

Note from the Austin Transportation Department: A previous version of this memorandum included a typo in the second paragraph. The typo stated 75 percent of TNC trips (according to miles or hours) must be completed using fingerprinted drivers by December 1. The correct percentage of trips that must be completed using compliant drivers by December 1 is 85 percent (Austin City Code § 13-2-527). This typo has been corrected below.



MEMORANDUM

TO: Mayor and Council

CC: Marc A. Ott, City Manager
Robert Goode, P.E., Assistant City Manager

FROM: Robert Spillar, P.E., Director,
Austin Transportation Department

A handwritten signature in black ink, appearing to read 'Robert Spillar, P.E.', is placed to the right of the 'FROM:' line.

DATE: August 22, 2016

SUBJECT: Transportation Network Companies – Post Election Update

The purpose of this memorandum is to update Council on the developments related to transportation network companies (TNCs) and to relay our efforts in enforcing City regulations.

The City requires TNC operators to meet fingerprinting goals set by Council: 25 percent trips (according to hours or miles) must have been completed by drivers who have undergone a fingerprint background check by May 1, 2016; 50 percent by August 1, 2016; 85 percent by December 1, 2016; and 99 percent by February 1, 2017.

Staff received data reports containing information about company compliance with the fingerprinting benchmark on August 15. All of the companies currently operating in Austin meet the August 1 benchmark requirement, which requires the companies to deliver at least 50 percent of their service (measured in hours or miles) using compliant drivers.

Actions Taken by Staff

Staff has been actively assisting the TNC industry come into compliance with Austin City Code. Taking a proactive approach towards enforcing regulations and encouraging compliance, ATD staff has:

- Licensed a total of twelve TNC operators in Austin, including: Get Me, Wingz, zTrip, Fasten, Fare, ReDriver Tech, Uber, Lyft, Tride Technologies, RideAustin, InstaRide and ScoopMe;

- Contacted each of the TNC operators to verify their understanding of Ordinance No. 20151217-075;
- Notified individual TNCs of deficiencies in meeting requirements of the ordinance and reiterated the need for the TNCs to meet all requirements. To assist with this, we have provided an ordinance checklist;
- Suspended the operating authority of companies that failed to meet the monthly data reporting requirements outlined in the City Code and which have ceased operations in Austin for more than 30 days.
- Continued enforcement operations against illegal ground transportation operators and dispatch services. On June 17, enforcement operations resulted in four individuals receiving citations for operating without a valid operating authority and operating without a valid city chauffeur permit. All four vehicles were impounded. ATD will also cite the company for operating without an operating authority.
- Hosted two driver fairs to connect potential drivers to various TNC operators licensed in Austin where we connected more than 1,000 drivers directly with TNC and taxi companies that participated;
- Confirmed a fingerprint background check rate of \$39.95/person with MorphoTrust, the State of Texas' fingerprint contractor, to conduct fingerprinting services and provided information about the fingerprinting process on the ATD webpage;
- Confirmed with MorphoTrust their ability to adequately serve individuals who wish to do a fingerprint background check through appointments at regional facilities;
- Published information about the fingerprint background check process prominently to ATD's website (AustinTexas.gov/Transportation);
- Began preliminary discussions about opportunities to enhance the ease of which drivers can register with the City and schedule fingerprint background checks through online platforms and software. At this time discussions are investigative and more information will be shared as it is available;
- Received Council approval on an ordinance which verifies for all drivers and companies what criminal offenses might warrant a denial of certification as a verified driver by Austin (Ordinance No. 20160616-023);
- Received Council approval on an ordinance which requires two additional data points be included in the TNC monthly reports, and establishes penalties companies for TNC operators that do not meet the fingerprint benchmarks outlined in the City Code (Ordinance No. 20160623-066);

July 2016 Monthly Data Report & Aug. 1 Fingerprint Benchmark Compliance

Staff received data reports containing information about company compliance with the fingerprinting benchmark on August 15. All of the companies currently operating in Austin meet

the August 1 benchmark requirement, which requires the companies to deliver at least 50 percent of their service (measured in hours or miles) using compliant drivers. This measure is calculated based on either the percentage of total hours driven by compliant (fingerprinted) drivers, or the percentage of total miles driven by compliant drivers to calculate each company's compliance rate.

Company	Percentage Compliant Drivers	Percentage of Hours Driven by Compliant Drivers	Percentage of Miles Driven by Compliant Drivers	Company Compliant?
Fare	56%	69%	69%	YES
Fasten	44%	58%	58%	YES
GetMe	45%	50%	55%	YES
InstaRyde	41%	86%	75%	YES
Lyft*	TNC did not operate and submitted data report indicating no trips			YES
ReDriver Tech*	TNC did not operate and submitted data report indicating no trips			YES
RideAustin	65%	89%	89%	YES
ScoopMe*	57%	TNC did not operate and submitted data report indicating no trips		YES
Tride	76%	38%	73%	YES
Uber*	TNC did not operate and submitted data report indicating no trips			YES
Wingz	64%	100%	100%	YES
Z-Trip	49%	100%	100%	YES

ATD has received approximately 3,771 background check reports for individuals applying to drive for a vehicle-for-hire in Austin since January 2016. Through the fingerprint background check process, and based on the disqualifying offenses that the City Council outlined in Ordinance No. 20160616-023, ATD has denied certification of 86 individuals who are not permitted to drive for a TNC or ground transportation service in Austin. Additionally, ATD has not received any reports of issues from MorphoTrust about instances of delays in fingerprinting process, lack of available appointments, etc.

The monthly reports for July also provided a glimpse into the TNC market in Austin. More than 350,000 trips were provided in July by the eight operating companies in aggregate. Additionally, companies reported a total number of 8,985 drivers. Note, one driver may work for multiple companies, therefore this number may not be the total number of individual drivers in the industry.

Our goal is to assist all interested TNCs reach compliance with all aspects of Austin City Code and apply the Council-approved Code fairly to all parties.

Please contact me if you have any questions. I can be reached at Rob.Spillar@austintexas.gov or (512) 974-2488.