



MEMORANDUM

TO: Mayor and Council

CC: Elaine Hart, Interim City Manager
Robert Goode, P.E., Assistant City Manager

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

DATE: March 8, 2017

SUBJECT: Transportation Network Companies – City Code Compliance Update

The purpose of this memorandum is to update City Council on developments related to transportation network companies (TNCs) and relay efforts by the Austin Transportation Department (ATD) in enforcing City Code. ATD released a previous update on Jan. 20, 2017.

As of Feb. 1, 2017, there were 11,968 individuals that completed fingerprint background checks to drive for a vehicle-for-hire company in Austin. Of these individuals, 274 were not permitted to drive based on Council approved disqualifying offenses. There are currently seven TNCs operating in Austin.

As enacted by City Council in Ordinance No. 20151217-075, City Code Section 13-2-527 requires TNC operators to meet the following fingerprinting benchmarks: 25 percent of 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 Aug. 1, 2016; 85 percent by Dec. 1, 2016; and 99 percent by Feb. 1, 2017.

ATD received data reports containing information about company compliance with the Feb. 1 fingerprinting benchmark on or before Feb. 15, 2017. These reports indicate that all of the TNCs currently operating in Austin have met the 99 percent requirement.

As detailed in the chart below, compliance 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.

Company	Percentage of Hours Driven by Compliant Drivers	Percentage of Miles Driven by Compliant Drivers	Company Compliant?
Fare	100%	100%	YES
Fasten	99.5%	99.5%	YES
GetMe	100%	100%	YES
InstaRyde	TNC is not currently operating in Austin		
Lyft	TNC is not currently operating in Austin		
ReDriver Tech	TNC is not currently operating in Austin		
RideAustin	99.9%	99.9%	YES
ScoopMe	TNC is not currently operating in Austin		
Tride	100%	100%	YES
Uber	TNC is not currently operating in Austin		
Wingz	100%	100%	YES
zTrip	100%	100%	YES

Actions Taken by ATD

ATD has taken a proactive approach toward enforcing and encouraging compliance with City Code that has included:

- Licensing a total of 12 TNC operators in Austin, including Fare, Fasten, GetMe, InstaRyde, Lyft, ReDriver Tech, RideAustin, ScoopMe, Tride Technologies, Uber, Wingz, and zTrip; as of Feb. 1, 2017, only seven of the 12 companies are operating in Austin;
- Monitoring our agreement with MorphoTrust, the State of Texas' fingerprinting contractor, to house and conduct fingerprinting services at the ATD office located at 1111 Rio Grande Street, Austin, Texas 78701, providing a new, central location for drivers to undergo fingerprinting, and meet with Ground Transportation staff. In addition to this location, staff has continued working with MorphoTrust to ensure applicants may be fingerprinted at any of the six regional facilities;
- Offering 5-minute pick-up/drop-off incentives for TNC drivers during major events, such as SXSW, and providing information to residents, businesses and tourists about the TNCs and other ground transportation service providers operating during this event;
- Setting up weekend operational hours as needed to allow TNC drivers access to obtain a TNC permit outside of normal business hours;
- Establishing a TNC operating authority renewal application as mandated by City Code 13-2-511 which requires a company to provide updated information. Additionally, the renewal affirms a TNC's understanding of particular requirements in the code such as monthly reporting, submittal of accident reports, accessibility requirements, and monthly remittal of payments;
- Initiate discussions regarding the process governing the renewal of TNC permits and exploring the possibility of establishing a TNC driver's exam, which aligns to the current practice of all other vehicle-for-hire industries;
- Establishing an alternative fingerprint approval process for those individuals unsuccessful in supplying an adequate fingerprint record or are unable to submit a fingerprint record due to a disability; and
- Establishing an appeal process for TNC drivers previously disqualified, as directed by City Council in Ordinance No. 20161215-067. As of Mar. 3, 2017, 26 appeals have been reviewed by the ATD Director. Of these, nine chauffeur permits and six TNC permits were granted their permits. The remaining 11 appeals were denied. Additionally, ATD will be distributing a memo to Mayor and Council outlining options through which appellate authority can be shifted from the ATD Director to the Austin Municipal Court, so that an individual disqualified from driving a ground transportation vehicle due to a criminal conviction and filing an appeal of the decision will be heard by a judge of the Austin Municipal Court instead of the director.

Background Check Review, Appeals, and February 2017 Monthly Data Report

As of Feb. 1, 2017, there were 11,968 individuals that completed fingerprint background checks to drive for a vehicle-for-hire company in Austin. Of these individuals, 274 were not permitted to drive based on Council approved disqualifying offenses. There are 7,077 TNC drivers and 3,685 chauffeur drivers permitted by ATD to provide service within Austin (or a total of 10,762 permitted mobility as a service drivers). The 274 denied permits represent a 2.6% rejection rate.

As noted above, ATD has established an appeal process for previously disqualified drivers in response to Ordinance No. 20161215-067, which went into effect immediately. ATD has reached out to those previously disqualified, notified them of the appeals process, and is currently reviewing appeals. As of Mar. 3, 2017, 26 appeals have been reviewed by the ATD Director. Of these, nine chauffeur permits and six TNC permits were granted their permits. The remaining 11 appeals were denied.

The monthly reports for January 2017 also provided a glimpse into the TNC market in Austin. The seven operating companies, in aggregate, provided more than 480,000 trips that month (the eighth company, InstaRyde, paused operations on Dec. 15, 2016). This is an increase of over 30,000 trips from the previous reporting period in December 2016.

Additional TNC Reporting Requirements

City Code also contains requirements pertaining to accessibility and fees to be collected by the City. City Code Sections 13-2-517 (A) and (B), respectively, require that within three and six months of obtaining a TNC operating authority, a TNC must make an accessible service request indicator available on its app and implement an accessibility plan approved by the ATD director.

Furthermore, City Code Section 13-2-532 notes TNCs are to pay the City a fee calculated by ATD, which is commonly administered as one percent of the gross receipts. From Sep. 15, 2016 to Feb. 1, 2017, ATD has collected more than \$600,000. This revenue is used to support administrative costs, in-field compliance, and to provide incentives during special events such as ACL. The companies' compliance with these sections of the City Code are outlined below.

Company	Date Operating Authority Granted by ATD	Compliant with 3-month accessible service request indicator requirement	Compliant with 6-month accessibility plan requirement	Compliant with TNC fee requirements
Fare	May 24, 2016	Yes	Yes	No*
Fasten	May 25, 2016	Yes	Yes	Yes
GetMe	March 9, 2016	Yes	No	Yes
InstaRyde	TNC is not currently operating in Austin			
Lyft	TNC is not currently operating in Austin			
ReDriver Tech	TNC is not currently operating in Austin			
RideAustin	June 13, 2016	Yes	Yes	Yes
ScoopMe	TNC is not currently operating in Austin			
Tride	June 15, 2016	No**	No	No
Uber	TNC is not currently operating in Austin			
Wingz	March 9, 2016	Yes	Yes	Yes
zTrip	March 9, 2016	Yes	Yes	Yes

* Partial payments received

** Expected launch date is March 17, 2017

ATD's goal is to enforce and facilitate TNC compliance with all aspects of Austin City Code and apply the City 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.

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