

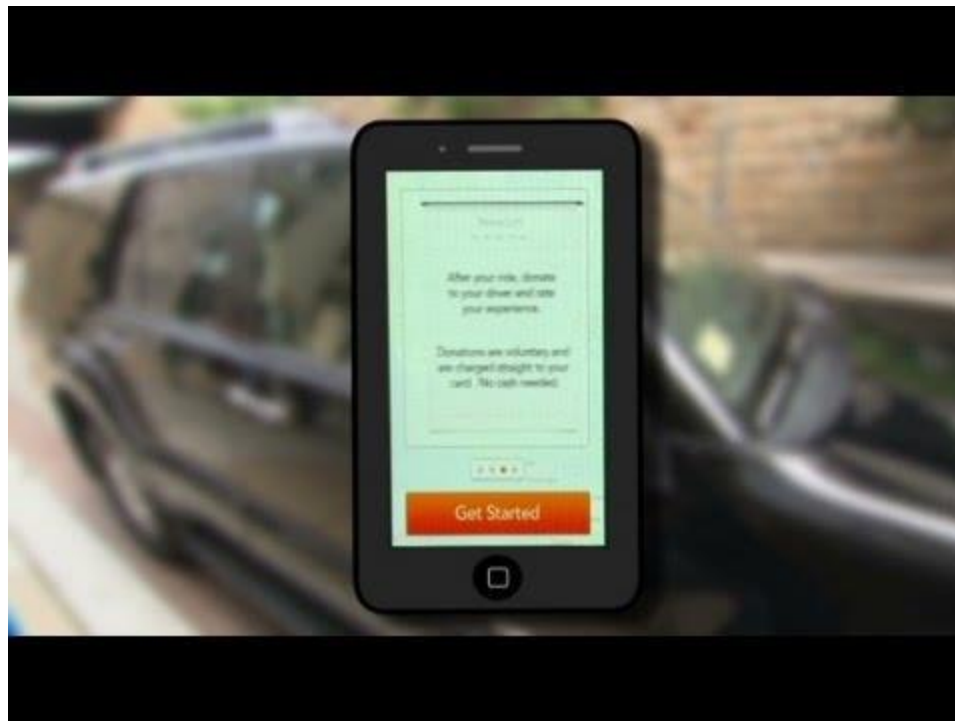
International Municipal Lawyers Association

Shared Use Mobility Webinar

August 18, 2014

Shared Use Mobility Apps

- A new way to access transportation services in the “sharing economy”
 - Access rather than ownership is the new norm



Examples of Current Shared Use Mobility Apps

- **Carma** – Realtime shared Car Trips. Browse for matches and get in touch. Driver automatically receives payment from rider based on distance traveled
- **Lyft** – Peer-to-Peer ridesharing via smartphones and required FB accounts. “Donations” from passengers.
- **RelayRides** – Peer-to-Peer Carsharing Service. Private car-owners rent out their vehicles.
- **RideScout** – Free mobile app that provides all shared use mobility options.
- **Sidecar** – Smartphone app that matched people for shared rides.
- **Uber** – Transportation Network Company that connects passengers with drivers of vehicles for hire and ridesharing services.



Issues to Consider



- **Legality of Providers' Services**
- **Current Definitions of Ridesharing**
- **Current and Proposed Regulations**
- **Regulation Status**

Legality of Provider's Services

- Regulatory requirements for providers have been complex and evolving
- Tension in many urban areas across the country on whether providers should be subject to the same regulations as taxi cab providers.
- State laws applicable to Ridesharing arrangements. On August 6th both Lyft and Uber announce carpooling programs (Lyft Line and Uber Pool).



Current Definition of Ridesharing



- **District of Columbia** – Nothing currently. However, proposed DC Taxicab Commission’s proposed regulation has a recommendation. *“Define Ridesharing as an activity not subject to licensing or regulation by the Commission in which passengers are grouped for a non-commercial purpose, such as defraying costs, reducing road congestion, decreasing fuel use, protecting the environment, and increasing ridership, in which no person has a for-profit interest.”*

**** Note: This recommendation would create a definition of “ridesharing” for the Commission’s regulations only, not one of general applicability in the District***

Current Definition of Ridesharing



- Maryland – § 11-150.1. Ridesharing.
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- (a) In general.- "Ridesharing" means any nonprofit commuting service used in transporting commuters exclusively between their place of residence and their place of employment, or termini near such places. The term ridesharing includes both carpool and vanpool, defined as follows:
 - (1) A carpool uses a motor vehicle that is a Class A passenger car or station wagon having a seating capacity of not more than 9 persons, including the driver; and
 - (2) A vanpool uses a motor vehicle that is a Class J van having a seating capacity of not less than 7 nor more than 15 passengers, including the driver.
- (b) Commuter service provided by for-hire transportation company.- "Ridesharing" does not include a commuter service provided by a for-hire transportation company.

Current Definition of Ridesharing



- Virginia – § 46.2-1400. "Ridesharing arrangement" defined.
- "Ridesharing arrangement" means the transportation of persons in a motor vehicle when such transportation is incidental to the principal purpose of the driver, which is to reach a destination and not to transport persons for profit. The term includes ridesharing arrangements known as carpools, vanpools, and bus pools.
- (1981, c. 218, § 46.1-556; 1989, c. 727.)

DC Taxicab Commission



- In the spring of 2013, Lyft, SideCar, and uberX debuted in the District, in advance of any legal authority
- Commission creates “Panel on Industry” to make recommendations on how these services can be regulated, and allowed them to operate in the Interim
- In September 2013, DC Council enacts Emergency Act, which sets specific criteria to allow the temporary operations and also enumerated specific issues for the Panel to address in a Report which was issued on January 24, 2014.

DC Taxicab Commission



The Act established basic rules to allow “ridesharing” services to operate temporarily

- Requiring the service to submit proof that it is licensed to do business in DC
- Maintains a registered DC agent
- Maintains a website that provides a customer service telephone number or email address

The Act also requires the service to maintain an excess liability insurance policy that provides a minimum of \$1 million per-incident coverage for accidents involving a ride-sharing vehicle and operator in transit to or during a ride-sharing trip

DC Taxicab Commission



- Panel has proposed rules and regulations to modify public vehicle for hire regulations.
- Define the service offered by Lyft, SideCar, and uberX as “a public vehicle-for-hire service that uses digital dispatch to connect passengers with non-professional drivers operating with their own personal vehicles” and state that the service “does not include ridesharing.” The Commission should chose an appropriate name for the new service.
- Public hearings held regarding proposed rulemaking for establishing a new private sedan class of public vehicles-for-hire and rules pertaining to dispatch services.
- Action by the DC City Council is expected in September.

Maryland and Virginia

Regulation Status

Maryland

- Senate Bill 919 (SB919)
- House Bill 1160 (HB1160)
 - Bills were introduced this past legislative session and were supported by the Shared Use Mobility app providers but opposed by the Maryland Public Service Commission. Both bills failed mainly because the providers would have been considered smartphone apps and not for hire cab companies, although they would have been regulated.

Maryland Public Service Commission

- Has issued a Proposed Order (April 24, 2014) to regulate the services; however the Order was appealed by Uber. On August 6, the PSC rules that Uber is a common carrier and will need to apply for a permit within 60 days. Uber vows that it will appeal.

Maryland and Virginia Regulation Status

Virginia

DMV Issued a cease and desist order on June 5, 2014. Many of the Shared Use Mobility App providers have publicly vowed to ignore the Order and continue Operations. A few of the driver's have been ticketed.

The DMV is also actively studying its passenger carrier laws and the "app" business model to determine next steps and has encouraged the Shared Use Mobility providers to participate in the study.

On August 6th, the DMV issued a temporary agreement to allow for the operation of these services but they must meet various terms, including conducting background checks for drivers, documenting their rates and meeting rigorous insurance requirements. Officials can revoke the temporary operating authority if there is a failure to comply with any of the terms.

Other Areas

- California - Transportation Network Companies (TNC's) allowed to operate based on PC decision on September 19, 2013. [Rules clarified](#) on insurance on July 10, 2014
- Colorado – [State Legislation](#) signed by Governor on June 5, 2014. The bill authorizes the public utilities commission (PUC) to regulate transportation network companies
- Illinois – City of Chicago Ordinance, State legislation HB 4075 would require Uber and Lyft drivers to have a chauffeur's license and commercial insurance in Illinois:
- New York City – Lyft promises to pay drivers \$10K/month – 60 hours a week
- Texas – Houston, San Antonio, Austin – Restraining order fails, injunction hearing would stop providers from operating or give city ordinances a chance to catch up with the technology was to be considered
- Miami – Uber is paying \$1,000 tickets received by their drivers.
- Seattle – Ordinance, Referendum, Lawsuit, Repeal

Legal Issues to Consider

- Prohibit the use of the name “ridesharing” for any public vehicle-for-hire service.
- The availability of adequate insurance to compensate passengers and members of the public when an accident occurs is the issue of greatest concern to the Panel.
- “ridesharing” does not fall within the scope of coverage in an ordinary, personal motor vehicle liability policy
- The combined use of amateur drivers and private vehicles raises significant safety, consumer protection, and other issues. Safety is of concern because “ridesharing” drivers are part-time amateurs who – even if the Panel’s recommendations are followed – would not receive training comparable to professional drivers

Other Issues

- Address redlining issues
- Modify the existing regulations for taxicab operations and fares, and for digital dispatch, to allow a digital dispatch service to set the entire fare for a dispatched taxicab ride.
- Consider additional measures to continue efforts to increase the availability of wheelchair accessible vehicles in the industry if “ridesharing” becomes an approved service.

Questions?

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