

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Seleta J. Reynolds
GENERAL MANAGER

DEPARTMENT OF TRANSPORTATION
100 South Main Street, 10th Floor
Los Angeles, California 90012
(213) 972-8470
FAX (213) 972-8410

TAXICAB & FRANCHISE REGULATIONS
(213)928-9600
FAX (866)316-8169

March 18, 2019

Portland Bureau of Transportation
Attn: Mark Williams, Regulatory Division Manager
1120 SW 5th Avenue, Suite 800
Portland, OR 97204

Re: Transportation Network Companies and the Effects of State versus Local Regulation

Dear Mr. Williams:

As the individual in charge of For-Hire Vehicle Policy, Regulation and Enforcement for the most populous city in California, I feel compelled to share with you our Department's views on the enormous impact Transportation Network Companies (TNCs) have had on the City of Los Angeles. Currently, the State of California's Public Utilities Commission regulates the TNC industry leaving no ability for local authorities in the state to implement locally-appropriate measures to manage our streets. This has had a detrimental effect as the needs and resources of our state regulatory bodies do not always align with the needs of the cities.

All over the country, TNCs have been able to evade corporate responsibility to the public and have successfully undermined local and state efforts to manage congestion and climate change. Now, it appears that Oregon's ability, and particularly, the City of Portland's ability to effectively regulate TNCs is in jeopardy.

Los Angeles spans almost 500 square miles with close to 5 million residents and the County encompasses over 4,000 square miles with over 10 million residents. The TNCs have refused to share ride data and we have no way of knowing how many rides occur. Airports throughout California are the only entities other than the state that are able to exert any regulatory authority over TNCs and for that reason we do know that Los Angeles International Airport (LAX) had approximately 8.9 million TNC trips in 2018. <https://www.lawa.org/en/lawa-investor-relations/statistics-for-lax/ground-transportation-traffic-statistics>

We estimate that there are 250,000 drivers in Los Angeles, but we have no way of knowing for sure, as the TNCs refuse to share that data as well. As alluded to earlier, any attempt to acquire data from the TNCs that would help our transportation planning have been met with no success.



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Today, as it relates to TNCs, cities throughout California have little to no control over issues around congestion, driver conduct, driver income, and driver complaints. We are unable to develop programs that address equity and accessibility concerns using TNCs, and we are unable to make policy related decisions to lower Green House Gas (GHG) emissions or pursue Electric Vehicle (EV) technology. Our cities are also limited in making sure consumers and the general public are safe from drivers with a history of misconduct. If a driver has a dangerous criminal background, there is no way to off-board that driver unless a criminal incident occurs and the driver gets arrested. Because local cities have no oversight of the industry, we have no way of knowing whether TNCs have off-boarded a driver arrested or penalized for misconduct. Furthermore, if a driver is removed from one TNC platform for misconduct, there is nothing that seems to prevent that driver from simply turning on a different TNC App to continue driving regardless.

Cities in California are at the mercy of the state Public Utilities Commission, which has yet to address these issues with the limited resources it has. Each city has its own local complexities and conditions and the state is not in the best position to address the diversity of these issues in any appropriate timeframe.

This is not to say that the state has not tried to make some efforts. Recently, the State has begun to attempt to address accessibility issues with TNCs and, to their credit, they have reached out to cities seeking input. The state is attempting to create mechanisms that collect fees from TNCs and use them for accessibility programs. However, California has had TNC service since 2010, the Public Utilities Commission began its TNC rulemaking process in 2012 and we are just now starting to implement this critical program in 2019, with funds for accessibility to be potentially distributed in 2020. Most cities would have made accessibility a priority from the beginning.

TNCs are without a doubt a popular service and have a role in the rapidly evolving transportation system. However, it should not come at the cost of public safety, transparency, and local control over local streets. Local authorities are in the best position to ensure TNC service benefits the communities they serve.

Thank you for considering our experience.

Sincerely,



Jarvis Murray
For-Hire Transportation Administrator
For-Hire Policy, Regulation & Enforcement
Los Angeles Department of Transportation

