

2016 CCMTA ANNUAL MEETING

HALIFAX, NOVA SCOTIA

CONCURRENT SESSIONS

TOPIC:

TRANSPORTATION NETWORK COMPANIES

PRESENTER:

RICHARD D. HOLCOMB

COMMISSIONER, VIRGINIA DEPARTMENT OF MOTOR VEHICLES



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TNCs in Virginia

A Model for Success

Richard D. Holcomb
Commissioner, Virginia DMV
June 19, 2016



Background

- Transportation Network Companies (TNC) connect drivers and riders through smartphone apps
- Uber and Lyft operate in Virginia
- No street hails
- Not full-time drivers; use personal vehicles

The Beginning

- Drivers were operating for-hire with no government oversight
- TNC position
 - “Technology” not “transportation” companies
 - Existing regulations didn’t apply
- Rather than seek legislative authority, TNCs moved into Virginia with the expectation that laws would be adapted for their business models



Finding a Solution

- Short-term
 - Attempted dialogue with TNCs
 - Issued cease-and-desist letters
 - TNCs engaged
 - Granted temporary operating authority
- Long-term
 - Conducted 10-month legislative study
 - Brought together over 100 stakeholders
 - Researched other jurisdictions

The Legislative Process

- Key stakeholders came together for negotiations
 - Legislators
 - TNCs
 - Taxi/ Limousine industry
 - Insurance lobby
 - DMV
- Result - a bill on which all could agree and model legislation for the United States



Success Story

PATCH

GENERAL ASSEMBLY 2015

... WEDNESDAY, FEBRUARY 18, 2015 A5

McAuliffe signs Uber, Lyft bill

Law makes rules on background checks, liability insurance

BY JACOB GEIGER
Richmond Times-Dispatch

Gov. Terry McAuliffe signed new rules for Uber and Lyft into law Tuesday and called the legislation a national example as cities and states decide how to regulate the ride-hailing services.

"With so many diverse interests involved, we could have ended up in a game of bumper cars," McAuliffe said. "However, we worked together and reached a mutual agreement that advances entrepreneurship, benefits the environment, and meets the public desire for transportation."

regulations, which were passed by the House and state Senate, are the subject of negotiation with companies, attorneys and the industry of Motor Vehicle largely will benefit of Uber

panies that industry many had companies would differ



After signing a bill Tuesday allowing such companies as Uber and Lyft to operate in the state, Gov. Terry McAuliffe shook hands with DMV Commissioner Rick Holcomb as Attorney General Mark R. Herring (right) looked on.

BOB BROWN/TIMES-DISPATCH

the influence or other serious moving violations. Drivers must submit to zero-tolerance policies regarding the use of drugs or alcohol, and the companies agreed to hire only licensed drivers 21 and older.

Another key regulation governs insurance. Drivers now are required to

age from the moment a driver accepts a trip request until the passenger leaves the vehicle, and liability insurance for drivers who are logged on to the companies' software but not providing services.

This month, Geico launched an insurance policy in Virginia

The insurance policy covers drivers when they are using their cars for personal use and when they are driving for the ride-sharing companies, said Othello Powell, director of Geico commercial lines.



Law Highlights

- TNCs licensed by DMV
- Driver screening the responsibility of each company
 - Drivers must be at least age 21 with valid driver's license
 - Criminal and sex offender background checks required prior to hire and every other year with certain barrier crimes as a bar to entry
 - Driver's license record checks required prior to hire and annually thereafter



Law Highlights

- Driver's personal vehicles must:
 - Meet standards, i.e. registration and safety inspections
 - Seat no more than seven passengers, excluding the driver
 - Have insurance coverage for commercial operations
 - Register with DMV for TNC use



Law Highlights

- Vehicle markings required:
 - Trade dress
 - DMV decals
 - In-state – special registration year decal for plates
 - Out-of-state – sticker for back window display



Law Highlights

- Insurance liability minimums during a pre-arranged ride:
 - \$1 million in primary liability coverage
 - \$1 million in uninsured motorist and underinsured motorist coverage

Law Highlights

- Insurance liability minimums at all other times a TNC driver is on the app:
 - at least \$50,000 per person/ \$100,000 per incident for death and bodily injury in primary liability coverage
 - at least \$25,000 per incident for property damage



Law Highlights

- TNC must disclose insurance requirements provided to TNC partners
- TNC must credential each driver; may be displayed through the app
- App must provide passenger with driver name, photo, and license plate
- E-receipts required
- Zero-tolerance policy for drugs and alcohol
- No discrimination



Law Highlights

- Street hails prohibited; drivers may only accept riders through the app
- If a driver engages in off-app rides, the TNC is required to remove the driver from the app for at least 12 months
- No airport operations unless pre-approved by the airport authority



Law Highlights

- DMV conducts periodic compliance reviews
- TNCs to maintain records for three years
- Records must be made available to law enforcement



Implementation

- Implementation planning began in February 2015
- More than 180 employees, 14,000 hours
- Estimated cost:
 - Year 1 - \$640,000
 - Annual recurring - \$430,000
- Six additional employees hired



Vehicle Registrations

- Registration began a month ahead of the law's effective date
- Registration options include:
 - Customer service centers
 - dmvNOW.com
 - Mail
 - Fax
 - TNC-initiated registration through a new secure portal



Vehicle Registrations

- Most registrations received through the secure portal
- More than 23,000 TNC vehicles by July 1, 2015 – the law's effective date
- Now more than 108,000 vehicles registered
 - 52,000 in-state
 - 55,000 out-of-state
- Most registrations from Virginia population centers



Enforcement

- DMV enforcement efforts show compliance increasing each month
 - Minor violations
 - Education ongoing
- Virginia is studying to see if TNCs have had an effect on drunk driving
- MADD and Uber DUI study:
<https://newsroom.uber.com/wp-content/uploads/2015/01/UberMADD-Report.pdf>



Planning Ahead

- The technology of transporting passengers and property continues to evolve
- Next trend – property/goods transport arranged via apps
- DMV is issuing a temporary operating authority as we study this trend to make permanent legislative recommendations
- Uber subsidiary, Portier, was granted TOA



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