

POLICY IMPLICATIONS OF TRANSPORTATION NETWORK COMPANIES

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Overview

Summary of white paper on
policy aspects of TNCs

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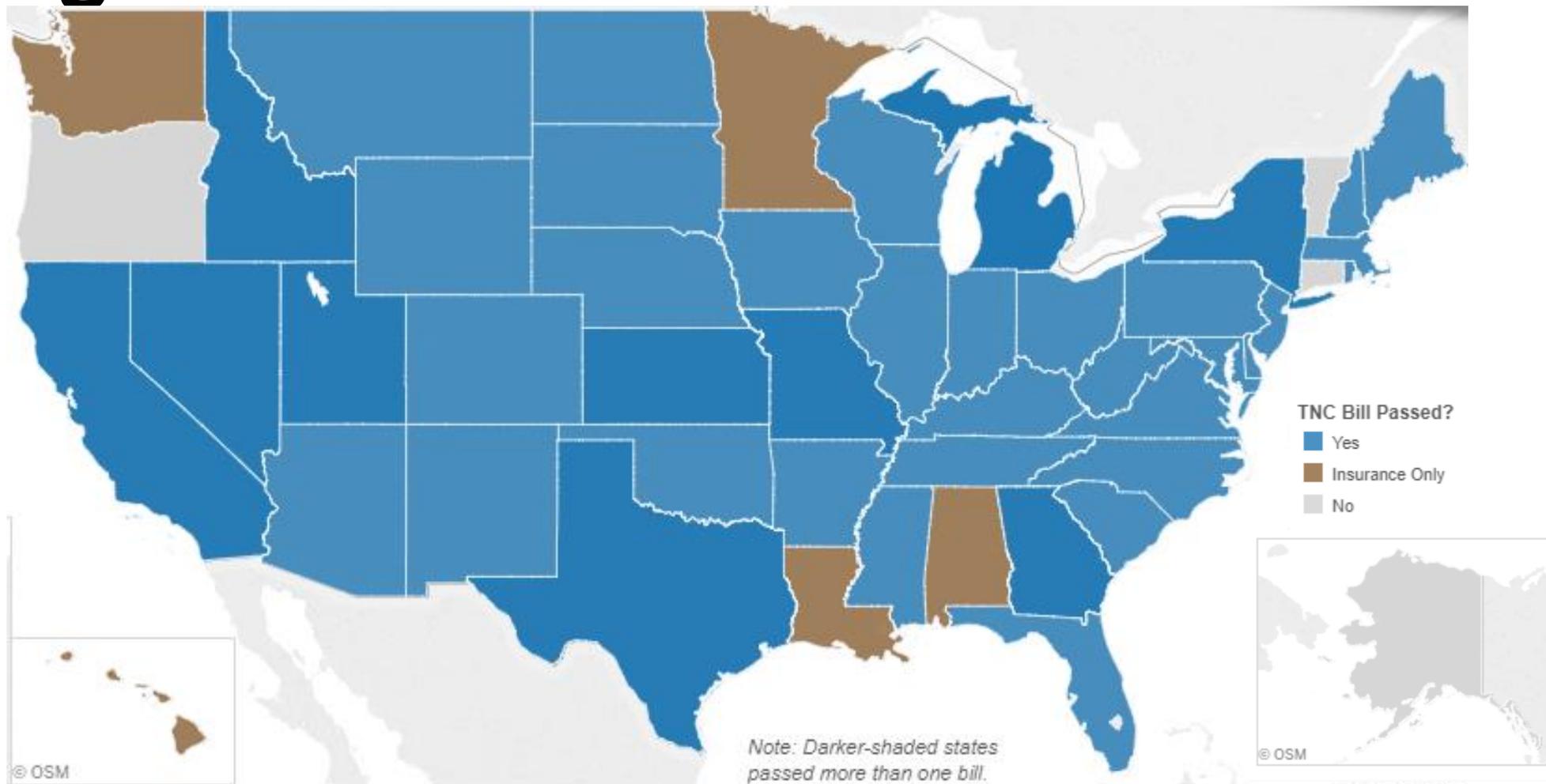
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Policy Implications of Transportation Network
Companies
Final Report

PRC 17-70 F



Regulation of TNCs



TNC Policy in Texas

HB 1733 (Jan 2016)

- Requires TNC drivers to have primary automobile insurance that allows them to operate as TNC drivers.

HB 100 (May 2017)

- Statewide regulatory framework for TNCs
- Requires a TNC permit, operational requirements, driver and vehicle standards, and passenger protections
- Nullified all local TNC regulations and by establishing one set of statewide regulations

8 Priority Policy Issues

Are TNCs Considered Motor Carriers in the Texas Transportation Code?

State Preemption of Local TNC Authority

TNCs and Impaired Driving

Concerns with Driver Background Checks

Maintaining Public Safety

Equity and Accessibility Considerations

Data Sharing

TNC and Transit Partnerships



Are TNCs Considered Motor Carriers in the Texas Transportation Code?

- TNCs and TNC drivers offer commercial transportation services that have similarities to commercial motor carrier activities.
- A TNC is probably not considered a motor carrier under Texas Transportation Code because TNCs are explicitly defined to not “control” TNC drivers.
- Texas Insurance Code conforms more closely to the definition of a motor carrier in due to the driver’s role in operating the vehicle.
- HB 100 states, “Transportation network companies and drivers logged in to the company’s digital network are not common carriers, contract carriers, or motor carriers

State Preemption of Local TNC Authority

- HB 100 explicitly overrules, or preempts, existing TNC ordinances and prohibits local authority from regulating TNCs.
- Preemption is a term for the use of state statutory or constitutional law to supersede or nullify a municipal ordinance or authority.
- Lawmakers support statewide TNC legislation preempting local ordinances because it is expected to reduce barriers to TNC operations and enable expansion to more areas of the state.
- A majority of state legislation includes preemption of the local authority to regulate, tax, or impose rules on TNCs.

TNCs and Impaired Driving



- Proponents argue that TNC services offer a safe transportation option for individuals who have been drinking.
- Formal research lacks data to attribute reductions in impaired driving and improved safety to any one factor, such as TNC services.
- Several studies find correlations between TNC activity and impaired-driving activity but cannot conclusively conclude that TNCs are directly responsible for these trends.
- Additional research is needed to link TNC ridership data to impaired-driving outcomes.

Concerns with Driver Background Checks

- Public discourse about TNC background checks has focused on the relative merits of fingerprint-based background check versus name-based check (preferred by some TNCs).
- Most states require TNCs to have background checks conducted for TNC drivers before or within a specified time window to be allowed to drive.
- State TNC legislation varies in terms of who conducts the background check, what databases are reviewed, and what disqualifies a driver from work eligibility.
- No state law currently requires fingerprint-based background checks for TNC drivers.

Maintaining Public Safety

- TNC technologies provide safety features including driver and vehicle identification info, tracking and sharing the route, and collecting feedback and ratings for each trip.
- A 2016 study found TNC drivers drive more safely than average drivers, based on attributes such as speeding, aggressive driving, phone use, and hard braking.
- State legislation frequently includes driver age minimums, cash payments, vehicle inspections, driver training, and limits on driver hours
- Some policies may have other costs that can be weighed against perceived safety benefits (ex. digital credit card payments)

Equity and Accessibility Considerations



- Existing questions about whether TNC services are accessible to transportation-disadvantaged groups (older adults, low-income, persons with disabilities, rural areas, etc.)
- Limited information available suggests that TNCs primarily serve users who have higher incomes in urban areas.
- Features likely improving equity a reduction of rider rejections due to user traits and destinations being unknown before the trip
- Features creating inequity include requirements to have credit cards or use smartphones as well as unequal availability of wheelchair accessible vehicles

Data Sharing

- The National Association of City Transportation Officials provides guidelines in on how data-sharing standards can improve policy making and transportation planning.
- Guideline areas include better data for transportation planning, equitable access to mobility options, and better tools for safety in order to identify design issues.
- Many states have basic data retention requirements for TNCs to retain driver and trip records for one or more years, but do not typically include a more involved data-sharing agreement.
- Some states allow regulators to audit these records in the case of a crash or violation.

TNC and Transit Partnerships

- Transit agencies across the country have been exploring partnership opportunities with TNCs and tech companies.
- Partnerships may focus on technology integration, data sharing, first-mile/last-mile service connections, gap service, microtransit, carpooling, promotional fares, paratransit services, etc.
- Challenges exist in funding and regulatory frameworks for transit agencies, including liability, insurance, driver training concerns, and nondiscrimination and accessibility policies.
- Solutions are needed for longer-term funding of partnerships and clarification on how TNCs fit into FTA requirements.

Future Policy Considerations

TNC and Taxi Regulation Harmonization

TNCs and Automated Vehicles

Effects of TNC Policy on Future Market Activity



Questions?

Final Report: <https://static.tti.tamu.edu/tti.tamu.edu/documents/PRC-17-70-F.pdf>



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