

HB

132

<TARGET><BILL>HB 132</BILL><SUBJECT>HB
132</SUBJECT><COMM>HL&C30</COMM></TARGET>

ALASKA STATE LEGISLATURE

REPRESENTATIVE ADAM WOOL

Session: January - April
State Capitol, Room 412
Juneau, AK 99801-1182
Phone: 907-465-6879

- Chair: Transportation, Energy
- Vice Chair: Labor & Commerce
- Member: State Affairs

Interim: May - December
1292 Sadler Way, Ste. 308
Fairbanks, AK 99701
Phone :907-452-6084



Official Business

House Bill 132 Sponsor Statement

"An Act relating to transportation network companies and transportation network company drivers."

House Bill 132, the *Let's Ride Alaska Act*, brings Alaska into the digital age of for hire transportation services which are provided in forty-seven other states. It also diversifies Alaska's economy by giving Alaskans the chance to earn extra money. HB 132 does all of this by allowing rideshare companies to operate in Alaska, also known as "transportation network companies" (TNC).

TNC's have revolutionized how people get around in cities and towns all over the world by allowing the rider to simply login to an app and request a ride at the tap of a screen. Cost is predetermined, so there's no embarrassing scrambling for a couple extra dollars when you come up short on a greater fare than expected. Once the request is made, the driver can select to pick the rider up already knowing their destination with directions built right in. After the trip is made, the transaction is cashless, then both the rider and driver can rate their experience using the platform.

HB132 provides clarity in statute to ensure safety, reliability, and cost-effectiveness of rides provided by TNC drivers in the state, and preserve and enhance access to these important transportation options for residents and visitors of Alaska.

Much like taxi cab drivers, TNC drivers are exempt from the Alaska Workers' Compensation Act and are classified as independent contractors. They maintain their own schedule, their own vehicle, and can even work for a competing company if choose. Rideshare drivers typically work during times of peak demand, when there simply are not enough taxis to supply the demand.

If you've ever been stuck in the bitter cold Alaskan weather without a cab in sight or needed one but no one was willing to drive to where you're located, then you can appreciate why ridesharing technology will be a valuable asset to Alaska and its residents.

Thank you for your support of this legislation.

If you have any questions please contact my aide, Laura Stidolph, (907) 465-4976.

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Official Business

CSHB132 ver J (TRA) Sectional Analysis

"An Act relating to transportation network companies and transportation network company drivers."

- Section 1: Describes legislative intent of the bill is to clarify the Alaska Workers' Compensation Act and its relationship to transportation network company drivers.
- Section 2: Offers immunity to the state if civil action is taken against a transportation network company.
- Section 3: Amends AS.96 by adding a new section 21.96.018 relating to transportation network company insurance provisions. Allows for automobile insurance writers to exclude any driver who is logged onto the digital network of a transportation network company or while a driver provides a ride.
- Section 4: Amends AS 23.30.230(a) to exclude transportation network company drivers from the Alaska Workers' Compensation Act.
- Section 5: Amends AS 23.30.230(c) by adding the definitions for "digital network," "prearranged ride," "transportation network company," and "transportation network company driver."
- Section 6: Amends AS 28 by adding a new chapter, Chapter 23, Transportation Network Companies and Drivers
AS 28.23.010. Provides that transportation network company or driver is not a common carrier and may not provide taxicab or for-hire services and that they may not be required to register as a commercial or for-hire vehicle.
AS 28.23.010. Relates to fares collected by transportation network companies for services.
AS 28.23.030. Governs identification required for transportation network

vehicles and drivers.

AS 28.23.040. Requires electronic receipts.

AS 28.23.050. Sets insurance requirements for transportation network companies and drivers.

AS 28.23.060. Requires transportation network companies to provide automobile insurance disclosures to drivers.

AS 28.23.070. Requires that transportation network companies to file a certificate of insurance with the division of insurance.

AS 28.23.080. Provides that transportation network companies are not employers and that drivers are independent contractors, not employees.

AS 28.23.090. Requires implementation of zero tolerance drug and alcohol policy.

AS 28.23.100. Sets transportation network company driver requirements.

Requires local and national criminal background check, multi-state or multi-jurisdiction criminal records locator, the US Dept. of Justice National Sex Offender public website, and obtaining a driver history report.

AS 28.23.110. Relates to mandatory rules and policies governing non-discrimination and accessibility protected under AS 18.80.210.

AS 28.23.120. Provides for maintenance of records.

AS 29.23.180. Provides definitions for the chapter.

AS 28.23.190 States that the short title of the chapter may be cited as the "Transportation Network Companies Act."

Section 7: Amends AS 29.10.200 to add paragraph (66), adding AS 29.35.148 (regulation of transportation network company or drivers) as home rule prohibitions on acting otherwise.

Section 8: Amends AS 29.35 by adding AS 29.35.148, which provides that the authority to regulate transportation network companies and transportation network drivers is reserved to the state.



30th Alaska State Legislature

House Transportation Committee

Co-Chairs:

Rep. Louise Stutes
Rep. Adam Wool

Committee Aides:

Matt Gruening
State Capitol 406
907-465-3271

Laura Stidolph
State Capitol 412
907-465-6879

Committee Email:

htra@akleg.gov

Work Draft CS for HB132 (TRA) ver J

Explanation of Changes

Add new Section 2: "AS 09.65 is amended by adding a new section Sec. 09.65.350. Immunity for certain actions related to transportation network companies. (a) The state or municipality, and the officers, employees, and agents of the state or a municipality, are not liable in tort for damages for the injury to or death of a person or property damage resulting from an act, omission, or failure of a transportation network company or driver to comply with the requirements of AS 28.23 or other law."

Sections of the original bill are one section sequentially ahead in the CS from Section 2 on.

Section 6: Page 7, Line 26, remove original language from (i) and add "If the insurance carrier for the transportation network company makes a payment for a claim for physical damage to a personal vehicle that is subject to a lien, the insurance carrier shall pay the claim jointly to the owner of the personal vehicle and the primary lienholder or directly to the business repairing the personal vehicle"

Section 7: Page 9, Line 27, Sec. 28.23.110 remove original (a), (b), and (c) and add "(a) The transportation network company shall adopt a policy prohibiting discrimination based on destination or a class or status protected under AS 18.80.210 with respect to a rider or potential rider. The company shall inform drivers of the policy. (b) A transportation network company driver shall comply with all applicable laws relating 1 to accommodation of service animals. (c) A transportation network company may not impose additional charges for providing services to riders with physical disabilities because of those disabilities."

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSHB 132(TRA)
Fiscal Note Number:	1
(H) Publish Date:	3/8/2017

Identifier: HB132-DCCED-DOI-02-17-17
 Title: TRANSPORTATION NETWORK COMPANIES
 Sponsor: WOOL
 Requester: (H) TRA

Department: Department of Commerce, Community and
Economic Development
 Appropriation: Insurance Operations
 Allocation: Insurance Operations
 OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*

(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*

(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Lori Wing-Heier, Director	Phone:	(907)465-2515
Division:	Insurance	Date:	02/17/2017 12:00 PM
Approved By:	Catherine Reardon, Director	Date:	02/17/17
Agency:	Division of Administrative Services, DCCED		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

This legislation defines the insurance requirements for transportation network company (TNC) drivers. It clearly delineates when a driver's personal automobile policy is covering the driver's vehicle, and the requirements when a driver is logged into a TNC network or providing a prearranged ride.

Automobile insurers may exclude personal vehicle policies for a driver while they are logged into a transportation network company (TNC) network. This legislation exempts TNC drivers from registering their personal vehicle as a commercial vehicle. This legislation requires a TNC to maintain primary automobile insurance recognizing the driver as a TNC driver used to transport passengers for compensation, and that covers the driver while the driver is logged into a digital network of a company or while they are engaged in a prearranged ride. Insurance required under Title 28 may be placed with an insurer licensed under AS 21.09.060 or with a surplus lines insurer under AS 21.34 with a credit rating not lower than A-.

There is no anticipated fiscal impact to the Division of Insurance.

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSHB 132(TRA)
Fiscal Note Number:	2
(H) Publish Date:	3/8/2017

Identifier: HB132-DOLWD-WC-02-17-17
 Title: TRANSPORTATION NETWORK COMPANIES
 Sponsor: WOOL
 Requester: (H) LAC

Department: Department of Labor and Workforce Development
 Appropriation: Workers' Compensation
 Allocation: Workers' Compensation
 OMB Component Number: 344

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Marie Marx, Director	Phone: (907)465-6060
Division: Workers' Compensation	Date: 02/17/2017 12:00 PM
Approved By: Heidi Drygas, Commissioner	Date: 02/17/17
Agency: Department of Labor and Workforce Development	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

This legislation adds an exemption to the Workers Compensation Act for transportation network drivers.

There is no action required by the department resulting from this legislation; therefore, there is no fiscal impact to the department anticipated.

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: HB 132
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB132CS(TRA)-DOA-DMV-03-10-17
Title: TRANSPORTATION NETWORK COMPANIES
Sponsor: WOOL
Requester: House Transportation

Department: Department of Administration
Appropriation: Motor Vehicles
Allocation: Motor Vehicles
OMB Component Number: 2348

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/20

Why this fiscal note differs from previous version:

Updated to reflect changes in CS.

Prepared By: <u>Marla Thompson, Director</u>	Phone: <u>(907)269-5574</u>
Division: <u>Motor Vehicles</u>	Date: <u>03/10/2017 02:00 PM</u>
Approved By: <u>Sheldon Fisher, Commissioner</u>	Date: <u>03/10/17</u>
Agency: <u>Administration</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. HB 132

Analysis

HB 132 amends Title 28 by establishing a new chapter, AS 28.23, that will govern the establishment of transportation network companies (TNC), fares, financial responsibility, disclosures, driver requirements, and records. The new chapter will also provide definitions for digital network, personal vehicles, prearranged ride, transportation network company, driver and rider.

The CS also requires TNCs to disclose to interested parties whether a driver was registered as a TNC driver or logged into a network if they are involved in a crash. It also clarifies that no state or municipal agency shall be liable for damages resulting from a TNCs action or inaction.

DMV will absorb any additional work related to this bill with existing staff; therefore, DMV submits a zero fiscal note.

ALASKA STATE LEGISLATURE

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Official Business

CSHB132 ver T Work Draft Sectional Analysis

"An Act relating to transportation network companies and transportation network company drivers."

Section 1: Describes legislative intent of the bill is to clarify the Alaska Workers' Compensation Act and its relationship to transportation network company drivers.

Section 2: Offers immunity to the state if civil action is taken against a transportation network company.

Section 3: Amends AS 21.96 by adding a new section 21.96.018 relating to transportation network company insurance provisions. Allows for automobile insurance writers to exclude any driver who is logged onto the digital network of a transportation network company or while a driver provides a ride.

Section 4: Amends AS 23.30.230(a) to exclude transportation network company drivers from the Alaska Workers' Compensation Act.

Section 5: Amends AS 23.30.230(c) by adding the definitions for "digital network," "prearranged ride," "transportation network company," and "transportation network company driver."

Section 6: Amends AS 28 by adding a new chapter, Chapter 23, Transportation Network Companies and Drivers.
AS 28.23.010. Relates to fares collected by transportation network companies for services.
AS 28.23.030. Governs identification required for transportation network vehicles and drivers.
AS 28.23.040. Requires electronic receipts.
AS 28.23.050. Sets insurance requirements for transportation network companies and drivers.
AS 28.23.060. Requires transportation network companies to provide automobile insurance disclosures to drivers.

AS 28.23.070. Requires that transportation network companies to file a certificate of insurance with the division of insurance.

AS 28.23.080. Provides that transportation network companies are not employers and that drivers are independent contractors, not employees. Exempts this section if TNC is owned or operated by the state, a municipality, a federally recognized tribe, or entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code).

AS 28.23.090. Requires implementation of zero tolerance drug and alcohol policy.

AS 28.23.100. Sets transportation network company driver requirements. Requires local and national criminal background check, multi-state or multi-jurisdiction criminal records locator, the US Dept. of Justice National Sex Offender public website (driver is disqualified if they are listed on this), and obtaining a driver history report. Disqualifies a driver if in the past seven years they have been convicted of: an unclassified, class A, or class B felony; a DUI while operating a motor vehicle, watercraft, or aircraft; refusal to submit to a chemical test; a violent crime against a person; not rendering assistance after an accident. Disqualifies a driver if in the past three years if they have been convicted of or forfeited bail for a third or subsequent moving traffic violation or been convicted of: driving without a license; failure to stop at the direction of a police officer; reckless or negligent driving. Driver must be 21 years of age. Driver may not solicit a rider or accept a street hail, may only provide a prearranged ride through the TNC platform, or solicit or accept cash payments.

AS 28.23.105 19-point safety inspection required. Driver's car may not be older than 12 years old.

AS 28.23.110. Relates to mandatory rules and policies governing non-discrimination and accessibility protected under AS 18.80.210.

AS 28.23.120. Provides for maintenance of records.

AS 28.23.030. The Department of Transportation & Public Facilities may under AS 02.15, enter into a contract, lease, or other arrangement with a TNC for use of an international airport owned or operated by the state.

AS 29.23.180. Provides definitions for the chapter.

AS 28.23.190 States that the short title of the chapter may be cited as the "Transportation Network Companies Act."

Section 7: Amends AS 29.10.200 to add paragraph (66), adding AS 29.35.148 (regulation of transportation network company or drivers) as home rule prohibitions on acting otherwise.

Section 8: Amends AS 29.35 by adding AS 29.35.148, which provides that the authority to regulate transportation network companies and transportation network drivers is reserved to the state. Provides that an imposition of a municipal sales tax may be applied to a trip originating in the municipality on TNC drivers. Municipal traffic ordinances must be followed. Municipalities may by ordinance ratified by the voters in a regular municipal election prohibit TNCs from conducting activities.

Section 9: This Act takes effect immediately.

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Official Business

Work Draft for CS for HB132 ver R to Work Draft for CS for HB132 ver T Explanation of Changes

This work draft CS incorporates changes made to the companion legislation which was passed by the other body. There was also some clean up and clarification to the amendments that passed in the other body. Additionally, a few other changes have been made which will be explained later.

Section 6 :

Page 5, Line 7, remove *"international airport regulations and arrangements"*

Page 5, Line 10, remove *"Except as provided in (b) of this section,"*

These two changes were made to simply move this language to a later part of Section 6.

Page 9, Line 6, add

"(b) This section does not apply to AS 23.20 if the transportation network company is owned or operated by the state, a municipality, a federally recognized tribe, or an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code).

This change was by request of the US Department of Labor, Employment and Training Administration, to the Alaska Department of Labor and Workforce Development for conformity to Federal unemployment compensation (UC) law. In order to preserve the tax credits now available to Alaska employers, this provision needed to be added to make it clear that the state unemployment tax must be paid for all employees of state and local governments, Indian tribes, and non-profit organization. Any exclusion from the definition of employment must not apply to these entities.

Pages 10, Line 1, add

"(b) A transportation network company may not allow a driver to accept trip requests through its digital network if the driver

1) has, in the past three years,

(A) been convicted of or forfeited bail for a third or subsequent moving traffic violation;

b) been convicted of

(i) driving while license canceled, suspended, revoked, or in violation of a limitation under AS

28.15.291;

- (ii) failure to stop at the direction of a peace officer under AS 28.35.182;
 - (iii) reckless or negligent driving under AS.28.35.400 or 28.35.41; or
 - (iv) a law or ordinance of another jurisdiction having similar elements to an offense listed in (i)
- (iii) of this subparagraph;
- (2) has, in the past seven years, been convicted of
 - (A) any offense that is an unclassified, class A, or class B felony in this or another jurisdiction;
 - or
 - (B) a misdemeanor involving
 - (i) a crime under AS 28.33.030, AS 28.35.030, or 28.35.032
 - (ii) a crime under AS 28.35.050 or 28.35.060
 - (iii) a crime against a person under AS 11.41; or
 - (iv) a law or ordinance of another jurisdiction having similar elements to an offense listed in (i) – (iii) of this subparagraph;
 - (3) is listed on the United States Department of Justice National Sex Offender Public Website; or
 - (4) is under 21 years of age.
- (c) A transportation network company driver may not
- (1) provide a prearranged ride unless the transportation network company rider has been matched to the driver through the digital network of the transportation network company;
 - (2) solicit a rider or accept a street hail request for a ride; or
 - (3) solicit or accept cash payments for a fare from a rider”

This addition was made to clean up language in the three year driving history look-back, and seven year criminal history look-back that was in the companion version passed by the other body. If a person has committed a violent crime, either felony or misdemeanor, in the past seven years they may not drive for a TNC. A conviction of any unclassified, class A, or class B felony in the past seven year will also disqualify a person as a driver. The new language makes it clear that a driver on the US DOJ National Sex Offender list may not drive for a TNC. Also, if a person has been convicted of driving under the influence while operating a vehicle or watercraft in the past seven years they may not drive for a TNC.

A driver must be 21 years of age. This change was made due to state statute regarding alcohol and marijuana, so if either substance was left in the car after a rider had disembarked the driver wouldn't be breaking state law by being in possession.

The final language in this subsection was added to make clear that TNC drivers may only accept rides from the TNC platform, that they do not operate like other for-hire vehicles by soliciting riders or accepting street hails, and that the payment is through a cashless system. Payment in this section does not include tips, which can be cash.

Page 11, line 3, add

“Sec. 28.23.105 Transportation network company vehicles. (a) Before a transportation network company allows an individual to accept trip requests through its digital network and before a personal vehicle may be used to provide transportation network company services, the transportation network company shall conduct, or confirm satisfactory completion of, a safety inspection of the individual's personal vehicle. The safety inspection required under this subsection must include an inspection of the following components of the personal vehicle:

- (1) foot brakes;
- (2) parking brakes;
- (3) steering mechanism;
- (4) windshield;
- (5) rear window and other glass;

- (6) windshield wipers;
- (7) headlights;
- (8) taillights;
- (9) brake lights;
- (10) front seat adjustment mechanism;
- (11) doors;
- (12) turn signal lights;
- (13) horn;
- (14) speedometer;
- (15) bumpers;
- (16) muffler and exhaust system;
- (17) tires, including tread depth;
- (18) interior and exterior mirrors;
- (19) safety belts

(b) A motor vehicle that is used by a transportation network company driver for transportation network company purposes may not be more than 12 years of age.

This language, which is standard terms of services for major companies like Uber and Lyft, was added to statute so that every TNC operating in Alaska will be held to a high standard for vehicle safety and quality.

Page 12, Line 16, add

"Sec 28.23.130. International airports. The Department of Transportation and Public Facilities may, under AS 02.15, enter into a contract, lease, or other arrangement with a transportation network company for use of an international airport owned or operated by the state. A contract, lease, or arrangement under AS 02.15 must be consistent with this chapter."

This change was made in a different version of the bill but was moved to its own subsection at the end of Section 6. As explained previously, this change was made in a committee substitute work draft in this committee after the bill sponsor had been approached by DOT about inserting language into statute regarding international airports.

Section 8

Page 14, Lines 10-13, add

"(c) Notwithstanding AS 28.01.010 or (a) of this section, a municipality may by ordinance ratified by the voters in a regular municipal election prohibit transportation network companies from conducting activities under AS 28.23 within the municipality."

This language was added to add a local opt-out option by a decision of the people as to whether or not they want transportation network companies operating in their municipality.

Add Section 9

Page 14, Line 20 add

"This Act takes effect immediately under AS 01.10.070 (c)."

Conforms this bill to the companion bill which passed in the other body giving it an immediate effective date.

30-LS0522\T
Wallace
5/8/17

CS FOR HOUSE BILL NO. 132()

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): **REPRESENTATIVES WOOL, Eastman, Rauscher, Millett, Kopp**

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to transportation network companies and transportation network**
2 **company drivers; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 LEGISLATIVE INTENT. It is the intent of the legislature to clarify the Alaska
7 Workers' Compensation Act, ensure the safety, reliability, and cost-effectiveness of rides
8 provided by transportation network company drivers in the state, and preserve and enhance
9 access to these important transportation options for residents of and visitors to the state.

10 * **Sec. 2.** AS 09.65 is amended by adding a new section to read:

11 **Sec. 09.65.350. Immunity for certain actions related to transportation**
12 **network companies.** (a) The state or a municipality, and the officers, employees, and
13 agents of the state or a municipality, are not liable in tort for damages for the injury to
14 or death of a person or property damage resulting from an act, omission, or failure of a

1 transportation network company or driver to comply with the requirements of
2 AS 28.23 or other law.

3 (b) In this section, "transportation network company" and "driver" have the
4 meanings given in AS 28.23.180.

5 * **Sec. 3.** AS 21.96 is amended by adding a new section to read:

6 **Sec. 21.96.018. Transportation network company insurance provisions.** (a)

7 Insurers that write automobile insurance in the state may exclude, notwithstanding any
8 requirement under AS 28.20, any and all coverage afforded under the policy issued to
9 an owner or operator of a personal vehicle for any loss or injury that occurs while a
10 driver is logged onto the digital network of a transportation network company or while
11 a driver provides a prearranged ride. The right to exclude all coverage may apply to
12 any coverage included in an automobile insurance policy, including

- 13 (1) liability coverage for bodily injury and property damage;
- 14 (2) uninsured and underinsured motorist coverage;
- 15 (3) medical payments coverage;
- 16 (4) comprehensive physical damage coverage; and
- 17 (5) collision physical damage coverage.

18 (b) Nothing in this section

19 (1) implies or requires that a personal automobile insurance policy
20 provide coverage while the driver

21 (A) is logged onto the digital network of a transportation
22 network company;

23 (B) is engaged in a prearranged ride; or

24 (C) otherwise uses a personal vehicle to transport passengers
25 for compensation;

26 (2) may be construed to require an insurer to use specific policy
27 language or to refer to this section in order to exclude any and all coverage for any
28 loss or injury that occurs while a driver

29 (A) is logged onto the digital network of a transportation
30 network company; or

31 (B) provides a prearranged ride; or

1 (3) precludes an insurer from providing coverage for the personal
2 vehicle of a transportation network company driver if the insurer chooses to provide
3 coverage by contract or endorsement.

4 (c) Automobile insurers that exclude coverage under (a) of this section do not
5 have a duty to defend or indemnify any claim expressly excluded under (a) of this
6 section. Nothing in this section may be considered to invalidate or limit an exclusion
7 contained in a policy, including any policy in use or approved for use in this state
8 before the enactment of this section, that excludes coverage for vehicles used to carry
9 persons or property for a charge or available for hire by the public.

10 (d) An automobile insurer that defends or indemnifies a claim against a driver
11 that is excluded under the terms of its policy shall have a right of contribution against
12 other insurers that provide automobile insurance to the same driver in satisfaction of
13 the coverage requirements of AS 28.23.050 at the time of loss.

14 (e) In a claims coverage investigation, a transportation network company shall
15 immediately provide, upon request by directly involved parties or any insurer of the
16 transportation network company driver, if applicable, the precise times that a
17 transportation network company driver logged onto and off of the digital network of a
18 transportation network company in the 12-hour period immediately preceding and in
19 the 12-hour period immediately following the accident. Insurers potentially providing
20 coverage shall disclose, upon request of any insurer involved in the claim, the
21 applicable coverages, exclusions, and limits provided under any automobile insurance
22 maintained under AS 28.23.050.

23 (f) In this section, "digital network," "personal vehicle," "prearranged ride,"
24 "transportation network company," "transportation network company driver," and
25 "driver" have the meanings given in AS 28.23.180.

26 * **Sec. 4.** AS 23.30.230(a) is amended to read:

27 (a) The following persons are not covered by this chapter:

- 28 (1) a part-time baby-sitter;
29 (2) a cleaning person;
30 (3) harvest help and similar part-time or transient help;
31 (4) a person employed as a sports official on a contractual basis and

1 who officiates only at sports events in which the players are not compensated; in this
2 paragraph, "sports official" includes an umpire, referee, judge, scorekeeper,
3 timekeeper, organizer, or other person who is a neutral participant in a sports event;

4 (5) a person employed as an entertainer on a contractual basis;

5 (6) a commercial fisherman, as defined in AS 16.05.940;

6 (7) an individual who drives a taxicab whose compensation and written
7 contractual arrangement is as described in AS 23.10.055(a)(13), unless the hours
8 worked by the individual or the areas in which the individual may work are restricted
9 except to comply with local ordinances;

10 (8) a participant in the Alaska temporary assistance program
11 (AS 47.27) who is engaged in work activities required under AS 47.27.035 other than
12 subsidized or unsubsidized work or on-the-job training;

13 (9) a person employed as a player or coach by a professional hockey
14 team if the person is covered under a health care insurance plan provided by the
15 professional hockey team, the coverage is applicable to both work-related and
16 nonwork-related injuries, and the coverage provides medical and related benefits as
17 required under this chapter, except that coverage may not be limited to two years from
18 the date of injury as described under AS 23.30.095(a); in this paragraph, "health care
19 insurance" has the meaning given in AS 21.12.050; [AND]

20 (10) a person working as a qualified real estate licensee who performs
21 services under a written contract that provides that the person will not be treated as an
22 employee for federal income tax or workers' compensation purposes; in this
23 paragraph, "qualified real estate licensee" means a person who is required to be
24 licensed under AS 08.88.161 and whose payment for services is directly related to
25 sales or other output rather than the number of hours worked; **and**

26 **(11) a transportation network company driver who provides a**
27 **prearranged ride or is otherwise logged onto the digital network of a**
28 **transportation network company as a driver.**

29 * Sec. 5. AS 23.30.230(c) is amended by adding new paragraphs to read:

30 (4) "digital network" has the meaning given in AS 28.23.180;

31 (5) "prearranged ride" has the meaning given in AS 28.23.180;

1 (6) "transportation network company" has the meaning given in
2 AS 28.23.180;

3 (7) "transportation network company driver" has the meaning given in
4 AS 28.23.180.

5 * **Sec. 6.** AS 28 is amended by adding a new chapter to read:

6 **Chapter 23. Transportation Network Companies and Drivers.**

7 **Sec. 28.23.010. Not other carriers.** A transportation network company or
8 driver is not a common carrier, contract carrier, or motor carrier, and may not provide
9 taxicab or for-hire vehicle service. The state or a municipality may not require a
10 transportation network company driver to register the personal vehicle the driver uses
11 to provide prearranged rides as a commercial or for-hire vehicle.

12 **Sec. 28.23.020. Fare collected for services.** A transportation network
13 company may charge a fare to a transportation network company rider. Before a fare is
14 collected from a rider, the transportation network company shall disclose to the rider,
15 on the company's Internet website or in the company's software application, the
16 transportation network company's fare or fare calculation method. The transportation
17 network company shall provide riders the option of receiving an estimated fare before
18 the rider enters the vehicle of a transportation network company driver.

19 **Sec. 28.23.030. Identification of transportation network company vehicles
20 and drivers.** Before a rider enters the personal vehicle of a transportation network
21 company driver, the transportation network company shall display on the company's
22 Internet website or in the company's software application a picture of the
23 transportation network company driver and the license plate number of the personal
24 vehicle providing the prearranged ride.

25 **Sec. 28.23.040. Electronic receipt.** Within a reasonable period following the
26 completion of a trip, the transportation network company shall transmit to the rider, on
27 behalf of the transportation network company driver, an electronic receipt showing the
28 origin and destination of the trip and itemizing the fare paid, if any.

29 **Sec. 28.23.050. Financial responsibility of transportation network
30 companies.** (a) A transportation network company driver, or transportation network
31 company on behalf of the driver, shall maintain primary automobile insurance that

1 recognizes that the driver is a transportation network company driver or otherwise
2 uses a vehicle to transport passengers for compensation and that covers the driver
3 while the driver is logged onto the digital network of a transportation network
4 company or while the driver is engaged in a prearranged ride.

5 (b) The following automobile insurance requirements shall apply while a
6 participating transportation network company driver is logged onto the digital network
7 of a transportation network company and is available to receive transportation requests
8 but is not engaged in a prearranged ride:

9 (1) primary automobile liability insurance in the amount of at least
10 \$50,000 for death and bodily injury for each person, \$100,000 for death and bodily
11 injury for each incident, and \$25,000 for property damage;

12 (2) uninsured or underinsured motor vehicle coverage as required
13 under AS 21.96.020 and AS 28.20.440;

14 (3) the coverage requirements of this subsection may be satisfied by

15 (A) automobile insurance maintained by the transportation
16 network company driver;

17 (B) automobile insurance maintained by the transportation
18 network company; or

19 (C) any combination of (A) and (B) of this paragraph.

20 (c) The following automobile insurance requirements shall apply while a
21 transportation network company driver is engaged in a prearranged ride:

22 (1) primary automobile liability insurance that provides at least
23 \$1,000,000 for death, bodily injury, and property damage;

24 (2) uninsured or underinsured motor vehicle coverage as required
25 under AS 21.96.020 and AS 28.20.440;

26 (3) the coverage requirements of this subsection may be satisfied by

27 (A) automobile insurance maintained by the transportation
28 network company driver;

29 (B) automobile insurance maintained by the transportation
30 network company; or

31 (C) a combination of (A) and (B) of this paragraph.

1 (d) If insurance maintained by a driver under (b) or (c) of this section has
 2 lapsed or does not provide the required coverage, insurance maintained by a
 3 transportation network company must provide the coverage required by this section
 4 beginning with the first dollar of a claim, and the transportation network company
 5 insurer has the duty to defend that claim.

6 (e) Coverage under an automobile insurance policy maintained by the
 7 transportation network company may not be dependent on a personal automobile
 8 insurer first denying a claim nor shall a personal automobile insurance policy be
 9 required first to deny a claim.

10 (f) Insurance required by this section may be placed with an insurer licensed
 11 under AS 21.09.060 or with a surplus lines insurer eligible under AS 21.34 that has a
 12 credit rating not lower than A- from A.M. Best or a similar rating from another rating
 13 agency recognized by the division of insurance.

14 (g) Insurance satisfying the requirements of this section shall be considered to
 15 satisfy the financial responsibility requirement for a motor vehicle under AS 28.20.

16 (h) A transportation network company driver shall carry proof of coverage
 17 under (b) and (c) of this section with the driver at all times during the driver's use of a
 18 vehicle in connection with a digital network of a transportation network company. In
 19 the event of an accident, a transportation network company driver shall provide the
 20 insurance coverage information to the directly interested parties, automobile insurers,
 21 and investigating police officers upon request under AS 28.22.019. Upon that request,
 22 a transportation network company driver shall also disclose to directly interested
 23 parties, automobile insurers, and investigating police officers whether the driver was
 24 logged onto the digital network of a transportation network company or on a
 25 prearranged ride at the time of an accident.

26 (i) If the insurance carrier for the transportation network company makes a
 27 payment for a claim for physical damage to a personal vehicle that is subject to a lien,
 28 the insurance carrier shall pay the claim jointly to the owner of the personal vehicle
 29 and the primary lienholder or directly to the business repairing the personal vehicle.

30 **Sec. 28.23.060. Transportation network company automobile insurance**
 31 **disclosures.** A transportation network company shall disclose in writing to

1 transportation network company drivers the following before the drivers are allowed
2 to accept a request for a prearranged ride on the digital network of the transportation
3 network company:

4 (1) the insurance coverage, including the types of coverage and the
5 limits for each coverage, that the transportation network company provides while the
6 transportation network company driver uses a personal vehicle in connection with a
7 transportation network company's digital network;

8 (2) that the automobile insurance policy of the transportation network
9 company driver might not provide any coverage while the driver is logged onto the
10 digital network of a transportation network company and is available to receive
11 transportation requests or is engaged in a prearranged ride, depending on the terms of
12 the automobile insurance policy of the driver; and

13 (3) that, if the personal vehicle the transportation network company
14 driver uses to provide transportation network services has a lien against it, using the
15 motor vehicle for transportation network services without physical damage coverage
16 may violate the terms of the contract with the lienholder.

17 **Sec. 28.23.070. Certificate of insurance.** A transportation network company
18 shall file a written certificate of insurance with the director of the division of insurance
19 demonstrating that the transportation network company has satisfied the requirements
20 of AS 28.23.050. The certificate of insurance must state that the applicable insurance
21 policy may not be cancelled unless written notice is provided to the division of
22 insurance at least 30 days before cancellation.

23 **Sec. 28.23.080. Limitations on transportation network companies.** (a)
24 Except as provided in (b) of this section, a transportation network company is not an
25 employer of transportation network drivers under AS 23.10.699, AS 23.20.520, or
26 AS 23.30.395. A transportation network company driver is an independent contractor
27 for all purposes and is not an employee of the transportation network company if the
28 transportation network company

29 (1) does not unilaterally prescribe specific hours during which a driver
30 shall be logged onto the digital network of the transportation network company;

31 (2) does not impose restrictions on the ability of the driver to use the

1 digital network of other transportation network companies;

2 (3) does not restrict a driver from engaging in any other occupation or
3 business; and

4 (4) enters into a written agreement with the driver stating that the
5 driver is an independent contractor for the transportation network company.

6 (b) This section does not apply to AS 23.20 if the transportation network
7 company is owned or operated by the state, a municipality, a federally recognized
8 tribe, or an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3)
9 (Internal Revenue Code).

10 **Sec. 28.23.090. Zero tolerance for drug or alcohol use.** The transportation
11 network company shall implement a zero-tolerance policy prohibiting drug and
12 alcohol use while a driver is providing a prearranged ride or is logged onto the digital
13 network of the transportation network company but not providing a prearranged ride.
14 The transportation network company shall post the company's zero-tolerance policy
15 prohibiting drug and alcohol use on the company's Internet website.

16 **Sec. 28.23.100. Transportation network company driver requirements.** (a)
17 Before a transportation network company allows an individual to accept trip requests
18 through its digital network, the transportation network company, or a third party, shall

19 (1) require the individual to submit to the transportation network
20 company an application that includes the individual's address, age, and driver's license
21 number, the motor vehicle registration and automobile liability insurance information
22 for the individual's personal vehicle, and other information required by the
23 transportation network company;

24 (2) conduct a local and national criminal background check for each
25 applicant that reviews

26 (A) a multi-state or multi-jurisdiction criminal records locator
27 or a similar commercial nationwide database with validation; and

28 (B) the United States Department of Justice National Sex
29 Offender Public Website; and

30 (3) obtain and review a driving history research report for the
31 individual.

1 (b) A transportation network company may not allow a driver to accept trip
2 requests through its digital network if the driver

3 (1) has, in the past three years,

4 (A) been convicted of or forfeited bail for a third or subsequent
5 moving traffic violation;

6 (B) been convicted of

7 (i) driving while license canceled, suspended, revoked,
8 or in violation of a limitation under AS 28.15.291;

9 (ii) failure to stop at the direction of a peace officer
10 under AS 28.35.182;

11 (iii) reckless or negligent driving under AS 28.35.400
12 or 28.35.410; or

13 (iv) a law or ordinance of another jurisdiction having
14 similar elements to an offense listed in (i) - (iii) of this subparagraph;

15 (2) has, in the past seven years, been convicted of

16 (A) any offense that is an unclassified, class A, or class B
17 felony in this or another jurisdiction; or

18 (B) a misdemeanor involving

19 (i) a crime under AS 28.33.030, AS 28.35.030, or
20 28.35.032;

21 (ii) a crime under AS 28.35.050 or 28.35.060;

22 (iii) a crime against a person under AS 11.41; or

23 (iv) a law or ordinance of another jurisdiction having
24 similar elements to an offense listed in (i) - (iii) of this subparagraph;

25 (3) is listed on the United States Department of Justice National Sex
26 Offender Public Website; or

27 (4) is under 21 years of age.

28 (c) A transportation network company driver may not

29 (1) provide a prearranged ride unless the transportation network
30 company rider has been matched to the driver through the digital network of the
31 transportation network company;

1 (2) solicit a ride or accept a street hail request for a ride; or

2 (3) solicit or accept cash payments for a fare from a rider.

3 **Sec. 28.23.105. Transportation network company vehicles.** (a) Before a
4 transportation network company allows an individual to accept trip requests through
5 its digital network and before a personal vehicle may be used to provide transportation
6 network company services, the transportation network company shall conduct, or
7 confirm satisfactory completion of, a safety inspection of the individual's personal
8 vehicle. The safety inspection required under this subsection must include an
9 inspection of the following components of the personal vehicle:

10 (1) foot brakes;

11 (2) parking brakes;

12 (3) steering mechanism;

13 (4) windshield;

14 (5) rear window and other glass;

15 (6) windshield wipers;

16 (7) headlights;

17 (8) taillights;

18 (9) brake lights;

19 (10) front seat adjustment mechanism;

20 (11) doors;

21 (12) turn signal lights;

22 (13) horn;

23 (14) speedometer;

24 (15) bumpers;

25 (16) muffler and exhaust system;

26 (17) tires, including tread depth;

27 (18) interior and exterior mirrors;

28 (19) safety belts.

29 (b) A motor vehicle that is used by a transportation network company driver
30 for transportation network company purposes may not be more than 12 years of age.

31 **Sec. 28.23.110. Nondiscrimination and accessibility.** (a) The transportation

1 network company shall adopt a policy prohibiting discrimination based on destination
2 or a class or status protected under AS 18.80.210 with respect to a rider or potential
3 rider. The company shall inform drivers of the policy.

4 (b) A transportation network company driver shall comply with all applicable
5 laws relating to accommodation of service animals.

6 (c) A transportation network company may not impose additional charges for
7 providing services to riders with physical disabilities because of those disabilities.

8 **Sec. 28.23.120. Records.** A transportation network company shall keep
9 records

10 (1) maintained by the transportation network company for an
11 individual prearranged ride for at least two years from the date of the prearranged ride;
12 and

13 (2) maintained by individual transportation network company drivers
14 for two years after the agreement between the transportation network company and
15 driver entered into under AS 28.23.080(a)(4) ends.

16 **Sec. 28.23.130. International airports.** The Department of Transportation and
17 Public Facilities may, under AS 02.15, enter into a contract, lease, or other
18 arrangement with a transportation network company for use of an international airport
19 owned or operated by the state. A contract, lease, or arrangement under AS 02.15 must
20 be consistent with this chapter.

21 **Sec. 28.23.180. Definitions.** In this chapter,

22 (1) "digital network" means any online-enabled application, software,
23 website, or system offered or used by a transportation network company that enables
24 the prearrangement of rides with transportation network company drivers;

25 (2) "personal vehicle" means a motor vehicle that is used by a
26 transportation network company driver and is owned, leased, or otherwise authorized
27 for use by the transportation network company driver; "personal vehicle" does not
28 include a taxi, limousine, or other commercial motor vehicle for hire;

29 (3) "prearranged ride" means transportation provided by a driver to a
30 rider, beginning when a driver accepts a ride requested by a rider through a digital
31 network controlled by a transportation network company, continuing while the driver

1 transports a requesting rider, and ending when the last requesting rider departs from
2 the personal vehicle; "prearranged ride" does not include shared expense carpool or
3 vanpool arrangements or transportation provided using a taxi, limousine, or other
4 commercial motor vehicle for hire;

5 (4) "transportation network company" means a corporation,
6 partnership, sole proprietorship, or other entity that uses a digital network to connect
7 transportation network company riders to transportation network company drivers who
8 provide prearranged rides; a transportation network company may not be considered to
9 control, direct, or manage the personal vehicles or transportation network company
10 drivers that connect to its digital network, except where agreed to by written contract;

11 (5) "transportation network company driver" or "driver" means an
12 individual who

13 (A) receives connections to potential passengers and related
14 services from a transportation network company in exchange for payment of a
15 fee to the transportation network company; and

16 (B) uses a personal vehicle to offer or provide a prearranged
17 ride to riders upon connection through a digital network controlled by a
18 transportation network company in return for compensation or payment of a
19 fee;

20 (6) "transportation network company rider" or "rider" means an
21 individual or person who uses a digital network of a transportation network company
22 to connect with a transportation network company driver who provides prearranged
23 rides to the rider in the driver's personal vehicle between points chosen by the rider.

24 **Sec. 28.23.190. Short title.** This chapter may be cited as the Transportation
25 Network Companies Act.

26 * **Sec. 7.** AS 29.10.200 is amended by adding a new paragraph to read:

27 (66) AS 29.35.148 (regulation of transportation network companies or
28 drivers).

29 * **Sec. 8.** AS 29.35 is amended by adding a new section to read:

30 **Sec. 29.35.148. Regulation of transportation network companies or**
31 **drivers.** (a) The authority to regulate transportation network companies and

1 transportation network company drivers is reserved to the state, and, except as
2 specifically provided by statute, a municipality may not enact or enforce an ordinance
3 regulating transportation network companies or transportation network company
4 drivers.

5 (b) The prohibition on regulation under (a) of this section does not include

6 (1) imposition of a municipal sales tax on a transportation network
7 company driver that taxes a trip originating in the municipality in the same manner
8 that other services are taxed in the municipality;

9 (2) a municipal traffic ordinance.

10 (c) Notwithstanding AS 28.01.010 or (a) of this section, a municipality may
11 by ordinance ratified by the voters in a regular municipal election prohibit
12 transportation network companies from conducting activities under AS 28.23 within
13 the municipality.

14 (d) This section applies to home rule and general law municipalities.

15 (e) In this section,

16 (1) "transportation network company" has the meaning given in
17 AS 28.23.180;

18 (2) "transportation network company driver" has the meaning given in
19 AS 28.23.180.

20 * **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE

REPRESENTATIVE ADAM WOOL

Session: January - April
State Capitol, Room 412
Juneau, AK 99801-1182
Phone: 907-465-6879

- Chair: Transportation, Energy
- Vice Chair: Labor & Commerce
- Member: State Affairs

Interim: May - December
1292 Sadler Way, Ste. 308
Fairbanks, AK 99701
Phone :907-452-6084



Official Business

CS for HB132 (TRA) ver J to Work Draft for CS for HB132 ver R Explanation of Changes

Section 6: Page 5, Lines 14-18, add (b) *The Department of Transportation and Public Facilities may, under AS 02.15, adopt a regulation or enter into a contract, lease, or other arrangement with a transportation network company or driver for use of an international airport owned or operated by the state. A regulation or arrangement under AS 02.15 must be consistent with this chapter. Allows for the Department of Transportation to regulate use of a TNC at an international airport owned or operated by the state.*

Section 8: Page 12, Lines 3-7, add (b) *The prohibition on regulation under (a) of this section does not include 1) imposition of a municipal sales tax on a transportation network company driver that taxes a trip originating in the municipality in the same manner that other services are taxed in the municipality 2) a municipal traffic ordinance (c) This section applies to home rule and general law municipalities. Allows for municipalities to impose a sales tax on the TNC driver. Ensures that municipal traffic ordinances must be followed.*

ALASKA STATE LEGISLATURE

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Official Business

CSHB132 ver R Work Draft Sectional Analysis

"An Act relating to transportation network companies and transportation network company drivers."

- Section 1: Describes legislative intent of the bill is to clarify the Alaska Workers' Compensation Act and its relationship to transportation network company drivers.
- Section 2: Offers immunity to the state if civil action is taken against a transportation network company.
- Section 3: Amends AS 21.96 by adding a new section 21.96.018 relating to transportation network company insurance provisions. Allows for automobile insurance writers to exclude any driver who is logged onto the digital network of a transportation network company or while a driver provides a ride.
- Section 4: Amends AS 23.30.230(a) to exclude transportation network company drivers from the Alaska Workers' Compensation Act.
- Section 5: Amends AS 23.30.230(c) by adding the definitions for "digital network," "prearranged ride," "transportation network company," and "transportation network company driver."
- Section 6: Amends AS 28 by adding a new chapter, Chapter 23, Transportation Network Companies and Drivers
AS 28.23.010. Provides that transportation network company or driver is not a common carrier and may not provide taxicab or for-hire services and that they may not be required to register as a commercial or for-hire vehicle. The Department of Transportation may under AS 02.15, adopt regulation or enter into a contract, lease, or other arrangement with a TNC or driver for use of an international airport owned or operated by the state.

AS 28.23.010. Relates to fares collected by transportation network companies for services.

AS 28.23.030. Governs identification required for transportation network vehicles and drivers.

AS 28.23.040. Requires electronic receipts.

AS 28.23.050. Sets insurance requirements for transportation network companies and drivers.

AS 28.23.060. Requires transportation network companies to provide automobile insurance disclosures to drivers.

AS 28.23.070. Requires that transportation network companies to file a certificate of insurance with the division of insurance.

AS 28.23.080. Provides that transportation network companies are not employers and that drivers are independent contractors, not employees.

AS 28.23.090. Requires implementation of zero tolerance drug and alcohol policy.

AS 28.23.100. Sets transportation network company driver requirements. Requires local and national criminal background check, multi-state or multi-jurisdiction criminal records locator, the US Dept. of Justice National Sex Offender public website, and obtaining a driver history report.

AS 28.23.110. Relates to mandatory rules and policies governing non-discrimination and accessibility protected under AS 18.80.210.

AS 28.23.120. Provides for maintenance of records.

AS 29.23.180. Provides definitions for the chapter.

AS 28.23.190 States that the short title of the chapter may be cited as the "Transportation Network Companies Act."

Section 7: Amends AS 29.10.200 to add paragraph (66), adding AS 29.35.148 (regulation of transportation network company or drivers) as home rule prohibitions on acting otherwise.

Section 8: Amends AS 29.35 by adding AS 29.35.148, which provides that the authority to regulate transportation network companies and transportation network drivers is reserved to the state. Provides that an imposition of a municipal sales tax may be applied to a trip originating in the municipality on TNC drivers. Municipal traffic ordinances must be followed.

30-LS0522\R
Wallace
3/21/17

CS FOR HOUSE BILL NO. 132()
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTIETH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES WOOL, Eastman

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to transportation network companies and transportation network**
2 **company drivers."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 LEGISLATIVE INTENT. It is the intent of the legislature to clarify the Alaska
7 Workers' Compensation Act, ensure the safety, reliability, and cost-effectiveness of rides
8 provided by transportation network company drivers in the state, and preserve and enhance
9 access to these important transportation options for residents of and visitors to the state.

10 * **Sec. 2.** AS 09.65 is amended by adding a new section to read:

11 **Sec. 09.65.350. Immunity for certain actions related to transportation**
12 **network companies.** (a) The state or a municipality, and the officers, employees, and
13 agents of the state or a municipality, are not liable in tort for damages for the injury to
14 or death of a person or property damage resulting from an act, omission, or failure of a

1 transportation network company or driver to comply with the requirements of
2 AS 28.23 or other law.

3 (b) In this section, "transportation network company" and "driver" have the
4 meanings given in AS 28.23.180.

5 * **Sec. 3.** AS 21.96 is amended by adding a new section to read:

6 **Sec. 21.96.018. Transportation network company insurance provisions.** (a)

7 Insurers that write automobile insurance in the state may exclude, notwithstanding any
8 requirement under AS 28.20, any and all coverage afforded under the policy issued to
9 an owner or operator of a personal vehicle for any loss or injury that occurs while a
10 driver is logged onto the digital network of a transportation network company or while
11 a driver provides a prearranged ride. The right to exclude all coverage may apply to
12 any coverage included in an automobile insurance policy, including

- 13 (1) liability coverage for bodily injury and property damage;
- 14 (2) uninsured and underinsured motorist coverage;
- 15 (3) medical payments coverage;
- 16 (4) comprehensive physical damage coverage; and
- 17 (5) collision physical damage coverage.

18 (b) Nothing in this section

19 (1) implies or requires that a personal automobile insurance policy
20 provide coverage while the driver

21 (A) is logged onto the digital network of a transportation
22 network company;

23 (B) is engaged in a prearranged ride; or

24 (C) otherwise uses a personal vehicle to transport passengers
25 for compensation;

26 (2) may be construed to require an insurer to use specific policy
27 language or to refer to this section in order to exclude any and all coverage for any
28 loss or injury that occurs while a driver

29 (A) is logged onto the digital network of a transportation
30 network company; or

31 (B) provides a prearranged ride; or

1 (3) precludes an insurer from providing coverage for the personal
2 vehicle of a transportation network company driver if the insurer chooses to provide
3 coverage by contract or endorsement.

4 (c) Automobile insurers that exclude coverage under (a) of this section do not
5 have a duty to defend or indemnify any claim expressly excluded under (a) of this
6 section. Nothing in this section may be considered to invalidate or limit an exclusion
7 contained in a policy, including any policy in use or approved for use in this state
8 before the enactment of this section, that excludes coverage for vehicles used to carry
9 persons or property for a charge or available for hire by the public.

10 (d) An automobile insurer that defends or indemnifies a claim against a driver
11 that is excluded under the terms of its policy shall have a right of contribution against
12 other insurers that provide automobile insurance to the same driver in satisfaction of
13 the coverage requirements of AS 28.23.050 at the time of loss.

14 (e) In a claims coverage investigation, a transportation network company shall
15 immediately provide, upon request by directly involved parties or any insurer of the
16 transportation network company driver, if applicable, the precise times that a
17 transportation network company driver logged onto and off of the digital network of a
18 transportation network company in the 12-hour period immediately preceding and in
19 the 12-hour period immediately following the accident. Insurers potentially providing
20 coverage shall disclose, upon request of any insurer involved in the claim, the
21 applicable coverages, exclusions, and limits provided under any automobile insurance
22 maintained under AS 28.23.050.

23 (f) In this section, "digital network," "personal vehicle," "prearranged ride,"
24 "transportation network company," "transportation network company driver," and
25 "driver" have the meanings given in AS 28.23.180.

26 * **Sec. 4.** AS 23.30.230(a) is amended to read:

27 (a) The following persons are not covered by this chapter:

- 28 (1) a part-time baby-sitter;
29 (2) a cleaning person;
30 (3) harvest help and similar part-time or transient help;
31 (4) a person employed as a sports official on a contractual basis and

1 who officiates only at sports events in which the players are not compensated; in this
2 paragraph, "sports official" includes an umpire, referee, judge, scorekeeper,
3 timekeeper, organizer, or other person who is a neutral participant in a sports event;

4 (5) a person employed as an entertainer on a contractual basis;

5 (6) a commercial fisherman, as defined in AS 16.05.940;

6 (7) an individual who drives a taxicab whose compensation and written
7 contractual arrangement is as described in AS 23.10.055(a)(13), unless the hours
8 worked by the individual or the areas in which the individual may work are restricted
9 except to comply with local ordinances;

10 (8) a participant in the Alaska temporary assistance program
11 (AS 47.27) who is engaged in work activities required under AS 47.27.035 other than
12 subsidized or unsubsidized work or on-the-job training;

13 (9) a person employed as a player or coach by a professional hockey
14 team if the person is covered under a health care insurance plan provided by the
15 professional hockey team, the coverage is applicable to both work-related and
16 nonwork-related injuries, and the coverage provides medical and related benefits as
17 required under this chapter, except that coverage may not be limited to two years from
18 the date of injury as described under AS 23.30.095(a); in this paragraph, "health care
19 insurance" has the meaning given in AS 21.12.050; [AND]

20 (10) a person working as a qualified real estate licensee who performs
21 services under a written contract that provides that the person will not be treated as an
22 employee for federal income tax or workers' compensation purposes; in this
23 paragraph, "qualified real estate licensee" means a person who is required to be
24 licensed under AS 08.88.161 and whose payment for services is directly related to
25 sales or other output rather than the number of hours worked; **and**

26 **(11) a transportation network company driver who provides a**
27 **prearranged ride or is otherwise logged onto the digital network of a**
28 **transportation network company as a driver.**

29 * Sec. 5. AS 23.30.230(c) is amended by adding new paragraphs to read:

30 (4) "digital network" has the meaning given in AS 28.23.180;

31 (5) "prearranged ride" has the meaning given in AS 28.23.180;

1 (6) "transportation network company" has the meaning given in
2 AS 28.23.180;

3 (7) "transportation network company driver" has the meaning given in
4 AS 28.23.180.

5 * **Sec. 6.** AS 28 is amended by adding a new chapter to read:

6 **Chapter 23. Transportation Network Companies and Drivers.**

7 **Sec. 28.23.010. Not other carriers; international airport regulations and**
8 **arrangements.** (a) A transportation network company or driver is not a common
9 carrier, contract carrier, or motor carrier, and may not provide taxicab or for-hire
10 vehicle service. Except as provided in (b) of this section, the state or a municipality
11 may not require a transportation network company driver to register the personal
12 vehicle the driver uses to provide prearranged rides as a commercial or for-hire
13 vehicle.

14 (b) The Department of Transportation and Public Facilities may, under
15 AS 02.15, adopt a regulation or enter into a contract, lease, or other arrangement with
16 a transportation network company or driver for use of an international airport owned
17 or operated by the state. A regulation or arrangement under AS 02.15 must be
18 consistent with this chapter.

19 **Sec. 28.23.020. Fare collected for services.** A transportation network
20 company may charge a fare to a transportation network company rider. Before a fare is
21 collected from a rider, the transportation network company shall disclose to the rider,
22 on the company's Internet website or in the company's software application, the
23 transportation network company's fare or fare calculation method. The transportation
24 network company shall provide riders the option of receiving an estimated fare before
25 the rider enters the vehicle of a transportation network company driver.

26 **Sec. 28.23.030. Identification of transportation network company vehicles**
27 **and drivers.** Before a rider enters the personal vehicle of a transportation network
28 company driver, the transportation network company shall display on the company's
29 Internet website or in the company's software application a picture of the
30 transportation network company driver and the license plate number of the personal
31 vehicle providing the prearranged ride.

1 **Sec. 28.23.040. Electronic receipt.** Within a reasonable period following the
2 completion of a trip, the transportation network company shall transmit to the rider, on
3 behalf of the transportation network company driver, an electronic receipt showing the
4 origin and destination of the trip and itemizing the fare paid, if any.

5 **Sec. 28.23.050. Financial responsibility of transportation network**
6 **companies.** (a) A transportation network company driver, or transportation network
7 company on behalf of the driver, shall maintain primary automobile insurance that
8 recognizes that the driver is a transportation network company driver or otherwise
9 uses a vehicle to transport passengers for compensation and that covers the driver
10 while the driver is logged onto the digital network of a transportation network
11 company or while the driver is engaged in a prearranged ride.

12 (b) The following automobile insurance requirements shall apply while a
13 participating transportation network company driver is logged onto the digital network
14 of a transportation network company and is available to receive transportation requests
15 but is not engaged in a prearranged ride:

16 (1) primary automobile liability insurance in the amount of at least
17 \$50,000 for death and bodily injury for each person, \$100,000 for death and bodily
18 injury for each incident, and \$25,000 for property damage;

19 (2) uninsured or underinsured motor vehicle coverage as required
20 under AS 21.96.020 and AS 28.20.440;

21 (3) the coverage requirements of this subsection may be satisfied by

22 (A) automobile insurance maintained by the transportation
23 network company driver;

24 (B) automobile insurance maintained by the transportation
25 network company; or

26 (C) any combination of (A) and (B) of this paragraph.

27 (c) The following automobile insurance requirements shall apply while a
28 transportation network company driver is engaged in a prearranged ride:

29 (1) primary automobile liability insurance that provides at least
30 \$1,000,000 for death, bodily injury, and property damage;

31 (2) uninsured or underinsured motor vehicle coverage as required

1 under AS 21.96.020 and AS 28.20.440;

2 (3) the coverage requirements of this subsection may be satisfied by

3 (A) automobile insurance maintained by the transportation
4 network company driver;

5 (B) automobile insurance maintained by the transportation
6 network company; or

7 (C) a combination of (A) and (B) of this paragraph.

8 (d) If insurance maintained by a driver under (b) or (c) of this section has
9 lapsed or does not provide the required coverage, insurance maintained by a
10 transportation network company must provide the coverage required by this section
11 beginning with the first dollar of a claim, and the transportation network company
12 insurer has the duty to defend that claim.

13 (e) Coverage under an automobile insurance policy maintained by the
14 transportation network company may not be dependent on a personal automobile
15 insurer first denying a claim nor shall a personal automobile insurance policy be
16 required first to deny a claim.

17 (f) Insurance required by this section may be placed with an insurer licensed
18 under AS 21.09.060 or with a surplus lines insurer eligible under AS 21.34 that has a
19 credit rating not lower than A- from A.M. Best or a similar rating from another rating
20 agency recognized by the division of insurance.

21 (g) Insurance satisfying the requirements of this section shall be considered to
22 satisfy the financial responsibility requirement for a motor vehicle under AS 28.20.

23 (h) A transportation network company driver shall carry proof of coverage
24 under (b) and (c) of this section with the driver at all times during the driver's use of a
25 vehicle in connection with a digital network of a transportation network company. In
26 the event of an accident, a transportation network company driver shall provide the
27 insurance coverage information to the directly interested parties, automobile insurers,
28 and investigating police officers upon request under AS 28.22.019. Upon that request,
29 a transportation network company driver shall also disclose to directly interested
30 parties, automobile insurers, and investigating police officers whether the driver was
31 logged onto the digital network of a transportation network company or on a

1 prearranged ride at the time of an accident.

2 (i) If the insurance carrier for the transportation network company makes a
3 payment for a claim for physical damage to a personal vehicle that is subject to a lien,
4 the insurance carrier shall pay the claim jointly to the owner of the personal vehicle
5 and the primary lienholder or directly to the business repairing the personal vehicle.

6 **Sec. 28.23.060. Transportation network company automobile insurance**
7 **disclosures.** A transportation network company shall disclose in writing to
8 transportation network company drivers the following before the drivers are allowed
9 to accept a request for a prearranged ride on the digital network of the transportation
10 network company:

11 (1) the insurance coverage, including the types of coverage and the
12 limits for each coverage, that the transportation network company provides while the
13 transportation network company driver uses a personal vehicle in connection with a
14 transportation network company's digital network;

15 (2) that the automobile insurance policy of the transportation network
16 company driver might not provide any coverage while the driver is logged onto the
17 digital network of a transportation network company and is available to receive
18 transportation requests or is engaged in a prearranged ride, depending on the terms of
19 the automobile insurance policy of the driver; and

20 (3) that, if the personal vehicle the transportation network company
21 driver uses to provide transportation network services has a lien against it, using the
22 motor vehicle for transportation network services without physical damage coverage
23 may violate the terms of the contract with the lienholder.

24 **Sec. 28.23.070. Certificate of insurance.** A transportation network company
25 shall file a written certificate of insurance with the director of the division of insurance
26 demonstrating that the transportation network company has satisfied the requirements
27 of AS 28.23.050. The certificate of insurance must state that the applicable insurance
28 policy may not be cancelled unless written notice is provided to the division of
29 insurance at least 30 days before cancellation.

30 **Sec. 28.23.080. Limitations on transportation network companies.** A
31 transportation network company is not an employer of transportation network drivers

1 under AS 23.20.520 and a transportation network company driver is an independent
2 contractor for all purposes and is not an employee of the transportation network
3 company if the transportation network company

4 (1) does not unilaterally prescribe specific hours during which a driver
5 shall be logged onto the digital network of the transportation network company;

6 (2) does not impose restrictions on the ability of the driver to use the
7 digital network of other transportation network companies;

8 (3) does not restrict a driver from engaging in any other occupation or
9 business; and

10 (4) enters into a written agreement with the driver stating that the
11 driver is an independent contractor for the transportation network company.

12 **Sec. 28.23.090. Zero tolerance for drug or alcohol use.** The transportation
13 network company shall implement a zero-tolerance policy prohibiting drug and
14 alcohol use while a driver is providing a prearranged ride or is logged onto the digital
15 network of the transportation network company but not providing a prearranged ride.
16 The transportation network company shall post the company's zero-tolerance policy
17 prohibiting drug and alcohol use on the company's Internet website.

18 **Sec. 28.23.100. Transportation network company driver requirements.**
19 Before a transportation network company allows an individual to accept trip requests
20 through its digital network, the transportation network company, or a third party, shall

21 (1) require the individual to submit to the transportation network
22 company an application that includes the individual's address, age, and driver's license
23 number, the motor vehicle registration and automobile liability insurance information
24 for the individual's personal vehicle, and other information required by the
25 transportation network company;

26 (2) conduct a local and national criminal background check for each
27 applicant that reviews

28 (A) a multi-state or multi-jurisdiction criminal records locator
29 or a similar commercial nationwide database with validation; and

30 (B) the United States Department of Justice National Sex
31 Offender Public Website; and

1 (3) obtain and review a driving history research report for the
2 individual.

3 **Sec. 28.23.110. Nondiscrimination and accessibility.** (a) The transportation
4 network company shall adopt a policy prohibiting discrimination based on destination
5 or a class or status protected under AS 18.80.210 with respect to a rider or potential
6 rider. The company shall inform drivers of the policy.

7 (b) A transportation network company driver shall comply with all applicable
8 laws relating to accommodation of service animals.

9 (c) A transportation network company may not impose additional charges for
10 providing services to riders with physical disabilities because of those disabilities.

11 **Sec. 28.23.120. Records.** A transportation network company shall keep
12 records

13 (1) maintained by the transportation network company for an
14 individual prearranged ride for at least one year from the date of the prearranged ride;
15 and

16 (2) maintained by individual transportation network company drivers
17 for one year after the agreement between the transportation network company and
18 driver entered into under AS 28.23.080(4) ends.

19 **Sec. 28.23.180. Definitions.** In this chapter,

20 (1) "digital network" means any online-enabled application, software,
21 website, or system offered or used by a transportation network company that enables
22 the prearrangement of rides with transportation network company drivers;

23 (2) "personal vehicle" means a motor vehicle that is used by a
24 transportation network company driver and is owned, leased, or otherwise authorized
25 for use by the transportation network company driver; "personal vehicle" does not
26 include a taxi, limousine, or other commercial motor vehicle for hire;

27 (3) "prearranged ride" means transportation provided by a driver to a
28 rider, beginning when a driver accepts a ride requested by a rider through a digital
29 network controlled by a transportation network company, continuing while the driver
30 transports a requesting rider, and ending when the last requesting rider departs from
31 the personal vehicle; "prearranged ride" does not include shared expense carpool or

1 vanpool arrangements or transportation provided using a taxi, limousine, or other
2 commercial motor vehicle for hire;

3 (4) "transportation network company" means a corporation,
4 partnership, sole proprietorship, or other entity that uses a digital network to connect
5 transportation network company riders to transportation network company drivers who
6 provide prearranged rides; a transportation network company may not be considered to
7 control, direct, or manage the personal vehicles or transportation network company
8 drivers that connect to its digital network, except where agreed to by written contract;

9 (5) "transportation network company driver" or "driver" means an
10 individual who

11 (A) receives connections to potential passengers and related
12 services from a transportation network company in exchange for payment of a
13 fee to the transportation network company; and

14 (B) uses a personal vehicle to offer or provide a prearranged
15 ride to riders upon connection through a digital network controlled by a
16 transportation network company in return for compensation or payment of a
17 fee;

18 (6) "transportation network company rider" or "rider" means an
19 individual or person who uses a digital network of a transportation network company
20 to connect with a transportation network company driver who provides prearranged
21 rides to the rider in the driver's personal vehicle between points chosen by the rider.

22 **Sec. 28.23.190. Short title.** This chapter may be cited as the Transportation
23 Network Companies Act.

24 * **Sec. 7.** AS 29.10.200 is amended by adding a new paragraph to read:

25 (66) AS 29.35.148 (regulation of transportation network companies or
26 drivers).

27 * **Sec. 8.** AS 29.35 is amended by adding a new section to read:

28 **Sec. 29.35.148. Regulation of transportation network companies or**
29 **drivers.** (a) The authority to regulate transportation network companies and
30 transportation network company drivers is reserved to the state, and, except as
31 specifically provided by statute, a municipality may not enact or enforce an ordinance

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regulating transportation network companies or transportation network company drivers.

(b) The prohibition on regulation under (a) of this section does not include

(1) imposition of a municipal sales tax on a transportation network company driver that taxes a trip originating in the municipality in the same manner that other services are taxed in the municipality;

(2) a municipal traffic ordinance.

(c) This section applies to home rule and general law municipalities.

(d) In this section,

(1) "transportation network company" has the meaning given in AS 28.23.180;

(2) "transportation network company driver" has the meaning given in AS 28.23.180.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 7, 2017

SUBJECT: Transportation network company drivers
(CSHB 132(TRA); Work Order No. 30-LS0522J)

TO: Representative Adam Wool
Attn: Laura Stidolph

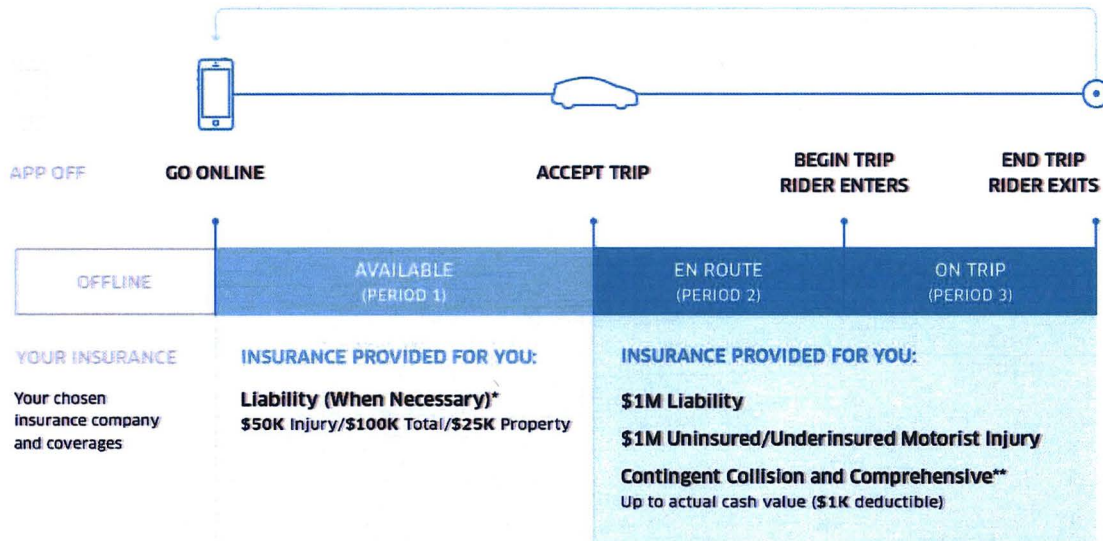
FROM: Megan A. Wallace 
Legislative Counsel

You have asked whether transportation network company drivers would be required to follow local traffic laws. There is nothing in the above-referenced bill that would make transportation network companies or drivers immune from local traffic laws. The provisions in secs. 7 and 8 of this bill prohibit municipalities from regulating transportation companies and drivers from enacting regulations concerning the operation of transportation companies and drivers. This means that the state will reserve the right to regulate the activities of these companies and drivers. The above-referenced bill does *not* exempt transportation companies and drivers from having to follow local traffic laws.

If you have additional questions, please advise.

MAW:boo
17-232.boo

INSURANCE FOR RIDESHARE DRIVERS WITH UBER



* We maintain automobile liability insurance on your behalf if you do not maintain applicable insurance of at least this amount.

** Pays for damage to your vehicle if you maintain auto insurance that includes collision coverage for that vehicle.

Note: Additional coverage will be provided where required by state and local laws. At least this much coverage is provided in all US states for drivers while operating personal vehicles under the transportation network company model.

Since February 2013, Uber has offered ridesharing (also known as Transportation Network Company or "TNC" services) as the lowest-cost, on-demand transportation alternative. Bringing uberX and uberPOOL with ridesharing to market in the U.S. and Puerto Rico has also required robust insurance coverage. Uber's insurance coverage for ridesharing in the U.S. and Puerto Rico includes as of March 2016:

- **\$1 million of liability coverage per incident.** Uber holds a commercial insurance policy with \$1 million of coverage per incident. Drivers' liability to third parties is covered from the moment a driver accepts a trip to its conclusion. This policy is expressly primary to any personal auto coverage (however, it will not take precedence over any commercial auto insurance for the vehicle). We have provided a \$1 million liability policy since commencing ridesharing in early 2013.
- **\$1 million of uninsured/underinsured motorist bodily injury coverage per incident.** In December 2013, we also added uninsured/underinsured motorist coverage. In the event that another motorist causes an accident with a rideshare vehicle and the motorist doesn't carry adequate insurance, this policy covers bodily injury to all occupants of the rideshare vehicle. This is important to ensure protection in a hit and run.
- **Contingent comprehensive and collision insurance.** If a ridesharing driver holds personal comprehensive and collision insurance this policy covers physical damage to that vehicle that occurs during a trip up to the actual cash value of the vehicle, for any reason, with a \$1,000 deductible.
- **No fault coverage (e.g., Personal Injury Protection)** is provided in certain states at similar levels as limos or taxis in those cities.
- **\$50,000/\$100,000/\$25,000 of coverage between trips.** During the time that a ridesharing partner is available but between trips, most personal auto insurance will provide coverage. However, if the driver does not have applicable coverage, we maintain a policy that covers the driver's liability for bodily injury up to \$50,000/individual/accident with a total of \$100,000/accident and up to \$25,000 for property damage. This policy meets or exceeds the requirements for 3rd party liability insurance in every state in the U.S.

Key Benefits of Ridesharing

Riders



Time Savings

Eliminates the need for cash; services may store payment information.



Technology-based

They incorporate technologies that have become commonplace including smartphones and social networks to request, schedule, and pay for rides near your location.



Cost of Living Savings

People who do not rely on personal vehicles eliminate gas, parking, insurance, and other costs.



Budget-friendly

The cost of a ride share or TNC ride may be less than other taxis and riders might receive price quotes ahead of time, and post-ride receipts by email for your records.



Scheduling & Tracking

Plan your rides online and receive electronic notifications of ride reservations.



Simple

Sign up for an account, download an app, enter payment and location information to receive a customized or scheduled ride within minutes.



Convenient

Pre-scheduled rides come to you when you need them or pick one up at a convenient location near you.

Drivers



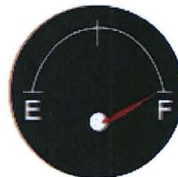
Flexibility

Work with flexible hours.



Provides Income

Drivers may receive income from passengers who schedule rides with them.



Energy-efficient

Pre-scheduled rides saves energy and helps the environment by reducing time spent looking for passengers.



Reduces Traffic Congestion

Fewer people rely on personal vehicles, reducing drive times and traffic, also leading to more business in period of time.



Lower Transportation Cost

Less cars on the road means reduced gas expense and consumption and less energy spent on transportation.

UBER 101

EVOLVING THE WAY THE WORLD MOVES

1

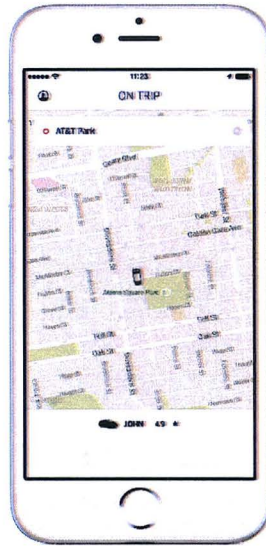
REQUEST



RIDERS SET THEIR LOCATION, AND GET AN ESTIMATED ARRIVAL TIME AND A FARE ESTIMATE BEFORE BOOKING

2

RIDE



RIDERS GET DRIVER INFORMATION LIKE NAME, MODEL, LICENSE PLATE AND RATING BEFORE THE CAR ARRIVES

3

RATE



RIDERS RECEIVE AN EMAIL RECEIPT AFTER EVERY TRIP. INSTANT TWO-WAY FEEDBACK KEEPS QUALITY HIGH

PUSH A BUTTON AND GET A RIDE - IN MINUTES.

Uber's innovative technology platform connects riders with drivers in over 65 countries around the world.

Uber is the safe, reliable and affordable choice for millions of people every day.

UBER DELIVERS MORE

RIDER SAFETY



Riders are given a driver's information upfront. They can track their route on a live map and share trip details with others through the Share My ETA feature. Every trip on the Uber platform is covered by automobile liability insurance.

ECONOMIC OPPORTUNITIES



More than a million people have signed up to make supplemental income while driving on the Uber platform. Uber is a flexible option for individuals who want to set their own schedules and be their own boss.

CONGESTION RELIEF



Uber complements public transit by reaching underserved neighborhoods and offering consumers an affordable alternative to car ownership. Innovative products like uberPOOL help cities reduce congestion and carbon emissions.

DRIVER SAFETY



Uber is committed to providing driver-partners with a safe working environment. There are no anonymous pick-ups. We also ask drivers to rate passengers to ensure maintain our quality experience standards.

REAL-TIME GPS



We use GPS satellites to map and follow every trip in real time, enabling live responses and detailed records of every transaction. GPS provides accurate directions for drivers and eliminates the risk of fare-cheating.

ENHANCED TOURISM



Visitors can relax because they know that a safe, reliable and affordable ride is available when they land in a new city. Uber takes the stress out of travel with a familiar, easy to use service with a standard electronic payment option.

Safety with Uber

Uber is a smartphone app that gets people from A to B at the push of a button. New technology has enabled Uber to build safety into our service from beginning to end: before a passenger even gets into the car, throughout the journey and after they have reached their destination.

24/7 door-to-door service, available 365-days a year

- With Uber, there's no need for people to walk around late at night to find a parked car, search for a taxi or the nearest bus stop. The car comes directly to passengers within minutes, wherever they are in the city.
- Uber helps to reduce drunk driving by providing a reliable, affordable way to get home at night when public transport may be limited. In California, drunk driving related deaths have [fallen by 5%](#) since Uber started.

Know your driver and their car

- When passengers request a ride with Uber, they see their driver's name, photo and average rating, as well as the licence plate number and make of the vehicle.
- As a result passengers are able to clearly identify the right car before getting in.
- Drivers who use the Uber app undergo a thorough screening process to ensure they are fit to drive passengers around the city.



You're on the map the entire journey

- All Uber rides are GPS-tracked from start to finish. Drivers and passengers know that there is a record of the journey should something happen. This creates accountability, which is lacking in many other forms of transportation, such as the bus, metro or a traditional taxi.
- Passengers can see their route, and the location of their car, in the app throughout the journey. This means they can see that their driver is headed the right way.
- Passengers can share the details of each individual trip in real time, including their route and estimated arrival time, with family or friends.

Two-way accountability

- Passengers and drivers rate each other after every ride. They can also easily provide feedback via our app. Our safety team reviews this information and suspends rider/driver accounts when anything dangerous or inappropriate is reported. Unsafe drivers or riders are removed permanently from the platform.
- If something happens during a ride, whether it's a traffic accident or a lost purse in a car, our customer support team is ready to help 24/7.
- Uber has the records—route taken, length of journey, driver and rider information—which it can share with law enforcement if necessary. A law enforcement response team is also on call to work with police 24/7.
- We believe that technology can help ensure safety in new ways, including on the road. While a driver is online, we use GPS, accelerometer and gyroscope information from the smartphone to help improve driving behavior. For example, we can inform drivers about indicators of harsh braking, hard acceleration, and speeding as well as send them reminders about the importance of mounting their phone to the dashboard.



Driver screenings

Before a person is allowed to drive with Uber in the United States, we complete a screening process that requires an applicant's full name, date of birth, social security number, driver's license number, a copy of his or her driver's license, vehicle registration, vehicle insurance, and a valid bank account.

To run the screenings, we work with [Checkr](#), a third party background check provider accredited by the [National Association of Professional Background Screeners](#). Checkr runs a social security trace to identify addresses associated with the potential driver, and then checks the potential driver's driving and criminal history in a series of national, state and local databases. These include the US Department of Justice National Sex Offender Public Website, the PACER database, and several databases used to flag suspected terrorists.

Upon identifying a potential criminal record, Checkr sends an individual to review the record in-person at the relevant courthouse or, if possible, pulls the record electronically. These screenings use information that is maintained by national, state and county level authorities, whose processes may vary by jurisdiction. By verifying potential criminal records at the source—the courthouse records— we can help ensure that we are checking the most up-to-date records available.

The purpose of these screenings is to identify offenses and other information that may disqualify potential drivers from using Uber. Our disqualification criteria may vary by jurisdiction according to local laws, and includes major and minor driving violations such as DUI and speeding, as well as convictions for violent, sexual, and driving-related crimes.

ECONOMIC IMPACT REPORT

How the Lyft community is
increasing support for local economies,
earning more supplemental income,
and improving the health of their cities.

lyft

2017

A decade ago, Lyft embarked on a mission to improve lives with the world's best transportation. Now, we're a powerful driver of change for millions of people in over 200 cities nationwide.

And we're just getting started.

Every year, we take a moment to understand a part of that change —
our community's economic impact.

lyft

**\$750
million
generated**

Lyft passengers spend an additional \$750+ million in local economies.

**\$1.5
billion
earned**

Lyft drivers have earned over \$1.5 billion for their families and professional ventures.

**\$500
million
saved**

Lyft passengers saved over 26 million travel hours compared to alternate transportation modes.

That time savings is valued at over \$500 million.

Methodology

Lyft surveyed more than 38,000 passengers and 15,000 drivers in 20 major cities in 2016.

Survey analysis was conducted by Bill Lee and Tanya Chiranakhon from the Land Econ Group.

Atlanta | Baltimore | Boston | Chicago | Dallas-Fort Worth | Detroit | District of Columbia | Jacksonville | Los Angeles | Miami | Nashville | New Jersey | Orlando | Philadelphia | Phoenix | Pittsburgh | San Diego | San Francisco | Seattle | Tampa



Increased Local Spending

From errands to date nights, people are getting to more areas of their cities, spending more at local businesses, and staying out longer with a safe ride home.



Lyft
passengers
spent an
additional
\$750 million
in local
economies.

Nearly half of passengers spend more money at local businesses because of Lyft.

60%

now explore hard-to-reach areas of their city.

75%

get to more local bars & restaurants.

70%

go out more often and stay out longer.

24/7 Reliability

28% of Lyft rides start in low income areas, which often lack reliable transportation.¹

47% of Lyft passengers use Lyft to get around when public transit doesn't operate.

24% of Lyft rides happen between 10pm-6am.

Passengers choose Lyft when transit options are limited.

Passenger Mobility

With Lyft, passengers have a reliable ride for every reason.

52%

use Lyft to get to
the airport.

39%

use Lyft to commute.

30%

use Lyft for grocery
shopping or errands.

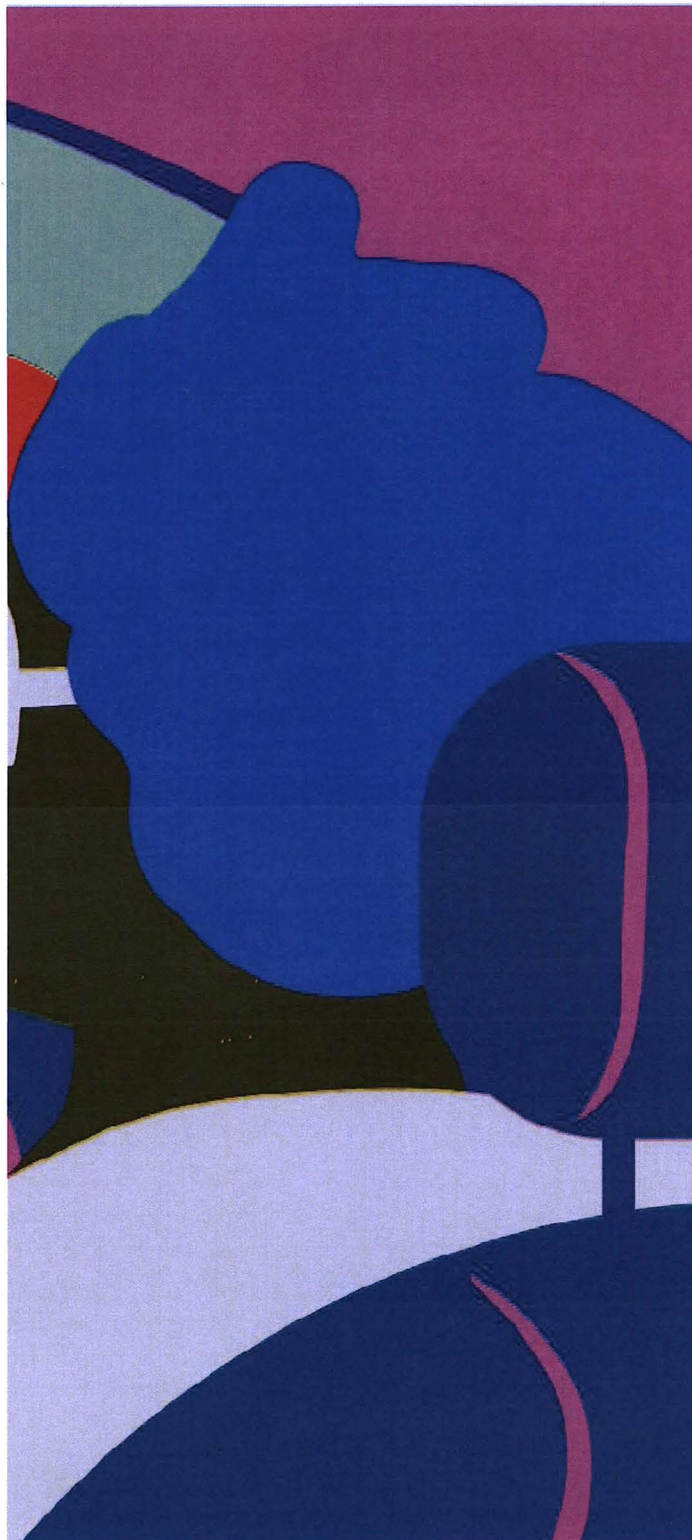
16%

use Lyft for medical
appointments.



More Driver Earnings & Opportunities

Lyft drivers are florists, firefighters, artists, students, parents, and everything in between. The majority of drivers are part-time and drive to supplement their earnings.



**Lyft drivers
earned over
\$1.5 billion
nationally
for their
families and
professional
ventures.**

72%

are the primary source of
income for their household.

26%

own their own business.

57%

of driver earnings help
cover food, housing,
medical care, and other
primary expenses.

93%

of drivers are employed,
seeking employment, full-
time students, or retired.

The Lyft Difference

Lyft drivers have earned over \$100 million in tips.

*Lyft is the only national ridesharing platform with
in-app tipping.*

Flexible Freedom

Lyft drivers choose when they earn. They schedule around full-time jobs, school, and family commitments.

93%

say a flexible schedule is very or extremely important.

88%

schedule driving around jobs, classes, childcare, and other activities.

40%

routinely care for loved ones like children, elders, and adults with disabilities.

82%

drive fewer than 20 hours per week.

Five-Star Connections

90% of Lyft rides are rated five stars.

87% have given a ride to a neighbor.

87% have connected with a new friend or business opportunity from a ride.



Improved City Health

More people live in cities than ever before, and rapid urbanization is placing increased stress on our transportation infrastructure — one that's built for cars that are used 4% of the time and parked the other 96%.²

Lyft is helping state and local governments save millions that would otherwise be spent on drunk driving accidents, non-emergency medical transportation, and infrastructure expansion.

"Next time you walk outside, pay really close attention to the space around you. Look at how much land is devoted to cars — and nothing else. How much space parked cars take up lining both sides of the street, and how much of our cities go unused covered by parking lots. It becomes obvious, we've built our communities entirely around cars. And for the most part, we've built them for cars that aren't even moving."

- John Zimmer, Lyft Co-Founder

²Int'l Assoc. of Public Transport (UITP). Millennium Cities Database for Sustainable Transport. (1995).

Safer Roads

In the United States, drunk driving causes 28 fatalities every day.

99%

say Lyft rides are a safe space.

88%

avoid driving under the influence because of Lyft.

53%

use Lyft to transport friends or family who need assistance after drinking.

66%

take rides at times known for increased alcohol consumption – weekend evenings.³

Rides to Care

3.6 million Americans miss or delay medical appointments because they don't have reliable transportation.

Lyft is working with hundreds of health organizations and medical facilities to eventually make that number zero.

Medicare and Medicaid spend \$2.7 billion annually getting people to medical appointments.⁴

Lyft is reducing the cost by 32%.⁵



³ Friday, Saturday, Sunday evenings from 7pm to 2am local time

⁴ U.S. Government Accountability Office, Nonemergency Medical Transportation. GAO-16-238 (Washington, DC, 2016).

⁵ Jain, Sachin H. "Letting the Outside In: How Ridesharing Provides a Model for Healthcare Transformation." Forbes.com. 6 Sept. 2016.

Reducing Congestion & Greenhouse Emissions

34%
say they would avoid
owning a car entirely
because of Lyft.

56%
use their cars less
because of Lyft.

22%
use Lyft to connect
with public transit.

Congestion costs Americans living in cities an additional 6.9 billion hours and an extra 3.1 billion gallons of fuel each year.

Parking facilities alone cost local governments \$1.9 billion.⁷

Time is Money

Passengers saved over 26 million travel hours compared to alternate transportation modes.

That time savings is valued at over \$500 million.⁶

⁶Based on US Department of Transportation Value of Travel Time Savings methodology

⁷U.S. Census Bureau, 2013 Census of Governments: Finance - Surveys of State and Local Government Finances.

Lyft Drives Change Trends reported by passengers and drivers between 2014 and 2016.

*City selection based on inclusion in surveys
from previous years.*



Boston

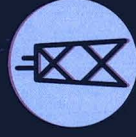
More Money Saved on
Transportation

\$25.5M



\$3.5M

+600%



Chicago

More Local Spending

\$68.2M



\$16.4M

+300%



Los Angeles

More Diverse Drivers

74%



50%

+48%



San Diego

More local exploration

60.4%



41.1%

+47%



San Francisco

More DUI avoidance

86.8%



72.9%

+19%



Seattle

More Local Economy Participation

56.5%



42.7%

+32%



Washington, DC

More Efficient Transportation

1.95M

hours saved



78,800

+2000%

Cars have
taken our
cities
Let's take
them back

Lyft

The Lyft platform helps millions of people get reliable, affordable rides at the tap of a button.

Team

1,000+ employees
10+ offices
200+ cities

Community

5 million+ passengers
315,000+ drivers
66% of drivers identify as a minority
27% of drivers are female
25% of drivers are over age 50
10% are veterans of the armed forces
10,000+ partners

lyra

HB 132 TRANSPORTATION NETWORK COMPANIES

Supporting Documents Index

Letters of Support

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9	Rachel Reilly	
10	Evan Eads	

Letters of Opposition

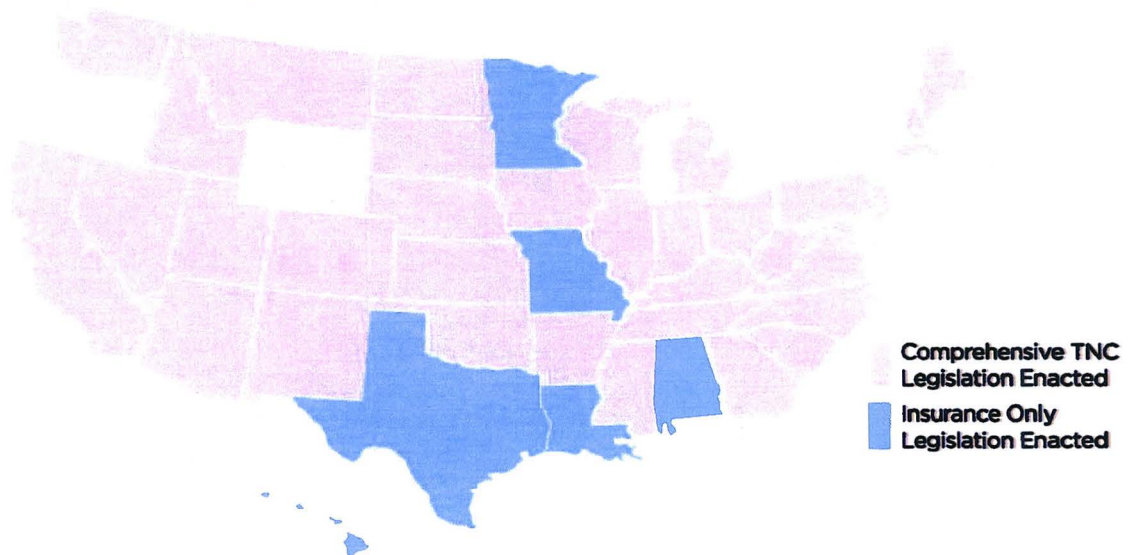
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What is Lyft?

Lyft introduced on-demand ridesharing in 2012 - a friendly, safe, and affordable transportation option that fills empty seats in passenger vehicles already on the road by matching drivers and riders via a smartphone application.

Lyft now matches over 18M rides per month across 200+ cities from San Diego to Boston.

Staying true to our initial vision and long-term goal, the 2014 launch of **Lyft Line** enables multiple parties traveling separately to be matched with a common driver to maximize route and fuel efficiency. Drivers can also indicate their intended destination before accepting a ride request to maximize vehicle occupancy during incidental rides.



Mayor Eric Garcetti
(Los Angeles)

"This is an exciting moment for Los Angeles as we work to embrace technology to improve our transportation options and save people money. This decision allows new, cost-effective solutions while protecting public safety through common sense regulations."

Senator Cory Booker
(New Jersey)

"There are all these [collaborative consumption] companies starting up. It's actually helping all of us enter a world of entrepreneurial interaction in a way that is so democratic that people are now given the tools to control their economic destiny."

Governor Doug Ducey
(Arizona)

"I'm proud to sign common sense legislation that further reduces limitations to success while supporting enterprise and job growth in our state."

Michigan State House Republicans
(2015 Action Plan)

"As new transportation services like [Lyft] emerge, legislation is needed to welcome entrepreneurial opportunities. We can provide uniform and predictable pathways to conduct business in Michigan and provide employment opportunities for Michigan residents."

Impact

A 2016 analysis of Lyft rides and a national survey of users provides insight into why passengers and drivers choose Lyft:

for Drivers

- **Drivers earn meaningful, supplemental income** — a 2016 survey shows 57% of driver earnings are used to cover primary expenses like food, housing, and medical expenses.
- **Drivers require an extremely flexible schedule that adjusts to their personal obligations and availability** — 93% of drivers feel flexible hours are very/extremely important.
- **This combination of income and flexibility empowers drivers to start or maintain their own business** — In a recent survey, over 26% of drivers also own a business and 74% of those business owners say earnings from Lyft driving allow them to continue operating their business.
- **Drivers and passengers make lasting connections** — 87% of drivers say they have given a ride to a neighbor and more than half say a ride resulted in a friendship or business connection.

for Passengers

- **Passengers have additional transportation options** — especially when public transit is not available or does not service an area of interest. A 2016 survey showed 47% of Lyft passengers use Lyft to get around when public transit does not operate.
- **Passengers say because of Lyft** they are more likely to go out more often or stay out later (70%), explore new areas of their city (60%) and spend more at local businesses (49%).
- **Passengers often use Lyft** for commuting, errands, medical appointments, and connecting to public transportation. A 2016 survey shows that 22% of passengers use Lyft to connect to public transportation.
- **Cashless transactions enhance safety** for passengers as well as drivers. 94% of passengers agree that Lyft's transaction is safer and more convenient than cash.

for Communities

- **49% of passengers spend more money at local businesses because of Lyft.** A recent study of twenty metropolitan areas estimated Lyft added \$750 million in new spending to local economies in 2016.
- **Passengers chose to travel more safely.** 88% of passengers are more likely to avoid driving while impaired because of Lyft.
- **Lyft helps cities develop transportation plans** that appeal to a growing demographic of carless households. In a recent survey, more than half of passengers said they use a personal vehicle less because of Lyft and 34% said they were more likely to avoid owning a personal vehicle entirely.

Lyft Smartphone App

HOW IT WORKS FOR PASSENGERS



Download: Get the app on your smartphone and input your credit card information.



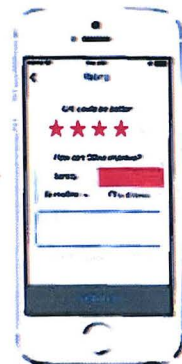
Request: Tap a button to request a ride and view estimated time of arrival.



Get matched: Based on proximity and ratings, get matched and track driver location in real-time.

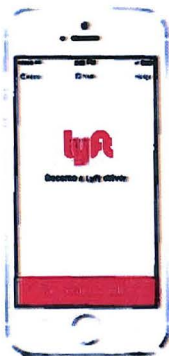


Pay: When your ride is complete, review fare and submit payment electronically — no cash is exchanged.



Rate: After the ride, rate your driver and leave optional comments based on safety, navigation, friendliness, and cleanliness of car.

HOW IT WORKS FOR DRIVERS



Download: Get the app on your smartphone, input your personal car year, make and model.



Get screened: Move through strict screening process including criminal background and driver record checks.



Get onboarded: If approved, complete welcome process. Only approved members can access driver mode.



Drive: After reviewing passenger location, photo, and rating, accept rides as they appear on your smartphone.

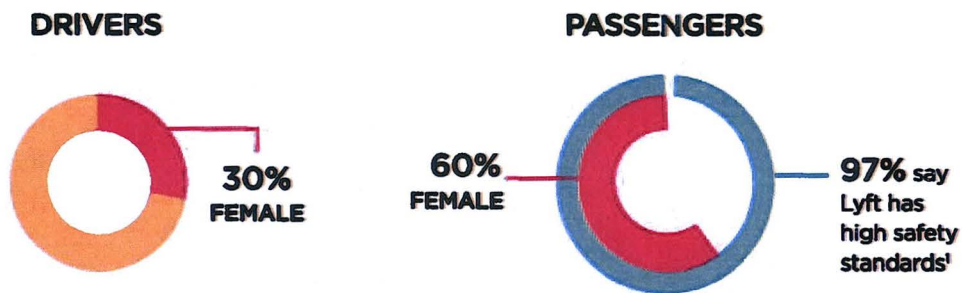


Rate: After the ride, rate your passenger and leave optional comments. Driver is not shown what rider paid.

A Welcoming Space

Women Across America Feel Safer With Lyft.

Lyft places a strong emphasis on safety. With our strict criminal background and driving record checks for drivers, GPS ride tracking, in-app feedback, 24-hour Trust & Safety team, and two-way rating system, it's no surprise that women across the country trust Lyft.



Women leading at Lyft:

When making decisions that affect driver and passenger safety, women at Lyft are leading the way.

Mary Winfield	VP of Trust
Tali Rapaport	VP of Product
Kelly Kay	VP of Compliance
Melissa Waters	VP of Marketing
Kristin Sverchek	General Counsel

“Keeping women safe is a key focus, one that is at the forefront of every decision we make. We are constantly working to ensure every ride is a comfortable ride by providing comprehensive emergency support for our drivers and passengers at any time.”

Mary Winfield, VP of Trust

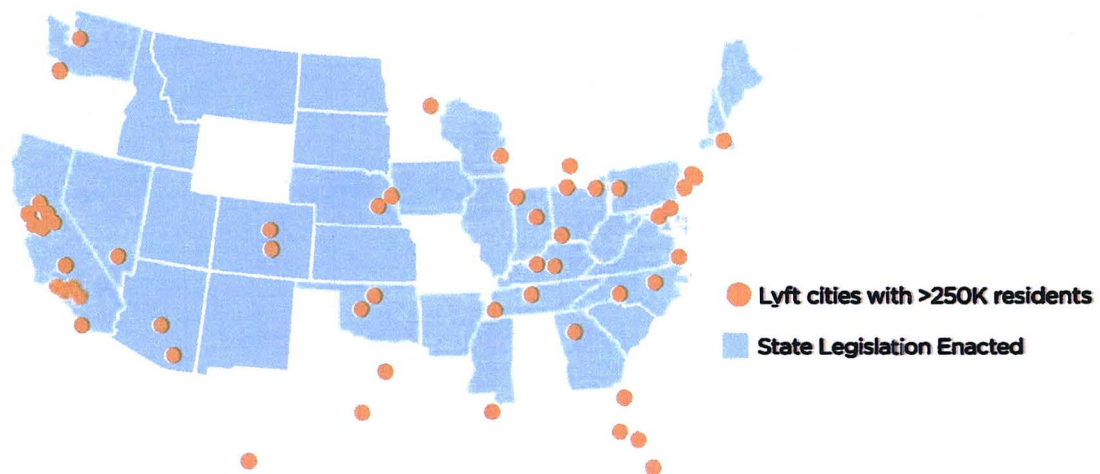
Background Check Reports

Safety is our biggest contribution - Innovative features like in-app driver and vehicle identification, GPS ride tracking, two-way ratings, electronic trip summaries and a 24/7 Trust & Safety team add an unprecedented level of transparency and accountability on top of driver background checks.

Lyft relies on background screening experts - To provide quality background checks using a trace of an applicant's social security number, name, and address. These background checks access county court records directly for the most up-to-date information.

Expert background checks access records from all 50 states - Law enforcement record checks of a single state is of limited value as people move easily between states.¹

Expert background checks are conducted in real time from up-to-date court record - FBI law enforcement records may not reflect arrest information for up to 24 days or court disposition information for up to a month, if at all.¹



More than half of states now regulate Lyft as a Transportation Network Company (TNC), a category distinct from all other private passenger transportation services.

States with signed TNC safety legislation:	36
States requiring TNC driver fingerprints:	zero
Cities (>250K) with Lyft TNC service:	79
Lyft cities requiring TNC driver fingerprints:	zero

"If you look at what's being done as far as the regulation of drivers... is there room for a private entity to do those background investigations? I think there [is].²"

Maj. Johnny Jones
Commanding Officer,
Motor Carrier Compliance,
Georgia State Dept of Public Safety

Community Solutions

Lyft is a community-powered ridesharing platform. Through the Lyft mobile app, locals who need rides are connected with nearby neighbors who can provide rides. We believe every community deserves access to safe, reliable, and affordable transportation.

Transportation Deficit

Millions of Americans lack access to a car or have difficulty accessing public transit. Underserved individuals may include the elderly, people with disabilities, or those with low incomes.¹ Innovations like Lyft can help close the gap.

- Fewer than 50% of Americans report living within ¼ mile of a transit stop.
- The average American household spends roughly 18% of its income on transportation. Lower-income families spend as much as 33%.
- Studies show that people who live within walking distance of transit stops or are able to ride to them have a better chance of finding employment.
- Transit services rarely accommodate the atypical schedules of low-income employees working outside of the 9 a.m. - 5 p.m. commute pattern.
- Only 4% of the lowest paid workers report access to workplace flexibility, compared to 41% of the highest paid workers.²

63% of Chicago Lyft rides start and/or end in areas underserved by existing transportation

2x Lyft rides in the District of Columbia underserved areas have kept pace with the rest of the district, doubling since April 2014

Commitment to Change

Lyft is committed to continued development in underserved areas, and is guided by these core values:



Empowerment

Empower communities by providing an innovative platform centered around neighbors helping neighbors



Opportunity

Create new economic opportunities through ridesharing and increase overall transportation access



Partnership

Partner with local organizations representing underserved areas to advance both our missions

1 U.S. Federal Transit Administration. Transportation Needs of Disadvantaged Populations. FTA Report No. 0030, February 2013
2 U.S. Department of Health & Human Services ASPE Report. "Work-Family Supports for Low-Income Families" March 2014



Are you a community leader interested in partnering with Lyft?
Want a local organization or cause benefited or supported by Lyft?
and create an opportunity in underserved communities?

Let us know at lyft.com/community-solutions

COMMUNITY SOLUTIONS

Driver Background Checks

Every driver who applies to become a part of the Lyft community is screened for criminal offenses and driving incidents.

Each background check includes:



A social security number trace – searches against a database of over 400 different sources such as property deeds/mortgages, vehicle registrations, licenses and permits, US Postal Mail Forwarding Service, utility company billing records, and other resources where the individual has used the social security number along with a name and an address. This search generates a history of past and present addresses and a list of names associated with those addresses, including aliases, maiden names, nicknames and names misspelled or variously transliterated across languages.



An enhanced nationwide criminal search – searches against hundreds of millions of records collected from all over the country, including state Department of Corrections, most wanted lists, and outstanding warrants as a part of SterlingBackCheck criminal background screening services.



County court records – directly searches criminal records from courts within any U.S. counties that the prior searches have identified as linked to the applicant. This search reveals any felony or misdemeanor cases and their final outcome, or current status if the matter is still pending.¹



Federal criminal court records – This search identifies criminal case details and outcomes from any of the 94 U.S. federal district courts.



U.S. Department of Justice 50-state sex offender registry search – searches the publicly available Federal Department of Justice (DOJ) Sex Offender Registry which includes real-time listings of registered sex offenders and other violent offenders in all 50 states.²



Background Check

Screens for the following crimes as reported by credit reporting agency¹:

- Violence
- Sexual Offenses in the publicly available sex offender registry
- Felonies
- Drug-related Offenses



Driving Record Check

Screens for the following as reported by credit reporting agency:

- Age 21+ with 1 year or more of driving history³
- Valid personal auto insurance that meets or exceeds state requirements
- No more than three minor violations in the past 3 years
- No major or severe violations in the past 3 years (e.g. reckless driving)



1. Not all states report criminal records to credit reporting agencies. For more information, visit www.sterlingbackcheck.com or call 800-424-4242.

2. Not all states report sex offender registry information to the public. For more information, visit www.doj.gov.

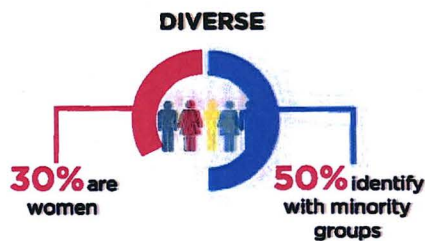
3. Not all states report driving records to credit reporting agencies.

DRIVER BACKGROUND CHECKS

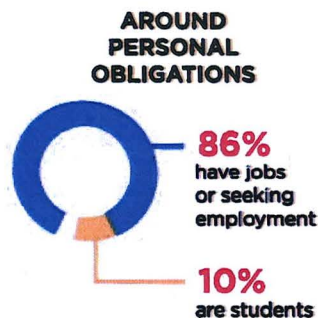
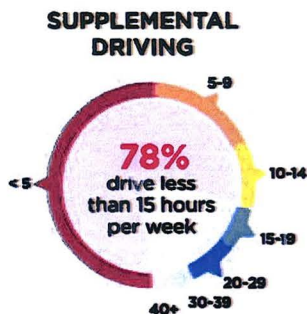
Lyft Driver Community

Driver Profile

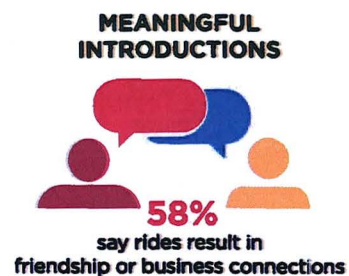
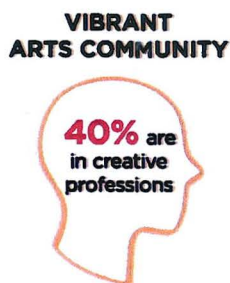
Drivers undergo a rigorous screening process prior to approval and high standards are enforced via real-time passenger ratings after each ride.



Flexible Supplemental Earnings



Community Benefits



Environmental Impact

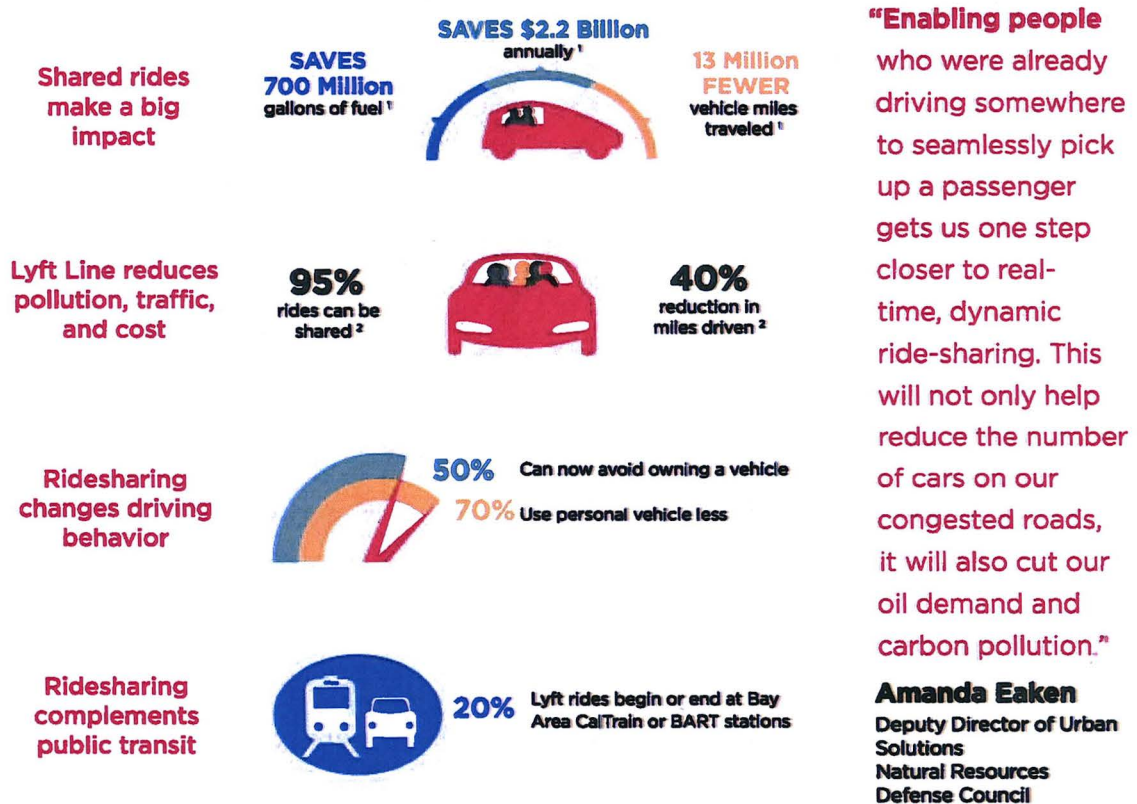
Ridesharing delivers reliable transportation, reduced emissions.

Ridesharing is transforming mobility — Lyft is supporting a car-free lifestyle, reducing traffic congestion, and curbing air pollution.

Lyft Line matches riders with other passengers going in the same direction, enabling two or more parties to share a ride and save up to 60% on their fares. Launched in August 2014, Lyft Line now accounts for over 50% of Lyft rides in cities like San Francisco, resulting in higher vehicle occupancies and reduced vehicle miles traveled (VMT).

Driver Destination allows drivers to set their own destination and pick up passengers along the way, earning extra money and taking cars off the road.

Lyft for Work enables employers to give workers Lyft credits for carpooling programs that complement public transit. For example, employers can tailor their Lyft service to connect employees with local rail or transit stops during commute hours.



1. Source: U.S. Department of Energy, Energy Information Administration, "Energy Efficiency and Renewable Energy: Transportation." 2014. 2. Source: Lyft, "Lyft Line: A New Way to Ride." 2014. 3. Source: Lyft, "Lyft for Work: A New Way to Commute." 2014. 4. Source: Lyft, "Lyft Driver Destination: A New Way to Drive." 2014. 5. Source: Lyft, "Lyft for Work: A New Way to Commute." 2014. 6. Source: Lyft, "Lyft Line: A New Way to Ride." 2014. 7. Source: Lyft, "Lyft Driver Destination: A New Way to Drive." 2014. 8. Source: Lyft, "Lyft for Work: A New Way to Commute." 2014. 9. Source: Lyft, "Lyft Line: A New Way to Ride." 2014. 10. Source: Lyft, "Lyft Driver Destination: A New Way to Drive." 2014. 11. Source: Lyft, "Lyft for Work: A New Way to Commute." 2014. 12. Source: Lyft, "Lyft Line: A New Way to Ride." 2014. 13. Source: Lyft, "Lyft Driver Destination: A New Way to Drive." 2014. 14. Source: Lyft, "Lyft for Work: A New Way to Commute." 2014. 15. 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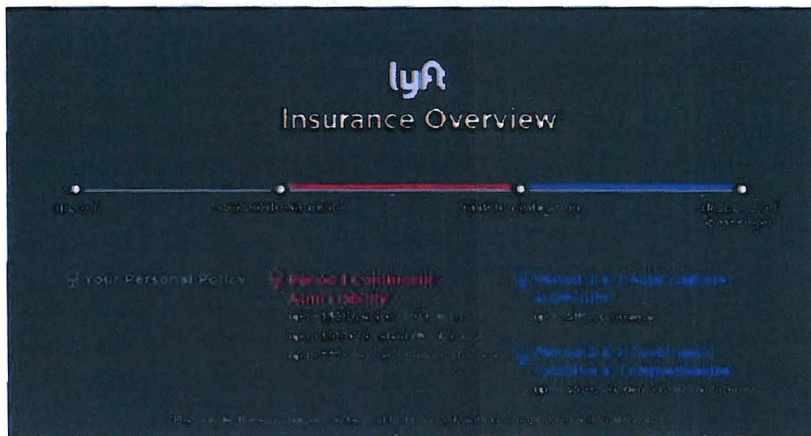
Insurance Overview

Insurers across America are moving quickly to respond to consumer demand and bring new ridesharing insurance products to market. Lyft currently provides insurance coverage at all parts of a ride to ensure a safe trip.

How Do Lyft's Policies Work?

The subject of insurance can be a complicated one, but it's important to know how and when Lyft's policies respond in the event of an incident. The following is an overview of Lyft's insurance policies. There are four coverages included. Unless otherwise noted, these coverages are in effect from the time a driver accepts a ride request until the time the ride has ended in the app.

- Contingent Liability (coverage only when available to accept a ride request)
- Primary Automobile Liability
- Contingent Comprehensive & Collision
- Uninsured/Underinsured Motorist (UM/UIM)



• **DRIVER MODE OFF**
A driver's personal insurance is the insurance policy.

• **DRIVER MODE ON BUT NOT YET ACCEPTED A RIDE**
Lyft provides Contingent Liability protection if personal insurance does not.

• **RIDE REQUEST ACCEPTED THROUGH THE END OF LYFT RIDE**
Lyft's liability coverage is primary to a driver's personal insurance. It's designed to cover a driver's liability for property damage and bodily injury to passengers and/or third parties.

Lyft's uninsured and underinsured motorist, contingent collision, and contingent comprehensive policies are available during this period

Lyft Access

Lyft expands transportation access. **We believe everyone benefits from ridesharing innovation.**

Ridesharing allows people in our communities to get around conveniently and affordably, expanding independence for the elderly and thousands with disabilities. And Lyft has been designed with accessibility in mind:

"Of the nearly 2 million people with disabilities who never leave their homes, 560,000 never leave home because of transportation difficulties."

American Association of People with Disabilities

- **Request a ride from wherever you are.** Real-time arrival estimates and alerts mean no difficult street hailing or uncertain wait times.
- **Voiceover capability** in the app makes it easy for those who are blind or have low vision to request a Lyft ride.
- **Cashless payments and ride summary emails** eliminate the possibility of blind or cognitively disabled passengers receiving incorrect change or unknowingly being charged.
- **All Lyft vehicles are accessible to individuals who can enter a standard vehicle with assistance,** and those using foldable wheelchairs who can transfer to a standard seat while drivers stow their devices in the back seat or trunk. Lyft drivers are more than happy to provide this assistance.
- **Lyft's anti-discrimination policy** strictly prohibits discrimination based on disability or the presence of service animals.

"Lyft gives people with Down syndrome and other intellectual and developmental disabilities additional transportation options, which enables them to become more independent. For people with disabilities, Lyft is a great resource and service."

Sara Hart Weir, President of the National Down Syndrome Society

Lyft Line

Lyft Line connects neighbors traveling in the same direction through a mobile-based application. Line is efficient, affordable, and scalable shared transit that comes to you.

Line Basics

In the US, vehicle occupancy on work commutes is the lowest in nearly 40 years¹ with nearly 80% of commuters traveling by car alone.² Road congestion wastes over 2.9 billion gallons of fuel, adds 56 billion pounds of greenhouse gases to the atmosphere, and results in 5.5 billion hours of productivity lost to traffic at an average annual cost of \$818 per commuter.³

MIT researchers recently estimated that if NYC riders were willing to wait an extra five minutes per trip to pick up other passengers, almost 95% of trips could be shared and travel time could be reduced by more than 30%.⁴

Every day, 90% of Lyft rides in San Francisco have someone else taking the same trip within five minutes so we connected them and created a new way to ride.

How Lyft Line Works

1. Passengers input pick-up and drop-off locations and the Lyft app will match them with another passenger traveling in the same direction.
2. Because the drop-off destination is pre-set, Lyft Line calculates a fee up to 60% less than a private Lyft.
3. Passengers can enjoy the ride and chat with members of their own community.

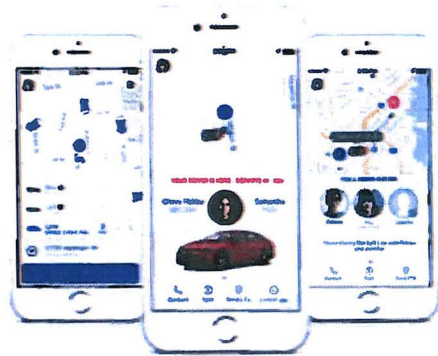
Highlights

40%

of all Lyft rides in San Francisco use Lyft Line.

700 Million

Gallons of fuel saved annually by a modest 3% increase in rideshare usage.⁵



1. Bureau of Economic Analysis, "U.S. Commuting Time, 1975-2000," Bureau of Economic Analysis, 2002. 2. Bureau of Economic Analysis, "U.S. Commuting Time, 1975-2000," Bureau of Economic Analysis, 2002. 3. Bureau of Economic Analysis, "U.S. Commuting Time, 1975-2000," Bureau of Economic Analysis, 2002. 4. MIT researchers, "The Potential for Shared Rides in New York City," MIT Center for Transportation Research, 2013. 5. MIT researchers, "The Potential for Shared Rides in New York City," MIT Center for Transportation Research, 2013.

LYFT LINE

Lyft & Public Safety

With just a tap, Lyft connects passengers with friendly local drivers providing safe, reliable rides.

Lyft Makes Our Cities Safer

Studies have shown that availability of services like Lyft in an area improve road safety, **reduce alcohol-related driving arrests by up to 51%**, and reduce assault and disorderly conduct arrests by up to 42%¹

Innovations in Safety

All rides are tracked via GPS from start to finish, and passengers can share their route and ETA with friends and family easily from their smartphone.

Riders receive a trip summary, which shows the driver's photo and name, date and time of the ride, in addition to the pickup and drop off location.

Lyft's Trust & Safety team proactively reviews the 360 degree feedback provided by the passenger and driver after each ride, as well as providing a 24/7 critical response phone line.

"Lyft has been the only TNC that has acknowledged that safety is not only a priority, but there should also be some overarching rules and regulations. We applaud Lyft for its leadership in this area."²

- California Public Utilities Commission

A Welcoming Space

Women are traditionally underrepresented in for-hire transportation — only 12.7% from 2015 BLS estimates — due to risk factors that include carrying cash and lack of passenger information and accountability. Lyft's improvements in trust, accountability, and transparency are key reasons why **women now account for nearly 30% of drivers on the Lyft platform and 60% of passengers.**

For more information or to request a presentation for your department, contact us at OfficerTraining@lyft.com

Trust & Safety

Consumers want safer transportation. The Lyft platform was designed with a holistic approach to safety. A wide range of innovative features keep both drivers and passengers feeling confident, informed, and accountable at all times.

CONFIDENT

- Criminal background check
- Driving record check
- Age 21* or older
- Valid U.S. driver license with at least 1 year of driving history

TRANSPARENT

- In-app photo identification
- In-app vehicle photo and license plate number
- GPS vehicle tracking
- Trip summary sent to passenger email
- Anonymized voice and text connection for driver/passenger while matched
- Cashless payment transaction

ACCOUNTABLE

- 24/7 Trust & Safety Team
- Zero-tolerance drug and alcohol policy
- 2-way ratings after each completed ride
- Automatic review of rides ending in low ratings
- Automated lost and found center

97%

of passengers feel
Lyft has high safety
standards

Zero Tolerance Policy

ISSUE IDENTIFICATION

Passengers are encouraged to call or email Lyft Support if they suspect a driver is under the influence of drugs or alcohol.

Lyft will immediately suspend the driver's access to the app pending an investigation.

Lyft also actively monitors passenger feedback for indicators of a zero tolerance policy violation.

Less than 0.004% of Lyft rides to date have resulted in zero tolerance investigations.

FEEDBACK MONITORING

Lyft automatically monitors passenger feedback for keywords that may indicate a violation of the zero tolerance policy. The Lyft Trust & Safety team reviews concerning comments. If a violation of the zero tolerance policy is suspected, the driver is suspended while the Trust & Safety team conducts an investigation.

The monitoring parameters are intentionally broad to ensure that Lyft errs on the side of caution. For example, passenger feedback containing the phrase "drug store" would trigger a Trust & Safety review because the word "drug" was used.

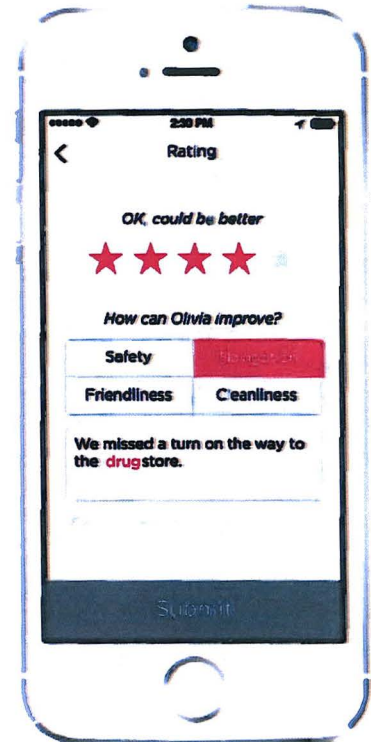
As a result, the overwhelming majority of the monitoring alerts prove to be non-actionable.

INVESTIGATION AND CONCLUSION

In the course of a zero tolerance investigation, Lyft will contact the passenger for further details relating to a suspected zero tolerance policy violation.

Prior passengers of a driver under investigation will be contacted if necessary.

If an investigation results in definitive evidence or even a strong suspicion of a zero tolerance policy violation, the driver will be permanently deactivated.



PBOT

PORTLAND BUREAU OF TRANSPORTATION

1120 SW Fifth Ave, Suite 800 Portland, OR 97204 503.823.5185

Fax 503.823.7576 TTY 503.823.6868 www.portlandoregon.gov/transportation

Steve Novick Commissioner **Leah Treat** Director

Portland's Private for-Hire Transportation Market: Summary Report of the PFHT Innovation Pilot Program

I am pleased to submit a detailed report analyzing taxi and Transportation Network ridership during the first four months of Portland's Private for-Hire Transportation Innovation Pilot Program.

In January 2015, I convened a 12-member community Task Force to provide guidance and recommendations about how the City of Portland's Private for-Hire Transportation (PFHT) regulatory program should evolve and respond to new developments in the industry, including the entry of transportation network companies (TNCs). It is critical that the City provide necessary safeguards and standards to protect consumers, ensure accessibility for all, and allow for a fair, competitive market for drivers and companies throughout the PFHT industry.

Following a presentation of regulatory recommendations from the Task Force and a great deal of public input, Council approved the PFHT Innovation Pilot Program with revised regulations for taxi companies and new rules that allow for TNCs. The Portland Bureau of Transportation is managing and overseeing the Pilot Program, which began in April 2015.

The following status report includes trip pattern data from May to August 2015. Data collection is a critical component of the Pilot. PFHT Program staff worked collaboratively with taxi companies, Transportation Network Companies and industry experts to analyze ridership data to better understand trip trends and PFHT market patterns. Program staff also collect data to ensure compliance with all PFHT regulatory requirements. Data points collected and analyzed include trip date, time, origin and destination, wait time for vehicles, duration of the trip, wheelchair accessible service availability, and unfulfilled rides.



The Portland Bureau of Transportation fully complies with Title VI of the Civil Rights Act of 1964, the ADA Title II, and related statutes and regulations in all programs and activities. For accommodations and additional information, contact the Title II and Title VI Coordinator at Room 1204, 1120 SW 5th Ave, Portland, OR 97204, or by telephone (503) 823-2559, City TTY (503) 823-6868, or use Oregon Relay Service: 711.

Additionally, this report includes an overview of transportation options in Portland for people with disabilities, which have historically been limited and challenging to access. These challenges are widely known and experienced in the disability community—in Portland and throughout the U.S.—and have also been highlighted as we evaluate PFHT service and regulations. Coupled with the 25th Anniversary of the Americans with Disabilities Act, which was passed by Congress in July 1990, I am hopeful that additional attention to transportation accessibility will result in much needed improvements to transportation options for people with disabilities.

Lastly, I want to thank members of the PFHT Innovation Task Force who spent more than 700 hours since January 2015 soliciting public input, reviewing current PFHT regulations and developing thoughtful and creative new PFHT service requirements that ensure public safety, improve transportation options for consumers and create a fair, competitive market for companies and drivers.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Novick". The signature is written in a cursive style with a large, stylized "S" and "N".

Commissioner Steve Novick
City of Portland, Oregon

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1. INTRODUCTION

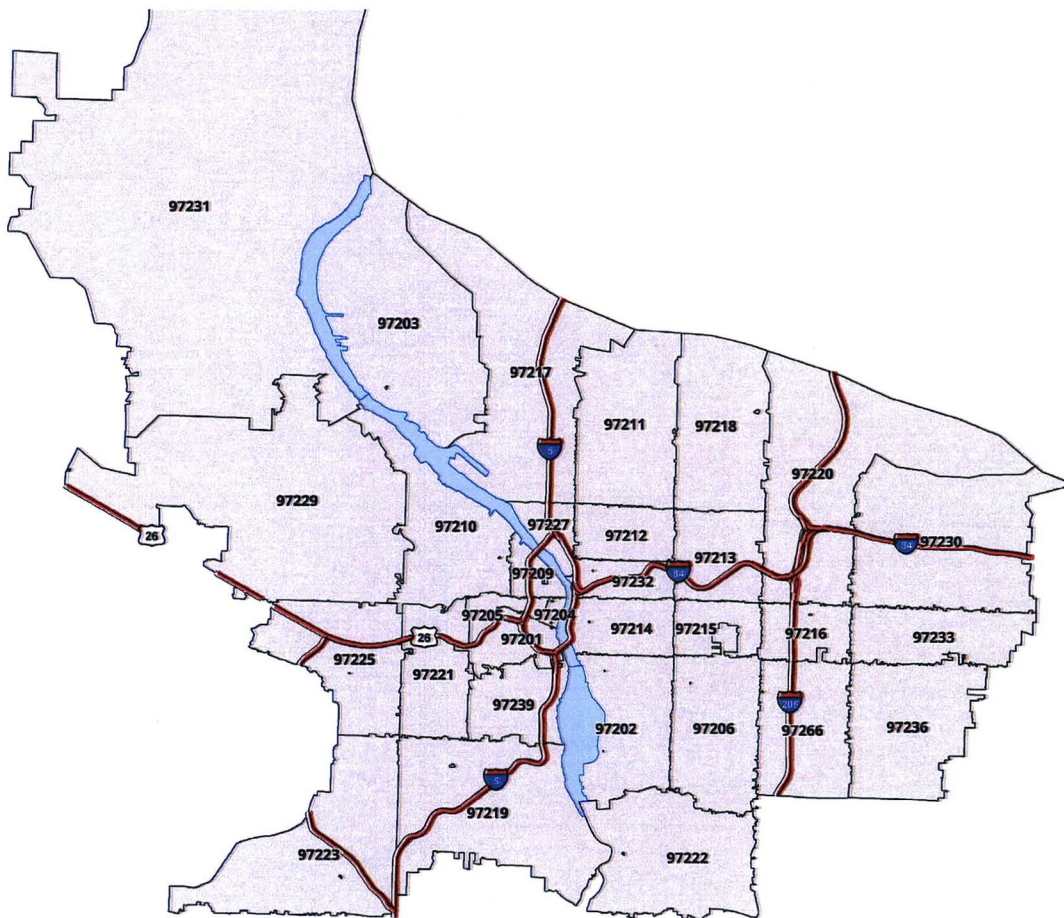
Responding to changes in the Private for-Hire Transportation (PFHT) market and changes in consumer demand, the Portland City Council initiated the PFHT Innovation Pilot Program that established new regulations for taxi companies and transportation network companies (TNCs). The Pilot Program officially began on April 24, 2015 and required permitted taxi companies and TNCs to report aggregated, anonymized ridership data for analysis by the Portland Bureau of Transportation. This report analyzes data received from Portland's new TNCs, Uber and Lyft, as well as from Portland's taxi companies (with the exception of EcoCab that began operating after the start of the Pilot Program):

- Broadway Cab
- Green Cab
- New Rose City Cab
- Portland Taxi Cab Company
- Radio Cab
- Sassy's Cab (owned by Broadway Cab)
- Union Cab

In order to accurately evaluate both industries, this report uses data from trips that originated between May 1st and August 31st. In comparing taxi and TNC ridership patterns, it is important to understand the different types of taxi and TNC trips that are analyzed in this report, and the reporting capacity of the different companies. All TNC trips must be requested through a TNC smartphone app and rides are provided on-demand by the nearest TNC driver. Taxi service may similarly be requested on-demand through a taxi's dispatch service (via telephone or, for some, via a smartphone app), but may also be pre-arranged through advance reservation. Taxi companies also have the exclusive ability to accept immediate street-hails and queue in any of the 46 designated taxi stands throughout the city, which TNCs are prohibited from doing.

Because TNCs process all of their records through a central database, all data records submitted by TNCs were complete, and represent the full population size of the rides given. The ability for taxi companies to report data for the performance metrics in this report was dependent on their dispatching system, which often left records missing or incomplete. Despite these missing data points, the number of complete records submitted represented a very large sample size from which PBOT could confidently extrapolate to represent the entire taxi industry in Portland.

CITY OF PORTLAND MAP



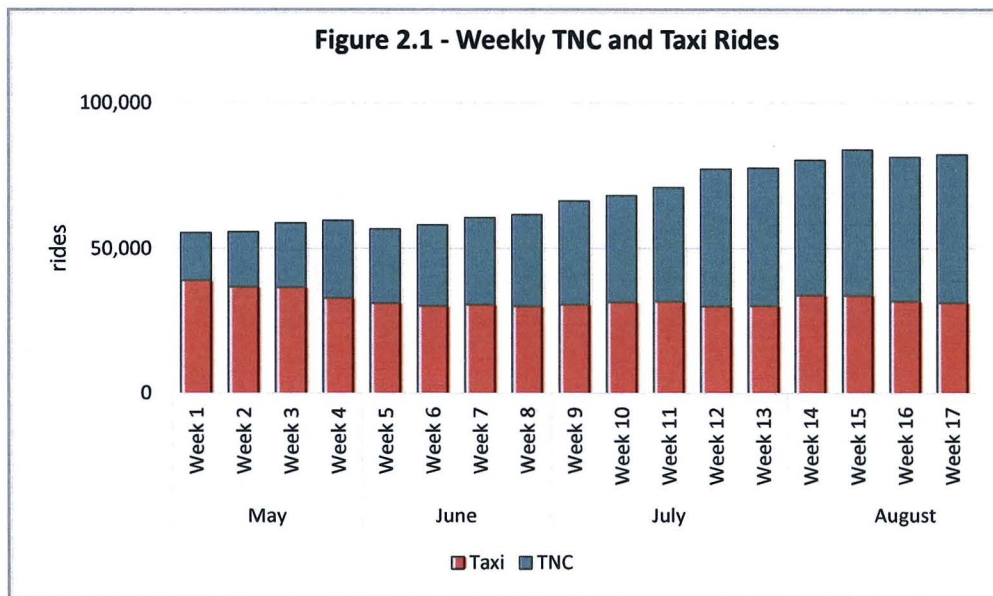
ZIP Code	Neighborhood	ZIP Code	Neighborhood
97201	Downtown PSU South Waterfront	97219	Burlingame Tryon-Stevens
97202	Sellwood Eastmoreland	97220	Montavilla Hazelwood Parkrose
97203	St. Johns University Park	97221	Sylvan
97204	Downtown Core	97222	Milwaukie Southgate
97205	Goose Hollow Downtown Core	97223	Raleigh Hills Metzger
97206	Brentwood Woodstock Mt. Scott Foster-Powell	97225	West Slope
97209	Pearl Old Town	97227	Overlook Boise Eliot
97210	Northwest Hillside	97229	Forest Park NW Heights
97211	Woodlawn Concordia	97230	Hazelwood Russell Wilkes
97212	Irvington Alameda	97231	Forest Park Linnton
97213	Rose City Park Roseway	97232	Kerns Lloyd
97214	Buckman HAND Sunnyside Richmond	97233	Hazelwood Centennial
97215	Mt. Tabor	97236	Pleasant Valley Powellhurst Centennial
97216	Montavilla Hazelwood	97239	Hillsdale South Portland Homestead
97217	Overlook Kenton Piedmont Haden Island	97266	Lents Powellhurst
97218	Cully Airport		

2. DATE & TIME TRIP PATTERNS

During the first four months (May through August) of the Pilot Program, Portland's permitted taxi companies and transportation network companies (TNCs) provided over 1 million rides to customers. These ridership patterns reflect growing consumer demand for for-hire transportation service within the Portland Metro area. While taxi companies and TNCs offer similar services, unique ridership patterns between the two company types are reflected in the trip data analyzed within this report.

Ridership among the two new entrants into Portland's PFHT market, Uber and Lyft, took off dramatically in the first four months of their operation in the City. In this short period of time, TNC ridership increased by 125% from May to August. Ridership among taxi companies, on the other hand, decreased by 16% from May to August. Combined, overall ridership in the Portland market increased by almost 40% between May and August.

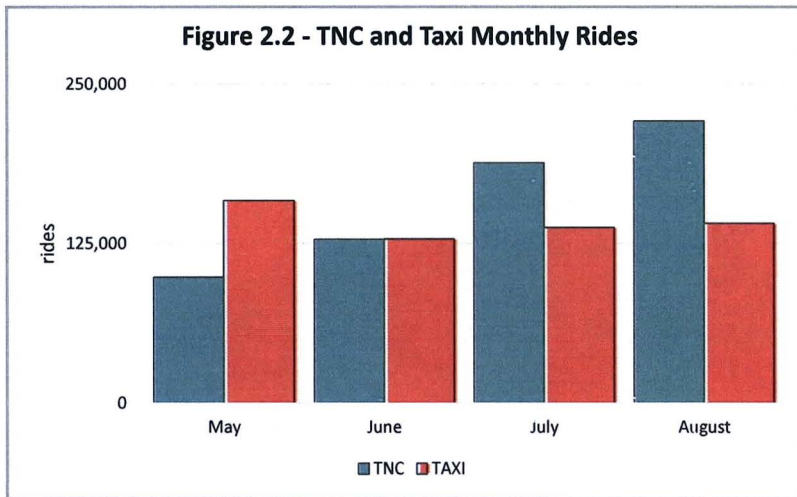
Of the more than 1 million trips that were provided between May and August 2015, 52% were provided by TNCs and 48% were provided by taxi companies. Early in the Pilot Program, taxi service accounted for 70% of the market share of for-hire ridership (see Figure 2.1). However, by mid-June, TNC ridership increased to account for half of the market share of ridership. Ridership among the two TNCs continued to increase and by the end of August, TNCs held 60% of the market share while taxis held 40%.



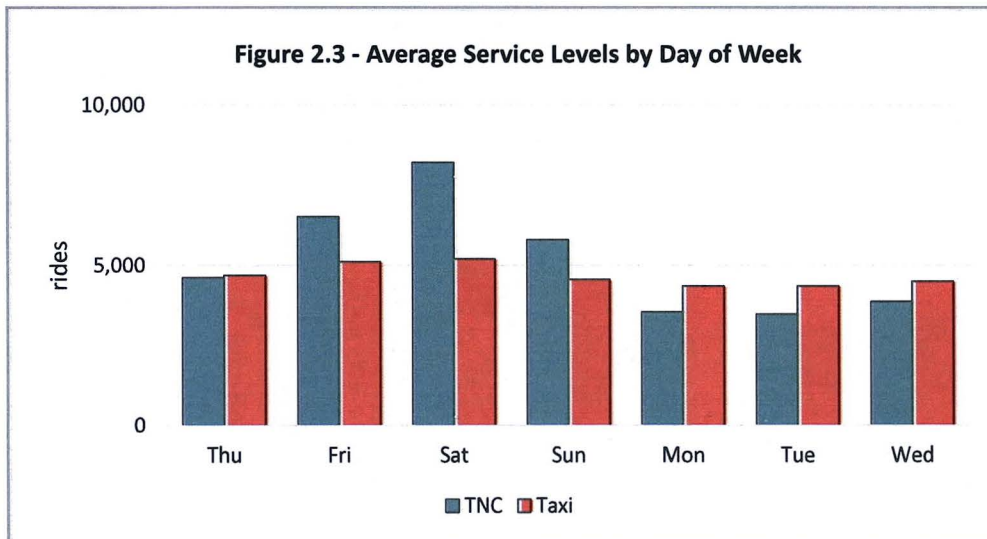
This increase can reasonably be attributed to several factors. Most notably, these numbers strongly suggest that prior to the PFHT Innovation Pilot Program, consumer demand for paid transportation services far outpaced the available supply of taxicabs in Portland. Four months into the Pilot, aggregated ridership data suggests that consumer demand is being better served

with the addition of new taxi vehicles, new taxi companies, and transportation network companies. Portland's PFHT market is likely to continue to adjust to consumer demand, service supply, and other factors. More long-term market impacts will be reflected in subsequent PFHT reports.

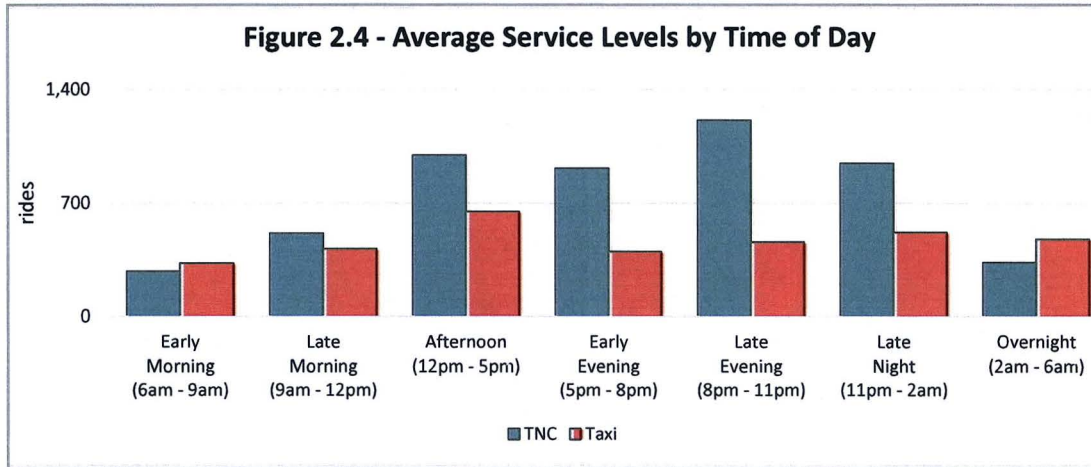
Figure 2.2 displays the change in ridership between taxi companies and TNCs by month. At the beginning of the Pilot Program in May, taxis provided an average of 5,500 rides per day compared to the daily average of 2,300 TNC rides. However, TNC ridership expanded and soon began to outpace the average daily taxi ridership. By the end of August, TNCs provided a daily average of over 8,000 rides and taxi ridership declined to an average of 4,500 rides per day. Again, overall ridership increased and by August, 100,000 more rides were fulfilled than were in May.



Distinct ridership patterns among taxis and TNCs can be seen by comparing weekend (Friday-Sunday) and weekday (Monday-Thursday) trip trends in Figure 2.3, below. Ridership was generally higher on weekends for both taxis and TNCs. These higher weekend ridership trends were clearly pronounced for TNCs, whereas taxi ridership was less varied between weekdays and weekends.



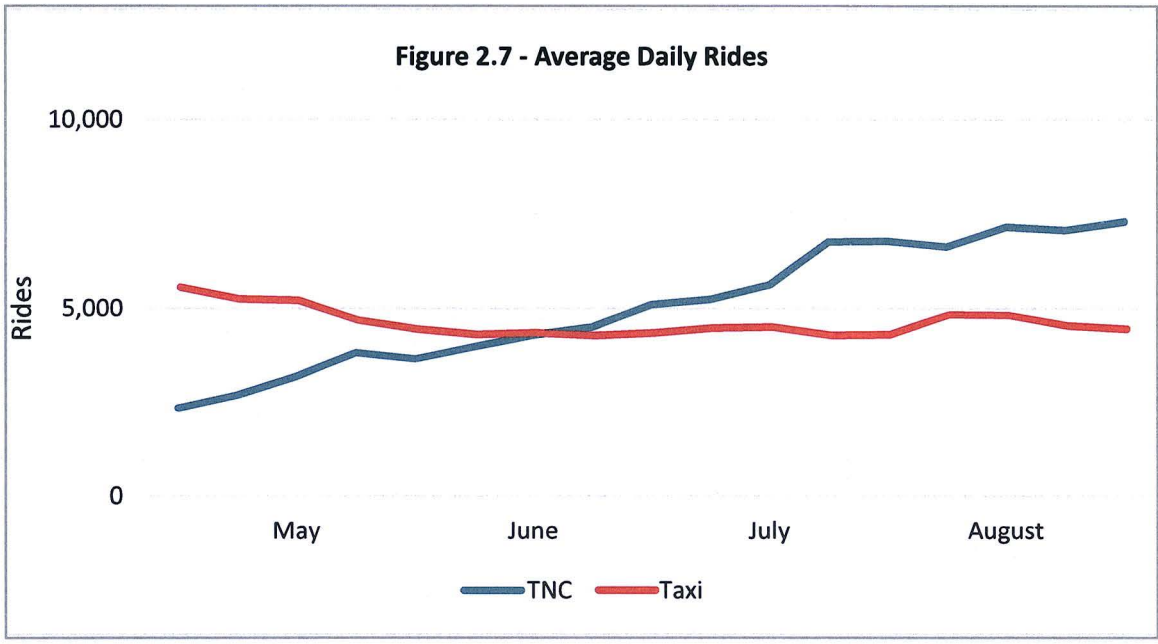
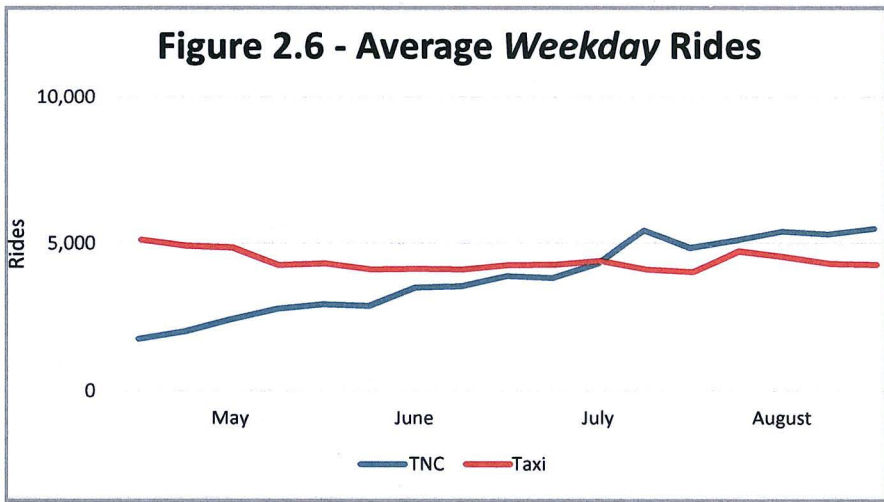
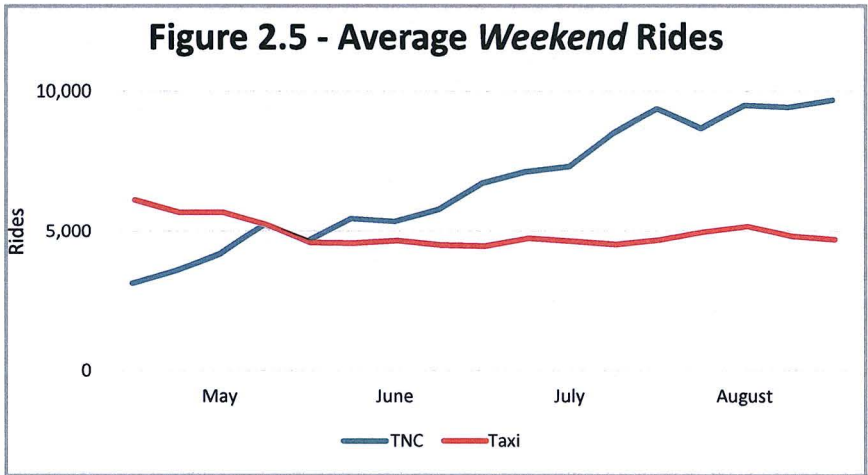
Along with noticeable ridership patterns between weekdays and weekends, there were distinct trip trends at different times of the day (see Figure 2.4 below). For taxi service¹, peak ride-time occurred during the afternoon (12 pm - 5 pm), with smaller peaks during the late-night and overnight hours (11pm - 6am). For TNCs, peak ride-time occurred mostly during the late evening hours (8 pm - 11 pm). The increase in rides during the evening and late night hours are likely attributed to late-night entertainment in Portland, while the overnight peak is likely related to early morning flights out of the Portland Airport.



Changes in market patterns over the course of the Pilot can be seen in weekday and weekend trip trends. As depicted in Figures 2.5 - 2.7, on the next page, TNC ridership outpaced taxi ridership on both weekdays and weekends. TNCs saw a greater uptick in weekend ridership than on weekday at the onset of the Pilot. Just seven weeks into the pilot, weekend ridership among TNCs outpaced weekend taxi ridership. It was not until week eleven (about mid-July) that weekday TNC ridership surpassed weekday taxis² ridership.

¹ includes data related to on-demand and reserved pickups. Street hail data submitted did not have timestamps and were not included here.

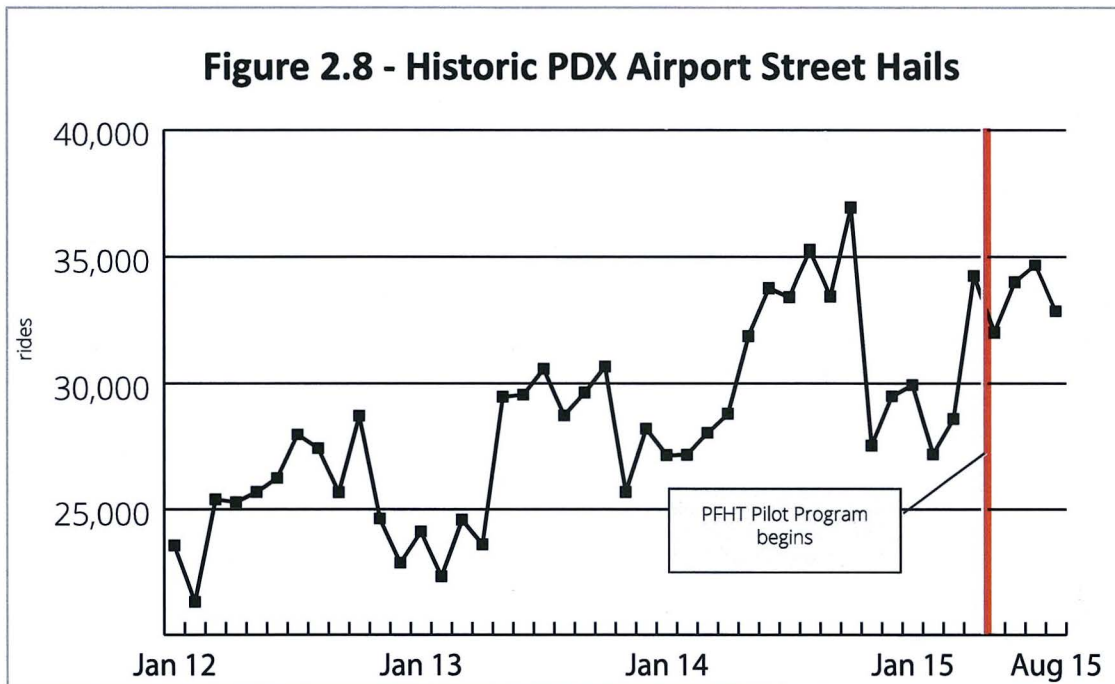
² Taxi data in this chart is comprised of on-demand rides, reserved rides, and street hails.



Impacts on Taxi Business

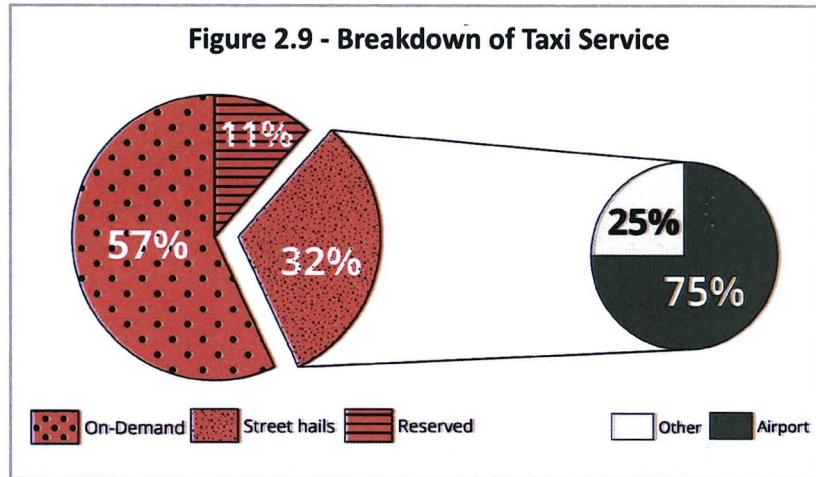
Historic taxi ridership data was not provided for analysis, which would provide important insight into the impacts of Pilot Program regulatory and market changes to Portland's taxi companies. However, the Port of Portland closely monitors taxi drop-off and pick-up trip counts at the Portland International Airport (PDX) and provided taxi trip counts from 2013 to 2015. These trip counts may not be representative of historic citywide taxi ridership, but the data provides useful context of recent taxi trip trends.

Figure 2.8 shows seasonal taxi street-hail count variations within recent years, as well as the steady increase in taxi traffic from the airport over the past three years. During this period, the number of permitted taxis grew from 410 in 2012 to 650 by August, 2015.



In comparing taxi and TNC ridership patterns, it is important to understand the different types of taxi and TNC trips that are analyzed in this report. All TNC trips must be requested through a TNC smartphone app and rides are provided on-demand by the nearest TNC driver. Taxi service may similarly be requested on-demand through a taxi's dispatch service (via telephone or, for some, via a smartphone app), but may also be pre-arranged through advance reservation. Taxi companies also have the exclusive ability to accept immediate street-hails and queue in any of the 46 designated taxi stands throughout the city, which TNCs are prohibited from doing.

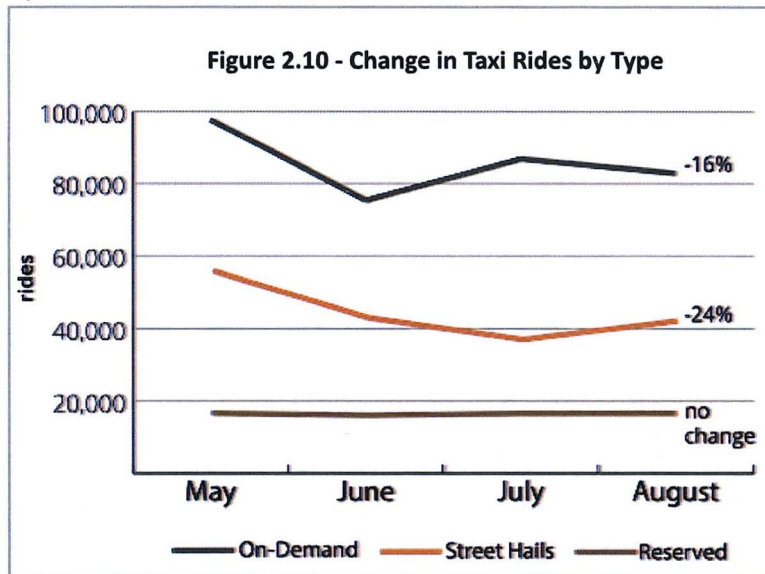
Based on the data provided during the Pilot Program, on-demand dispatch trips account for about 60% of the taxi service in Portland, with the remaining 40% of taxi trips being street-hailed trips or booked in advance through reservation (Figure 2.9)³.



The proportional representation of each taxi service type remained relatively stable during the Pilot Program, but taxis saw

an overall decline in on-demand retail rides and street hails (see Figure 2.10). On-demand rides (which are directly competitive to TNCs) saw a 16% decrease over the four months, while reserved pickup rides saw no change between the start and end of the Pilot Program. Taxi street hails saw a 24% decline.

Street hails accounted for approximately 30% of the all taxi trips during the Pilot Program. Of those street hails, most originated from the Portland International Airport. Between May and August, taxi street-hails from the airport increased by nearly 3%. However, overall taxi street hails decreased by 24%, as mentioned above. This overall decrease, despite an increase in trips from the airport, is due to a significant decrease (60%) of street hail service from hotels throughout the City.

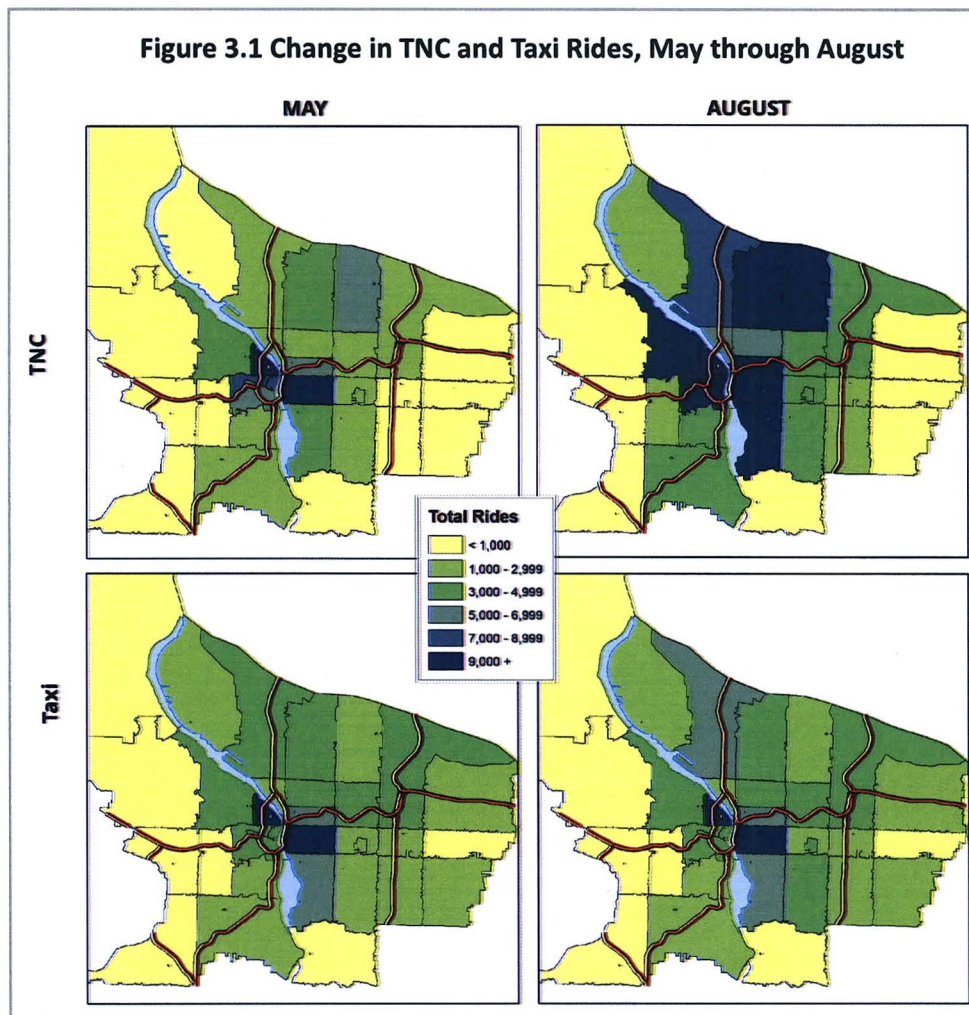


³ It is important to note that this is an industry average, and may not be indicative of an individual taxi company.

3. LOCATION TRENDS

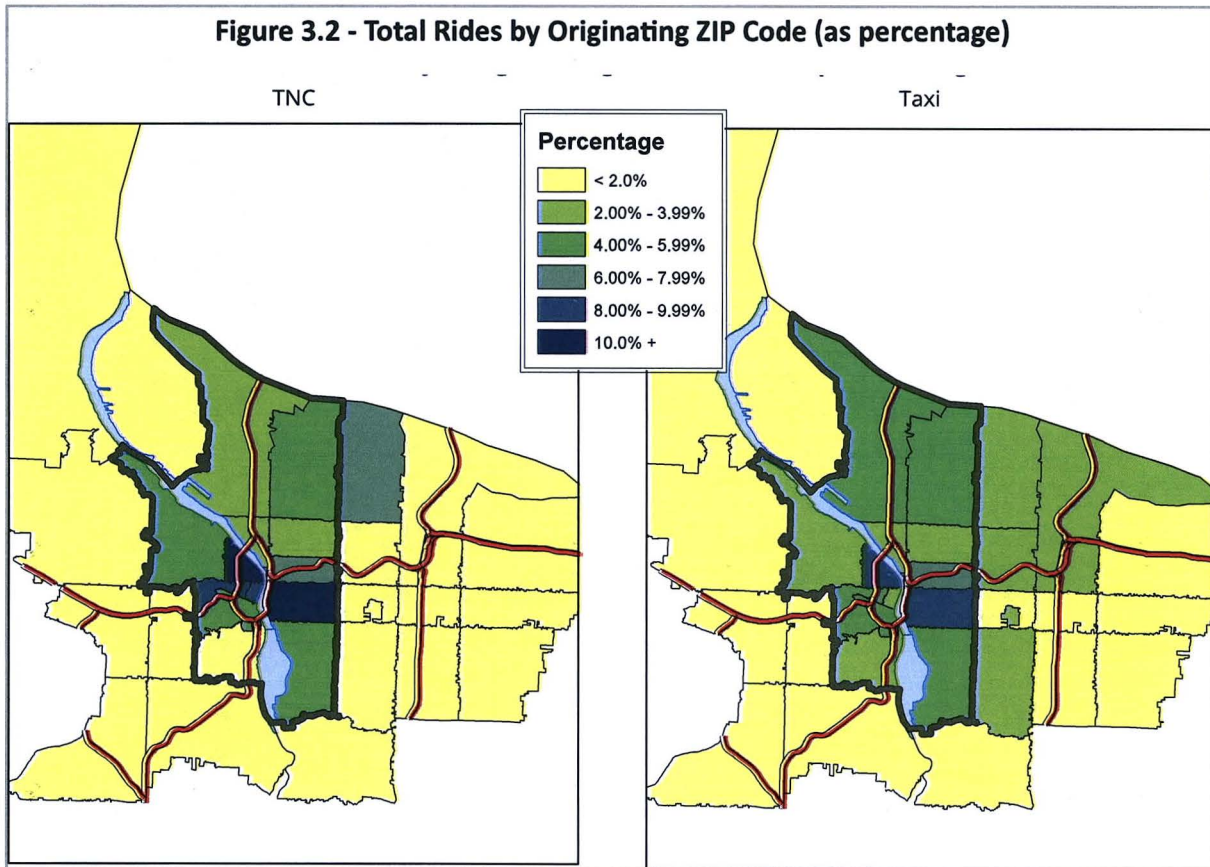
Figure 3.1 shows the change in ridership throughout the City of Portland among taxis⁴ and TNCs from May to August. There was a clear pattern of growth from TNCs between May and August, most of which occurred in the areas closest to the City Center. Of the roughly 98,000 TNC rides and 158,000 taxi rides provided in May, most originated in the central city and from the Portland International Airport (within the 97218 ZIP code area). Though ridership for taxis and TNCs remained concentrated in the central city and from the airport, TNC ridership expanded to other neighborhoods by August.

Looking at the change in taxi service over the four months, Figure 3.1 shows very little change within the specific ZIP codes throughout the area. So although taxis did lose a proportion of their retail service, no specific area of the City seemed to be noticeably affected, and the decrease occurred uniformly throughout the City. In terms of total trip counts, TNCs provided more rides than taxis in 20 of the 31 ZIP code areas within the City of Portland.



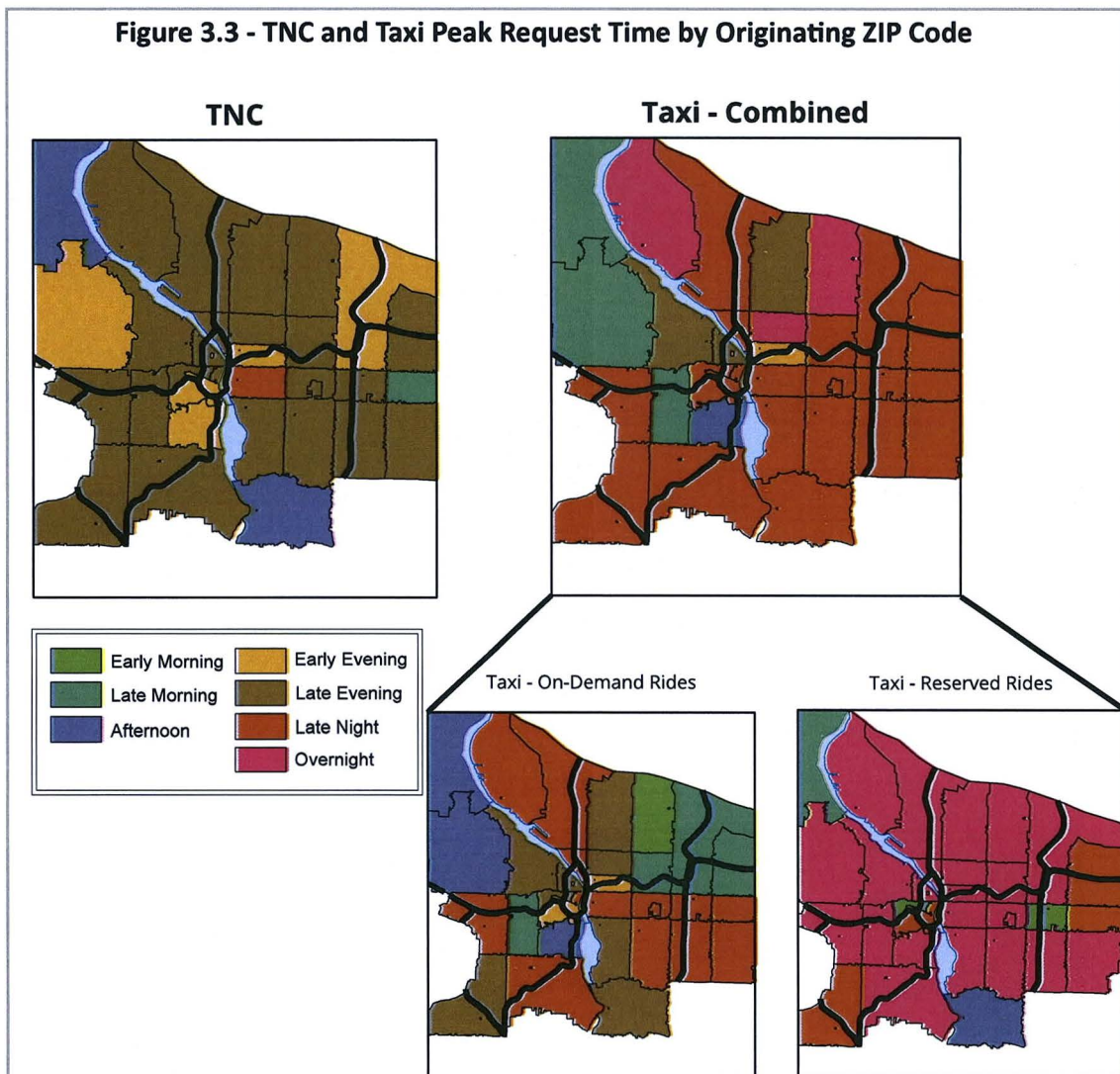
⁴ Includes taxi on-demand rides and reserved rides.

Depicting ridership as a percentage of overall originating trips by ZIP code provides important insight into service coverage by taxis and TNCs. One of the key minimum standards of service requirements of Portland's PFHT program mandates that taxis and TNCs provide citywide, 24/7 service. Figure 3.2 affirms that taxis and TNCs provide full, citywide service, with rides originating in all ZIP code areas within the City of Portland. Again, ridership is geographically concentrated in the city center for both taxis and TNCs. However, overall taxi ridership is more dispersed throughout the City than is TNC ridership.

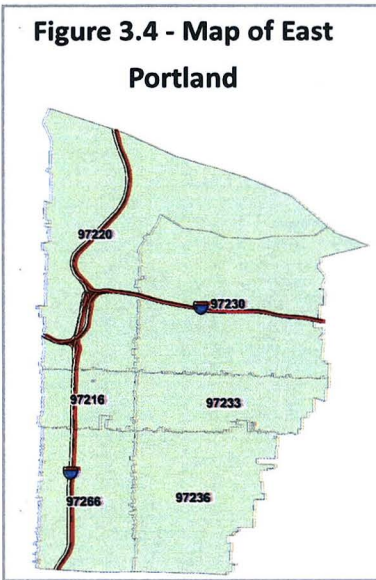


Peak Ridership Times throughout the City

Unique ridership patterns can be also seen between taxis and TNCs by analyzing the time of day of originating trips. Figure 3.3 shows this peak ride time geographically for each of the ZIP code areas within Portland. In a vast majority of the City, TNC peak ride time was during the late evening (8pm - 11pm) while taxi rides were, for the most part, provided during the late night hours (11pm - 2am). Breaking taxi service down into on-demand and reserved rides shows that throughout the City, reserved rides tend to occur in the overnight hours (2am – 6am) while on-demand rides have no clear pattern.



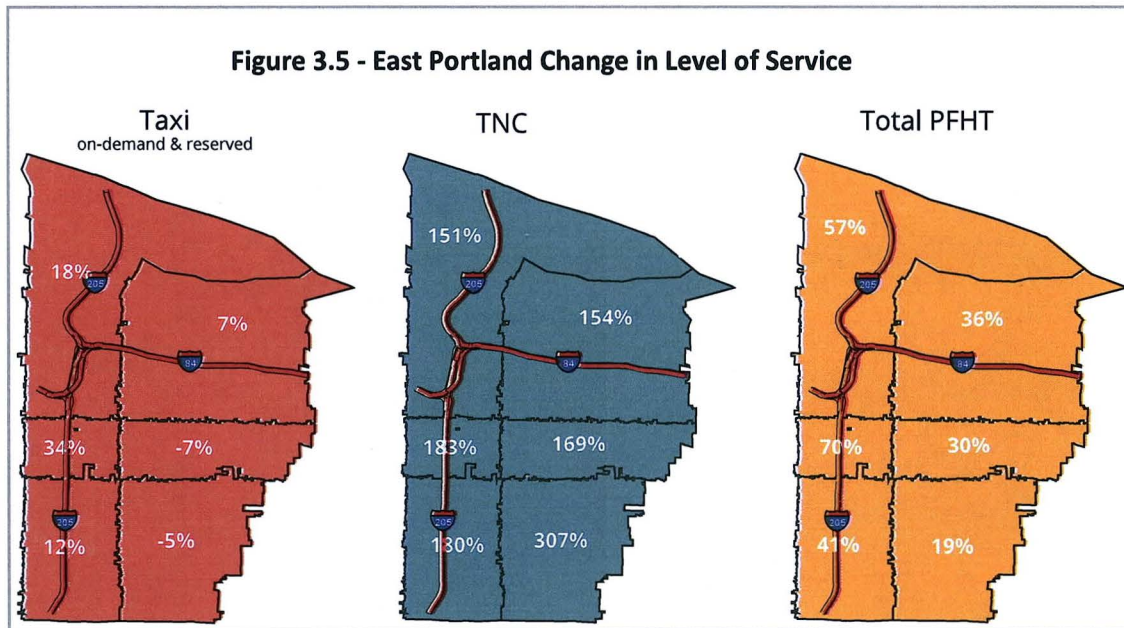
East Portland Trip Trends



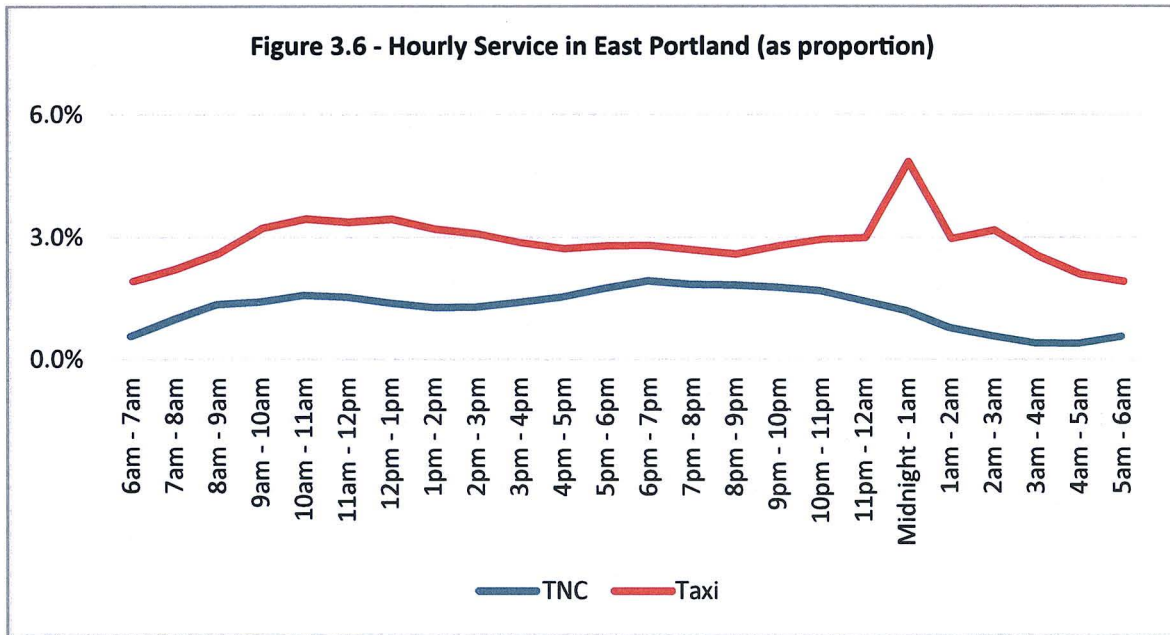
As the Portland Bureau of Transportation seeks to advance equity, improving transportation options in historically underserved neighborhoods is a top priority. This is particularly true for East Portland neighborhoods (see Figure 3.4 for reference map). Concerns have been raised in other cities that taxis and TNCs predominately service city centers and avoid outlying neighborhoods. Monitoring ridership trends in all neighborhoods, and specifically in East Portland, was an important focus during the Pilot Program.

Trips originating from East Portland account for 8% of all taxi rides and 3% of all TNC rides that were provided from May to August. Figure 3.5, below, shows ridership changes among taxis, TNCs and overall service throughout East Portland. Although TNC ridership in East Portland was sparse in May compared to taxi ridership, TNC ridership within the area grew substantially during the Pilot Program. TNC service increased by almost 170% between May and August, while taxi service increased 15% during this period. Combined, East Portland saw a nearly 50% increase in total level of service during these four months.

Additionally, as the number of TNC rides completed in East Portland increased, the number of unfulfilled TNC rides (rides that were requested but not completed due to lack of available TNC vehicles) dropped substantially. Overall, the number of unfulfilled rides in East Portland decreased by 48% between May and August.



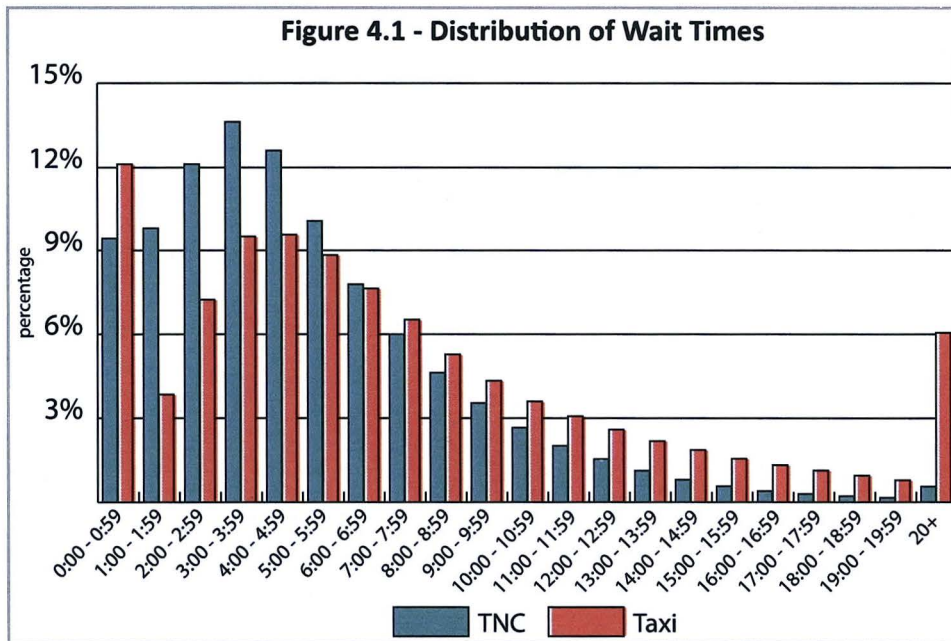
Overall service in East Portland markedly improved by nearly 50% since the beginning of the Pilot Program. Figure 3.6 also shows ridership in East Portland throughout the hours of the day, as a proportion of rides given by TNCs and taxis. Both TNCs and taxis provided service to East Portland at all hours of the day.



4. CITYWIDE WAIT TIMES

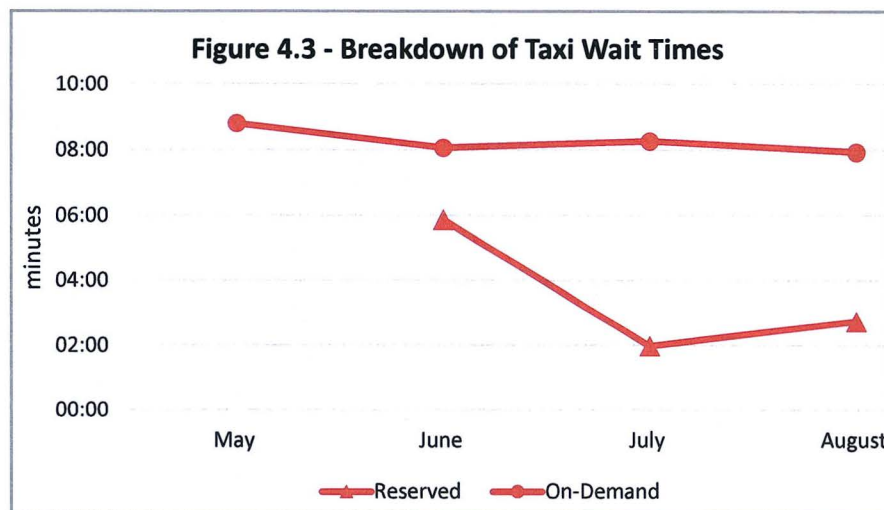
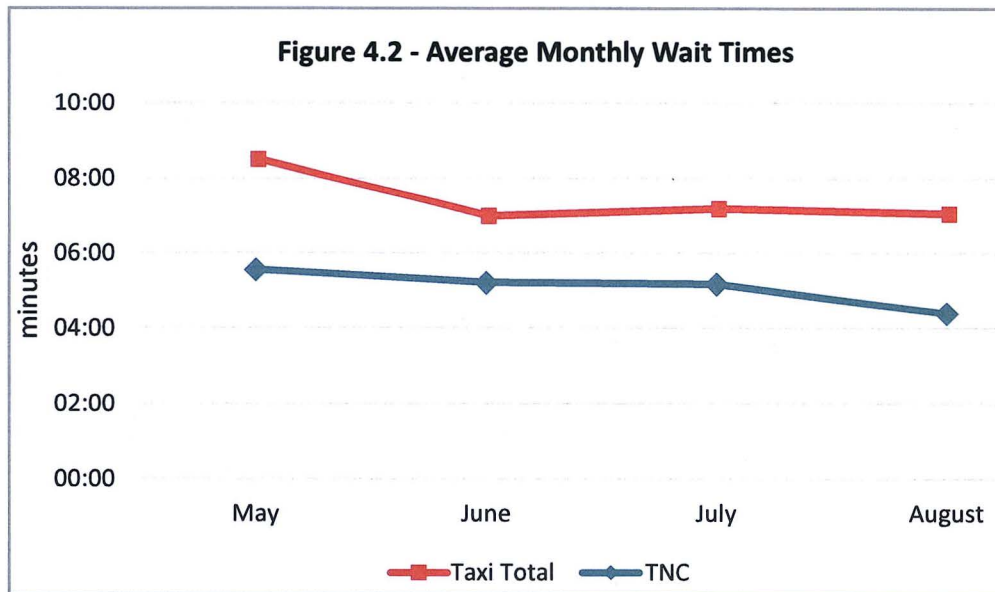
Notable differences between taxi and TNC service can again be seen when analyzing the amount of time consumers experienced between when a ride was requested and when a vehicle arrived to the requested pick-up location. For the purposes of this report, this time is referred to simply as the “wait time.”

Figure 4.1 shows that, overall, 75% of TNC passengers waited six minutes or less for a ride, while 58% of taxi passengers received a ride within the same amount of time⁵. Additionally, a key difference in wait time patterns is seen by looking to the number of rides that took 20 minutes or more to arrive to passengers’ requested pick-up location. In total, roughly 6% of taxi passengers (or 1 in every 17) waited more than 20 minutes for taxi service during the first four months of the Pilot. As was previously explained, TNCs and taxis provide similar services but do so through different means. In comparing TNC and taxi wait times, it is important to understand the different types of taxi trips that are analyzed in this report. All TNC trips must be requested through a TNC app and rides are provided on-demand by the nearest TNC driver. Taxi service may similarly be requested on-demand through a taxi’s dispatch service (via telephone or for some, via smart-phone app), but may also be pre-arranged through advance reservation.



⁵ Only 74% of on-demand taxi data and 65% of reserved ride data had a valid wait time to be analyzed. Wait times were typically calculated as the difference between “call time” (for on-demand rides) or “pickup time” (for reserved rides) and the “driver on-site time”. In some instances, wait times were not able to be calculated due to blank “driver on-site” fields (it is unclear why some of the data records were missing values). In other instances, the dispatching system of the taxi company was not able to determine the “driver on-site time”. Despite these missing data points, the number of complete records represents a large sample size, and this sample data was consistently distributed. As a result, PBOT is confident that the data submitted was an accurate baseline for which to extrapolate to the entire taxi industry.

Figure 4.2 shows the average wait time by month for all TNC and taxi trips. For Figure 4.2, taxi on-demand service and reserved ride service have been combined, but are shown separated in Figure 4.3. While it may be expected that reserved taxi trips would not have wait times, Figure 4.3 indicates that wait times for reserved trips often averaged at least two minutes⁶.



Comparing average wait times by time-of-day and by originating ZIP code area (Figures 4.4 - 4.6 on the next page), reveals that TNCs and taxis had similar wait time patterns. However, TNCs had consistently shorter wait times at nearly all times of the day and across nearly all ZIP code areas, including popular business district areas such as Belmont/Hawthorne (97232), Clinton/Division (97214) and Albina (97227), and at the airport (ZIP Code 97218). TNCs and taxis generally had longer wait times in areas further from the city center.

⁶ Data from reserved ride records for the month of May was omitted due to inconsistencies with data reporting.

Figure 4.4 - Average Wait Times by Originating ZIP Code

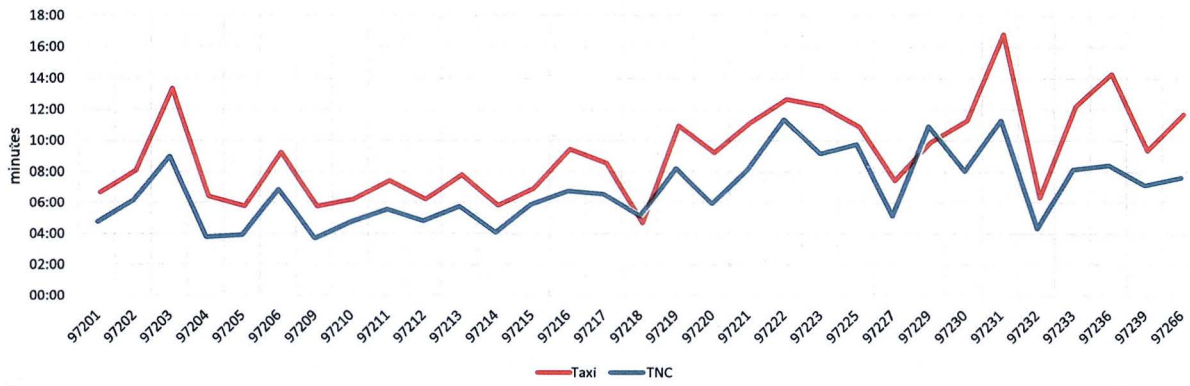


Figure 4.5 - Average Wait Times by ZIP Code

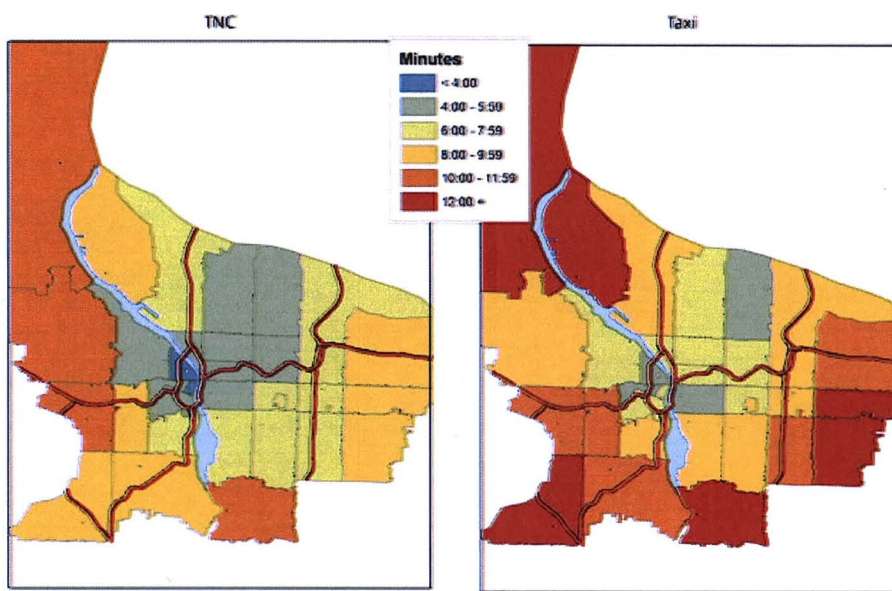


Figure 4.6 - Average Wait Times by Time of Day

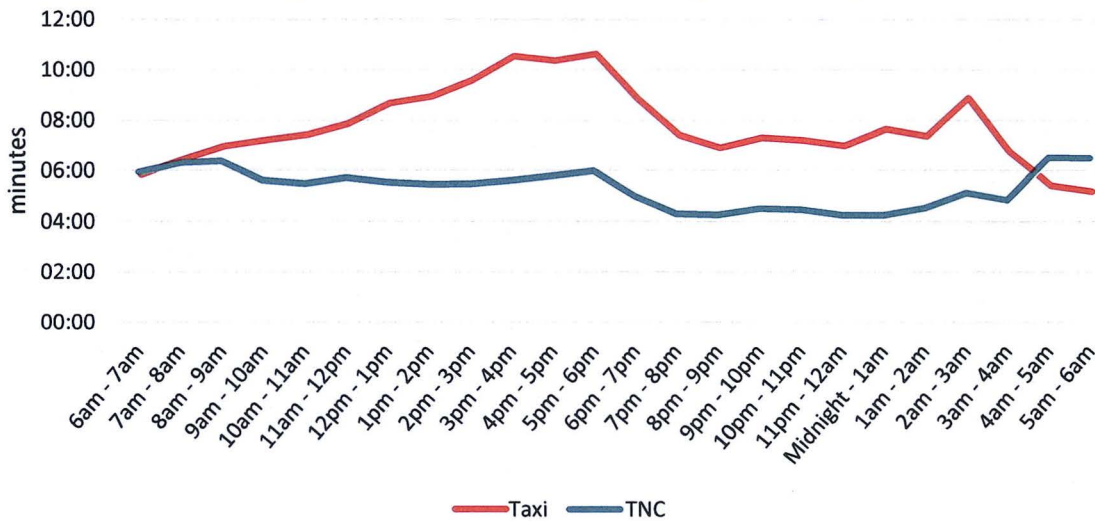
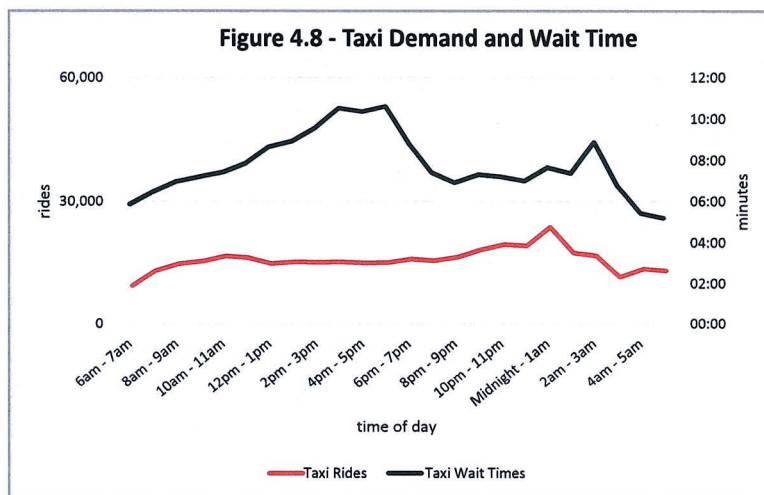
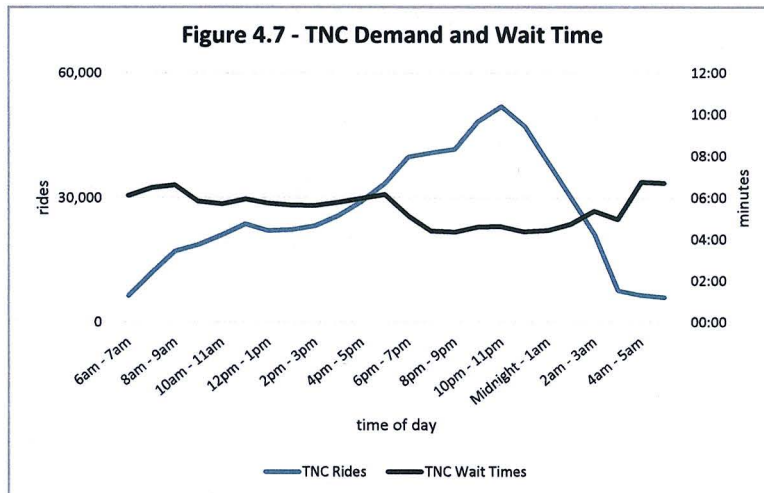


Figure 4.7 and 4.8 compare wait times to passenger demand by time-of-day. For TNCs, wait times stayed generally consistent throughout the day, and actually decreased during periods of high-demand (the evening hours).

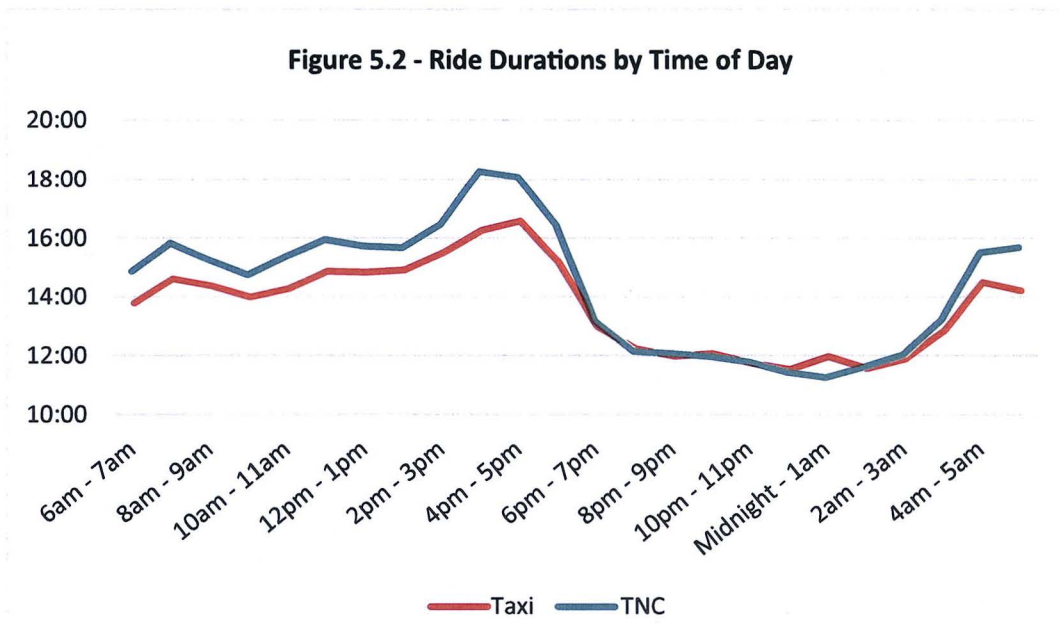
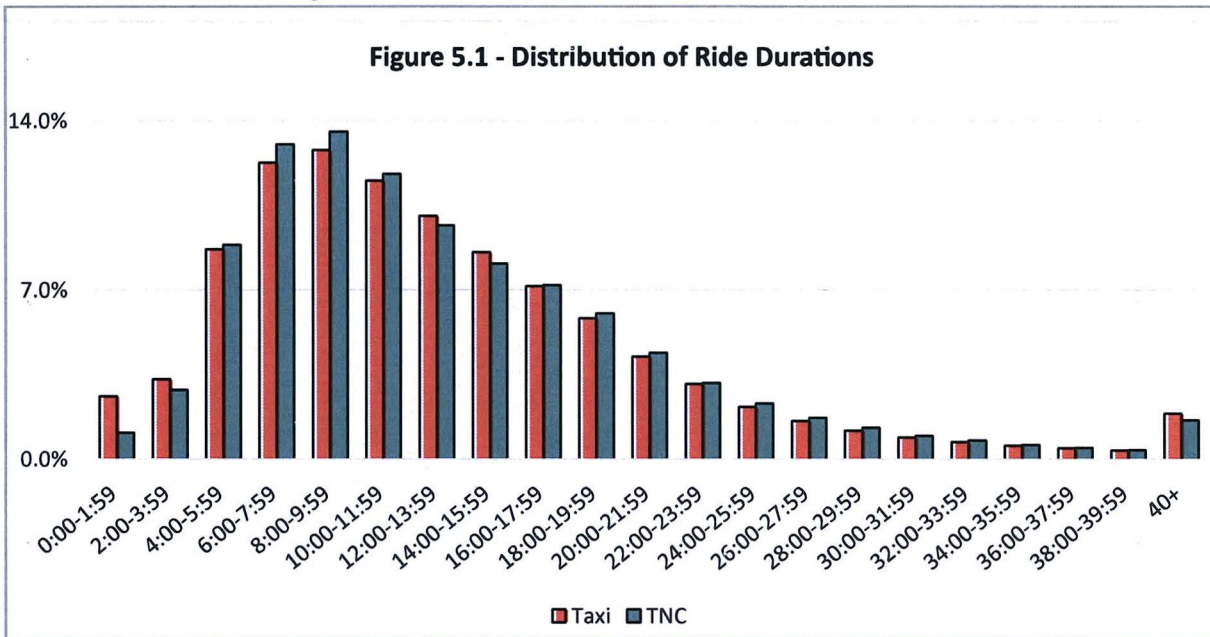


These consistent and relatively short wait times may be credited to the TNCs' use of dynamic pricing, or surge pricing, which incentivizes more drivers during periods of high demand. On the other hand, demand for taxi service was relatively consistent during the daytime hours, but wait times varied throughout the day. Not enough data or information is currently available to make conclusive correlations, but factors that have been cited as impacting wait times include how taxi driver shifts are scheduled, which may not reflect real-time changes in consumer demand.

Additionally, the types of dispatch systems utilized by TNCs and taxi companies may impact wait time patterns. TNCs utilize a dispatch system primarily based on proximity of driver to passenger. In contrast, most taxi companies utilize a zone dispatch system to respond to passenger requests based on a queue of drivers waiting for a fare. This type of dispatch system may provide more equity for taxi drivers, but not necessarily more efficiency, and may contribute to longer wait times.

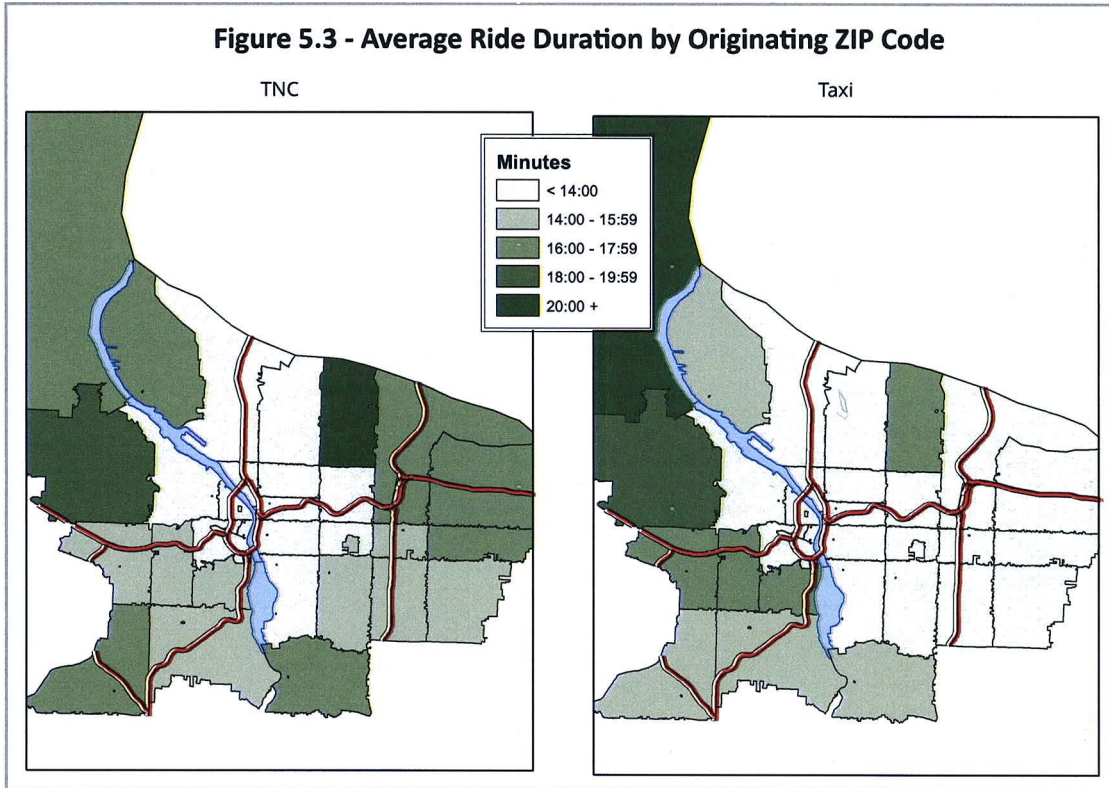
5. RIDE DURATIONS

Average ride durations⁷ were similar between on-demand taxi and TNC trips, as can be see in Figure 5.1. Most of the taxi and TNC rides provided from May to August had durations of 12 minutes or less. Additionally, taxis and TNCs provided a notable number of ride with durations of 40 minutes or longer, which were likely trips to and from the Portland International Airport or to and from surrounding suburbs.

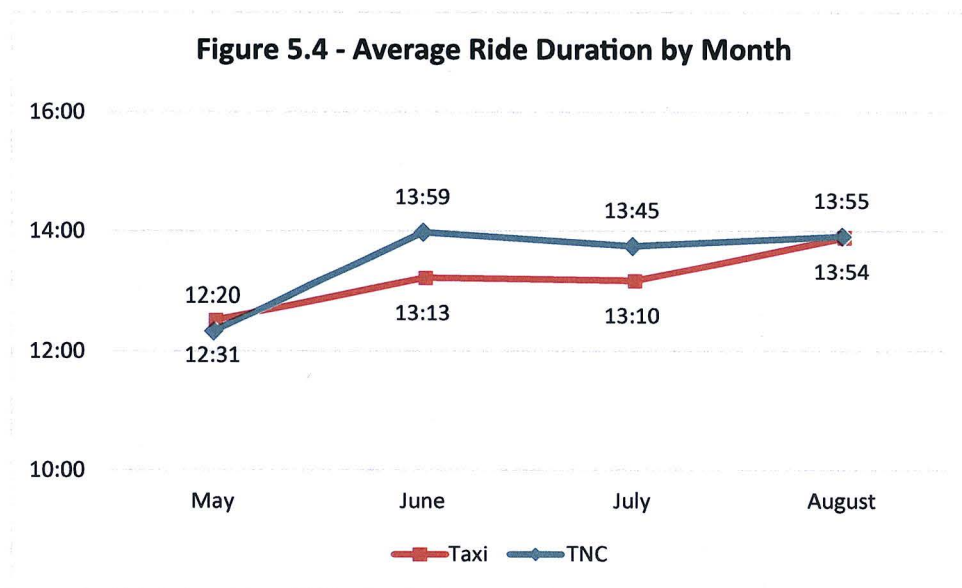


⁷ For TNCs, ride duration is defined as the time between when the driver officially began the ride on the app platform and when the ride officially ended. For taxis, ride duration is defined as the time between when the meter was turned on and when the meter was turned off.

Figure 5.3 displays taxi and TNC ride durations by originating zip code area within the city. For both taxis and TNCs, trips originating closer to the center of the city generally had shorter ride durations. Conversely, taxi and TNC trips that originated further from the center of the city had longer ride durations.



By August, average ride durations for taxi and TNC service were almost identical, as seen in Figure 5.4.



6. ACCESSIBLE TRANSPORTATION

Seniors and people with disabilities often require special accommodations and assistance to access and utilize transportation services. The Americans with Disabilities Act (ADA), a landmark civil rights bill enacted by Congress 25 years ago, prohibits discrimination, guarantees that people with disabilities have the same opportunities as those without disabilities and requires that government agencies and public services provide reasonable accommodations to people with disabilities.



The National Commission on Disability (2015) explains that, “[Private for hire transportation services] may not charge higher fares for passengers with disabilities; they may not refuse to serve a passenger with a disability who can use a taxi sedan (including people who use wheelchairs); they may not refuse to stow a wheelchair or other mobility device in the trunk of a sedan or impose a special charge for doing so; and they must accept passengers traveling with service animals.”

In the 2015 report, *Transportation Update: Where We’ve Gone and What We’ve Learned*, the National Commission on Disability (NCD) finds that, “Since the 2005 NCD report, wheelchair-accessible taxis have become more available in larger communities around the country. Cities with accessible taxi services include, Chicago, Boston, San Francisco, Miami, Las Vegas, and Portland.”

Portland is one of the first U.S. cities to adopt wheelchair accessible vehicle (WAV) requirements for taxi companies, some of which may be credited to TriMet’s efforts to become compliant with the ADA requirements established in the mid-1990s. TriMet began partnering with taxi companies to provide stop-gap transportation service to people with disabilities, and TriMet maintains contracts with several taxi companies and other transportation operators to this day to supplement ADA transit service.

There are, in fact, several transportation options currently available to Portlanders with disabilities: privately-owned and operated vehicles, transportation service provided by TriMet and the TriMet LIFT paratransit program, Medicaid-funded, non-emergency medical transportation services (under the local authority of Coordinated Care Organizations) and private for-hire transportation service to consumers. However, the availability and accessibility of these options varies greatly depending on the specific needs and resources of individual consumers and the overall demand for these services at any given time.

People who need wheelchair accessible vehicles (WAVs) often experience substantially greater challenges in accessing those vehicles. Privately-owned, consumer-operated WAVs can be cost restrictive, particularly given that Americans with disabilities experience poverty at twice the rate as those without disabilities. On average, American households with an adult member with a disability earn nearly 40% less than households without an adult member with a disability (U.S. Senate Committee on Health, Education, Labor & Pensions, 2014).

TriMet is mandated by the ADA to provide reasonable accommodations to those who are unable to use TriMet buses and/or light rail some or all of the time due to a disability or medical

condition. TriMet's LIFT paratransit service is a shared-ride public transportation service and is generally regarded as reliable, but the service requires advance reservation and is only available within the TriMet service district during regular hours of TriMet operations (4:30am-2:30am, seven days a week). TriMet LIFT service is federally and locally subsidized so that the cost to consumers is significantly reduced. Qualifying users are eligible for discounted "LIFT Paratransit" or "Honored Citizen" passes.

Similarly, WAV fares for private for hire transportation are regulated so they are the same as non-WAV fares. However, private for-hire transportation operators report that WAV trips take longer and cost up to \$30 and \$40 more than non-WAV trips. These additional operating costs have been absorbed by the overall operating costs to taxi companies and most recently TNCs. However, several Portland taxi companies have mitigated those higher operational costs by markedly subsidizing retail WAV service through contracting taxi WAVs to other transportation service providers, including paratransit, mass-transit operators, and non-emergency medical transportation brokers. That has had the unintended consequence of further confining the already limited availability of wheelchair accessible transportation service in Portland.

History of Wheelchair Accessible PFHT Regulations

Shortly after Congress passed the Americans with Disabilities Act in 1990, TriMet began developing and implementing ADA policies and protocols, in many ways setting the national pace for improving transportation options for people with disabilities. At the same time, the City set a goal for taxi companies to increase the size of their respective wheelchair accessible fleets to a minimum of 20% of each company's total fleet. The WAV fleet requirement was intended to ensure that taxi companies could meet demand for WAV service from consumers requesting retail transportation service and from other transportation operators needing additional WAV capacity, including TriMet.

Maintaining an operational fleet of WAV taxis proved to be challenging for most taxi companies, largely because of the higher initial and ongoing costs of WAV service compared to traditional taxi sedan service. In 2003, the PFHT Board and a coalition of taxi companies developed an agreement to form a central WAV dispatch broker between taxi companies. Pooling WAV resources and utilizing a centralized WAV broker was expected to be a more efficient and cost effective method to provide WAV service to the community.

This centralized and shared WAV-fleet agreement, known as the Portland Accessible Cab Association (PACA), was finalized and began operating in June 2004. Under the PACA agreement, 10% of a participating taxi company's fleet needed to be WAVs, instead of the 20% that was otherwise required. Unfortunately, this centralized model proved challenging to coordinate and was formally disbanded in December 2012. However, not all taxi companies that had participated in the PACA brought their fleets back in to compliance with the 20% WAV requirement. The PFHT Board began considering increasing WAV fleet requirements to 30% to improve WAV service, but this requirement was never adopted. In years since the formal end of PACA, WAV taxi fleets ranged from 10-20%. Today, Taxi WAVs constitute about 15% of all of Portland's permitted taxi vehicles.

In July 2014, the PFHT program was transferred from the Revenue Bureau to the Portland

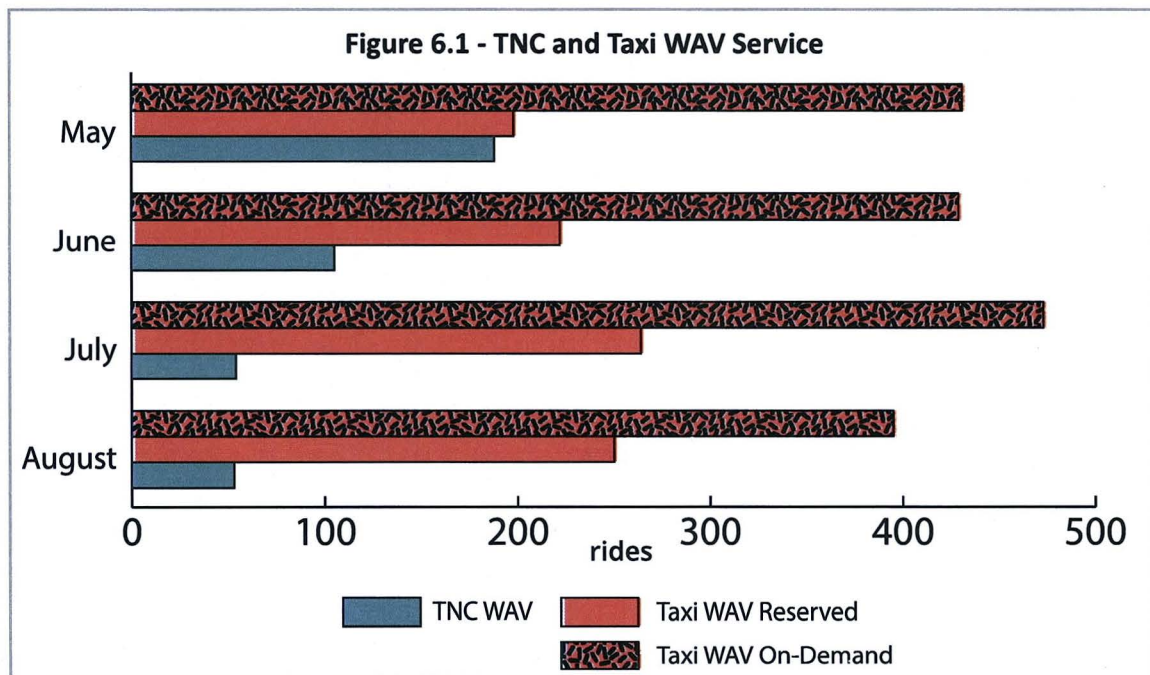
Bureau of Transportation to better align with the City’s overall transportation policies and goals. At the direction of Transportation Commissioner Steve Novick, the PFHT was asked to reevaluate all pending permit applications for new and existing taxi companies. After review, the Board voted in February 2015 to approve all 242 requested taxi vehicle permits from the six existing taxi companies in Portland. The Board added a condition to the additional vehicle permits, requiring that taxi companies bring their fleets into the 20% WAV compliance requirement prior to the approval of additional taxi sedan permits.

A special PFHT Innovation Task Force was convened by Commissioner Novick in January 2015 to review existing PFHT regulations and to recommend regulatory changes to ensure public safety, improve service and ensure a fair, competitive market for companies and drivers. The Task Force, independent of the PFHT Board, recommended that service performance standards, not fleet vehicle requirements, would provide a better and more efficient means of ensuring PFHT WAV service to people with disabilities.

The PFHT Innovation Pilot Program, approved by Portland City Council in April 2015, supports this recommendation. In order to transition the PFHT industry from a WAV fleet requirement to service performance standards largely tied to response times and service requests, three provisions are included in the Pilot Program: one, lower WAV fleet requirements for taxi companies (10%); two, the expanded use of permits for non-emergency transportation vehicles; and three data-informed performance standards for TNCs.

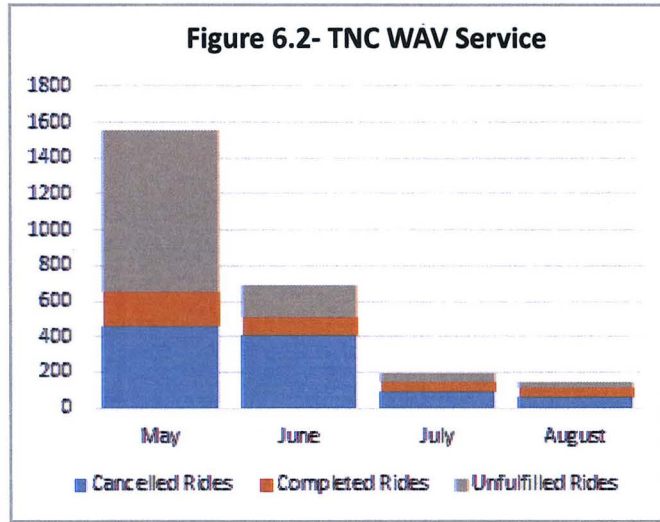
Wheelchair Accessible Vehicle Trips

Accessible transportation service to passengers with disabilities has been an important and closely monitored service during the Pilot Program. The PFHT Program requires that all taxis and TNCs accommodate requests for service from people with disabilities, including those who are accompanied by a service animal and those needing wheelchair accessible vehicles (WAV).

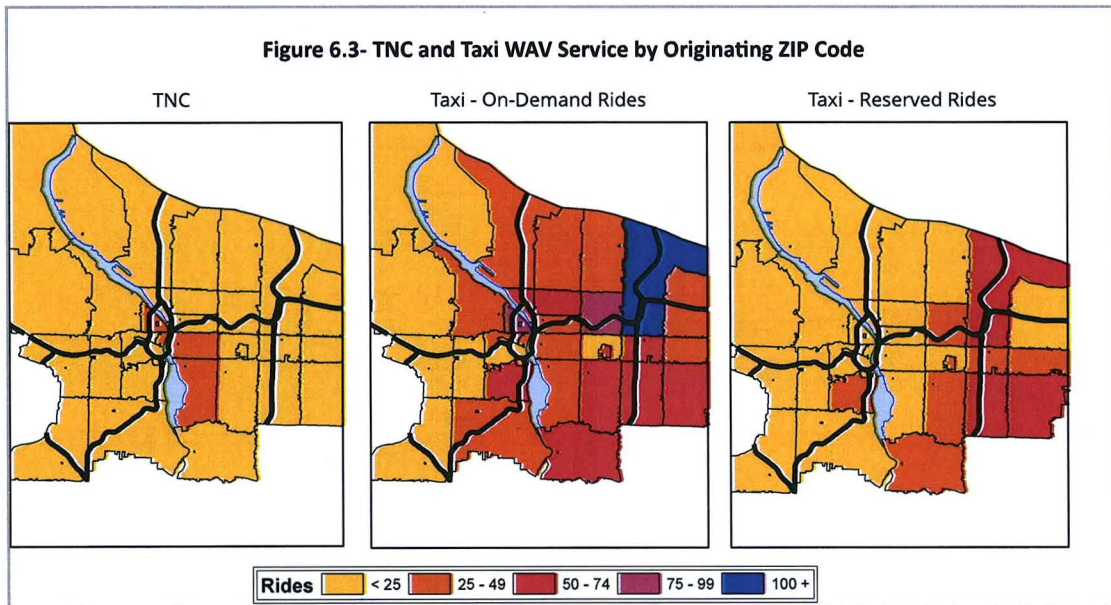


During the four-month initial pilot period, TNCs provided 400 WAV rides, while taxis provided 2,600 WAV rides. Figure 6.1, above, shows the change in WAV rides for both TNCs and taxis over the course of the pilot program. Taxis provide two types of dispatched WAV service: reserved pickups and on-demand pickups⁸. TNCs, however, only provide on-demand WAV service. Interestingly, reserved taxi WAV rides constitute only 35% of the taxi WAV service, while the remaining 65% of taxi WAV trips were requested on-demand. Over the course of the pilot program, on-demand taxi WAV rides decreased 8% from an about 430 per month to 395 per month, while reserved taxi WAV rides increased 26% from 200 per month to 250 per month.

TNC WAV service decreased over 70% during the course of the pilot program, from 188 rides in May to 53 rides in August. Figure 6.2 shows that although the number of completed TNC WAV trips decreased, the demand also decreased. It is unclear why there was a decrease, but it may be attributed to large numbers of customers requesting WAV rides at the beginning of the pilot without understanding what type of service they were requesting. Uber and Lyft have since put in mechanisms for drivers to confirm with passengers that they are in fact in need of a WAV vehicle before the ride is dispatched.



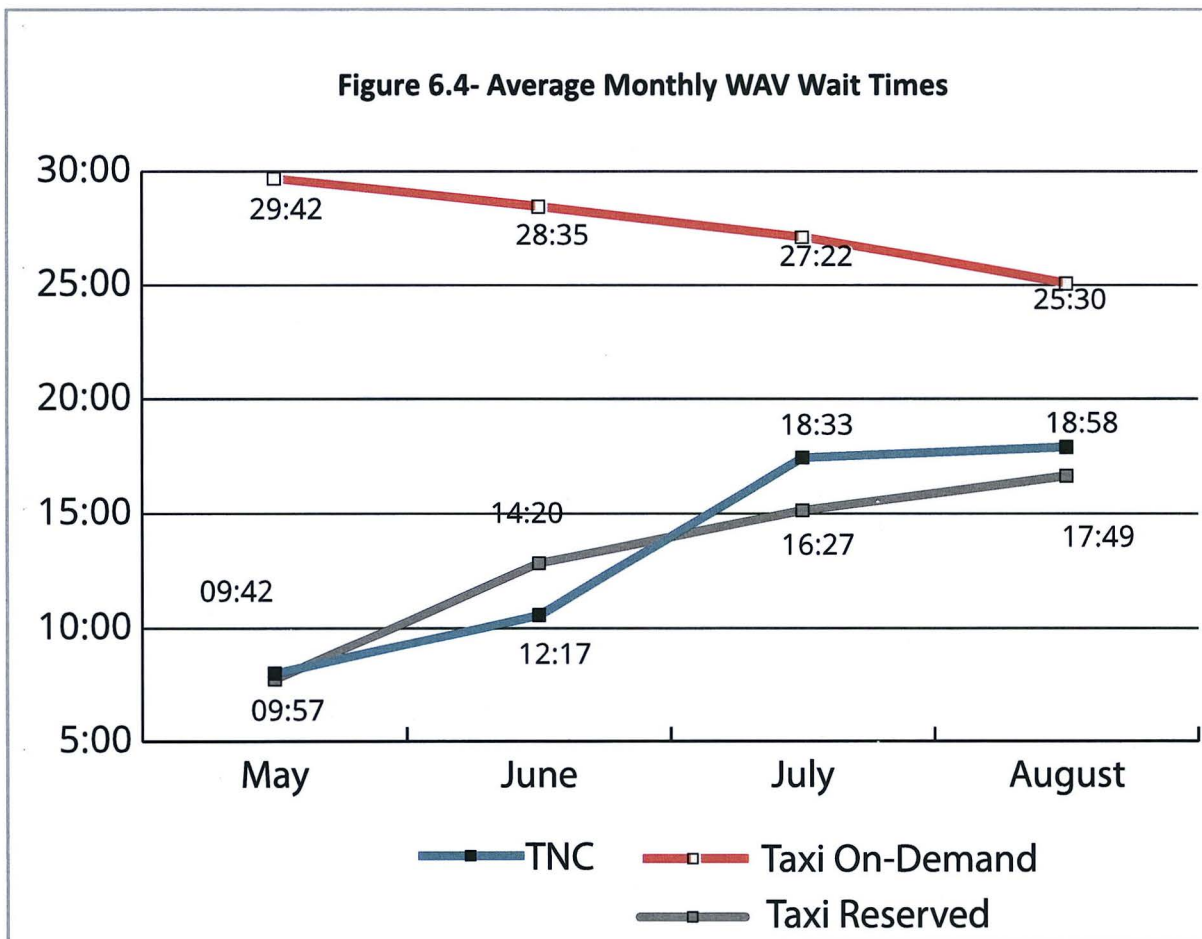
The breakdown of WAV trips by originating ZIP code area can be seen in Figure 6.3, below. A large portion of taxi WAV trips originated in areas with several medical offices, whereas no clear TNC WAV ridership patterns are apparent.



⁸ This does not include SAT or any other contracted WAV service.

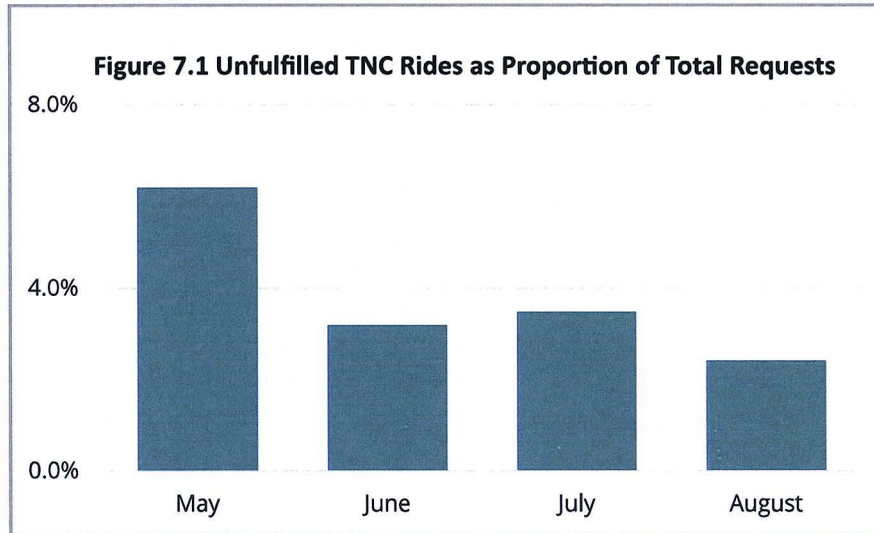
Although taxis provided significantly more WAV trips than did TNCs, on-demand taxi WAV trips had consistently higher wait times compared to TNCs WAV trips. Additionally, while average TNC WAV wait times increased since the beginning of the pilot period, August wait times were still nearly seven minutes shorter than on-demand taxi WAV trips. Despite their longer wait times, taxis have been able to improve average WAV wait times over the past four months, reducing wait-times by nearly four minutes for on-demand WAV service.

Contrary to the short wait times for reserved non-WAV taxi trips, reserved WAV taxi riders still experienced significant wait times despite arranging service in advance (see Figure 6.4). Of the total reserved WAV taxi trips, about 15% of riders waited 30 minutes or more after their scheduled pickup-time and before a taxi WAV arrived. For on-demand WAV taxi rides, this proportion jumps to about 35%. Only 4% of TNC WAV riders waited more than 30 minutes for a TNC WAV to arrive.

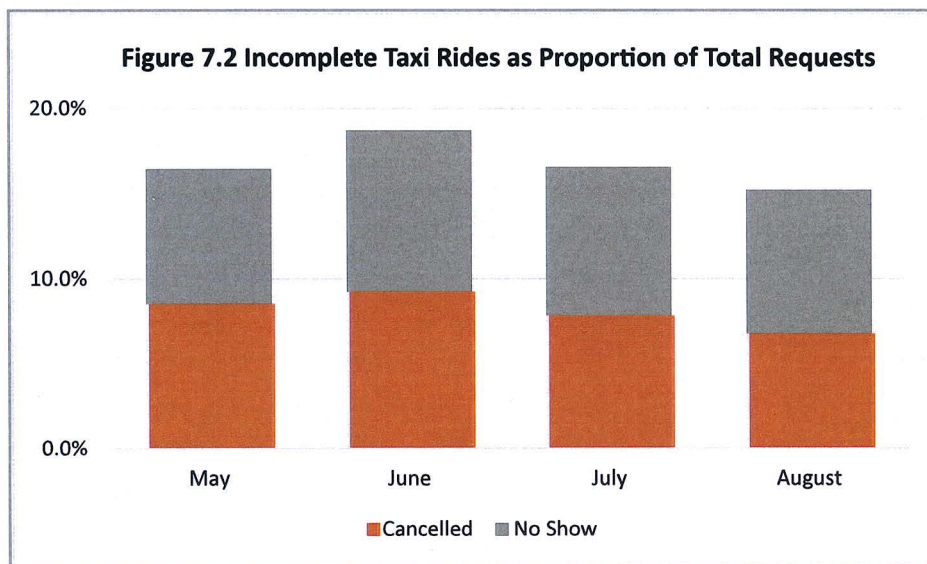


7. TNC UNFULFILLED AND TAXI INCOMPLETE TRIPS

TNC unfulfilled rides are rides that are actively requested by a customer, but never fulfilled because there were no vehicles available. From May to August, unfulfilled TNCs rides decreased noticeably, as seen in Figure 7.1. In May, unfulfilled TNC rides made up about 6% of total ride requests, and dropped to roughly 2% by the end of August.



Incomplete taxi rides refer to rides that are either actively canceled by consumers, or are rides that were requested but the consumer is not present at the requested pick-up location. Incomplete taxi trips decreased slightly during the Pilot Program (Figure 7.2) from roughly 17% of total taxi requests in May to roughly 15% of total taxi requests in August. This decrease is largely attributed to a reduction in canceled rides, which decreased 1.7 percentage points over the course of the pilot program.



8. COMPLIANCE

PBOT's PFHT program has established new policies and protocols to ensure compliance with all program rules and regulations. The objective of the procedures is to inspect, educate and to enforce compliance. A key element to achieving compliance is the ongoing education, particularly when adapting to new regulations. This is true not only for permitted companies and drivers, but for compliance staff, law enforcement and the general public. The program primarily uses three methods to seek compliance: one, random certification audits; two, regular field compliance inspections; and three, complaint investigations. Consequences of violating pilot rules and regulations range from warnings to civil penalties that escalate with recurring offenses and permit suspension or revocation.

As a condition of a City of Portland Permit, taxi companies and TNCs must adhere to minimum standards of service that included the following:

- Permitted taxi and transportation network companies must remain in operation 24 hours each day and be capable of providing reasonably prompt service in response to requests at all times.
- Acceptance of any request made by any passenger of proper demeanor for taxi and TNC service received from any location within the City, including requests made by persons with disabilities and requests for wheelchair accessible service, is required.
- Taxi and TNC operators must reasonably accommodate passengers with service animals.
- All PFHT operators must adhere to a zero tolerance drug policy. The use of tobacco products is prohibited in any PFHT vehicle.
- No person may provide private for-hire transportation after engaging in more than 14 hours of commercial activity in any given 24-hour period.
- All vehicles must be kept clean and in good appearance and good repair. Additionally, vehicles must be equipped with all required components, including a hands-free accessory for mobile devices, a standard first aid kit, and a fire extinguisher.

To ensure that all City of Portland requirements are met during the pilot program, random audits are routinely conducted and include review of drivers' criminal history and motor vehicle records, vehicle safety and condition certification, insurance coverage, and business license registration. The privilege of driving for a permitted taxi company or TNC is immediately suspended if drivers or vehicles fail to comply with pilot program rules. Violations identified during an audit are investigated and corrective action—which may include the issuance of penalties or a revocation of permit—is taken.

Regular field compliance inspections are conducted by regulatory staff to ensure operational compliance by taxi and TNC operators. These actions entail staff ride-alongs to ensure that vehicles are in good condition, are properly equipped with required signage or trade-dress, a

hands-free accessory for mobile devices, and a first aid kit and fire extinguisher. Staff also document compliance with requirements for vehicle registration, insurance documentation, business license registration, driver conduct and WAV availability. Adherence to hailing and queuing rules, driver conduct are also monitored and audited.

Throughout the Pilot Program, regulatory staff found taxi companies, TNCs, and their respective drivers and vehicles to be in substantial compliance with PFHT requirements. A notable exception pertained to the availability and reliability of WAV service for taxis and TNCs. Early into the Pilot, staff documented limited availability of taxis WAVs and a concerning lack TNC WAVs. From May to August, however, WAV availability greatly improved. Staff continue to closely monitor the availability of WAV service and will issue penalties if any company is found to be out of compliance with accessibility requirements.

Finally, staff investigate and resolved consumer and other complaints reported to the PFHT Program. Since the beginning of the pilot program, PFHT has received 18 complaints. Complaints regarding PFHT operators in the City of Portland may be submitted to the following:

- Through email at pdxrides@portlandoregon.gov
- By calling 503-865-2486
- Online at portlandoregon.gov/pdxrides
- In writing by mail or fax: PO Box 8572 Portland, Oregon 97207 or 503-865-9022 (fax)

9. ADDITIONAL CONSIDERATIONS

Beyond ridership patterns and PFHT trip trends, the Portland Bureau of Transportation will continue to monitor other factors that may be impacted by the PFHT industry, including impacts on traffic and congestion, carbon emissions, TriMet ridership, and DUII arrest rates. At this time, however, not enough data or information is available to make conclusive determinations on the impact of PFHT regulatory and market changes on those factors. Data from TriMet and the Portland Police Bureau is readily available and present in Figures 9.1 and 9.2, below. The Bureau will continue to work with industry stakeholders and community partners to better track and analyze other considerations, which will be presented in subsequent annual PFHT market reports.

Figure 9.1 - TriMet Weekly Boardings (MAX and Bus)

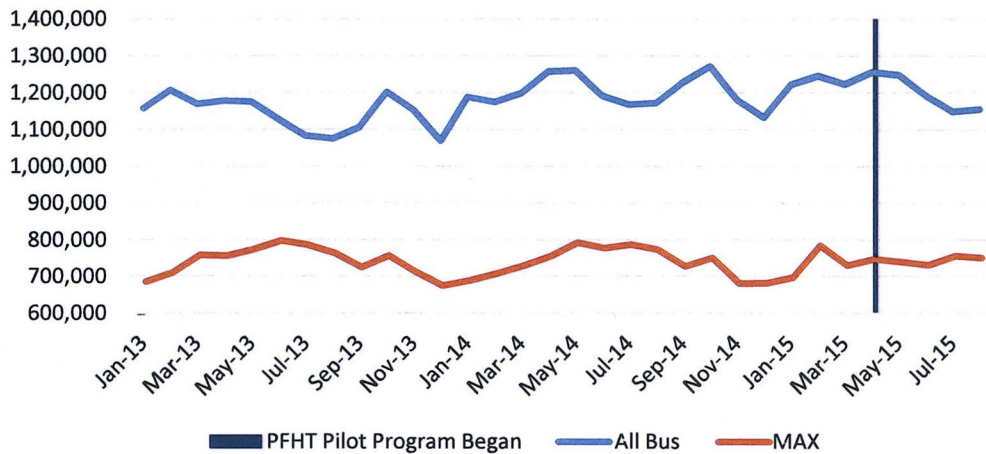


Figure 9.2 - DUII Statistics from Portland Police Bureau

	2014 DUII Arrests	2015 DUII Arrests	% Change
April	145	106	-27%
May	147	99	-33%
June	90	108	17%
July	105	108	3%
August	140	131*	-6%

**The Portland Police Bureau may not have all DUII arrest data entered for August of 2015*

In April of 2015, the Portland Police Bureau began using a new records management system. At this juncture, the Police Bureau is still reconciling records between the old "PPDS" system and the new "ReJINS" system. For this and a variety of statistical analysis reasons, DUII arrest trends cannot be attributed to changes in the PFHT market.

10. SUMMARY

The data presented in this report was an analysis of taxi and TNC rides completed between May 1st and August 31st. As part of their business model, taxis are able to provide three distinct services (on-demand rides, reserved rides, and street hails) while TNCs only provide on-demand pick up rides.

Overall retail taxi service decreased 16% since the beginning of the Pilot Program. This overall decrease was the result of a 16% decrease in on-demand service and a 24% decrease in street hail service. Taxi reserved ride service remained steady throughout the pilot.

Despite a 16% reduction in retail service from the taxi companies, the combined taxi and TNC segment of the Private for-Hire Transportation business grew 40% during the course of the four-month Pilot Program. The increase in ridership was due entirely to the addition of TNC service in Portland, which increased 125% since May. It is important to note that growth in TNC ridership was partly the result of pent up demand for service, and partly a result of latent demand for service. After the substantial growth seen in the first four months of the Pilot program, it is unclear when TNC ride numbers will plateau and stabilize.

Two key positive highlights from this report focused on service to East Portland and Accessible Transportation. East Portland, which is an area typically underserved in many aspects, especially transportation, saw a nearly 50% increase in taxi and TNC service during the four-month Pilot Program. For Accessible Transportation, TNCs were able to consistently provide WAV service with the lowest wait times. Concurrently, taxi on-demand WAV service reduced their wait times by 5 minutes on average.

In many respects, taxi and TNC service had similar patterns across a variety of performance metrics, both taxis and TNCs provided the greatest number of rides in areas closest to the City Center, but TNCs tended to provide a greater proportion of their service in this concentrated area than taxis. Important distinctions are also found. Both TNCs and taxis saw peak ridership during the weekends, coupled with lower numbers during the weekdays. Taxis tended to provide the most of their service during the afternoon (12 pm - 5 pm) and overnight hours (2 am - 6am), the latter of which were likely due to travel for early morning airport flights. In contrast, TNCs tended to provide their greatest level of service during the evening and late night hours (8 pm - 2 am).

TNCs provided consistently shorter wait times than did taxis, with average wait times at the end of the Pilot Program just over four minutes, while taxi wait times averaged just under eight minutes. Over the four months, taxis were able to reduce average wait times by about one minute. Overall, ridership within Portland increased markedly in just the first four months of the Pilot. From May to August, ridership increased by 40%, suggesting that consumer demand for retail transportation service is now being much better served by Portland's taxi companies and TNCs.

11. REFERENCES

National Council on Disability. (2015). *Transportation Update: Where We've Gone and What We've Learned*. Washington, DC: U.S. Government Printing Office.

U.S. Senate Committee on Health, Education, Labor & Pensions. (2014). *Fulfilling the Promise: Overcoming Persistent Barriers to Economic Self-Sufficiency for People with Disabilities*. Washington, DC: U.S. Government Printing Office.

Report prepared by:

Colleen Caldwell, Portland Bureau of Transportation
Bryan Hockaday, Office of Commissioner Steve Novick
Dave Benson, Portland Bureau of Transportation
Mark Williams, Portland Bureau of Transportation

Special thanks to:

Leah Treat, Portland Bureau of Transportation
Ken McGair, Office of the City Attorney
Nickole Cheron, Office of Neighborhood Involvement
Judith Mowery, Office of Equity and Human Rights
PFHT Innovation Task Force



AMENDMENT

OFFERED IN THE HOUSE
TO: CSHB 132(TRA)

BY REPRESENTATIVE JOSEPHSON

1 Page 10, line 4, following "**Records.**":

2 Insert "(a)"

3

4 Page 10, following line 11:

5 Insert new material to read:

6 "(b) Except for specific information about a transportation network company
7 rider, including the rider's name, address, and telephone number, a transportation
8 network company shall provide a transportation network driver information for each
9 ride the driver completes, including global positioning data, the fare and tip paid by
10 the rider, and the rate charged.

11 **Sec. 28.23.130. Collective bargaining agreement.** To the extent allowed by
12 federal law and notwithstanding AS 28.23.080,

13 (1) transportation network company drivers may organize for the
14 purpose of mutual aid and protection and may designate a bargaining agent;

15 (2) a transportation network company and an organization of
16 transportation network company drivers may negotiate, enter into, and administer a
17 collective bargaining agreement concerning wages, benefits, and other terms and
18 conditions relating to work performed by the transportation network company drivers;

19 (3) a municipality where a transportation network company operates
20 may regulate conduct allowed under (1) and (2) of this section.

21 **Sec. 28.23.140. Prohibitions.** A transportation network company may not

22 (1) take adverse action against a transportation network company
23 driver, including restricting the driver's tips or suspending or terminating the driver's

1 participation in the company's digital network, as a result of the driver

2 (A) organizing or joining a driver association or labor
3 organization, including an organization under AS 28.23.130, or participating in
4 a driver association or labor organization or the activities of the driver
5 association or labor organization;

6 (B) decreasing the driver's participation in the company's
7 digital network; or

8 (C) generating less fare or tip income;

9 (2) change a compensation rate or other material term of a contract
10 with a driver without the driver's voluntary prior consent, if the contract is based on
11 the driver providing a ride to a transportation network company rider."



AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 132(), Draft Version "R"

1 Page 11, line 25:

2 Delete "or"

3 Insert "and"

4

5 Page 11, line 27, through page 12, line 13:

6 Delete all material and insert:

7 **** Sec. 8.** AS 29.35 is amended by adding a new section to read:

8 **Sec. 29.35.148. Regulation of transportation network companies.** (a)

9 Notwithstanding AS 28.01.010, a municipality may by ordinance

10 (1) prohibit a transportation network company or driver from
11 conducting activities under AS 28.23 within the municipality; or

12 (2) regulate the operation of a transportation network company or
13 driver in a manner that is at least as restrictive as or more restrictive than the
14 provisions of AS 28.23.

15 (b) This section applies to home rule and general law municipalities.

16 (c) In this section, "transportation network company" and "driver" have the
17 meanings given in AS 28.23.180."

#3

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 132(), Draft Version "R"

1 Page 10, line 14:

2 Delete "one year"

3 Insert "two years"

4

5 Page 10, line 17:

6 Delete "one year"

7 Insert "two years"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 132(), Draft Version "R"

- 1 Page 11, lines 11 - 12:
- 2 Delete "and related services"



AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 132(), Draft Version "R"

1 Page 6, line 17:

2 Delete "\$50,000"

3 Insert "\$100,000"

4 Delete "\$100,000"

5 Insert "\$300,000"

6

7 Page 6, line 18:

8 Delete "\$25,000"

9 Insert "\$50,000"

10

11 Page 6, lines 19 - 20:

12 Delete "as required under AS 21.96.020 and AS 28.20.440"

13 Insert "in the amount of at least \$100,000 for death and bodily injury for each person,
14 \$300,000 for death and bodily injury for each incident, and \$25,000 for property damage"

15

16 Page 6, line 31, through page 7, line 1:

17 Delete "as required under AS 21.96.020 and AS 28.20.440"

18 Insert "in the amount of at least \$1,000,000 for death and bodily injury for each
19 person, \$1,000,000 for death and bodily injury for each incident, and \$25,000 for property
20 damage"



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TESTIMONY

ALASKA: RIDESHARING'S LAST FRONTIER

MICHAEL D. FARREN, PE

Research Fellow, Mercatus Center at George Mason University

Alaska House Labor and Commerce Committee
Hearing on HB 132, a bill relating to Transportation Network Companies

March 17, 2017

Good afternoon Chairman Kito, Vice Chairman Wool, and members of the Alaska House Labor and Commerce Committee:

I am grateful for the invitation to discuss research that I and my colleagues at the Mercatus Center at George Mason University have conducted regarding the sharing economy in general and transportation network company (TNC) regulations in particular.¹

The research team I am part of—the Project for the Study of American Capitalism—focuses on understanding how special interest groups twist government policies to benefit themselves. We study discriminatory tax, spending, and regulatory policies that privilege particular industries, firms, or occupations. Our goal is to communicate how these government privileges harm the economy and the very fabric of our society.² This is the perspective through which I will evaluate the current state of taxi and TNC regulations in Alaska.

House Bill 132 (HB132) represents some of the best TNC legislation I have seen to date. It enables TNC operations while at the same time avoiding other states' mistake of enshrining current business practices into law. However, I would argue that HB132 has a hidden flaw—it creates a special legal definition for TNC vehicles and drivers, rather than breaking down the regulatory silos between taxis, TNCs, limos, shuttles, and other for-hire vehicles.

1. Christopher Koopman, Matthew D. Mitchell, and Adam D. Thierer, "The Sharing Economy and Consumer Protection Regulation: The Case for Policy Change," *Journal of Business, Entrepreneurship & the Law* 8, no. 2 (2015); Adam D. Thierer et al., "How the Internet, the Sharing Economy, and Reputational Feedback Mechanisms Solve the 'Lemons Problem'" (Mercatus Working Paper, Mercatus Center at George Mason University, Arlington, VA, May 2015); Michael D. Farren, Christopher Koopman, and Matthew D. Mitchell, "Rethinking Taxi Regulations: The Case for Fundamental Reform" (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2016); Christopher Koopman, "Today's Solutions, Tomorrow's Problems," *Cato Unbound*, February 17, 2015.

2. Matthew D. Mitchell, *The Pathology of Privilege: The Economic Consequences of Government Favoritism* (Arlington, VA: Mercatus Center at George Mason University, 2014).

For more information or to meet with the scholar, contact
Sam Pfister, 217-836-6802, spfister@mercatus.gmu.edu
Mercatus Center at George Mason University, 3434 Washington Blvd., 4th Floor, Arlington, Virginia 22201

The ideas presented in this document do not represent official positions of the Mercatus Center or George Mason University.

Rule of law demands that there be generality of application of regulations. The best way to accomplish that, and avoid repeating the long history of local regulatory capture, is to have one common set of for-hire regulations enacted at the state level.

THE PROBLEM OF PRIVILEGE

First and foremost, government-granted privilege harms the economy by restricting competition, meaning that customers face higher prices and lower-quality goods and services. The protection from competition shields producers from the consequences of bad decisions, resulting in higher overall costs and slower economic growth. Furthermore, the fact that producers can compete for political favors encourages “unproductive entrepreneurship.”³ This means that innovators find it more beneficial to court government officials’ favor than to focus on satisfying customers—in essence, the best minds are redirected toward unscrupulous ends. This then creates the public impression that both business and government are corrupt, eroding the unspoken sense of trust that is the foundation of society.⁴

ALASKA’S PROPOSED TNC LEGISLATION

Alaska is now the only state in which TNCs are not currently operating.⁵ The legislation under consideration today represents some of the best state-level TNC regulations thus far proposed. This is because many other states’ TNC laws simply enshrine the current business practices of Uber and Lyft, rather than create a simple set of regulations that allow for future innovation. In particular, HB132:

- Stipulates that the TNC “may charge a fare” but allows for the possibility that the TNC may only connect the driver and rider without also participating in the fare collection. Most other states do not allow for this flexibility and even forbid cash to be used in the transaction, which, counterproductively, makes tipping your driver illegal. More importantly, a prohibition on cash payments would prevent low-income persons lacking access to credit cards from using the same service available to everyone else.⁶
- Requires that TNCs conduct a national criminal history background check and driving history report, but does not mandate what kind of background check or which crimes, driving citations, or time period considered would disqualify a driver from providing service. This forces the TNC to take greater responsibility for the drivers that it allows to provide service through its network and avoids needlessly forbidding some people from access to much-needed jobs.⁷ By not mandating a

3. William J. Baumol, “Entrepreneurship: Productive, Unproductive, and Destructive,” *Journal of Political Economy* 98, no. 5, Part 1 (1990): 893–921.

4. Greater trust allows for greater interaction between different individuals, both personally and through trade, which creates a virtuous cycle of increasing trust, trade, and economic growth. Tim Harford, “The Economics of Trust,” *Forbes*, July 21, 2010; Ryan Langrill and Virgil Henry Storr, “The Moral Meanings of Markets” (working paper, 2012), available through SSRN at <https://papers.ssrn.com/abstract=2350846>; Stephen Knack and Paul J. Zak, “Building Trust: Public Policy, Interpersonal Trust, and Economic Development,” *Supreme Court Economic Review* 10 (2003): 91–107; Paul J. Zak and Stephen Knack, “Trust and Growth,” *Economic Journal* 111, no. 470 (2001): 295–321.

5. Uber operated in Alaska from October 2014 through March 2015, but left after disagreements over worker classification with the Alaska Department of Labor and Workforce Development. Sean Doogan, “Uber Will Pay Fine to State Workers’ Compensation Division,” *Alaska Dispatch News*, September 3, 2015.

6. Alaska’s proposed legislation also requires that the TNC provide an electronic receipt, which is unusual—merely requiring that the service provider (or TNC acting on her behalf) offer a receipt and allowing the flexibility for either an electronic or paper version would be the more appropriate requirement. It seems odd that an electronic receipt would be a legal requirement.

7. Some groups, such as African-American men, face higher traffic stop and arrest rates than other groups. This can lead to higher rates of false positives in background checks, systematically inhibiting these groups from accessing a valuable employment opportunity. Brad Heath, “Racial Gap in US Arrest Rates: ‘Staggering Disparity,’” *USA TODAY*, November 18, 2014; Kim Soffen, “The Big Question about Why Police Pull over so Many Black Drivers,” *Washington Post*, July 8, 2016.

specific standard, this approach also allows for greater degree of innovation in background checks, meaning that for-hire services might become even safer over time.⁸

- Creates clarity in the employment status of drivers, stipulating that drivers are independent contractors if the TNC does not prescribe working hours, does not prevent drivers from working for competitor TNCs or any other business, and does have a written agreement with the driver on independent contractor status. Importantly, the bill does not force TNCs and drivers to use this kind of employment relationship—for example, it allows for flexibility in employment status if TNCs want to provide some future service whose drivers might need specific training.
- Does not set a particular TNC licensing fee, which could serve as a barrier to entry to smaller competitors. During my recent testimony before the Virginia Joint Transportation Committee,⁹ a representative from the Virginia Department of Motor Vehicles stated that the state’s abnormally high licensing fee—\$100,000—was keeping out several small TNCs that wanted to enter the state to compete with Uber and Lyft.¹⁰

THE MOST CONTROVERSIAL ASPECT OF HB132

Perhaps the most controversial aspect of Alaska’s proposed TNC regulations is the preemption of local regulation of TNCs. In a state that prizes rugged individualism as highly as Alaska, this provision must surely rankle.

However, preemption of local regulations on vehicles for-hire—both for TNCs *and* for taxis, limos, and shuttles—is exactly what is needed. For-hire vehicle regulations, especially regarding taxis, are commonly used as the textbook example of overregulation, demonstrating how regulations can be “captured” by the regulated industries themselves.¹¹ Our recent paper, “Rethinking Taxi Regulations: The Case for Fundamental Reform,” lays out how regulatory barriers to entry, price controls, and mandated business practices inhibit competition, thereby granting a measure of monopoly power to established companies.¹²

This privileged status motivates established companies to fight hard to maintain the uneven playing field, which they do by attempting to justify policies like Anchorage’s taxi medallions or Juneau and Kodiak’s requirement that new taxi companies must obtain a certificate of public convenience and necessity.¹³ But a Federal Trade Commission (FTC) report into the history and efficacy of taxi regulations found previous arguments for anti-competitive regulations to be disingenuous:

The discussions of the early 1930s [of taxi regulations across the United States] emphasize that the motivation behind the regulations was “to drive many cut-throat cabs, operating without authority, from the streets” and to enable the organized cab fleets and transit companies to increase their profits. Restriction of entry was not motivated by a concern for congestion or pollution externalities.¹⁴

8. In a commentary to the National Association of Regulatory Utility Commissioners on TNC regulations, I discuss how future background checks might be based on mid-ride fingerprint scans or even retinal scans, which could more clearly identify the driver and provide a corresponding higher degree of safety. NARUC Task Force on Transportation, “Report of the NARUC Task Force on Transportation” (National Association of Regulatory Commissioners, Washington, DC, February 2017).

9. Michael D. Farren, “Rethinking TNC Regulations: Enshrining the Past Forestalls the Future” (Testimony before the Virginia Joint Transportation Committee, Mercatus Center at George Mason University, Arlington, VA, November 10, 2016).

10. “These costs are relatively insignificant when viewed in the context of companies valued in the billions of dollars; however, they may be insurmountable for most startups looking to begin their own ridesharing venture to compete with those established firms.” Koopman, “Today’s Solutions, Tomorrow’s Problems.”

11. Adam Thierer, “Regulatory Capture: What the Experts Have Found,” *Technology Liberation Front*, December 20, 2010; Alfred E. Kahn, *The Economics of Regulation: Principles and Institutions* (Cambridge, MA: MIT Press, 1988); W. Kip Viscusi, Joseph Emmett Harrington, and John M. Vernon, *Economics of Regulation and Antitrust*, 4th ed. (Cambridge, MA: MIT Press, 2005).

12. Farren, Koopman, and Mitchell, “Rethinking Taxi Regulations.”

13. See appendix A for a comparison of taxi regulations across Alaska.

14. Mark W. Frankena and Paul A. Pautler, “An Economic Analysis of Taxicab Regulation” (Bureau of Economics Staff Report, Federal

In fact, in 2013 the FTC commented on the proposal to open Anchorage's taxi market, which was finally passed by the city council last December. Their position, like that of essentially all economists,¹⁵ is that more competition results in greater benefits for consumers:

Because new entry and competition may generate consumer benefits and are unlikely to harm consumers or competition, staff strongly supports eliminating restrictions on the number of vehicles that may provide taxicab service by 2022, or sooner, if practical. Staff also recommends that rates relating to the business of passenger vehicle transportation services should generally be set by competitive forces where there are no restrictions on entry.¹⁶

As might have been expected, though, taxi medallion owners are fighting back against the loss of their regulatory protection. They have now put a proposal on the April 4 ballot to repeal the city law allowing for the sale of more medallions.¹⁷ This essentially follows a pattern repeated state-by-state over the last several years, where the taxi lobby has vehemently opposed allowing new taxis or TNCs to operate. And the taxi lobby has especially opposed state preemption of local regulations, since local taxi companies have less influence at the state level.

CONCLUSION

Local leaders, of course, want the best for their constituents, but at the same time, they face strong pressure from taxis to maintain the status quo. It is precisely because of such vigorous resistance by entrenched special interests that state preemption of local regulations can be useful. It allows local lawmakers an acceptable exit from a difficult situation. This is the approach that Michigan just embraced in passing TNC legislation last December, and Texas and California are now also considering statewide taxi deregulation.

In places where taxi regulations have stifled competition and customers have low-quality or insufficient service, state preemption of local for-hire regulations will allow conditions to improve. In other cities that already have relatively light taxi regulations, like Fairbanks, Wasilla, and Kenai, residents might not notice much of a difference, but they'll be protected from any future regulatory takeovers by taxi special interests.

Trade Commission, Washington, DC, May 1984), 79.

15. A panel of top economists chosen to represent an array of policy perspectives unanimously agreed that "Letting car services such as Uber or Lyft compete with taxi firms on equal footing regarding genuine safety and insurance requirements, but without restrictions on prices or routes, raises consumer welfare." "Taxi Competition | IGM Forum," accessed March 14, 2017, <http://www.igmchicago.org/surveys/taxi-competition>.

16. Federal Trade Commission, Office of Policy Planning, Bureau of Competition, Bureau of Consumer Protection, Bureau of Economics, "Letter to The Honorable Debbie Ossiander RE: AO NO. 2013-36" (Washington, D.C: Federal Trade Commission, April 19, 2013), 1, <http://thebluepaper.com/wp-content/uploads/FTC-on-Anchorage-taxis.pdf>.

17. Devin Kelly, "Repeal Vote on Anchorage Taxi Ordinance Squeaks onto Ballot," *Alaska Dispatch News*, February 21, 2017.

APPENDIX A: COMPARISON OF ALASKA CITY TAXI REGULATIONS

City	Barriers to Entry	Price Controls	Mandated Business Practices
Anchorage (Extremely heavy regulations)	<ul style="list-style-type: none"> Entry is limited by number of medallions (188) Medallion prices peaked in 2013 at \$155,000, nearly triple the \$50,000 price in 1995 Entrepreneurs must obtain an Alaska (\$50) business license and special chauffer (\$65+\$75) license Also requires medical certificate (\$105), drug test (\$35), and fingerprint-based background check (\$65) 	<ul style="list-style-type: none"> City sets prices for limos and taxis 	<ul style="list-style-type: none"> Taxis, limos, and shuttles are separately identified and competitively isolated Connection to a taxi dispatch service required (and drivers may not connect to more than one) Odd set of rules allows for a nonprofit to run a limited WAV taxicab fleet; this is evidence that regulations are so onerous and anticompetitive that they keep this kind of service from offered under normal circumstances Insurance mandate, 300/50; 700/50 for 7+ seat vehicles Taximeter, transmission, differential, and wheels must be sealed to prevent tampering Taxicabs must have 2-way radio/computer, roof light, specific interior light, taximeter, silent alarm, video surveillance, and GPS Record keeping required for all trips Limo drivers may not talk on phone in front of passengers
Fairbanks (Mild regulations)	<ul style="list-style-type: none"> No restriction on entry (226 taxi permits as of Dec. 31, 2014) Entrepreneurs must obtain 5 licenses: Alaska (\$50) and Fairbanks (\$40) business licenses, special taxi chauffer (\$175), vehicle (\$200), and company licenses (\$500) 	<ul style="list-style-type: none"> No price controls; prices must simply be posted in the taxicab 	<ul style="list-style-type: none"> Connection to a taxi dispatch service required Insurance mandate, 300/50 Record keeping of all trips and calls and monthly data reporting Anti-jitney policy—may not provide service to multiple passengers without permission City conducts background check
Juneau (Heavy regulations)	<ul style="list-style-type: none"> Entry is limited (71 taxi permits as of Dec. 31, 2014) Entrepreneurs need a certificate of public convenience and necessity Entrepreneurs must obtain 4 licenses: Alaska (\$50) and CPCN (\$1,500) business licenses, special taxi chauffer (\$75+\$25), and vehicle (\$50) licenses Also requires medical certificate Minimum 6 vehicles per company 	<ul style="list-style-type: none"> City sets prices for limos and taxis, even for product deliveries and roadside assistance battery jumps 	<ul style="list-style-type: none"> Taxis and limos/shuttles are separately identified and competitively isolated Taxicabs may not have more than 11 seats Insurance mandate, 300/50 Twice-annual vehicle inspections, plus up to 4 unannounced inspections Taxicabs must have a dome light with the word "taxi"; other vehicles must have signs with 6-inch letters
Kenai (Lightest taxi regulations in Alaska)	<ul style="list-style-type: none"> No restriction on entry Entrepreneurs must obtain an Alaska business license (\$50), a local sales tax number, and a person/vehicle combination taxi license (\$250) 	<ul style="list-style-type: none"> No price controls; prices must simply be posted in the taxicab 	<ul style="list-style-type: none"> Taximeters must be used Charter rates must be arranged 3 hours prior to travel Insurance mandate, 300/50 No background check required Drivers may not solicit business
Kodiak (Heavy regulations)	<ul style="list-style-type: none"> Entry is limited (26 taxi permits) Entrepreneurs need a certificate of public convenience and necessity Entrepreneurs must obtain 4 licenses: Alaska (\$50) business license, special taxi chauffer (\$120), vehicle (\$200), and dispatch licenses (\$200) Also requires medical certificate and drug test 	<ul style="list-style-type: none"> City sets prices for limos and taxis, even for product deliveries 	<ul style="list-style-type: none"> Taxis, limos, and tour vehicles are separately identified and competitively isolated Shuttles are prohibited Record keeping of all trips Anti-jitney policy—may not provide service to multiple passengers without permission Insurance mandate, 300/50 Annual vehicle safety inspection
Wasilla (Light regulations)	<ul style="list-style-type: none"> No restriction on entry Entrepreneurs must obtain 4 licenses: Alaska (\$50) and Wasilla (\$25) business licenses, special taxi chauffer (\$?), and vehicle (\$75) licenses 	<ul style="list-style-type: none"> No price controls 	<ul style="list-style-type: none"> Taxicabs must have a light or recognizable emblem mounted to the roof Annual vehicle safety inspection May not use vehicles with more than 15 seats Insurance mandate, 300/50 Alaska background check

Sources: City government websites for Anchorage, Fairbanks, Juneau, Kenai, Kodiak, and Wasilla.

HB 132 TRANSPORTATION NETWORK COMPANIES

Supporting Documents Index

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Letters of Opposition

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February 21, 2017

Rep. Louise Stutes, Co-chair, House Transportation Committee
Members House Transportation Committee
State Capitol Room 406
Juneau, Alaska 99801

RE: H 132 (Wool): Transportation Network Companies

Dear Co-Chair Stutes and Members of the House Transportation Committee,

We are writing to support House Bill 132 (Wool), which would create a statewide regulatory framework for the operations of Transportation Network Companies (TNCs) in the State. Passage of House Bill 132 would create the opportunity for Lyft to operate in the State of Alaska.

Lyft is a San Francisco-based TNC that was founded in 2012. Our smartphone application facilitates convenient peer-to-peer ridesharing in more than 200 cities across the United States. Through our app, Lyft currently connects millions of safe, reliable and convenient rides every single week and has generated more than a billion dollars of increased economic activity since our launch. Lyft is eager to share the benefits of ridesharing in Alaska with its residents and visitors.

As of this year, thirty eight states across the country have passed comprehensive statewide legislation that regulates Lyft in a safe and robust manner. We hope that Alaska will join that effort and allow consumers to have the ability to choose Lyft. Thank you for your consideration of this measure and request your support for House Bill 132.

Sincerely,

A handwritten signature in blue ink, appearing to read "AR Chang", is written over a light purple rectangular background.

Annabel R. Chang
Director of Public Policy



February 27, 2017

Representative Adam Wool, Vice Chair
House Labor and Commerce Committee
State Capitol, Room 412
Juneau AK, 99801

Re: House Bill 132 Transportation Network Companies - SUPPORT

Dear Representative Wool:

The American Insurance Association (AIA), National Association of Mutual Insurance Companies (NAMIC), and the Property Casualty Insurers Association of America (PCI) are writing in support of HB 132. We believe that HB 132 (like SB 14) aligns Alaska with the National Conference of Insurance Legislators (NCOIL) model legislation on transportation network companies (TNC).

The NCOIL model provides clarity on insurance issues and affords the most protection for consumers whenever a TNC operates in Alaska. In particular, we appreciate your efforts in ensuring that coverage for underinsured and uninsured is included, clarifying insurance disclosure, and removing language that could have led to confusing coverage interpretation.

If you need further assistance on the insurance aspects of HB 132 or have additional questions, feel free to contact anyone of us: Armand Feliciano, ACIC Vice President (PCI / 916-205-2519/ armand.feliciano@pciaa.net), Christian Rataj, Senior Director (NAMIC/ 303-907-0587/ crataj@namic.org), or Katherine Pettibone, Vice President (AIA/ 916-442-7617/ kpettibone@aiadc.org).



March 1, 2017

Representative Adam Wool
Representative Louise Stutes
House Transportation Committee Co-Chairs
Alaska House of Representatives
State Capitol, Rm 17
Juneau, AK 99801

Re: Support for House Bill 132, relating to transportation network companies and transportation network company drivers.

Dear Representative Wool and Representative Stutes:

The Alaska State Chamber of Commerce (Alaska Chamber) supports the current version of House Bill 132, an act relating to transportation network companies and transportation network company drivers.

The Alaska Chamber is a non-profit founded in 1952 working to promote a positive business environment in Alaska. The Chamber is the voice of small and large business representing hundreds of employers and local chambers across Alaska. Our member companies employ over 100,000 hard-working Alaskans.

There are many places in Alaska where adequate transportation services is lacking. Transportation network companies are an additional way to provide affordable transportation to Alaskans. Having these additional choices breeds competition that will benefit the users of these types of transportation and improve the quality of service. It will also provide economic opportunity to people who can use this avenue to garner additional income. Thirty-eight other states have already passed similar comprehensive legislation and now have transportation network companies providing their services to the citizens of those states.

The Alaska Chamber encourages the Senate Finance Committee to support House Bill 132 and pass the bill from committee.

Best regards,

A handwritten signature in black ink that reads 'Curtis W. Thayer'.

Curtis W. Thayer
President & CEO

To whom it may concern

My name is Ezra Stephens and I have been a 30 year resident of Juneau. I have been trying to figure out the right words to say about this ride sharing issue for over a week now.

After reading the article in today's Juneau Empire I am deeply frustrated with the assemblies stance on this issue and after multiple drafts and rewrites I have decided not to go with a non-emotional stance on how the city assembly chooses look at this issue. I will just say this, I am for the ride sharing coming to this Juneau.

It will quickly become a vital part of our towns transportation needs and tax base. I think it would foolish and shortsighted not to allow ride sharing in to Juneau. This town is trying to find new ways to pay for it's self and this a perfect opportunity to put much needed money into the coffers and put dozens of people to work on a full and part time basis.

I know the cab companies are extremely resistant to this idea and will argue that it will put a dent into their business and possibly go as far as to say it will cost people jobs. As educated and free thinking people, I hope you see passed these in inaccurate notion of costing jobs and see this as an opportunity for our town to progress and move towards the future.

Thank you for your time.

Ezra Stephens

Dear Representative Wool,

My name is Cheri Zepp, and I'm a life long Alaska resident who has for many years relied on taxi/cabs to get to and from work, or to get a ride after having a few drinks and knew a taxi was my best option. I was in Vegas, and Seattle when I discovered Uber, and it was amazing! The cars were clean, the driver was polite and they were on time! It was also very inexpensive compared to a taxi. I was also able to see my driver on my smartphone, so I knew he/she were very close by. We could also communicate via text or call. It streamlined the process and you knew you had your ride. Unlike my experiences with the cabs here in Juneau where I waited for TWO hours after the dispatch told us a cab was coming, and we called back multiple times after the clock struck 1:00 am. We had no idea where our taxi was and it was frustrating because the friends who had us over were tired and ready for bed. This has happened multiple times.

Good luck getting a taxi/cab at the airport as they get taken up fast! If your bags are late getting off loaded you get not taxi/cab - they take off and don't come back because they are taking their fares and then heading off to other fares. We've had this issue as well. Now we just park at the airport, and that's expensive if you're gone too long.

I think of the opportunity for folks who might enjoy making extra money on the weekends using their own car to provide rides for others who may not be able to drive. This would be a good thing for the town of Juneau.

The taxi/cab company graciously provides free rides to Juneau residents on January 1 after drinking, so to help cut down on DWIs but they can't keep up and I did notice a few DWIs in the paper anyway. I myself would pay to get a ride home, rather than wait for a free taxi/cab ride that will take hours to get.

Many years ago, the cab/taxi companies were split up so I do recall the service being better, but it is my understanding they are owned by one company now. The tardiness and unclean taxi/cabs may be because of this monopoly, so I think a little competition would be great for Juneau and folks like myself who need to get home before 1:00 am.

I support HB 132, and I respectfully request you pass this bill out of your committee.

Cheri Zepp

Juneau, Alaska

I strongly support ride sharing companies in Alaska. Let the market dictate supply & demand.

-Paul Davis

www.gallantadventures.com

1 (907)738-2855

I strongly support allowing ride share companies to operate in Alaska. It is important that we continue to grow as a state and this is an excellent way to do so.

Thank you,
Emily Davis

PO Box 6186
Sitka, AK 99835
(907)738-1743

March 1, 2017

House Transportation Committee
RE: House Bill 132 – Transportation Network Companies

Hello,

My name is Nicholas DeHart and I am a resident of Down Town Juneau. I am writing you today regarding HB 132. After reading HB 132 in its entirety I am favor of transportation network companies being allowed to do business in Alaska as the bill is written.

Although I cannot speak for the rest of the state, Juneau has a taxi problem. More than once I have had to wait over an hour to get a taxi from Down Town Juneau or Douglas. Twice in the last few months I have prearranged a pickup for a ride to the airport early in the morning only to be told 20 minutes past the prearranged pick up time that they would be on their way soon. I have heard comments and concerns about the taxi summer tourism season being negatively affected by ride sharing companies, although understandable, taxi companies (like all business) are on their own to make their business better and desirable to consumers. There are more taxis available in the summer than in the winter and the summer drivers prefer catering to tourists vs. locals. Additionally, the majority of the vehicles commissioned to be used are old and unsafe. It is hard to be sympathetic for the failing taxi system when they have not invested the funds or time to provide a good service. I believe competition is good for all business. It has become apparent to me that the taxi companies in Juneau are mishandling their monopoly of the current system.

A major plus for the ride sharing companies is that they are being tracked, customers can pay online and know who their driver is before being picked up; this equals safer rides and transactions. A free market can elevate some businesses and sink others. There is no reason the taxi services could not upgrade their businesses in the same way. By not letting transportation network companies do business in Juneau, and all of Alaska, a disservice is being done not only to the residents but to the taxi companies themselves. Holding the taxi companies hands and saying no to new things is no way to do business or regulate an industry.

The legislature has the very hard and often not rewarding job of managing budgets, laws, and regulations. In this current low revenue environment, it is imperative that Alaska as a whole be open to new businesses and industries. I believe that the community of Juneau could support both the taxi services and transportation network companies. Please let consumers decide what works best for them and move HB 132 out of committee.

Thank you for your time and your service to Alaska.

Nicholas DeHart
Juneau Resident

Hello Rep. Wool,

Thank you so much for reaching out for input about ride-sharing. I am completely in support of it. Not only is it super convenient (can you imagine not having to run out to start your car at - 35?!), but it also seems like ride-sharing could only have a positive impact on the environment.

Thanks for asking!

Rachel Reilly
99709

I fully support HB 132, and am so happy to hear that you are a driving force behind this legislation. I will do my best to testify on behalf of this bill. And if there is anything else I can do to drum up support please let me know. It's long past time for action on this.

Thanks and take care,
Evan Eads



February 23, 2017

Representative Sam Kito
State of Alaska
State Capitol Room 403
Juneau, AK 99801

Dear Representative Kito:

Our company has numerous properties throughout the state and we are writing this letter to ask you to support Senate Bill 14, the *Let's Ride Alaska Act*, which will provide alternative transportation options in Alaska for residents and travelers.

We are very supportive of Senate Bill 14 as it will provide a quick, cashless transportation option for our guests and a more affordable option which will help our hotel property to be more competitive. Our hotels do not have shuttle service which negatively affects our reservations when people choose to stay at hotels where transportation is included. At times, the wait for a taxi is extremely long and quite expensive which again affects the decisions travelers make when booking a hotel with or without transportation.

Transportation Network Companies such as Uber are widely used in major hotel chains such as Starwood, Hilton and Intercontinental Hotel Group with benefits from each chain's loyalty program. Uber is also bringing technology to cities with their partnerships with Zomato (restaurant guide) and Citymapper (trip planning app) which helps travelers get the information they need while on the road. Alaska's small businesses would be frequented with these kinds of partnerships which brings increased exposure turning into more revenue for our local business owners.

Our hotel chain is supporting Senate Bill 14 and we hope that the legislature will also support it to bring a more affordable transportation option for Alaska's travelers while providing for jobs and additional income for residents.

Sincerely,

Carol Fraser
Regional Director of Sales and Marketing

ANCHORAGE | KENAI | SOLDOTNA | JUNEAU | HAINES | SITKA

ASPENHOTELSAK.COM

P.O. Box 90244 Anchorage, AK 99509 P : 907.258.0006

Tally Teal

From: Crystal Koeneman
Sent: Wednesday, March 15, 2017 3:39 PM
To: Tally Teal
Subject: FW: Please vote for Lyft

Follow Up Flag: Follow up
Flag Status: Flagged

From: Kerry Crocker [mailto:kerrycrocker@hotmail.com]
Sent: Wednesday, March 15, 2017 3:08 PM
To: Rep. Sam Kito <Rep.Sam.Kito.III@akleg.gov>
Subject: Please vote for Lyft

Dear Representative Sam Kito,

Please vote yes for ride sharing in Alaska!!!

Sincerely,
Kerry Crocker
535 Kennedy St
Juneau, AK 99801

▪



March 17, 2017

Representative Sam Kito
House Labor & Commerce Committee Chair
Alaska House of Representatives
State Capitol, Rm 403
Juneau, AK 99801

Re: Support for House Bill 132, relating to transportation network companies and transportation network company drivers.

Dear Representative Kito:

The Alaska State Chamber of Commerce (Alaska Chamber) supports the current version of House Bill 132, an act relating to transportation network companies and transportation network company drivers.

The Alaska Chamber is a non-profit founded in 1952 working to promote a positive business environment in Alaska. The Chamber is the voice of small and large business representing hundreds of employers and local chambers across Alaska. Our member companies employ over 100,000 hard-working Alaskans.

There are many places in Alaska where adequate transportation services is lacking. Transportation network companies are just another way to provide affordable transportation to Alaskans. Having additional choices breeds competition that will benefit the users of these types of transportation and improve the quality of service. It will also provide economic opportunity to people who can use this avenue to garner additional income. Thirty-eight other states have already passed similar comprehensive legislation and now have transportation network companies providing their services to the citizens of those states.

The Alaska Chamber would also like to see consistency in the laws and regulations governing transportation network companies and the drivers. It may be impossible to operate if having to comply with differing rules in every political subdivision of the state. In the major population centers in Alaska there are multiple political subdivisions and if drivers had to comply with different rules as they cross through the different jurisdictions I fear it would prove to be too onerous on them to operate.

The Alaska Chamber encourages you to support HB 132 and pass the bill from your committee.

Best regards,

A handwritten signature in blue ink, appearing to read 'Curtis W. Thayer', with a long horizontal flourish extending to the right.

Curtis W. Thayer
President & CEO

Cc:

Representative Adam Wool
Representative Andy Josephson
Representative Louise Stutes
Representative Chris Birch
Representative Gary Knopp
Representative Colleen Sullivan-Leonard

Tally Teal

From: Crystal Koeneman
Sent: Friday, March 17, 2017 12:29 PM
To: House Labor and Commerce
Subject: FW: Transportation options

Follow Up Flag: Follow up
Flag Status: Flagged

-----Original Message-----

From: Susanf7 [mailto:susanf7@gci.net]
Sent: Thursday, March 16, 2017 7:12 PM
To: Rep. Sam Kito <Rep.Sam.Kito.III@akleg.gov>
Subject: Transportation options

Please vote to allow the people of Alaska to have a choice in transportation - I have lived in Alaska for 34 years and think it's time - in Eagle River we don't have taxi's and the bus routes are being cut. I understand we have 2 new Ferries coming online. If the state can spend \$\$ on them then please allow options for those of us who want to spend our own \$\$ on Uber or Lift. Thank you.

Susan Fischetti
Eagle River AK

Sent from my iPhone

Tally Teal

From: Crystal Koeneman
Sent: Friday, March 17, 2017 10:14 AM
To: House Labor and Commerce
Subject: FW: HB 132, The Uber Bill

Follow Up Flag: Follow up
Flag Status: Flagged

-----Original Message-----

From: Nordicmatt [mailto:nordicmatt@gmail.com]
Sent: Friday, March 17, 2017 7:04 AM
To: Rep. Sam Kito <Rep.Sam.Kito.III@akleg.gov>
Subject: HB 132, The Uber Bill

Hey Sam,
Hope all is well.

Just want to make a comment on the Uber bill.

I use Uber on a regular basis when I am travelling in the states. It works well. With the appropriate oversight, I think it can work well in Alaska also.

Thanks,
Later,
Matt Pauli



12500 W. 87th Street Parkway
Lenexa, KS 66215
913-825-8042
www.nawlee.org

**NAWLEE Letter of Support
Senate Bill 14 and House Bill 132 by Senator Costello and Representative Wool**

March 30, 2017

Dear Members of the Alaska Legislature,

The National Association of Women Law Enforcement Executives (NAWLEE) would like to express our support of Senate Bill 14 and House Bill 132 by Senator Costello and Representative Wool.

We at NAWLEE, as public safety officers, are committed to reducing drunk driving and violent crime in our communities. Adequate on-demand transportation is fundamental to keeping our communities safe and Transportation Network Companies (TNCs) like Lyft fill an important role making sure a safe ride home is always nearby. Studies have shown that availability of TNCs in an area improve road safety, reduce alcohol-related driving arrests by up to 51%, and reduce assault and disorderly conduct arrests by up to 42%.

As female law enforcement executives, we at NAWLEE are also acutely aware of the safety concerns of women. We believe that TNC services, and Lyft in particular, have raised the standard of trust, accountability, and transparency in transportation by introducing innovative features previously not available to transportation consumers.

We recognize Lyft for their operational process and the innovative features of their smartphone-based platform that add to personal safety:

1. Drivers must be 21 years of age or older with a valid driver's license and at least one year of driving history.
2. Drivers must pass a rigorous criminal history and driving record review and abide by a zero-tolerance drug and alcohol policy.
3. All rides are tracked via GPS from start to finish.
4. Passengers can share their route and ETA with friends and family easily from their smartphone.
5. Passengers receive details including a photo of the driver, the driver's name, a photo of the vehicle, and the license plate number direct to their smartphone.
6. Passengers receive a trip summary in their email and in their ride history showing the driver photo, the driver name, the date and time of the ride, the pickup and

- drop off location, and the duration of the ride.
7. All payment transactions, including tipping, are processed automatically with a previously saved credit or debit card with no need to handle or carry cash.
 8. The app provides actionable 360 degree feedback from the passenger and driver after each ride.
 9. The Lyft team provides a 24/7 Trust and Safety team that responds to feedback and proactively reviews rides that do not meet community standards.

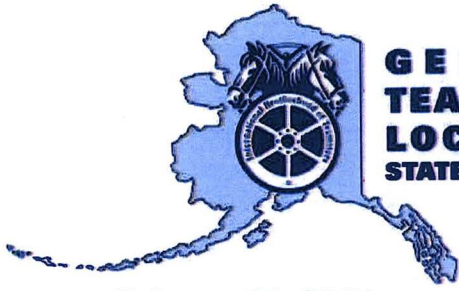
Moreover, women are traditionally underrepresented in for-hire transportation — only 12.7% from 2015 BLS estimates — due to risk factors that include carrying cash and lack of passenger information and accountability. We acknowledge that these improvements in trust, accountability, and transparency are key reasons why women have chosen Lyft and now account for nearly 30% of drivers on the Lyft platform and 60% of passengers.

With these factors in mind, NAWLEE strongly encourages the legislature to pass Senate Bill 14. New TNC options will bring greater safety, transparency, and mobility to the State's residents and visitors.

Thank you for your consideration.



Major Dawn Layman
President
National Association of Women Law Enforcement Executives



**GENERAL
TEAMSTERS
LOCAL 959
STATE OF ALASKA**

Affiliated with the International Brotherhood of Teamsters
Rick Boyles, Secretary-Treasurer
520 E. 34th Ave., Suite 102, Anchorage, Alaska 99503
Phone (907) 751-8501 • Fax (907) 751-8599

February 21, 2017

Honorable Louise Stutes, Co-chair
Honorable Adam Wool, Co-chair
House Transportation Committee
State Capitol
Juneau, AK 99801

RE: House Bill 132- Transportation Network Companies and Drivers

Dear Representatives Stutes and Wool:

After reviewing HB 132, legislation that creates a foundation allowing Transportation Network Companies (TNC) and their drivers to operate in the state of Alaska, we want to go on record opposed to the bill in its current form.

Teamsters Local 959 is a statewide union and we represent workers in almost every industry in over 250 different classifications such as truck drivers, airline pilots, engineers, land surveyors, miners, telecommunication, nurses, bus drivers, construction workers, etc. As such, protecting workers, worker rights and benefits, is our job. We work with our employers to assure our members have health benefits, pension, safe work environment, and are treated with dignity and respect.

The Teamsters believe it is important to protect all worker rights whether it is safety on the job through OSHA, nurses overtime legislation, overtime laws and Workers' Compensation, to list a few. No worker plans to be injured on the job, but if they are the employee and their family should be protected. Reviewing many cases in the lower 48, and having spoken with some of the Uber drivers in Washington State, it seems these drivers should be considered employees of the company. When Uber operated out of Anchorage for a brief period of time, the Department of Labor & Workforce Development found their drivers were employees and fined them for not paying Workers' Compensation. Uber paid the fine but then stopped operating in Anchorage. It has been stated by some that taxi cab drivers are exempt from AS 23.30.230(a) and therefore the TNC drivers should be also. We would point out that under the statute not all taxi cab drivers are exempt and the communities around the state are able to set their own regulations depending on the needs. With respect to insurance Uber provides insurance for the customer and they also have control over all the rules and regulations that govern the drivers. That is not the case with a taxi driver.

In the city of Seattle the drivers are organizing and it was not without a battle. Their company spent millions of dollars fighting the proposed legislation and is now challenging it in court. Some of the complaints from the drivers included reduced hours,

inability to earn a living wage (pay cut by 15%), unfair terminations (app would be disabled if drivers spoke out), insurance pooling, company required expensive car upgrades, and fairness and respect issues; all of which are common employee issues.

In summary, HB 132 should recognize drivers of any TNC as an employee not an independent contractor. It is a special carve out for TNC's that sets bad public policy for workers in our state. The bill:

- Significantly diminishes the established criteria used by the State of Alaska to determine whether an individual is an employee or independent contractor, specifically the ABC test AS 23.20.525(a)(8)(A-C);
- Creates an unfair advantage for TNC companies;
- Allows an industry to write its own workplace standards as opposed to requiring compliance with established standards that equitably balances the rights between both workers and employers;
- Diminishes the revenue the state will see from Employer contributions for unemployment insurance and Workers' Compensation;
- Weakens the definition of what constitutes an "employee" for certain companies, opening the door for "Worker Misclassification" issues and allow bad actors into the industry;
- Deprives workers of a minimum hourly wage;
- Allows TNC's, some worth over \$39 billion, to void all worker protections and pay little towards our state economy.

On behalf of working people in our state, especially those who are unrepresented, we ask that the existing work rules be enforced. These rules are intended to protect workers and important state programs. We ask that HB 132 be amended to protect workers, especially the drivers for these TNC's.

Your time and consideration of this matter is greatly appreciated.

Sincerely,

TEAMSTERS LOCAL 959



Rick Boyles
Secretary-Treasurer

Copy: Representatives Claman, Drummond, C.Kopp, Neuman and Sullivan-Leonard

LAW OFFICES
BRENNAN ■ HEIDEMAN
A PROFESSIONAL CORPORATION

FROM THE DESK OF:
JAMES T. BRENNAN
ATTORNEY AT LAW
jbrennan@law-alaska.com

February 21, 2017

Representative Adam Wool
Alaska State Capitol
Juneau, Alaska 99801-1182

Re: CSSB 14, Regulation of Transportation Network Companies;
Fiscal Note

Dear Representative Wool:

I am an Anchorage attorney with many years experience representing various components of the Anchorage Taxicab Industry in connection with municipal regulation of the industry. I am familiar with the regulatory issues which would be presented by the startup of transportation network companies (TNCs), including Uber, in Alaska, and have followed the development of SB 14, including the latest, committee substitute version.

The committee substitute, at Section 5, would, for the first time, saddle DCCED with administration/enforcement of the proposed new statute and regulations thereunder. This would be an entirely new role for the agency, regulation of motor vehicles. Because TNC regulation would also be brand new to the state (which has not previously engaged in regulation of passenger transportation, previously undertaken by the municipalities), this first-time foray into regulation will require adequate agency staffing. The TNCs are new players in the passenger transportation industry, and it would be a gross understatement to say that their entry into commerce has created headaches for municipal, state and national governments, worldwide. A new state law authorizing TNCs will require a full agency commitment to administer and enforce the new law.

The Fiscal Note accompanying the committee substitute is for \$280,500, essentially for two new positions, one for an investigator and one for a consumer service specialist. In my opinion, this is inadequate.

The Municipality of Anchorage has Transportation Inspection office to handle regulation of taxicab and limousines under longstanding municipal code provisions. Though it administers regulation in only one city, it requires four fulltime employees. It is unrealistic to believe that a state agency administering

startup state regulation of TNCs in cities all over Alaska will be able to adequately enforce the statute with only two additional staffers.

Among the requirements of the statute for which compliance, monitoring and enforcement by the agency will be required are:

- Required insurance provisions for both the TNC company and each TNC driver.
- Disclosure to all customers of safe fare rates, fare calculation method, and the customer's option to get an estimated fare before undertaking a ride.
- Display of pictures of arriving TNC drivers to customers.
- Provision for electronic receipts to customers.
- Disclosures to drivers by the TNC of the TNC's insurance coverage, including potential non-coverage in certain circumstances.
- Confirmation of compliance with independent contractor requirements, e.g., TNC not requiring specific hours, not restricting the drivers' ability to work with other TNCs or for other employers; and existence of a written contract with each driver.
- Enforcement of zero tolerance for alcohol and drugs.
- Local and national criminal background check for each driver, including a multi-state criminal records check and a national sex offender record check.
- TNCs obtaining driving history for each driver.
- Nondiscrimination.
- TNC's ongoing maintenance of required records.

On a state-wide basis, this is a tall order. The foregoing does not even take into account the need for establishment of some system for penalties, e.g., fines, suspensions and revocations, in the event of noncompliance by a TNC company or its TNC drivers. This will also require some provision for due process

procedures, including hearings, if a TNC company or its driver contests the agency's enforcement of the law.

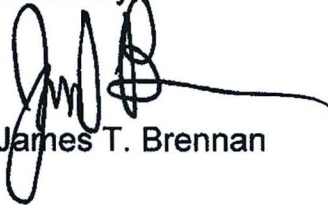
Based upon the foregoing, it is my opinion that the Fiscal Note for CSSB 14 should be increased from its current total of \$280,000 to an amount commensurate with at least four new positions in DCCED.

The Anchorage Assembly, which has far longer experience than the Legislature in regulating transportation of passengers for hire, is currently considering an extensive, 23 page ordinance to regulate TNCs, which contains substantially more protections for taxicab customers, the public safety, and other considerations, which CCSB 14 lacks.

If, as provided in Section 7 of the committee substitute bill, the state intends to entirely preempt municipalities from regulating TNCs, then the state needs to step up with adequate staffing and resources to administer and enforce its own regulation of TNCs.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'James T. Brennan', with a long horizontal flourish extending to the right.

James T. Brennan

JTB;rs
3851\083
cc: Laura Stidolph

Hello Representative Wool

I would like to express my concerns with HB132 regarding Transportation Network Companies. As i feel there are many things wrong with this bill, Insurance too low, Uber drives down wages, cities would have no say in this matter what so ever and would lose revenue from enforcement , state would lose money, fiscal note is too low (should be closer to \$400K per year), Criminal background checks are inadequate by Juneau police departments standards.

Uber should pay, Everyone else pay's, Just in Juneau the taxi industry pay's about \$200,000 in sales tax, and other fee's associated with being a taxi (and thats just Juneau). Think about how much the cities could get from Uber if it were regulated properly, money that could go to schools, roads, jobs, etc.. Instead this could let a \$5 Billion dollar company in for FREE. Thats just crazy to me.

There are many many more but i would like to mention something that is even more important:

BUYERS REMORSE, What happens if this passes and Uber is not what it seems and we just gave them an open door to the ENTIRE state, what do we do? well unfortunately there isn't an easy answer to that from what I have read, Once we let them in (unregulated) it would cost a fortune to get rid of them, Or even try to add regulation later. Uber will fight it tooth and nail, they are doing that all over the world now. Taxi's have been around since 1911 and no they are not perfect, I've also heard bad things about doctors, pilots, police officers, etc.. But to think they are all bad because of a few peoples actions? I think thats wrong. Even taxi drivers deserve to have a chance to continue making a decent wage to support there families.

If people want Uber that's fine, But they need to be on a level playing field with everyone else, And the cities, Towns, And municipalities need to regulate them locally like everywhere else does.

Thank you for your time,
James Harris
907-723-1882



OFFICE OF THE MANAGER

Telephone: (907) 586-5240; Fax: (907) 586-5385
Rorie.Watt@juneau.org

March 9, 2017

The Honorable Sam Kito
Alaska State House of Representatives
Room 403, State Capitol
Juneau, AK 99801

RE: Senate Bill 14 and House Bill 132 re: Transportation Network Companies

Dear Representative Kito:

Thank you for the opportunity to comment on pending legislation in House Labor and Commerce relating to transportation network companies and transportation network drivers. The City and Borough of Juneau recently had a work session with the Committee of the Whole to discuss SB 14 and HB 132. That discussion resulted in a great deal of concern over Sections 7 and 8 in CS for HB 132 (TRA) and CS for SB 14 (FIN). These sections prohibit a municipality from enacting or enforcing an ordinance regulating transportation network companies or transportation network drivers.

While the City and Borough of Juneau does not generally oppose “transportation network companies” we object to the provisions in the legislation that prohibit a home rule municipality from enacting or enforcing local ordinances that may regulate them. The City and Borough of Juneau believes that regulating local transportation is a local issue and requests these sections be removed.

We believe regulating transportation businesses such as taxis and the newer technology-driven transportation network drivers at the local level is consistent with Article X Section 1 of the Alaska Constitution which states “The purpose of this article is to provide for maximum local self-government...”

Taxis are a good example of localized governance. Recognizing the importance of safety, especially in situations where persons in more vulnerable states – leaving bars late at night – Juneau elected to regulate taxis through our local police department requiring background checks for drivers utilizing fingerprints. In Anchorage, several incidents caused the Muni to require taxis to install cameras. While Anchorage and Juneau regulate taxi fares the City of Fairbanks has

decided not to regulate fares. These are just three examples of local governments enacting ordinances or not enacting ordinances to manage local concerns.

That said we also recognize that the legislature has the authority to remove local control where state policies are meant to further a specific statewide policy and to uniform statewide application. Ultimately, the decision as to whether the fairly new technology-driven "transportation networks" meet the need for local preemption for statewide uniformity is a question for the legislature.

While we prefer retaining local control, if the legislature deems statewide uniformity to be necessary we ask that local control be retained as much as practicable. In this instance we suggest you consider adding authority or clarifying that the following powers are left to local control:

- Ability to require transportation network drivers to register as a business with the municipality, in the same manner as other businesses.
- Ability to apply sales tax ordinances.
- Ability to enact and enforce ordinances, not specifically targeted to prohibiting transportation networks from conducting business in the municipality.

Another concern raised was the issue around sufficiency of background checks. Currently the legislation would prevent a municipality from requiring a background check that utilized fingerprints, a requirement currently enforced for taxi drivers doing business in Juneau. It's important to note that the Alaska Legislature currently requires fingerprint background checks for a myriad of reasons:

AS 12.62.400. National criminal history record checks for employment, licensing, and other noncriminal justice purposes.

(a) To obtain a national criminal history record check for determining a person's qualifications for a license, permit, registration, employment, or position, a person shall submit the person's fingerprints to the department with the fee established by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau of Investigation to obtain a national criminal history record check of the person for the purpose of evaluating a person's qualifications for

(1) a license or conditional contractor's permit to manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage under AS 04.11;

(2) licensure as a mortgage lender, a mortgage broker, or a mortgage loan originator under AS 06.60;

(3) admission to the Alaska Bar Association under AS 08.08;

(4) licensure as a collection agency operator under AS 08.24;

(5) a certificate of fitness to handle explosives under AS 08.52;

- (6) licensure as a massage therapist under AS 08.61;*
- (7) licensure to practice nursing or certification as a nurse aide under AS 08.68;*
- (8) certification as a real estate appraiser under AS 08.87;*
- (9) a position involving supervisory or disciplinary power over a minor or dependent adult for which criminal justice information may be released under AS 12.62.160(b)(9);*
- (10) a teacher certificate under AS 14.20;*
- (11) a registration or license to operate a marijuana establishment under AS 17.38;*
- (12) licensure as a security guard under AS 18.65.400 - 18.65.490;*
- (13) a concealed handgun permit under AS 18.65.700 - 18.65.790;*
- (14) licensure as an insurance producer, managing general agent, reinsurance intermediary broker, reinsurance intermediary manager, surplus lines broker, or independent adjuster under AS 21.27;*
- (15) serving and executing process issued by a court by a person designated under AS 22.20.130;*
- (16) a school bus driver license under AS 28.15.046;*
- (17) licensure as an operator or an instructor for a commercial driver training school under AS 28.17;*
- (18) registration as a broker-dealer, agent, investment adviser representative, or state investment adviser under AS 45.55.030 - 45.55.060.*

We suggest that the legislation either provide for municipalities to regulate the sufficiency of a background check or that the legislature adopt a statewide standard that requires fingerprints under AS 12.62.400. We believe the need to ensure the safety of our residents when businesses are providing transportation is as important as requiring it for a substitute teacher making as little as \$11.00 an hour, a massage therapist or teaching commercial driving.

Thank you again for providing an opportunity to comment. We believe it is very important to promote and preserve local control and allow the most flexibility at the local level of regulating local commercial transportation. Please let us know how we can constructively engage in the remaining days of this legislature.

Sincerely,



Duncan Rorie Watt
City and Borough Manager

Tally Teal

From: Rep. Sam Kito
Sent: Tuesday, March 07, 2017 4:43 PM
To: Tally Teal
Subject: FW: UBER/LYFT Transportation companies

Follow Up Flag: Follow up
Flag Status: Flagged

-----Original Message-----

From: akhouse@belfast.servershost.net [mailto:akhouse@belfast.servershost.net]
Sent: Tuesday, March 07, 2017 3:41 PM
To: Rep. Sam Kito <Rep.Sam.Kito.III@akleg.gov>
Subject: UBER/LYFT Transportation companies

From: Debbie White <debbie@isellalaska.com>
Subject: UBER/LYFT Transportation companies

Message Body:

Please make sure we have local authority. We've worked to hard to set up rules that protect the public: Insurance, driver health/physicals, vehicle condition, etc.

I hear you had some personal bad experience with a taxi but please don't punish an entire industry over one mistake.

--

This e-mail was sent from a contact form on Representative SAM KITO III (http://akhouse.org/rep_kito)

House Labor & Commerce:

3/12/17

cc: Sen Steedman:

cc: Rep Kriesethankins:

Rarely, do we see as misguided a bill in the legislature, as Senator Costello's bill to promote internet taxi operators. Firms like Uber and Lyft (SB 14)

Costello's bill would usurp municipal taxi management. And, replace it with a state system, gamed to promote interstate "ride providers". In doing so, it would sacrifice municipal oversight that regulates taxi fares (by imposing a ceiling on the maximum fares allowed, by city statute) and eliminating local screening of drivers with criminal backgrounds. Most of us, noted the Uber driver (Michigan, I think) who turned out to be a serial killer.

More importantly, the public should note that, when you dial that interstate taxi service provider; 25% of the fare goes outside Alaska. And, that 25% is about half of the profit from ~~the~~ fare. Almost half the fare is expenses, for the operator. Money spent in other local businesses for fuel, tires, mechanics, etc.

The bills sponsors claim to be "promoting economic growth". In reality, they are reallocating existing

untaxed,
business to outside, ~~and~~ out of state corporations.
They claim they will promote efficiency, as "ride providers" would be "most active in times of peak demand." But, that's the problem, now. Too many "cherry-pickers" suck the profits out of the business. Without providing reliable service to the public. Where are they when you need them?

Real
^ Cab drivers work long shifts to provide reliable service. So, that when you need a ride to the airport, or home from the bar, someone will actually respond to your request.

Costello's bill would ~~strip~~ sacrifice public safety, and ship millions of dollars (~~in revenues~~) in taxi revenues, outside Alaska.

It is my hope the Sitka City Assembly ~~would~~ ^{will} take a stand against SB 14.

Taxi operators, and drivers bust their ass for this community. They deserve more respect from the public, and legislators pandering to outside corporate interests.

When you pinch half the profit from ^{local} operators' fares, ^{\$2000000} there goes their money for vehicle maintenance, i.e. public safety

Sincerely
Signal Ritter
738 TAXI
Sitka

Tally Teal

From: Crystal Koeneman
Sent: Thursday, March 16, 2017 2:51 PM
To: House Labor and Commerce
Subject: FW: HB 132

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

From: Jon Bolling [mailto:jbolling@aptalaska.net]
Sent: Thursday, March 16, 2017 2:45 PM
To: Rep. Sam Kito <Rep.Sam.Kito.III@akleg.gov>
Cc: Rep. Jonathan Kreiss-Tomkins <Rep.Jonathan.Kreiss-Tomkins@akleg.gov>
Subject: HB 132
Importance: High

Hello Rep. Kito.

The City of Craig does not support HB 132 in its current form. It is important that the municipalities in which these vehicles for hire operate all be subject to local review, just as taxi and other vehicle for hire services are now. Craig has a long history of fairly regulating vehicles for hire. Our local requirements for vehicles for hire are simple: provide documentation of insurance; have vehicles checked by a mechanic for safety; have vehicles checked by local police officer for working lights, turn signals, and so on; commit to late hours of operation to provide the public with reliable transportation, especially to reduce the likelihood of intoxicated drivers; and other straightforward rules. Removing local review of Uber/Lyft-type vehicles for hire creates an unequal playing field.

Craig would welcome the addition of these new vehicle for hire services. Please do not adopt a bill that creates two different operating requirements for the same vehicle for hire service, while at the same time removing the opportunity for a modicum of oversight of one classification of this service.

Jon Bolling

Craig City Administrator



"Village with a Past, City with a Future"

210 Fidalgo Avenue, Kenai, Alaska 99611-7794
Telephone: (907) 283-7535 / FAX: (907) 283-3014
www.ci.kenai.ak.us

March 16, 2017

The Honorable Sam Kito
Alaska State House of Representatives
120 4th Street,
Room 403 , State Capital
Juneau, AK 99801

RE: Senate Bill 14 and House Bill 132 re: Transportation and Network Companies

Dear Representative Kito:

Thank you for the opportunity to comment on HB 132 pending in the House Labor and Commerce Committee. My primary concern with HB 132 is Section 8, which prohibits the City of Kenai and other municipalities from regulating transportation network companies and drivers. The City of Kenai, as a home rule municipality, should be able to regulate local transportation within the City. Regulating transportation within the City is consistent with the Article X Section 1 of the Alaska Constitution which provides for maximum local self-governance and a liberal construction for local powers. Please consider amending HB 132 to allow for a meaningful level of local control should the City desire to regulate transportation network companies and drivers to ensure fair business competition and safety within the City. I look forward to testifying when public comment is allowed.

Your consideration is appreciated.

Sincerely,

Paul Ostrander
City Manager



March 17, 2017

The Honorable Sam Kito, Chair
House Labor & Commerce Committee
Alaska State House of Representatives
Rom 403, State Capitol
Juneau, Alaska 99801

Dear Representative Kito:

**Re: Senate Bill No. 14 and House Bill No. 132, Acts Relating To
Transportation Network Companies and Transportation Network
Company Drivers**

With regard to the above referenced subject, please be advised that at its meeting of March 16, 2017, the City Council considered Senate Bill No. 14 and House Bill No. 132, Acts Relating to Transportation Network Companies and Transportation Network Company Drivers. While the City Council has yet to take a formal position regarding "transportation network companies," the City of Ketchikan has significant concerns regarding the provisions of both bills that state:

"The authority to regulate transportation network companies and transportation network drivers is reserved to the state, and, except as specifically provided by statute, a municipality may not enact or enforce an ordinance regulating transportation network drivers. This section applies to home rule and general law municipalities."

Unless modified and/or clarified, the City Council has expressed grave reservations over this language that would apparently limit the City's ability as a home rule municipality to address local transportation issues including, but not limited to, the following;


- application of local sales taxes;
- application of vehicle standards;
- the necessity of background checks for drivers;
- the requirement of adequate levels of insurance for vehicles operated under the auspices of transportation network companies;
- the ability to regulate vehicles operated by transportation network drivers wishing to access southeast Alaska ports of call;
- the application of standards imposed by the Americans with Disabilities Act (ADA); and

- the unfair competitive advantage over local cab companies that are required to apply for Certificates of Public Convenience and Necessity to operate within the City of Ketchikan's jurisdiction.

If the Legislature continues to believe that statewide regulation of transportation network companies is necessary to provide uniformity across the state, the City Council respectfully requests that provisions be inserted in both bills to provide as much local control as necessary to address the specific concerns discussed above. The City of Ketchikan believes it is critically important to provide as much authority as possible at the local level to regulate commercial transportation entities. Such local oversight is necessary for the benefit of Ketchikan residents and the approximately one million cruise ship passengers that visit the community annually.

Should you have any questions on this matter, please do not hesitate to contact me.

Sincerely,



Lew Williams III
Mayor

cc: Senator Bert Stedman
Representative Dan Ortiz
Councilmembers
Karl R. Amylon, City Manager
Katy Suiter, City Clerk

Tally Teal

From: Crystal Koeneman
Sent: Friday, March 17, 2017 10:14 AM
To: House Labor and Commerce
Subject: FW: House Bill 132 - Important online link

Follow Up Flag: Follow up
Flag Status: Flagged

From: Dennis Harris [mailto:customjuneautours@ejuneau.net]
Sent: Friday, March 17, 2017 6:18 AM
To: Rep. Sam Kito <Rep.Sam.Kito.III@akleg.gov>; Rep. Adam Wool <Rep.Adam.Wool@akleg.gov>; Representative.Andy.Josephseon@akleg.gov; Rep. Louise Stutes <Rep.Louise.Stutes@akleg.gov>; Rep. Chris Birch <Rep.Chris.Birch@akleg.gov>; Rep. Gary Knopp <Rep.Gary.Knopp@akleg.gov>; Rep. Colleen Sullivan-Leonard <Rep.Colleen.Sullivan-Leonard@akleg.gov>; Rep. Mike Chenault <Rep.Mike.Chenault@akleg.gov>; Rep. Bryce Edgmon <Rep.Bryce.Edgmon@akleg.gov>
Subject: House Bill 132 - Important online link

Dear Labor & Commerce Committee member:

I believe that you will find the online article regarding Uber to be very informative as your committee considers House Bill 132 today:

https://motherboard.vice.com/en_us/article/its-time-to-force-uber-to-tell-the-government-how-it-works

The article refers to a University of Washington research paper published this week that provides a much more in-depth look at "sharing economy" firms:

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2929643

Thank you for your careful consideration of this bill.

Dennis P. Harris
12th Street LLC
544 W 12th St
Juneau, AK 99801-1524

Cell (907) 209-8387
customjuneautours@ejuneau.net
<http://www.customjuneautours.com>
Like my Facebook page: <https://www.facebook.com/JuneauCustomTours>