



City of San Antonio

Agenda Memorandum

File Number: 14-1039

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Agenda Date: 5/7/2014

In Control: Public Safety Committee

SUMMARY:

Transportation Network Companies or TNCs have entered the San Antonio vehicle for hire industry by using social networks, smart phones, and GPS systems to connect drivers with passengers. TNCs are not in compliance with the requirements in Chapter 33 of the City Code of San Antonio and are still operating despite the issuance of a Cease and Desist Letter issued on March 26, 2014 and enforcement by the Ground Transportation Unit.

BACKGROUND:

On April 2, 2014 the Police Department presented to the Public Safety Committee an overview of TNCs working in San Antonio. As a result of this meeting, the San Antonio Police Department (SAPD) began active covert enforcement of Chapter 33. In addition, the SAPD reached out the TNCs, taxicab, and limousine industries to determine the position of each industry regarding the operation of TNCs in the City of San Antonio (see meeting dates below).

- April 10, 2014 Staff held a conference call with representatives from Lyft
- April 14, 2014 Staff met with members of the taxicab and limousine industries
- April 16, 2014 Staff met with representatives from Uber
- April 21, 2014 The Transportation Advisory Board (TAB) held a special meeting to discuss TNCs
- April 23, 2014 Staff met with representatives from Lyft

Transportation Network Perspectives - TNCs consider themselves technology platforms as opposed to a transportation company. TNCs connect passengers with drivers but do not consider that action to be a “dispatch” service. However, Chapter 33 defines the terms “connect” and “dispatch” to have the same meaning.

Specifically, both Lyft and Uber assert that their drivers, vehicles and insurance meet or exceed Chapter 33 requirements and are open to establishing a process for verification purposes. However, at this time, neither company desires to license their drivers or vehicles to operate in the City of San Antonio; they are willing to discuss a company permitting process.

Local Permitted Industry Perspectives - During the Department’s discussion with members of the vehicle for hire industry, the local permitted Industry representatives proposed no changes to Chapter 33; they assert that TNCs should follow Chapter 33 to obtain permits to operate. They expect the SAPD to enforce Chapter 33 against the TNCs to the same level that the SAPD has enforced Chapter 33 against permitted companies.

Transportation Advisory Board Perspectives - The TAB advised the City Council not to make changes to Chapter 33 and require TNCs to comply with the current City Code. They also recommended that the SAPD continue to enforce Chapter 33 and increase the number of Ground Transportation Unit (GTU) inspectors to aide in this enforcement.

Enforcement Efforts - Active covert enforcement began on April 4, 2014. To date, six (6) citations have been issued to Lyft drivers and four (4) citations have been issued to uberX drivers, each for operating without a City license and operating permit.

Other Cities - The City of Austin, Texas is not considering revisions to their ordinance to allow TNCs to operate at this time and are currently utilizing enforcement efforts to remove TNCs from their city. Dallas and Houston are both currently drafting revisions to their ordinance to allow TNCs to operate. Nashville, TN is also currently establishing new regulations to accommodate the business models of the TNCs. The City of Seattle has revised their Vehicle for Hire Ordinance and established a one year pilot program for TNCs.

SAPD Perspectives - The priority of the Ground Transportation Unit (GTU) is the continued enforcement of Chapter 33. However, as outlined in a recent audit, limited resources greatly impact the GTUs ability to maintain existing operations while actively enforcing city ordinance.

ISSUE:

The primary public safety issues involved with TNCs are whether they maintain safety standards for drivers, vehicles, and commercial liability insurance in accordance with Chapter 33.

ALTERNATIVES:

No changes to Chapter 33 and continue efforts to enforce City Code with limited resources.

Work with stakeholders to draft revisions to Chapter 33 to allow the legal operation of TNCs in the City of San Antonio.

RECOMMENDATION:

First, the Department recommends the continued enforcement of Chapter 33 and the establishment of a work group comprised of local representatives from a Taxi Cab Company, Limousine Company, Transportation Network Company, and the Transportation Advisory Board.

Second, the proposed task force would look further into the idea of creating a level playing field by having all industries operating under the same regulations.

Briefing on Chapter 33 as it relates to Transportation Network Companies [Presented by William McManus, Chief of Police]