



## 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

**DATE:** January 24 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 the previous update on Aug. 22, 2016.

As of Dec. 15, 2016, 8,343 drivers have completed fingerprint background checks to drive for a vehicle-for-hire company in Austin, and 197 individuals were not permitted to drive based on Council approved disqualifying offenses. There are currently eight 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 Dec. 1 fingerprinting benchmark on or before Dec. 15, 2016. These reports indicate that all of the TNCs currently operating in Austin have met the 85 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	80%	88%	YES
Fasten	93%	93%	YES
GetMe	91%	91%	YES
InstaRyde	87%	86%	YES
Lyft	TNC is not currently operating in Austin		
ReDriver Tech	TNC is not currently operating in Austin		
RideAustin	99%	99%	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 Dec. 1, 2016, only eight of the 12 companies are operating in Austin;
- Contacting each of the TNC operators to verify their understanding of Ordinance No. 20151217-075;
- Notifying TNC operators of deficiencies in meeting City Code requirements and providing them with a yearly calendar outlining expectations and deadlines for the upcoming year as it relates to City Code;
- Entering into an 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;
- Confirming a reduced fingerprint background check rate of \$37.48/person (down from \$39.95/person) with MorphoTrust and publishing information about the fingerprinting process prominently on the ATD website ([AustinTexas.gov/Transportation](http://AustinTexas.gov/Transportation));
- Offering parking and pick-up/drop-off incentives for fingerprinted drivers during major events, such as ACL, and providing information to residents and tourists about the TNCs and other ground transportation service providers operating during these events;
- Proposing and receiving City Council approval for Ordinance No. 20160616-023, which verifies for all drivers and companies what criminal offenses might warrant a denial of certification as a verified driver by ATD;
- Proposing and receiving City Council approval for Ordinance No. 20160623-066, which requires two additional data points be included in the TNC monthly reports and establishes penalties for TNC operators that do not meet the fingerprint benchmarks outlined in City Code; The added data points are the total number of drivers authorized to operate on the TNC platform or the total number of drivers registered with the TNC and the names of those drivers, audited and certified by a third-party auditor (previously existing requirements include the number of trips completed and passengers transported, gross receipts generated, progress on meeting the accessibility needs of the public, and total hours and miles driven by compliant drivers and all drivers); and
- Establishing an appeal process for TNC drivers previously disqualified, as directed by City Council in Ordinance No. 20161215-067.

## Background Check Review, Appeals, and November 2016 Monthly Data Report

As of Dec. 15, 2016, 8,343 drivers have completed fingerprint background checks to drive for a vehicle-for-hire company in Austin, and 197 individuals were not permitted to drive based on the disqualifying offenses approved by the City Council in Ordinance No. 20160616-023. ATD does not track the rejection variance for current and new drivers. There are 5,235 TNC drivers and 3,824 chauffeur drivers permitted by ATD to provide service within Austin (or a total of 9,059 permitted mobility as a service drivers). The 197 denied permits represent a 2.2% 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 Jan. 12, 2017, eleven appeals have been reviewed by the ATD Director.

The monthly reports for November 2016 also provided a glimpse into the TNC market in Austin. The nine operating companies, in aggregate, provided more than 450,000 trips that month (the ninth company, ScoopMe, ceased operations on Nov. 30, 2016). Additionally, companies reported a total number of 15,295 drivers. **Note:** One driver may work for multiple companies; therefore this number may not be the total number of individual drivers in the industry.

### 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 administered as one percent of the gross receipts. Since September 2016, ATD has collected more than \$500,000. 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	No	Yes	Yes
GetMe	March 9, 2016	Yes	No	Yes
InstaRyde	June 27, 2016	Yes	Yes	Yes
Lyft	TNC is not currently operating in Austin			
ReDriver Tech	TNC is not currently operating in Austin			
RideAustin	June 13, 2016	No	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

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](mailto:Rob.Spillar@austintexas.gov) or (512) 974-2488.