

TNC Reform:

**Addressing Accessibility Concerns Around Rideshare and
Taxis**

December 10, 2019

Introduction:

Transportation Network Companies (TNCs), commonly known as rideshares or vehicles for hire, have vastly improved travel for millions; however, the growth of on-demand mobility has led to challenges surrounding equity and feasibility. Many of these relate to congestion, impact on pre-existing industries (IE taxis), and accessibility – **including for those with disabilities**. The purpose of this brief is to provide an overview of TNC regulatory frameworks around the country and enumerate best practices for the latter.

The report addresses the following questions:

- What are the TNC accessibility regulations elsewhere?
- What are the costs and benefits of implementation?

TNCs in Other Jurisdictions:

Overview of TNC Vehicle Regulatory Framework: Access for People with Disabilities

I. Seattle, Washington: Accessibility Tax

Seattle regulations establish a \$0.10 per ride surcharge on all taxi, for-hire vehicle, and TNC trips that begin in the city. It is used to offset the higher operational costs of wheelchair accessible taxi (“WAT”) services for owners and operators. The Director of the Department of Finance and Administrative Services has the power and discretion to issue WAT or wheelchair accessible for-hire vehicle licenses, not subject to the vehicle cap.

Additionally, the Director may issue City of Seattle wheelchair accessible taxicab licenses to applicants selected by King County for issuance of a wheelchair accessible taxicab license. If a City of Seattle wheelchair accessible taxicab license is awarded to a King County wheelchair accessible taxicab, then **a dual license is created**. The dual status of the license is permanent, and they must be transferred or leased together. These licenses are non-transferable for three years from the date of issuance. **The city also requires that TNCs provide an option for customers to request a WAT.**

II. Houston, Texas: Percentage of Accessibility-Complaint Vehicles Requirement

Past Houston regulations asserted that the number of wheelchair accessible TNCs (or taxicabs) must remain above 2% for the entire fleet. In the case that the number of TNC vehicles fell below 2% then all available vehicle permits in that allotment would be designated for wheelchair accessible vehicles. It also imposed a requirement that at least 3% of the vehicle-for-hire fleet be comprised of wheelchair accessible vehicles by August 6, 2015. The ordinance established a goal that at least 5% of the vehicle-for-hire fleet be comprised of wheelchair

accessible vehicles by August 6, 2017. The ordinance incentivized the retrofit of vehicles-for-hire to wheelchair accessible vehicles by extending the vehicle age limit for vehicles used as wheelchair accessible vehicles, thereby allowing vehicle owners to recoup the substantial additional investment required for the retrofit. The bill was however, superseded by Texas state law, which takes oversight of TNCs away from cities.

III. Austin, Texas: Accessible Tax & Compliance Oversight

Austin regulations stated that **each TNC would be required to set aside a sum equivalent to 10 cents for every ride originating in the City of Austin and use those funds to support the TNC's riders who require ADA accommodations**, with the goal of accessible rides being met with wait times that are equivalent to those of other TNC rides.

In Austin, the TNC reports required under this section had to document and evaluate information such as rider pick-up and drop-off patterns (i.e. peak ridership times and popular pick-up and drop-off locations), cost of trip (including a measure of the amount of time in dynamic pricing), length of trip, and ADA service comparison -- in order to help the City of Austin evaluate the role of TNCs to address transportation issues, such as drunk driving and underserved community needs. As with Houston, these regulations were voided by state preemption.

IV. Chicago, Illinois: Incentivizing Wheelchair Accessible Vehicles (WAV) + Other Forms of Accessibility for Drivers & The Use of An Accessibility Tax

Chicago has a TNC accessibility fund. Chicago code defines **appropriate uses of the Fund to include reimbursement for costs associated with converting or purchasing a vehicle that is fully wheelchair accessible** by ramp or lift, and costs to a licensee for the provision of wheelchair-accessible vehicle taxi rides to customers where the cost to provide the ride exceeds the cost charged to the customer.

Chicago seeks to incentivize accessible vehicles for drivers through license issuances and renewal fees. The fee is \$1,000.00 for taxicabs that are not wheelchair accessible. As part of the license issuance or renewal fee, a licensee shall pay \$22.00 per month to the city's accessibility fund for each taxicab which is not wheelchair accessible. Appendix A outlines Chicago's compliance brackets.

V. Portland, Oregon: "Reasonable" Compliance for Accessibility

Portland requires that **TNCs provide reasonable accommodations to passengers with disabilities**, including to passengers accompanied by a service animal, with hearing and visual

impairments, and with mobility devices. They are also asked to reasonably accommodate passengers with canes, walkers, or other mobility devices that can readily fit within a non-wheelchair accessible vehicle.

TNC Vehicles are required to provide WAV service within a reasonable time by maintaining a fleet of affiliated wheelchair-accessible TNC vehicles, contracting with a permitted operator of wheelchair-accessible PFHT vehicles, or a combination thereof. **Any time beyond 30 minutes is deemed unreasonable.** Fare rates for WAVs shall not exceed fare rates for comparable non-WAV TNC Vehicles, be reported to the Director, and shall not be subject to dynamic pricing.

VI. New York City: Compliance is Non-Negotiable but Incentives Exist

New York City dictates that taxis may not refuse to transport passengers to any destination within NYC or surrounding counties. Certain medallions are designated for use only by wheelchair accessible vehicles (WAV). There is a \$0.30 WAV Improvement Surcharge added to each taxi trip. The Taxi Improvement Fund gives vehicle owners up to \$14,000 to offset purchase costs of a WAV plus up to \$4,000 per year for four years (up to \$30,000 total over four years). Drivers may receive \$1.00 per trip completed in a WAV, even if the passenger is not a wheelchair user. Drivers can earn an additional dispatch fee payment of up to \$30 for traveling to the passenger pickup under the NYC Accessible Dispatch Program.

New York rules prohibit refusing to transport passengers to destinations within one of the five boroughs, the neighboring New York counties of Nassau, Westchester, or Newark Liberty Airport without justification and bar drivers from attempting to determine a passenger's destination before the passenger is seated. The penalties for violations range from \$350–\$500 for the first violation to \$750–\$1,000 and revocation of license for a third within 36 months.

VII. Los Angeles, California: Considering Its Priorities; Legislation Under Review

Though L.A. has not released a formal ordinance or integrated TNC regulations into their municipal code, they have conducted a year-long case study report on best practices around the country and identified a framework that they intend to use. To incent TNCs to provide coverage of underserved areas (e.g., low-income, minority, and other communities) and to keep average wait times low for disadvantaged communities,¹ Los Angeles recommended a partial refund on trip accessibility fund fees. The Los Angeles Department of Transportation (LADOT) asserts that collected Accessibility trip fees may be used for maintenance or purchase

¹ Low average wait times are calculated by being relatively within a certain percentage of all other areas served within jurisdictions where vehicles are permitted to operate.

of Wheelchair Accessible Vehicles (WAVs). LADOT is still exploring a reduction or elimination of WAV permit fees for top performers.

VIII. Washington, D.C.: Accessibility Tax

Washington, DC requires that **each taxi and black car company with 20 or more taxicabs in its fleet is required to dedicate at least 20% of its fleet to wheelchair-accessible vehicles** by December 31, 2018. The D.C. code authorizes a \$0.25 per trip surcharge, in part to fund a grant program for taxi and other licensed for-hire vehicle owners. The money from the passenger surcharge may be used to provide grants, loans, incentives, or other financial assistance to owners and operators to:

- offset the cost of acquiring, maintaining, and operating wheelchair-accessible vehicles
- incent the purchase and use of alternative-fuel vehicles
- incent directing vehicles-for-hire to underserved areas
- offset costs associated with meeting regulatory requires
- establish a program to provide a taxicab fare discount for low-income senior citizens aged 65 years and older and persons with disabilities

Looking Forward:

Proposed Framework for Atlanta

This report surveyed practices around the country to find an approach that will level the playing field for consumers of all backgrounds. Equity should always be promoted. Advancing TNC adherence to accessibility concerns does so. That said, **Georgia law preempts Atlanta from regulating TNCs**. This includes any financial incentive or penalty, which would be deemed a tax. It also pertains to things like mandatory minimums on percentages of a fleet that must be compliant.

Should this change and the TNC regulation ban be lifted, the following options exist:

- **Status Quo:** TNCs are only regulated by the city at Hartsfield-Jackson Atlanta International Airport. Elsewhere, the city is wholly reliant on good corporate citizenship. Providers like Uber have approached the District 2 office about collaborating in this space. But the city has no leverage to make that happen or monitor adherence.
- **Incentive-Based Programming:** The City could consider using incentive-based programming similar to Washington D.C. and New York City. In this framework, Atlanta would provide subsidies, discounts, grants, and loans to encourage rideshare companies, and drivers to comply with national accessibility standards. Drivers would also be encouraged to transport passengers to destinations in low-income or “undesirable” neighborhoods in order to spur equity. As the City of Atlanta has limited excess revenue to support these initiatives, this option is not viable. Further, none of the mechanisms listed above would be permissible under Georgia law.
- **Mandatory Compliance:** In Seattle, compliance to accessibility thresholds is mandated. This would be a viable option for Atlanta; however, it would require oversight resources and funding to enforce. The big question with minimums is how you define a “fleet,” which is easily distinguished for a taxi company but much harder with a rideshare firm where the number is harder to pin down inherently as a result of their business model.
- **Intermediate Compliance:** Chicago also has a minimum threshold but does not offer as many incentives to companies. Compliance is not mandatory (evaluated via revenue reports by TNCs), which leaves the door open for malfeasance but does draw fewer resources from the city.

Should state law remain in place prohibiting regulation of TNCs, the following are possible course of action:

- Lobby for Good Corporate Citizenship: The city could reach out to TNCs and ask that they make WATs available to users without a price increase. Ideally this would include some definition of what “available” means (IE can pick up in a certain amount of time, average number of WATs in rotation). There is little the city can do under this option in the way of enforcement. That said, it is low cost and perhaps a best case scenario amid considering state regulation.

Recommendation:

As a first step, the city should work with TNCs to try and incent better accessibility. In an ideal world, they would do so in a way that is both low cost for the city and quantifiable via some form of proprietary reporting tool.

If, for some reason, the providers both refuse to engage and public feedback continues to be negative, then city leaders should seek reforms where possible. This will have to begin at the State Capitol. In that case, the author advocates that the city request the ability to enact minimum thresholds rather than push for financial subsidies or penalties. The latter policies would be a far more substantial lift in the state legislature without significantly better outcomes if achieved.

Should Atlanta then regain autonomy over TNC regulation, a wise first step would be to pass a resolution asking the Law Department as well as the Departments of Finance and Transportation to perform a feasibility study into the transcription of some version of the Seattle or Chicago models. At the conclusion of said study, the District 2 office would re-visit the subject and look into next steps.

APPENDIX A:

Chicago Tiers

Tiers	Fleet Size	Tier
Single Licensee	20+ more licenses	5% of taxicab vehicle fleet must be WAV
Single Licensee (includes own/control)	10+ more licenses	10% of taxicab vehicle fleet must be WAV
Single Licensee (includes own/control)	5+ more licenses	25% of taxicab vehicle fleet must be WAV;
Single Licensee (includes own/control)	5+ more licenses	30% of taxicab vehicle feet must be WAV by 2025
Single Licensee (includes own/control)	5+ more licenses	50% of taxicab vehicle fleet must be WAV by 2027