking-transportation-network-companies/

63 NARUC Task Force on Transportation.

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


city-wont-fingerprint-uber-lyft-drivers-city-workers/
Austin, Texas: Fingerprint-Based Background Checks & Subsequent State Preemption

In December 2015, the Austin City Council approved an ordinance regulating TNCs within the city limits to address 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. In May 2016, Austin voters overwhelmingly defeated Proposition 1, a ballot measure backed by ridesharing 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. 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.

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 curb 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.

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67 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).
68 Ordinance No. 20151217-075.
70 Texas House Bill 100, 2017-2018, 85th Legislature.
Table 1. Comparison of TNC-related Regulations Across Sister Cities by Guiding Principle

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

(Regulatory agency, unless otherwise stated.)

<table>
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<tr>
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</tr>
</thead>
</table>

## 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.

## 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.
- Airport permit restrictions.
- 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 requirements.
- Local 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 application fee for TNC; $100 annual fee.
- $500 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 fee in addition to license fees.
- Application fee set by cost recovery model.

### 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.
- $0.35/trip fee (trips originating outside City of Chicago).
- $0.14/trip fee (trips originating in the City of Chicago).
- $0.10/trip for the Wheelchair Accessible Services Fund for all trips.
- $0.40/trip for City of Chicago.
- $0.50/trip for airports/convention/pier.
- $0.02/trip fee for administrative costs.
- $0.10/trip for the Wheelchair Accessible Services Fund for all trips.
- $0.20/trip for 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 TA 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.72 On a typical weekday, TNCs may account for upwards of 170,000 vehicular trips and 570,000 Vehicles Miles Traveled (VMT).

Looking forward, the SFMTA and the TA are interested in understanding how emerging mobility services and technologies—which includes TNCs—are helping San Francisco meet its goals. The TA 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.

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.

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?

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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**

<table>
<thead>
<tr>
<th>Guiding Principle</th>
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<tr>
<td><strong>SAFETY</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Background Checks</strong></td>
<td>Criminal: Required national criminal and sex offender database background check conducted with social security number at time of hiring.</td>
<td>Driver History: TNCs must conduct a driver history check (DMV’s Employer Pull Notice program).</td>
<td>Driver History: All applicants undergo a driver history background check.</td>
<td>Driver History: TNCs must 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.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>Driver Safety</strong></td>
<td>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.</td>
<td>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.</td>
<td>Driver Training: TNC companies are responsible for conducting criminal background checks of prospective drivers. Drivers must also be fingerprinted and submit photographs.</td>
<td>Criminal: 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.</td>
<td>Driver History: TNC companies must conduct multi-state motor vehicle driving history database background check.</td>
</tr>
<tr>
<td><strong>Driving Time Limits</strong></td>
<td>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.</td>
<td>Driving Time Limits: TNC drivers may not drive for more than 10 hours in any 24-hour period.</td>
<td>Driving Time Limits: Drivers may not operate a TNC vehicle for more than 12 hours.</td>
<td>Driving Time Limits: TNCs may not operate a TNC vehicle for more than 10 hours in any 24-hour period.</td>
<td>Driving Time Limits: TNCs may not exceed 12 hours in a 24-hour period.</td>
</tr>
<tr>
<td><strong>Vehicular Inspection</strong></td>
<td>Vehicle Inspection: TNC vehicles must undergo a 19-point vehicle inspection before a vehicle can provide service and annually or every 50,000 miles.</td>
<td>Vehicle Inspection: TNC vehicles must be inspected once every four months. Vehicles may not be apple green or tastic yellow.</td>
<td>Vehicle Inspection: TNC vehicles must undergo a 21-point vehicle inspection before a vehicle can provide service and annually or every 50,000 miles.</td>
<td>Vehicle Inspection: TNC vehicles must undergo a 21-point vehicle inspection before a vehicle can provide service and annually or every 50,000 miles.</td>
<td>Vehicle Inspection: Annual vehicle and emissions inspection. The vehicle inspection must test the vehicle’s braking and suspension.</td>
</tr>
<tr>
<td><strong>Driver Training</strong></td>
<td>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 training program approved by the Director of the Department of Finance and Administrative Services. Training programs must include information on defensive driving, instruction on use of emergency equipment and procedures for driver safety, information about risk factors for crime against drivers, training in passenger relations, and information about standards of professional conduct.</td>
<td>Driver Training: TNC drivers must complete 24-hour driver education course as part of the licensing process. Video training in sex trafficking awareness and wheelchair accessible vehicles is also required.</td>
<td>Driver Training: TNC drivers must complete a driver education course, undergo a training including completion of the National Safety Council’s Defensive Driving Course and at least one additional training program approved by the 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)</td>
<td>Driver Training: TNC drivers must complete 24-hour driver education course as part of the licensing process. Video training in sex trafficking awareness and wheelchair accessible vehicles is also required.</td>
<td>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.</td>
</tr>
</tbody>
</table>

**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

IN CALIFORNIA AND ACROSS THE COUNTRY  |  DRAFT REPORT
Consumer Safety

Zero Tolerance Policy: TNCs are required to have a zero-tolerance intoxicating substance policy that allows riders to report unsafe behavior, and requires TNCs to immediately suspend the driver until an investigation is conducted.

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.

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.

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 CPUC’s consumer intake unit.

Data Security: TNCs must ensure the security, protection and privacy of Driver and Rider personal information.

Zero Tolerance Policy: No explicit reference to a zero-tolerance policy, though there is language prohibiting drivers from driving under the influence.

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.

Zero Tolerance Policy: TNC companies must have a zero-tolerance drug and alcohol policy for TNC drivers. Drivers may not drive 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.

Vehicle Signage: A decal identifying the affiliated TNC must be affixed to the windshield of the TNC vehicle.

Proof of TNC Affiliation: Drivers must carry proof that their affiliation with the TNC company is active as well as permit(s) of affiliation with the TNC company whenever they are actively driving as well as display an enlargement of the for-hire license.

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 alcohol. The app also must also include the phone number and email of the New York State Department of Health’s Intoxication Enforcement Program (the Department of Finance and Administrative Services for reporting complaints).

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 on top of the vehicle.

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.

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.

Vehicle Signage (TLC): The TLC also distributes “LOOK for Cyclists” and “Four Choices Matter” stickers to licensed vehicles at inspections.

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.

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.”

Fare Transparency: TNC apps must disclose the full fare, including any variable fees or possible surcharges, before the customer confirms the ride.

Data Security: TNCs must ensure the security, protection and privacy of Driver and Rider personal information.

Pedestrian and Bicycle Safety

Distracted Driving: DMV prohibits all drivers from texting and requires hands-free operation of cell phones while operating a vehicle.

Roadway Safety: City laws against double parking and stopping in crosswalks.

Distracted Driving: DMV prohibits all drivers’ use of mobile phone unless it is in hands-free mode.

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 “Four Choices Matter” stickers to licensed vehicles at inspections.

Distracted Driving: DMV prohibits all drivers’ use of mobile phone unless it is in hands-free mode.

Distracted Driving: 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 on top of the vehicle.

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Insurance

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.

General Coverage Requirements: Both drivers and TNCs are required to have coverage during the three periods of operation.

TNC Company Insurance: TNC companies must carry commercial general liability insurance with limits of $1M, 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.

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.

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General Coverage Requirements: TNCs are required to carry additional liability coverage for TNC drivers during three periods of operation as well as one year after that, and to maintain a zero-tolerance policy for intoxicating substances, 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.

Complaints: TNC drivers must have a sign visible to the passengers in the rear seat of the vehicle that reads, "For complaints and complaints, please call 311.”

Fare Transparency: TNC apps must disclose the full fare, including any variable fees or possible surcharges, before the customer confirms the ride.

Data Security: TNCs must ensure the security, protection and privacy of Driver and Rider personal information.
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
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San Francisco
Each vehicle with Hearing Induction Loop
City code curb color program
Although TNCs may provide platforms
A per-trip fee of $0.10 on all
Painted red bus
TNC drivers may not
The TNC application must be accessible to
Local restrictions
TNCs must submit and annually
To comply with the TLC
Chicago
TNC City Ordinance
San Francisco City Ordinance

San Francisco
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, designed 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 25 minutes.

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 endpoint, 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 vehicle is not air conditioned.
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

Disability Access
Customer Accessibility
Accessibility Plan: TNCs must submit and annually update a plan that includes a timeline for including a way for passengers to sign 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
Design: TNC’s must provide a timeline for modifying the app and website to meet Web Content Accessibility Guidelines.

TLC Accessibility Rule: To comply with the TLC 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.
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.
Design: Each vehicle with Hearing Induction Loop capability must display a Hearing Induction Loop Decal.
Driver Training: All TNC drivers must complete a Wheelchair Passenger Assistive Device training as part of the licensing process.

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.
Accessibility Fund: A per-ride 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.
Accessibility Plan: Each TNC company must submit a plan to enhance service to customers with disabilities.

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.
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.
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.
Accessibility Fund: Task force established to investigate a possible annual surcharge fee to enhance wheelchair-accessible service within the TNC industry.
**SUSTAINABILITY**

**Fleet management**

- **Fleet Ownership:** TNCs are prohibited from owning and managing fleet.

**ACCOUNTABILITY**

<table>
<thead>
<tr>
<th>Guiding Principle</th>
<th>Trip reporting</th>
<th>Licensing and Registration</th>
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<tbody>
<tr>
<td><strong>San Francisco</strong></td>
<td><strong>Trip Records:</strong> TNCs must supply the following reports to the CPUC annually: 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 accidents. 4. Report on average and median driver hours of operation. San Francisco International Airport (SFO) uses GPS and geofencing application to monitor entry and exit.</td>
<td><strong>TNC Company Licensing:</strong> 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. <strong>Driver Licensing:</strong> 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.</td>
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<td><strong>New York City</strong></td>
<td><strong>Trip Records:</strong> 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, licensed 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.</td>
<td><strong>TNC Company Licensing:</strong> A TNC may apply for a TNC license. <strong>Driver Licensing:</strong> City law requires TNC drivers to have a valid New York State driver’s license or a valid New York City driver’s license. TNC drivers must be at least 21 years old and have a valid New York City car license. TNC drivers must have a valid New York City vehicle license. TNC drivers must have a valid New York City or an issuing jurisdiction, and must be licensed for at least one year with no inspections having been contested. TNC drivers must have their car inspect before driving for a TNC. <strong>Vehicle Licensing:</strong> TNCs are responsible for keeping a seven-year record of reports on driver/rider and accessibility incidents as well as reports pertaining to pricing.</td>
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<td><strong>Seattle</strong></td>
<td><strong>Trip Records:</strong> TNCs must supply the following reports upon request: 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 of origin, destination (zip code), miles traveled, time and amount paid. 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. Any other data identified by the director of the Department of Finance and Administrative Services to ensure compliance.</td>
<td><strong>TNC Company Licensing:</strong> TNCs must apply for a permit from the Department of Public Utilities annually. <strong>Driver Licensing:</strong> TNC drivers in Seattle must hold both a valid Washington driver’s license and a valid King County driver’s license. They must also hold a valid City of Seattle business license. TNCs are responsible for keeping a seven-year record of reports on driver/rider and accessibility incidents as well as records pertaining to pricing.</td>
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<td><strong>Chicago</strong></td>
<td><strong>Trip Records:</strong> TNC companies must record and report upon request: 1. Number and percentage of rides requested and accepted, and the number of rides requested and not accepted, by the licensees’ drivers, organized according to the geographic parameters and time frames specified by the commission. 2. Information on drivers alleged to have committed a violation of TNC rules or their terms of service or 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; Information on any accident 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.</td>
<td><strong>TNC Company Licensing:</strong> TNCs may apply for a permit from the Department of Public Utilities annually. <strong>Driver Licensing:</strong> TNC drivers in Chicago must hold a valid TNC license. TNCs are responsible for keeping a seven-year record of reports on driver/rider and accessibility incidents as well as records pertaining to pricing. <strong>Vehicle Licensing:</strong> TNCs are responsible for keeping a seven-year record of reports on driver/rider and accessibility incidents as well as records pertaining to pricing.</td>
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<td><strong>Boston</strong></td>
<td><strong>Trip Records:</strong> TNC companies cannot own, provide financing for the obtaining, leasing, or ownership of, or have a beneficial interest in transportation network vehicles.</td>
<td><strong>TNC Company Licensing:</strong> TNCs may apply for a permit from the Department of Public Utilities annually. <strong>Driver Licensing:</strong> TNC drivers and, certificate issued by TNC showing that the driver passed the background check. <strong>Vehicle Licensing:</strong> TNC drivers must have their car inspected before driving for a TNC.</td>
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Employment Status: Unresolved: Operating as independent contractors though unresolved Federal Court cases continue to contest this status.

San Francisco:

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, ride-hail 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.

New York City:

Unresolved: In January 2016, the Seattle City Council enacted City of Seattle Ordinance 124969, 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.

Seattle:

Unresolved: Operating as independent contractors though unresolved Federal Court cases continue to contest this status.

Chicago:

Unresolved: Operating as independent contractors though unresolved Federal Court cases continue to contest this status.

Boston:

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.

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 10 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 $0.60 per trip. TNC companies also pay an additional administrate 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-testing 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

Community engagement:

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.