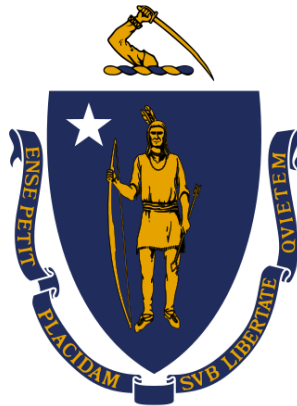


FINAL REPORT OF THE COMMONWEALTH OF MASSACHUSETTS RIDE FOR HIRE TASK FORCE



Submitted Pursuant to
Chapter 187 §7 of the Laws of 2016

February 5, 2018

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INTRODUCTION

The Ride-for-Hire Task Force was established by [Chapter 187, Section 7 of the Laws of 2016, An Act Regulating Transportation Network Companies](#). The stated mission of the Task Force was “to review the current laws, regulations and local ordinances governing licensed hackneys, taxis, livery and transportation network companies in the commonwealth and to make recommendations concerning public safety, consumer protection and the economic fairness and equity of the regulatory structure governing the ride for hire industry.” The legislation also included a list of 16 specific [topics for the Task Force to review](#).

The Ride for Hire Task Force included a representative of each of the three ride-for-hire industries - liveries, taxis, and transportation network companies (TNCs) – as well as members of the State legislature, the Department of Public Utilities (DPU), the Division of Insurance (DOI), the Department of Transportation (MassDOT), the Disability Law Center (DLC), the Massachusetts Municipal Association (MMA), and the Massachusetts Chiefs of Police Association (MCOPA).

Additional assistance was provided by the Massachusetts Port Authority (Massport), the Massachusetts Division of Banks, MassDevelopment, and the Metropolitan Area Planning Council (MAPC).

The following report provides an introduction to the Ride for Hire industries in Massachusetts, as well as an update on the statewide implementation of Chapter 187 of the Laws of 2016, which addresses TNC services. Following the introduction, the Task Force has addressed the [16 topics for review](#).

TASK FORCE MEMBERS

Appointee	Seat
Funsho Owolabi	TNC Representative
Jennifer Pinkham	Hackney & Taxi Industry Representative
Gina Walker	Livery Industry Representative
Chris Henry	Director of the DPU's TNC Division
Gary Anderson	Commissioner of Insurance
Mary Ellen Thompson (Designee)	Counsel to the Commissioner
Cara Toomey (Designee)	Counsel to the Commissioner
Stephanie Pollack	Secretary of Transportation
Kate Fichter (Designee)	Assistant Secretary for Policy Coordination
Rep. Aaron Michlewitz	Member of the House of Representatives
Rep. Shawn Dooley	Member of the House of Representatives
William Rigdon (Designee)	Chief of Staff
Senator James Eldridge	Member of the Senate
Ryan Gelman (Designee)	Legislative Director
Senator Don Humason	Member of the Senate
Johannes Buchanan (Designee)	Chief of Staff
Atty. Thomas Murphy	Disability Law Center Inc.
Christopher English	Massachusetts Municipal Association
Chief Robert Ferullo, Jr.	Massachusetts Chiefs of Police Association
Joel Barrera (Facilitator)	Deputy Chief for Cabinet Affairs

TASK FORCE MEETINGS

The task force convened six public meetings from June 2017 to January 2018. The meeting agendas and minutes can be [found online here](#).

1. Wednesday June 21, 2017, 3-5 pm, State Transportation Building 2nd Floor Board Room
2. Tuesday August 1, 2-4 pm, State Transportation Building 2nd Floor Board Room
3. Tuesday September 26, 12-2 pm, DPU Hearing Room A, One South Station
4. Tuesday November 28, 12-2 pm, State Transportation Building 2nd Floor Conference Rooms 2-3
5. Wednesday December 20, 12:30 – 2:30 pm, State Transportation Building 2nd Floor Board Room
6. Monday, February 5, 2018, 10 am – 12 pm, State Transportation Building 2nd Floor Conference Room 1

BACKGROUND ON THE RIDE FOR HIRE INDUSTRY

The Ride for Hire industry in Massachusetts consists of three forms of transportation services: Taxi/Hackney, Livery, and TNC.

A **Taxicab** is any vehicle which carries passengers for hire, and which is licensed by a municipality pursuant to M.G.L. c. 40, § 22 as a taxicab. As of January 2018, the Massachusetts Registry of Motor Vehicles (RMV) had 3,150 active taxi registrations, down from 3,365 in September 2017.

Taxicab licenses or medallions allow the driver to pick up passengers at dedicated curbside taxi stands. Taxicabs may also be hailed by a passenger on the street, in addition to picking up passengers for trips that are prearranged. The access to public taxi stands and ability to pick up passengers via street hail distinguishes taxicabs from other for hire transportation services.

Per 540 C.M.R. 2.00: Motor Vehicle Regulations, a **Livery** is any limousine or other vehicle which is designed to carry 15 or fewer passengers, including the driver, and carries passengers for hire, business courtesy, employee shuttle, customer shuttle, charter or other pre-arranged transportation, and which vehicle is not required to obtain a taxicab license pursuant to M.G.L. c. 40, § 22. As of January 2018, the RMV had 13,564 active livery vehicle registrations, up from 13,405 in September 2017.

Transportation Network Companies (TNCs) are defined in Chapter 187 of the Laws of 2016 as a corporation, partnership, sole proprietorship or other entity that uses a digital network to connect riders to drivers to pre-arrange and provide transportation. As of January 16, 2018, DPU had approved approximately 132,000 TNC drivers, and the Division is in the process of reviewing TNC Permit applications.

STATE AND MUNICIPAL REGULATIONS

Taxi and livery services are regulated almost entirely at the municipal level. With the exception of motor vehicle registration and minimum motor vehicle liability insurance standards, taxi and livery companies are not subject to state regulation. While the RMV issues taxi and livery license plates to individuals and companies with requisite insurance, there is no state agency or regulatory body that oversees taxi or livery drivers. See 540 CMR 2.05(4)(i), (n).

Municipalities may require taxi companies or owners to obtain a permit (medallion) to pick-up passengers within the municipality. Taxis licensed in one municipality may either pass through or drop off passengers in other municipalities, but they may not pick up new passengers who hail them on the street. Taxis licensed in one municipality may pick up passengers in another municipality, but only if the trip is pre-arranged.

Introduction

The taxi rates, fares, and other fees are set by the municipality. The fare for the first fraction of a mile, the fare for each subsequent fraction of a mile, and the rate per hour of waiting time are defined by permitting municipality.

Taxi drivers must also obtain a distinct “taxi drivers license” at a cost of \$25 to \$130, depending on the municipality and fingerprinting required (Metropolitan Area Planning Council, 2016). In some towns, such as Newton and Somerville, the number of taxi licenses issued is limited, in these instances to about one per 1,000 residents. Other municipalities do not place a population threshold on the number, but instead give the local body charged with regulating taxis the leeway to issue the number necessary to provide convenient service to residents. In the City of Boston, the number of taxi medallions is currently fixed at 1,825. The number of medallions allocated to the Commissioner to issue is at the discretion of the Department of Public Utilities, however the Boston Police Commissioner has the sole authority to approve an application for a medallion if any are available.

The number of Boston medallions was set at 1,525 in 1934. There were no subsequent increases until a court case came up in the early 1990s. As a result of those court proceedings, DPU allocated 300 additional medallions to Boston, which were issued between 1996 and 1997, via a public auction. The proceeds from the auction were used to finance the City’s portion of the construction of the BCEC.

A Livery plate can be obtained through the Massachusetts RMV, as detailed in 540 CMR. Pursuant to MGL C.110, s.5, livery companies (whether an individual operator or collection of operators) must also apply for and obtain a business license in each municipality they seek to conduct business in, as well as an application with Massport to operate at Logan Airport. Liveries are not subject to statutory or regulatory rate requirements.



Figure 1 - The Boston Globe

In order to operate in the Commonwealth, TNCs must apply to the DPU’s TNC Division for a TNC Permit. The TNC Division may grant a Permit to a TNC that meets all statutory and regulatory requirements. The Permit authorizes the TNC to offer transportation network services within the Commonwealth. TNCs incur an annual surcharge to fund the TNC Division’s oversight. In addition, TNCs will incur a 20¢ per-ride assessment until 2027, as discussed in the TNC Ride Assessment and MassDevelopment sections. TNCs are currently free to charge any base rate which is not excessive for their services, and may also implement “surge pricing” to increase the cost of trips relative to demand and availability.

The Department of Public Utilities’ Transportation Oversight Division regulates the common carriers of passengers by motor vehicle in Massachusetts. G.L. c. 159A. A common carrier is a

company engaged in the transportation of passengers for hire by motor vehicle carrying ten or more persons, including the driver. G.L. c. 159A, § 11A; G.L. c. 159, § 12(b). For-hire vehicles carrying fewer than 10 passengers are not regulated by the Transportation Oversight Division. To meet the requirements for regulation by the Oversight Division, a service must be for hire (paid by the riders directly) and occupancy of more than 9.

BACKGROUND CHECKS AND SUITABILITY STANDARDS

Background check regulations and other local regulations for taxi and livery operators vary amongst municipalities. The cities of Boston, Somerville, Cambridge, Springfield, and Worcester, for example, promulgate their own local regulations that cover a wide range of topics related to the operation of a taxi company, vehicle, and operator. Conversely, many cities and towns have no requirements beyond registering with the municipality and obtaining a taxi company business certificate.

The DPU’s TNC Division set TNC background check requirements for TNC drivers through the authority granted to it pursuant to M.G.L. c 25 §23(a), M.G.L. c. 159A½, and 220 CMR 274.00. Individuals who wish to drive and provide transportation network services on behalf of a TNC must complete a two-part background check. First, a TNC performs a multi-state criminal and driving record background check, as well as a check of the United States National Sex Offender Public website. A TNC is required to disqualify any individual from becoming a driver who does not meet the suitability standard as set forth in 220 CMR 274.21. Second, if an individual passes the TNC’s background check, the TNC forwards the individual’s personal identifying information to the Division. The Division then transmits that information to the Department of Criminal Justice Information Services (“DCJIS”), Registry of Motor Vehicles (“RMV”), Sex Offender Registry Board, and the Warrant Management System. Based on the results from those agencies, and other reliable information of which the Division is aware, the Division determines whether the individual is suitable to provide transportation network services on behalf of the TNC.

REGULATION/ REQUIREMENT	TNC	City of Boston		City of Somerville		City of Cambridge		City of Springfield		City of Worcester	
		Taxi	Livery	Taxi	Livery	Taxi	Livery	Taxi	Livery	Taxi	Livery
Local and national private background check by employer	X										
Conduct a statewide CORI check	X	X		X	X	X		X	X	X	X
Conduct a driving record check through the RMV network	X	X		X		X		X	X	X	X
Fingerprint based FBI background check		X						*	*		

Figure 2 - Table of Regulatory Requirements

*The City of Springfield requires the submission of fingerprints to the police department, but the prints are *not* uploaded to the FBI database.

The DPU and the RMV completed a Feasibility Report in August 2017, as required by Chapter 187, which examined the feasibility of conducting statewide criminal offender record information checks for each ride for hire operator, and establishing a statewide roster and reciprocal reporting system for all livery and taxicab drivers. The Report concluded that new legislation and significant technological resources would be required to establish a comprehensive, statewide system for criminal offender record information checks for each operator. With respect to a statewide roster and reciprocal reporting, there is no state agency that performs background checks for taxi or livery drivers, nor is there a statewide list of livery and taxi drivers in each municipality. Accordingly, it is not currently feasible to create a statewide roster of all livery and taxi drivers or a means for reciprocal reporting between municipalities. The full Feasibility Report can be found in the Appendix.

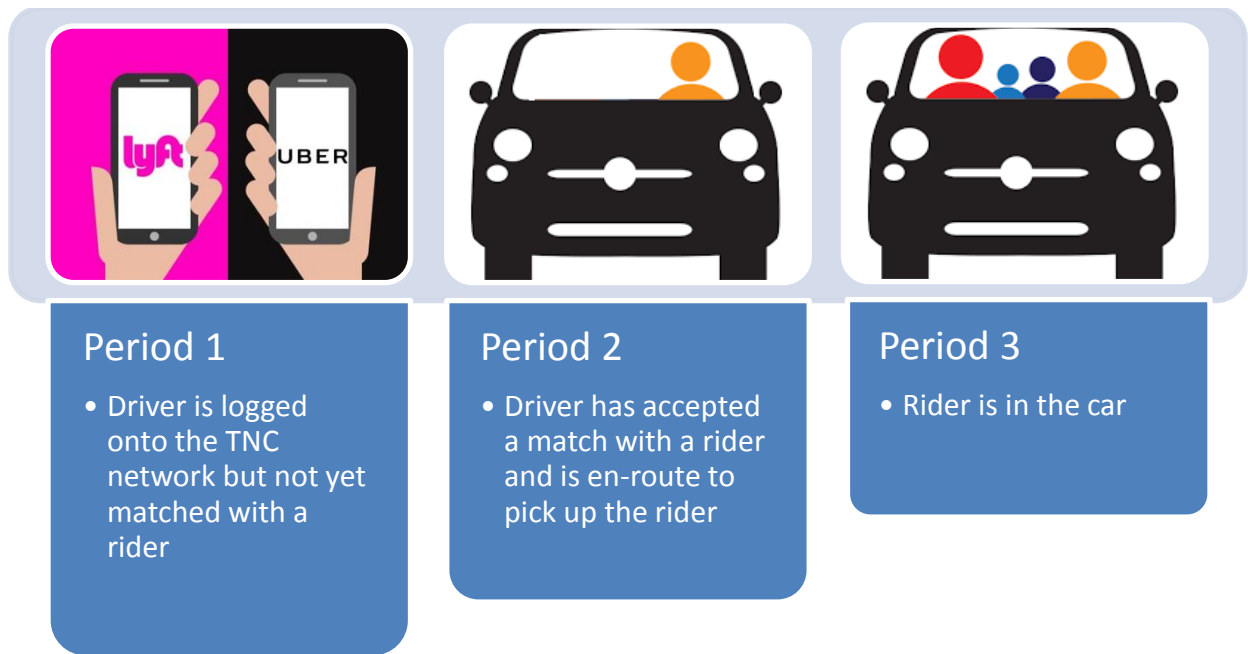
TNC GAP INSURANCE MARKETPLACE

An auto insurance policy is made up of different types of required insurance coverages, and optional “endorsements”. While there are many types of coverages available, Massachusetts drivers are only required to have coverage for: 1) Bodily Injury to Others, 2) Damage to Someone Else’s Property, 3) Personal Injury Protection and 4) Bodily Injury Caused by Uninsured Auto.

Optional insurance coverages are commonly purchased by consumers, such as Comprehensive (covers one’s own auto from damage due to “acts of God” or other non-collision damage) and Collision (covers one’s own auto from damage caused while they or a permitted driver was operating the vehicle). Each type of insurance coverage has a limit, meaning that the insurance company will not pay more than this amount for a claim. You are required to purchase certain minimum limits for each of the required coverages. Given the high costs associated with serious accidents, most drivers buy coverage limits beyond the minimum requirements.

A review of the required coverages (types) for Massachusetts auto insurance, and the required minimum limits for each coverage, is provided in topic [12. Liability Policy Minimums For Licensed Hackneys, Taxis And Liveries.](#)

There are three periods to a TNC transaction:



Period one is when the driver is logged onto the TNC digital network but has not been matched with a rider. Period two is when the driver has accepted a match with a rider and is en-route to pick up the rider. Period three is when the rider is in the car, until the termination of the ride. TNCs are required by statute to provide varying minimums of coverage depending on the period of service. Most TNCs also provide Collision and Comprehensive coverage during period two and three for drivers with such coverage on their personal policies, but are not required to provide this coverage by statute. However, TNCs do not provide collision or comprehensive during period one in any circumstance, leaving an opportunity for insurance providers to offer “Gap Insurance” to TNC drivers in period one.

Most personal auto policies do not currently cover drivers during any periods of TNC service without an endorsement (an optional provision you can add to an insurance policy to expand coverage). There are currently eight companies offering endorsements to cover collision and comprehensive during period one in Massachusetts, with at least one other pending. Most of these endorsements are secondary to TNC insurance or offer excess coverage only, but they do cover collision and comprehensive up to purchased limits.

IMPLEMENTATION OF CHAPTER 187 OF THE LAWS OF 2016

DPU TNC DIVISION

Formation

Chapter 187 of the Acts of 2016, An Act regulating transportation network companies (the “Act”), created a statewide regulatory framework for transportation network companies. The Act created a new division within the Department of Public Utilities to oversee TNCs and transportation network drivers in the Commonwealth. Certain provisions of the Act became effective on November 3, 2016.

Among other things, the Act directs the DPU to consult with several state entities to implement its various provisions and to promulgate regulations by November 3, 2017 in numerous areas, including: a permitting process for TNCs; driver suitability and background checks, suspensions and revocations; records retention; mandatory auditing; enforcement provisions; and an appeals process for TNCs and drivers aggrieved by a Division decision. The Act also requires the Division to levy a surcharge and an assessment on TNCs on an annual basis.

To fulfill its statutory obligations, the Division has consulted with secretariats, agencies, and departments, including: Executive Office of Administration and Finance; Executive Office of Energy and Environmental Affairs; Executive Office of Public Safety; Department of Criminal Justice Information Services; Division of Insurance; Massachusetts Development Finance Agency; Massachusetts Port Authority; Massachusetts Convention Center Authority; Massachusetts Department of Transportation; Registry of Motor Vehicles; and Sex Offender Registry Board.

In addition, recognizing the Act’s public safety impetus, the Division, along with several agency stakeholders, negotiated Memoranda of Understanding (“MOU”) with six TNCs operating in the Commonwealth. The agreements are public safety oriented and primarily address driver background checks.

The accelerated pace at which the Division implemented the background checks – approximately one year ahead of schedule – necessitated an immediate creation of Division infrastructure. The DPU prioritized the hiring of staff, creation of work space, purchasing of hardware, and a host of other tasks to ensure that the new Division would be operational on January 6, 2017. To prepare for the voluminous number of driver background checks, the DPU worked hand in hand and around the clock with the Executive Office of Technology Services and Security, Energy and Environmental Affairs Information Technology, Department of Criminal Justice Information Services, Registry of Motor Vehicles, and the Sex Offender Registry Board to design and create an interconnected platform to extract, synthesize, and disseminate driver background information to the Division. The Division continues to work with various stakeholders to adjust the database for efficiency and foresight.

Driver Applications and Background Checks

As of January 16, 2018, the DPU has processed nearly 150,000 driver applications. The Division continues to receive and process hundreds of new driver applications daily and processes most applications within 24 hours of receipt. In addition, the Division has processed 3,200 [driver appeals](#) and allowed nearly 1,200. Excluding appeals that require a hearing, appeals are typically processed within 3-5 business days.

Under the MOUs, and now the regulations, drivers must be at least 21 years of age, have access to a validly registered and inspected vehicle, and have Background Check Clearance Certificate issued to him/her by the Department of Public Utilities' Division of Transportation Network Companies. Driver background checks include a lifetime look back for violent felonies, sex abuse convictions, and multiple serious driving offenses. In addition, there are other specific [disqualifying conditions](#), such as a failure to have a valid driver's license (220 CMR 274.21: Suitability Standard).

The background check is a two-step process:

1. The TNC will perform a multi-state commercial criminal and driving background check. Additionally, the TNC will conduct a check of the United States National Sex Offender Public website. The TNC must then disqualify any driver based on the suitability standard set forth in the MOU.
2. If a driver passes the TNC's check, the TNC will forward the driver information to the Division. The Division will then check the driver's information through the Massachusetts CORI and SORI systems, Registry of Motor Vehicles' driving record, and Warrant Management System.

In addition, 220 CMR 274.21 contains a discretionary provision that allows the Division to deny a driver from providing services if the background information demonstrates a risk to public safety.

Regulations

The DPU began the regulatory process with the development of draft regulations. On March 23, 2017, the DPU published its draft regulations, issued its Order opening rulemaking, and began accepting public comments on the regulations. On May 23, 2017, the DPU held a public hearing at the State Transportation Building in Boston. The Chairman of the DPU, TNC Division Director, and DPU legal counsel conducted the hearing, which lasted approximately six hours and where over 160 members of the public spoke to various aspects of the proposed regulations. After reviewing hundreds of pages of written testimony and hundreds of pages from the hearing transcript, the DPU [published final TNC regulations](#) on September 22, 2017 (220 CMR 274).

Reporting Requirements

By February 1st of each calendar year, each TNC must submit a report for the number of rides from the previous calendar year, including:

1. City or town where each Ride originated;
2. City or town where each Ride ended;
3. Aggregated and anonymized trip route and length (miles and minutes); and
4. Location of Vehicle accidents;

Additionally, by February 1st of each calendar year, all TNCs must remit a \$0.20 per-ride assessment to the DPU for each ride that originated within the Commonwealth. The Division will then proportionally distribute 1/2 of the assessment to the cities and towns in which all TNC rides originated, 1/4 to the Commonwealth Transportation Fund, and 1/4 to the Massachusetts Development Finance Agency.

By March 31st of each year, every TNC must report its intrastate operating revenues for the previous calendar year.

TNCs must provide a monthly report to the Division including a detailed accounting of all driver and rider complaints, received through any means, and the actions that the TNC has taken, if any, to resolve said complaints. TNCs must also immediately report a driver suspension pursuant to M.G.L. c. 159A½, § 4(e), or receipt of a driver violation of any aspect of M.G.L. c. 159A½ or 220 CMR 274.00.

Finally, in the event of a breach of security or unauthorized disclosure involving a driver or rider's personal information, as defined in 220 CMR 274.10(1), a TNC shall notify the DPU as soon as practicable and without unreasonable delay, and notify the Division upon compliance with M.G.L. c.93H, § 3.

TNC Ride Assessment

The TNC Division, as required by M.G.L. c159A½, collects a \$0.20 assessment on each TNC ride. The \$0.20 assessment begins in calendar year 2017, and ends on January 1, 2027. Half of the amount received, or \$0.10 per ride, is provided to the municipality where the trip originated. The funds may be used to address the impact of transportation network services on municipal roads, bridges and other transportation infrastructure or any other public purpose substantially related to the operation of transportation network services in the city or town including, but not limited to, the complete streets program established in section 1 of chapter 90I of the General laws and other programs that support alternative modes of transportation

\$0.05 from each ride goes to the Massachusetts Development Finance Agency established in section 2 of chapter 23G of the General Laws to provide financial assistance to small businesses operating in the taxicab, livery or hackney industries to encourage the adoption of new

technologies and advanced service, safety and operational capabilities and support workforce development. This assessment ends on January 1, 2022.

\$0.05 from each ride goes to the Commonwealth Transportation Fund established in section 2ZZZ of chapter 29 of the General Laws. This increases to \$0.10 beginning on January 1, 2022 with the above assessment for the Massachusetts Development Finance Agency ends.

MASSACHUSETTS PORT AUTHORITY OPERATIONS (LOGAN AIRPORT)

Massport aims to provide passengers with choices, including when it comes to how they travel to and from Logan (“Logan” or “Airpor”). Per the Massachusetts law, Massport promulgated rules for the safety of passengers and the efficient operation of TNCs prior to allowing pick-ups at Logan. In anticipation of and immediately following its passage, Massport developed an implementation plan and draft Rules for the operation of TNCs at Logan. When preparing to implement TNC operations at Logan, Massport engaged with other Airport stakeholders and the TNC industry to determine Airport TNC operations best practices. Many of these connections have been maintained to continue to inform best practices.

- Developed comprehensive TNC operations plan for Logan Airport, including identification of TNC pool areas, training of dedicated TNC ground transportation personnel, and development of passenger way-finding signage plans.
- Negotiated a template for a Logan TNC Memorandum of Agreement (MOA) conditioned upon prior execution of an MOU with the Department of Public Utilities (DPU).
- Terms of Massport MOA require that the TNC drivers picking up at Logan Airport have a valid and current Background Check Certificate as issued by DPU, check-in at the geofenced TNC pool so that Massport can monitor TNC activity; follow a designated TNC route while on the Airport and pick-up passengers in TNC designated areas.
- TNC operations commenced on February 1, 2017. To date, Massport has entered into MOUs with four TNC companies, Lyft, Inc; Raiser, LCC (Uber’s parent company), Uber USA (Uber Black’s parent company), and Tickengo Inc., dba Wingz. Massport continues to work with other TNC entities who desire to operate at the Airport.
- TNCs, taxis and limos all drop off at the curb at each terminal.
- Effective management of the vehicles on Logan roadways and terminal curbs is paramount to safety and efficient operation. Due to the different business models for dispatch of each mode, different pick up systems are used.
 - o Taxis report to a master pool and are dispatched “first-in first-out” in groups as needed in response to passenger demand, following a prescribed route. They pick up at designated locations at each terminal curb. They are managed via transponders.
 - o Limos report to a master pool and are dispatched to designated lots at each terminal, following a prescribed route, based on their scheduled pick up. They are managed via transponders.

- TNCs report to a master pool and are dispatched to a designated terminal-specific pool, following a prescribed route, as they receive and accept a ping from a rider. They are managed via a GPS-based system.
 - There are three designated pick-up lots located at Terminals A, B, C/E where TNC passengers meet their driver.
 - When determining locations for the TNC pick-up lots, the primary focus was safety and security and customer service. The lots were created to balance customer demand, customer service and curb capacity, without disrupting the ground transportation infrastructure at Logan Airport.
 - Terminal curb capacity was also a factor when determining the lot concept.
 - Walking distance estimations from the Terminals to each TNC pick-up lot ranges from 1 to 3.5 minutes.
- Approximately 5,400 average daily TNC pick-ups through December, and approximately 5,300 average daily Taxi pick-ups and 1,600 Limo pick-ups during the same period.
 - Massport has and will continue to observe the TNC operations and passenger transportation needs at Logan.
 - Existing lot improvements have been made as needed to facilitate TNCs operations, including reorientation of the Terminal B pick up lot.
 - TNCs operating at Logan Airport are subject to ongoing compliance with the state DPU Regulations and Massport's Memorandum of Agreement.

DEPARTMENT OF TRANSPORTATION AND REGISTRY OF MOTOR VEHICLES

The Registry of Motor Vehicles (RMV) held a hearing on Friday, January 19th 2018 for public comments on several proposed regulations, including the TNC secondary inspection regulation described by Section 16 of Chapter 187. The proposed regulation enables TNC inspections to be conducted when a customer brings in his or her vehicle for the standard annual safety and emissions inspection. The proposed TNC inspection fee has been set at \$15. The law requires the TNC inspection to include the vehicle's brakes and suspension. Other items to be inspected relate to the comfort and safety of the passenger (windows and door handles operable, interior lights, etc.).

The Massachusetts Department of Transportation is in the process of finalizing the agreement for the implementation of commercial rate tolling for TNC operations, as described in Chapter 159A½.

DIVISION OF INSURANCE

Section 6 of Chapter 187 directs the Commissioner of Insurance to work in consultation with the TNC Division to issue a report each year by February 15th concerning the required coverage minimums for TNC vehicles during period 1. The annual report must include an examination of:

- Whether existing coverage requirements provide adequate protection for riders, TNC drivers, and the general public.
- Whether it is feasible for a TNC to obtain an insurance policy providing coverage of \$1 million per occurrence, per vehicle during the relevant time period.
- If such policies are available, whether the coverage minimums should be raised for all TNC vehicles to \$1 million of coverage per occurrence, per vehicle, at all times while operating as a TNC.
- Whether a strategy can be developed to raise the coverage requirements during this period through the use of admitted motor vehicle insurance carriers, the surplus lines market and technological innovations in the insurance industry such as the use of telematics to improve risk assessment.
- Any recommended action by the Division of Insurance, the TNC Division, the legislature, or other government entity that would encourage the insurance market to provide policies with higher insurance limits while transportation network companies are not engaged in a pre-arranged ride.

MASSDEVELOPMENT

\$0.05 from each TNC ride assessment goes to the Massachusetts Development Finance Agency established in section 2 of chapter 23G of the General Laws to provide financial assistance to small businesses operating in the taxicab, livery or hackney industries to encourage the adoption of new technologies and advanced service, safety and operational capabilities and support workforce development. This assessment begins in calendar year 2017, and ends on January 1, 2022. The TNC Division is responsible for the collection and distribution of the assessment funds. The Division will work in collaboration with the TNCs and the recipients of the funds, i.e., municipalities, MassDOT, and MassDevelopment. The Division is currently in the process of collecting the initial set of TNC data from 2017, and will make public the aggregate number of trips that originate in each municipality.

MassDevelopment is planning to issue an RFI in 2018 to solicit ideas and proposals for how the funds may be used to accomplish the aforementioned goals.

TASK FORCE TOPICS FOR REVIEW

The legislation which established the Task Force (Chapter 187 §7 of the Laws of 2016) detailed 16 Topics for Review, which were grouped by the Task Force into four categories: **Municipal, Insurance, Transportation Network Companies**, and **Social Equity**. The numbers associated with each topic reference the list enumerated in §7. The following four sections of the report address these 16 topics within their respective categories.

Municipal:

- 2 & 15. Medallion Owners Setting Higher Rates (“Surge Pricing”) Based on Supply and Demand & Medallion Owners Setting Lower Rates than Those Set by Licensing Municipality
- 10. Establishing Municipal Licensing Commissions to Regulate Development and Oversight of Local Ride for Hire Industry
- 14. Easing Regional Restrictions on Taxi Service by Allowing Medallion Owners to Pick Up Non-Hail Passengers via Smart Phone Applications

Insurance and Liability:

- 3. Expanding the Oversight of Ride for Hire Companies’ Compliance During Insurance Claims Investigations
- 4. Whether to Abolish, for Ride for Hire or for All Vehicles, Section 34D of Chapter 90: Depositing Funds with State Treasurer’s Office In Lieu of Procuring a Motor Vehicle Liability Policy or Bond
- 12. Liability Policy Minimums for Licensed Hackneys, Taxis and Liveries

Transportation Network Companies:

- 5. Limit Drivers Connecting to Multiple TNC Networks
- 8. Vehicle Financing Programs
- 9. Emergency Safety Alert Features
- 13. Fees for Cancelled and Late Riders
- 16. DPU Providing Statistical Reports of TNC Incidents

Social Equity

- 1. A Massachusetts Accessible Transportation Fund Credited with Annual Surcharges from Companies that do not Provide Sufficient Wheelchair-Accessible Service
- 6. Assess the Impacts of Autonomous Vehicles on the Ride for Hire Industry
- 7. Environmental Impacts of TNC Services and Feasibility of Incentivizing Zero-Emissions Vehicles in Ride for Hire Services
- 11. Any Other Matters which may Improve Public Safety, Consumer Protection, and Economic Fairness

MUNICIPAL TOPICS

2 & 15. MEDALLION OWNERS SETTING HIGHER RATES (“SURGE PRICING”) BASED ON SUPPLY AND DEMAND & MEDALLION OWNERS SETTING LOWER RATES THAN THOSE SET BY LICENSING MUNICIPALITY

(ii) Potential methods for allowing ride for hire vehicles to engage in “surge pricing” based on supply and demand that conform to the practice of “surge pricing” that is currently utilized by transportation network companies

(xv) Allowing medallion owners to set meter rates lower than rates established by the licensing municipality as long as the rates are clearly disclosed in advance to the customer

Jurisdiction: Municipal, State (Legislature)

Current Conditions:

Dynamic pricing considerations such as surge pricing are applicable only for on-demand services, and are not intended for scheduled services provided via livery or other ride for hire modes.

Taxi rates, fares, and other fees are set by the permitting municipality, including the fare for the first fraction of a mile, the fare for each subsequent fraction of a mile, and the rate per hour of waiting time. TNCs are required to “...not use excessive minimum or base rates” and to “...provide clear and conspicuous transportation fare estimates to riders at all times, including during surge pricing, high volume and high demand times. Fare estimates shall include a clear rate estimate or the amount of the price increase resulting from surge pricing or increased demand.” This information must also be provided before a ride begins. Additionally, a TNC may not raise base fares during a federal or a governor-declared state of emergency.

With current TNC surge-pricing, each TNC may implement an additional “multiplier” on the standard rates to account for demand of riders and encourage a greater supply of drivers. The TNC software allows this to be calculated and adjusted in real time, providing immediate access to pricing information to both drivers and passengers. Due to the sensitive business information and processes involved in implementing surge pricing, including block-level knowledge of available vehicles and requests for rides, customers are generally not aware of why a surge price is in effect. Exactly how each TNC determines to set a surge rate is considered to be confidential or proprietary information. Market forces and competition among TNCs help ensure surge pricing is within reason for customers; however this may be of concern in areas with a minimal number of service providers.

Taxi companies have cited the fixed pricing rate as an impediment in competing for service with TNCs (Tuoti, 2017) (Vaccaro, 2017). There are some instances of municipal officials and

transportation agencies considering surcharges for taxi services during large events or for off-peak (nighttime) services, including in San Antonio and Chicago (Mosbrucker, 2016)(Dardick, 2017) (City of Chicago). Singapore may have been the first country to allow traditional taxis to implement dynamic pricing based on demand, however it is done only through booking via an application (Ng, 2017) (Lim, 2017).

Without an entity to monitor taxi street hails and on-demand requests, it would be difficult to implement a system that could support dynamic rate setting. In the City of Boston, for example, the Boston Police Department is the only single entity that accesses trip data for all 1,825 licensed taxi vehicles, however it does not facilitate trips. The taxis are dispatched across 6 different radio associations, unless they are single owner-operator companies that are not affiliated with an association. Outside of Boston, only Brookline requires that taxi drivers be members of dispatch associations. There are no existing municipal-level agencies which could serve to adjust pricing based on real time supply and demand information, with the ability to push pricing information to drivers and passengers directly.

In addition, it would be difficult to calculate passenger demand that incorporates street hail demand. When passengers hail a taxicab on the street, without prearranging the trip via a phone call or using an app, that demand is difficult to capture for the purposes of “surge pricing”, and that passenger would have no way of being informed of any pricing adjustments prior to getting into the vehicle.

At a minimum, implementing surge pricing within the traditional taxi service would require regulatory revisions at the local level. Municipalities can review and consider implementing a system to track demand in order to allow for surge pricing so that taxis can capitalize on supply and demand.

Relevant Laws and Regulations:

- City of Boston - Acts of 1930, c.392 (as Amended by the Acts of 1934, c. 280)
- M.G.L c.159A ½ §3(c)(iii) and (iv)
- M.G.L c.159A ½ §2(d)

10. ESTABLISHING MUNICIPAL LICENSING COMMISSIONS TO REGULATE DEVELOPMENT AND OVERSIGHT OF LOCAL RIDE FOR HIRE INDUSTRY

(x) The establishment of municipal licensing commissions to regulate development and oversight of the local ride for hire industry

Jurisdiction: State (Legislature), Municipal

Current Conditions:

While some municipalities may find it difficult to implement a licensing commission due to existing staffing and resource limitations, others may already have the resources and staffing to do so. However, M.G.L. c. 159A½ § 10 prohibits any other state agency or municipality from prescribing additional licensing or regulatory requirements on TNCs. At a minimum, State law would have to be amended for municipalities to have authority to regulate TNCs.

DPU and the RMV completed a Feasibility Report in August 2017, as required by Chapter 187, examining the feasibility of: (i) conducting statewide criminal offender record information checks for each operator of a ride for hire vehicle; and (ii) establishing a statewide roster of all livery and taxicab drivers, along with a convenient means for municipalities to notify the division of any livery or taxicab drivers registered within their municipality, including reciprocal reporting between municipalities and the department regarding any driving infractions, criminal convictions, suspension or ban of all livery drivers and taxicab drivers on the statewide roster. The Feasibility Report may be found in the Appendix section.

Relevant Laws and Regulations:

- M.G.L. c. 159A½ § 10
- M.G.L. c. 40 § 22

14. EASING REGIONAL RESTRICTIONS ON TAXI SERVICE BY ALLOWING MEDALLION OWNERS TO PICK UP NON-HAIL PASSENGERS VIA SMART PHONE APPLICATIONS

(xiv) Easing regional restrictions on taxi service by allowing taxi medallion owners to pick up non-hail customers via smart phone application outside of the borders of the licensing municipality

Jurisdiction: Municipal, State (Legislature)

Current Conditions:

The challenge of municipal pick-up restrictions is one which is often cited by taxi drivers as an impediment to competing with TNCs (Tuoti, 2017).

Taxicabs currently pick up non-hail customers via smart phone application outside of the borders of the licensing municipality. Apps like [Curb](#) and [Arro](#) offer on demand cab hailing.

Municipalities can review their existing regulatory framework to ensure that taxis from other cities and towns are allowed to pick up non-hail passengers via a smart phone application.

Relevant Laws and Regulations:

- M.G.L. c. 40, § 22
- City of Boston Code of Ordinances, [Chapter 16-15.5](#) – Vehicles For Hire Ordinance
- [Chapter 386 Of The Acts Of 1963](#): An Act Relative To The Regulation Of Taxicabs Within The City Of Boston

INSURANCE AND LIABILITY TOPICS

3. EXPANDING THE OVERSIGHT OF RIDE FOR HIRE COMPANIES' COMPLIANCE DURING INSURANCE CLAIMS INVESTIGATIONS

(iii) Expanding the oversight of ride for hire companies' compliance during insurance claims investigations arising from traffic accidents, including an examination of whether there is a need for greater involvement of the division of insurance or attorney general's office in order to ensure that ride for hire companies are not unnecessarily furtive in providing information during discovery

Jurisdiction: State

Current Conditions:

When an auto accident occurs, those involved report the accident to their insurance companies either directly or through an agent. The company/agent will request any pictures, police reports, the crash data exchange report, the RMV motor vehicle crash operator report, witness statements, medical bills, proof of loss of wages, etc. This information may be acquired from the insured, the other involved party(s), the other insurance company(s) or somewhere else. Each company will investigate the claim to determine 1) nature and severity of the accident; 2) cause; 3) fault; and 4) whether the accident involved property damage, injuries or both. Once the investigation is complete, one company will usually accept responsibility and make settlement offers and/or payments. There are no specific time limits for the settlement of claims. Insurance companies are required by law to pay all claims in a prompt and reasonable amount of time, but what constitutes "prompt and reasonable" may vary from claim to claim.

If a consumer is displeased with the handling of a claim or their treatment by a company, the consumer may file a complaint with the Consumer Services Unit of the Division of Insurance. If there is concern that a claim has been falsely made or some other fraud has occurred, the Insurance Fraud Bureau of Massachusetts may conduct a criminal investigation.

Many TNCs are insured through a surplus lines carrier. The Commonwealth's Division of Insurance (DOI) does not regulate surplus lines carriers in the same way as regularly admitted or domestic companies.

Relevant Laws and Regulations:

- M.G.L. c. 175, § 168
- M.G.L. c. 90, § 26
- M.G.L. c. 176D, § 3

4. WHETHER TO ABOLISH, FOR RIDE FOR HIRE OR FOR ALL VEHICLES, SECTION 34D OF CHAPTER 90: DEPOSITING FUNDS WITH STATE TREASURER'S OFFICE IN LIEU OF PROCURING A MOTOR VEHICLE LIABILITY POLICY OR BOND

(iv) Whether the practice of depositing funds with the state treasurer's office in lieu of procuring a motor vehicle liability policy or bond, as permitted by section 34D of chapter 90 of the General Laws, should be abolished for ride for hire vehicles or abolished for vehicles altogether

Jurisdiction: State (Legislature)

Current Conditions:

The Department of the State Treasurer recommended the legislature consider a bill to strike the Section 34D language from the Massachusetts General Laws. The pending bill, [House 38](#), would strike section 34D in its entirety, and enable the State Treasurer to retain the existing deposits for three years before they can be refunded, provided no claim is pending against the applicant. The bill has been referred to the Transportation Committee.

Separately, the Commonwealth Automobile Reinsurers (CAR) was created pursuant to Chapter 175, Section 113H, of the Massachusetts General Laws. CAR is the industry operated residual market and statistical agent for motor vehicle insurance in the Commonwealth of Massachusetts. Anyone in Massachusetts is able to purchase auto insurance either through the voluntary or residual market.

In its residual market role, CAR provides access to private passenger and commercial motor vehicle liability and physical damage insurance to any segment of the state's motoring public that is unable to obtain coverage through the voluntary market.

Every company licensed to write motor vehicle insurance in Massachusetts is required to become a member of CAR. Member companies writing private passenger insurance will be eligible for appointment as an Assigned Risk Company and be required to accept assignments through the Massachusetts Automobile Insurance Plan in accordance with the Rules of Operation. All member companies writing commercial automobile insurance are required to participate financially in the residual market pool, while a limited number of member companies have been selected to issue and service commercial residual market policies.

All licensed property and casualty producers are required to become certified as Assigned Risk Producers for private passenger residual market purposes and may apply for appointment as an Exclusive Representative Producer for commercial automobile insurance business. This includes those producers who are licensed but unable to obtain a voluntary market contract.

Relevant Laws and Regulations:

- M.G.L. Chapter 90 §34D
- M.G.L. Chapter 175, Section 113H

12. LIABILITY POLICY MINIMUMS FOR LICENSED HACKNEYS, TAXIS AND LIVERIES

(xii) The sufficiency of current motor vehicle liability policy minimums for licensed hackneys, taxis and livery

Jurisdiction: Municipal, State (Legislature)

Current Conditions:

The following tables provide information on current ride for hire insurance requirements, commercial insurance rates, and voluntary and residual market rates for each service.

Minimum insurance liability coverage levels are set for taxis through state statute; however, the out-of-pocket cost for policies that meet those standards is often influenced by where the vehicle is primarily garaged, and as shown in the tables, varies significantly across the Commonwealth. While not explored in detail by the Task Force, potential reductions in the costs associated with minimum insurance liability premiums for taxi vehicle owners may be possible through municipality-specific regulatory changes related to vehicle garaging requirements.

Relevant Laws and Regulations:

- M.G.L. c. 90, §34

Insurance Requirements: Livery/TAXI v. TNC¹

Period One			Period Two/Three		
Coverages	TNC	Taxi/Livery/Commercial	Coverages	TNC	Taxi/Livery/Commercial
Bodily Injury	\$50,000 per indiv. \$100,000 total	\$20,000 per indiv. \$40,000 total (MGL c. 90 §34A)	Bodily Injury	\$1 million	\$20,000 per indiv. \$40,000 total
PIP	\$8,000 per person, Per accident	\$8,000 per person, Per accident (MGL c. 90 §34A)	PIP	\$8,000	\$8,000
Uninsured/ Underinsured	\$20,000 per indiv. \$40,000 total	\$20,000 per indiv. \$40,000 total (MGL c. 175 § 113L)	Uninsured/ Underinsured	\$20,000 per indiv. \$40,000 total	\$20,000 per indiv. \$40,000 total
Property Damage	\$30,000 per accident	\$5,000 per accident (MGL c. 90, § 340)	Property Damage	\$1 million	\$5,000 per accident
Collision/ Comprehensive	Not Required ² (Optional coverage)	Not Required (Optional coverage)	Collision/ Comprehensive	Not Required ³ (Optional coverage)	Not Required (Optional coverage)

Commercial Insurance Rates

In order to register a motor vehicle in Massachusetts, the owner must provide proof to the Registry of Motor Vehicles s/he is financially able to cover losses caused by his/her vehicle. The owner can do this by buying an insurance policy or bond or through a deposit of \$10,000 to the state Secretary of the Treasury⁴. If the owner chooses to purchase an insurance policy, a number of factors come into play.

¹ The Massachusetts Port Authority (Massport) may require different insurance coverage limits for access to the Logan International Airport.

² Drivers can acquire this coverage through an endorsement from a limited number of insurers.

³ Uber & Lyft provide this coverage through a separate policy with a \$1,000 deductible, as long as driver has Collision/Comprehensive on their own Private Passenger Policy.

⁴ See M.G.L. c. 90, §34D.

If the commercial enterprise seeking insurance is attractive to an insurance company, the company will write the policy voluntarily. If the risk is unattractive, such as if the business is inherently dangerous like transporting hazardous materials, it is likely no company will choose to write the insurance policy. The commercial enterprise will then have to obtain insurance through the involuntary, or residual, market. In the commercial residual market, agents are assigned to one of four companies. Any residual market business written by that agent has to be provided by the company to which the agent is assigned. The only choice a business has in the commercial market is to shop around for an agent that writes policies for whichever of the four companies the owner prefers.

Rates in the commercial market depend on number of factors, such as the type of vehicle, age of the vehicle, use of the vehicle, territory where the vehicle is garaged and the amount of coverages the policyholder chooses. Higher coverage limits result in a higher premium.

The following tables show the average premium costs for taxis, limousines and car services in both the voluntary and residual markets. These may include coverages beyond the minimum required by law⁵. This information was provided by Commonwealth Automobile Reinsurers (“CAR”), which administers the residual market for both the commercial and private passenger motor vehicle insurance markets. CAR is also the statistical agent for the commissioner of insurance, and collects data from all companies writing motor vehicle insurance in the commonwealth.

Voluntary Market

Type of Vehicle	Average Premium
Taxis (Owner, rented or leased, all other)	\$ 4,867
Limousine	\$ 3,237
Car Service	\$ 3,606

Residual Market

Type of Vehicle	Average Premium
Taxis (Owner, rented or leased, all other)	\$ 7,514
Limousine	\$ 3,912
Car Service	\$ 5,135

⁵ See the above table for minimum required insurance coverages.

Taxi Residual Market⁶

The following is a breakdown of the taxi residual market by territory, showing cost for minimum coverages and the cost to increase coverage for compulsory coverages, which consist of bodily injury, property damage liability, uninsured motorist and personal injury protection:

Territory (Where Garaged)	Premium for Minimum Coverage of \$20k/\$40 bodily injury and \$5k property damage liability⁷	Premium for increased coverage limits to \$50k/\$100k bodily injury and \$25k property damage liability
Non-urban towns predominantly located in western MA and the Cape, such as Athol, Ayer, Barnstable, Chatham, Greenfield, Leominster and Orleans.	\$ 4,157	\$ 5,505
Urban such as Everett, Lynn, Malden, Melrose, Quincy and Springfield	\$ 8,013	\$ 10,618
Urban such as Brockton, Brookline, Chelsea, Lawrence, Revere and Somerville	\$ 8,742	\$ 11,584
Boston, including West Roxbury, Roslindale, Jamaica Plain, Hyde Park, and Brighton	\$ 6,618	\$ 8,770

⁶ Not Owner Operated. Owner Operated taxis receive a discount.

⁷ Minimum Required Coverages

Limousine Residual Market

The following is a breakdown of the limousine residual market by territory, showing cost for minimum coverages and the cost to increase coverage for compulsory coverages, which consist of bodily injury, property damage liability, uninsured motorist and personal injury protection:

Territory (Where Garaged)	Premium for Minimum Coverage of \$20k/\$40 bodily injury and \$5k property damage liability⁸	Premium for increased coverage limits to \$50k/\$100k bodily injury and \$25k property damage liability
Non-urban towns predominantly located in western MA and the Cape, such as Athol, Ayer, Barnstable, Chatham, Greenfield, Leominster and Orleans.	\$ 1,014	\$ 1,328
Urban such as Everett, Lynn, Malden, Melrose, Quincy and Springfield	\$ 1,788	\$ 2,251
Urban such as Brockton, Brookline, Chelsea, Lawrence, Revere and Somerville	\$ 1,950	\$ 2,564
Boston, including West Roxbury, Roslindale, Jamaica Plain, Hyde Park, and Brighton	\$ 2,545	\$ 3,350

⁸ Minimum Required Coverages

Car Service Residual Market

The following is a breakdown of the car service residual market by territory, showing cost for minimum coverages and the cost to increase coverage for compulsory coverages, which consist of bodily injury, property damage liability, uninsured motorist and personal injury protection:

Territory (Where Garaged)	Premium for Minimum Coverage of \$20k/\$40 bodily injury and \$5k property damage liability⁹	Premium for increased coverage limits to \$50k/\$100k bodily injury and \$25k property damage liability
Non-urban towns predominantly located in western MA and the Cape, such as Athol, Ayer, Barnstable, Chatham, Greenfield, Leominster and Orleans.	\$ 1,683	\$ 2,114
Urban such as Everett, Lynn, Malden, Melrose, Quincy and Springfield	\$ 2,974	\$ 3,914
Urban such as Brockton, Brookline, Chelsea, Lawrence, Revere and Somerville	\$ 3,246	\$ 4,272
Boston, including West Roxbury, Roslindale, Jamaica Plain, Hyde Park, and Brighton	\$ 4,240	\$ 5,579

⁹ Minimum Required Coverages

TRANSPORTATION NETWORK COMPANIES TOPICS

5. LIMIT DRIVERS CONNECTING TO MULTIPLE TNC NETWORKS

(v) Whether there should be a limit on the number of transportation network company digital networks that a transportation network driver may be connected to at a time to protect rider and public safety

Jurisdiction: State (Department of Public Utilities)

Current Conditions:

This topic was raised due to some concerns around insurance coverage and claims, and for consumer protection purposes. It is unclear if it is technically feasible to limit the number of networks a driver can be connected to.

Relevant Laws and Regulations:

The Department of Public Utilities, Transportation Network Company Division promulgated regulations for TNC companies and TNC drivers on September 22, 2017. The regulations do not include a limit on the number of TNC digital networks that a transportation network driver may be connected to at a time. If the Division were to learn that the number of TNC digital networks to which a driver is connected is a public safety issue, the Division will further examine this issue.

8. VEHICLE FINANCING PROGRAMS

(viii) an examination of the automobile financing programs offered by transportation network companies to transportation network drivers in order to determine whether the programs are predatory in nature;

Jurisdiction: State (Office of Consumer Affairs and Business Regulation, Division of Banks, Division of Professional Licensure, Registry of Motor Vehicles)

Current Conditions:

Ride-share companies offer a variety of options to help individuals who want to become drivers obtain a vehicle if they do not already have access to one. These options include referrals to car rental programs¹⁰, car lease programs¹¹ and car sales and financing programs. These programs are typically geared toward individuals with poor or nonexistent credit. These programs could be considered either consumer purpose or commercial transactions, depending on the specifics of each transaction. If these rental, lease and financing transactions are considered commercial transactions, existing consumer protections may not apply.

Financing programs are typically offered through third parties. The ride share companies refer potential drivers to local auto dealers who often offer discounted prices on selected vehicles. Financing is provided by sub-prime auto lenders, with payments automatically deducted from the driver's earnings. The ride share company is not a party to the sales or financing transactions, with the dealer/finance company setting loan terms and responsible for any disclosure requirements.

The Division of Banks licenses motor vehicle sales finance companies. The Division examines the lending practices of Licensees to ensure rates do not exceed the 21 percent rate cap, payments are processed accurately and in a timely manner, late charges and collection fees do not exceed allowable limits, and in the event of repossession, consumers are afforded proper notice and right to cure protections.

In late 2016 and early 2017 the Division of Banks and the Division of Professional Licensure, in collaboration with the Registry of Motor Vehicles, canvassed over 200 car dealerships around the Commonwealth to identify unlicensed lending activity and/or unfair or deceptive acts or practices associated with the sales and financing of used automobiles. This effort resulted in 5 public enforcement actions, 135 cease directives, \$170,000 in fines and penalties, and over \$200,000 in consumer reimbursements. (Consumer Affairs and Business Regulation, 2017).

¹⁰ Car rentals fall under the jurisdiction of the Office of Consumer Affairs and Business Regulation

¹¹ Car leases are subject to federal Regulation M [[12 CFR 1013](#)], which establishes certain disclosure requirements for consumer leases. The Division of Banks issued guidance on the [Applicability of Licensing Requirements to Motor Vehicle "Leasing" Companies](#) in 2011.

The Attorney General's Office has also been active in pursuing companies for illegal practices in the auto lending arena. This has included enforcement actions and lawsuits against auto title lenders, buy-here pay-here auto dealers and auto finance companies. Their efforts have focused on illegal practices including excessive rates and fees, as well as unfair and deceptive acts or practices in the sale and financing of motor vehicles.

Relevant Laws and Regulations:

Massachusetts law says that retail installment contracts may include Guaranteed Auto Protection (GAP) coverage, but charges for GAP must be included in the finance charge when determining whether the contract exceeds the 21 percent rate cap.

- M.G.L. c. 255B – Retail Installment Sales of Motor Vehicles
- M.G.L. c. 106, Article 9 – Uniform Commercial Code – Secured Transactions
- M.G.L. c. 271 §49 – Criminal Usury
- M.G.L. c. 140 §96 – Small Loans Act
- M.G.L. c. 90 §32E½ – Rental Agreements

9. EMERGENCY SAFETY ALERT FEATURES

(ix) the feasibility of transportation network companies providing within their user interface an emergency safety alert feature, which may include an option to connect a call to the police, the sending of alerts about trip and driver to local authorities, contact information for the company's incident response team and the sending of automated messages to preselected emergency contacts that details the trip and allows for real time global positioning system monitoring;

Jurisdiction: State (Legislature, Department of Public Utilities, State 911 Department)

Current Conditions:

In any mode of transportation, the most effective and efficient emergency response protocol is to contact 911 directly. Each TNC has developed a different subset of safety functions within their respective applications, including some of the features listed (connecting a call to the police, sending alerts about trip and driver to local authorities, incident response team contact info, and sending automated messages including trip details to emergency contacts). It may be feasible to require certain safety features for every TNC, however this may require legislative authorization. Whether the inclusion of such safety functions would improve passenger or driver safety, or emergency response, may be worth further study and review.

In December of 2017, Massachusetts became one of the first and largest states in the nation to transition to a next-generation statewide 9-1-1 system (NG9-1-1) which complies with the [National Emergency Number Association \(NENA\) i3 standards](#). NG9-1-1 is an Internet Protocol (IP) based emergency communications system. In simple terms, NG9-1-1 is Voice over IP for 9-1-1. The system provides vastly improved emergency communication capabilities such as allowing for texting, and improving mapping for call takers and first responders. Wireless calls are also transmitted directly to PSAPs, rather than through a wireless PSAP, thereby reducing the number of transfers and enabling faster responses. It will also improve interoperability of first responders as well as providing the foundation for future public safety communications.

In addition, the NG9-1-1 system offers better access to the deaf, hard of hearing and speech impaired population through texting. This is particularly important for the approximately 550,000 Massachusetts residents who are deaf or hard of hearing. There are also many instances in which an emergency situation doesn't allow an individual to speak because of the dangers they face, or an individual is otherwise physically unable to speak, making texting an invaluable alternative.

It may be useful for drivers and passengers to also be aware of the 911 Silent Call Procedure. Once you've dialed 9-1-1 and an operator has answered, you can press 1 if you need police, 2 if you need fire services, and 3 if you need an ambulance. If you're asked a question during the call, you can press 4 to respond yes, and 5 to respond no.

The Silent Call Procedure

If you need to call 9-1-1 and you are unable to speak for any reason, once the call is answered:



Source: MA State 911 Department and the Executive Office of Public Safety and Security

www.mass.gov/e911

Relevant Laws and Regulations:

The Department of Public Utilities, Transportation Network Company Division promulgated regulations for TNC companies and TNC drivers on September 22, 2017. The regulations do not include a requirement for TNCs to provide within their user interface an emergency safety alert feature. If the Division learns that this feature is a public safety issue, the Division will further examine this issue. Whether the inclusion of such safety functions would improve passenger or driver safety, or emergency response, may be worth further study and review.

Figure 3 - Silent 9-1-1 Call Procedure

13. FEES FOR CANCELLED AND LATE RIDERS

(xiii) An examination of transportation networks' policies on fees charged to riders for cancelled rides and occasions when the rider is late to meet a transportation network driver at the pre-arranged pick-up location;

Jurisdiction: State (Department of Public Utilities)

Current Conditions:

Uber:

Cancellation fees in the following circumstances:

- A rider cancels a trip request more than 5 minutes after requesting; or
- A rider doesn't arrive at the pickup location within 5 minutes of the driver's arrival; or
- An uberPOOL rider doesn't arrive at the pickup location within 2 minutes of the driver's arrival; or
- An uberPOOL rider cancels a trip request after being matched

[Riders are charged](#) a \$10 cancellation fee only if they cancel more than 5 minutes after their driver has been assigned.

Lyft:

To compensate a driver for their time and gas, Lyft will apply a cancellation fee or penalty for specific rides. [Riders are charged a \\$5 cancellation fee in Boston](#) for canceling a ride if it meets the following criteria:

- Two minutes or more pass since a driver accepts a user's ride request, or
- A user's driver is on time to arrive within 5 minutes of the original estimated arrival time

A \$10 cancellation fee is charged to any user who cancels a scheduled pickup within 30 minutes of the pickup window.

No-show fees are charged under these circumstances:

- A user's driver arrived to pick them up
- The driver waited 5 minutes or more
- The driver tried to contact the user

For [Lyft Line](#) rides, Lyft may charge a no-show fee if the rider isn't at the pickup location within 1 minute of the driver's arrival.

Riders can dispute a fee. If a rider thinks they were wrongly charged a cancellation fee, they can dispute the fee use the app's 'Ride History' tab.

Fasten:

Fasten drivers are eligible for a [\\$5 cancellation fee](#) when one of the following criteria is met:

- A rider cancels more than 5 minutes after requesting a ride, or
- A rider is not at the pick-up location and the driver is unable to reach them (the driver must wait at least 5 minutes).

Repeat requests and cancellations will be subject to a cancellation fee. If the original ETA increases by more than 50%, the rider is entitled to free cancellation.

Relevant Laws and Regulations:

- M.G.L 159A ½ §3(c)(iii) and 2(d)

16. DPU PROVIDING STATISTICAL REPORTS OF TNC INCIDENTS

(xvi) Examining and making recommendations on ways in which the division established under section 23 of chapter 25 can make statistical reports relative to the number and type of incidents reported to transportation network companies relating to drivers and riders

Jurisdiction: State (Department of Public Utilities)

Current Conditions:

TNCs must provide a monthly report to the Division including a detailed accounting of all driver and rider complaints, received through any means, and the actions that the TNC has taken, if any, to resolve said complaints. TNCs must also immediately report a driver suspension pursuant to M.G.L. c. 159A½, § 4(e), or receipt of a driver violation of any aspect of M.G.L. c. 159A½ or 220 CMR 274.00.

The most significant challenge facing the TNC Division in making “statistical reports relative to the number and type of incidents reported to transportation network companies relating to drivers and riders” is the statute’s public records exception related to information provided to the TNC Division by TNCs. MGL 159A½ § 8(e). These “reports” would pertain to information that is held by the TNCs and then, presumably, turned over to the Division. TNCs are indeed required to provide to the TNC Division a monthly report of passenger complaints received. 159A½ §§3(c)(viii) and 8(b). However, the TNC Division faces statutory constraints in the type of information it may make public. MGL 159A½ §§8(d) and 8(e). Specifically, the statute states that, “Any record furnished to the division or other state agency by a transportation network company pursuant to this chapter... shall not be considered a public record”. MGL 159A½ § 8(e).

The Division will explore ways to report aggregate and anonymized incident data, but it must do so within the bounds of its enabling statute.

Relevant Laws and Regulations:

- MGL 159A½ §§8(b) and 8(e)
- 220 CMR 274.12(2)

SOCIAL EQUITY TOPICS

1. A MASSACHUSETTS ACCESSIBLE TRANSPORTATION FUND CREDITED WITH ANNUAL SURCHARGES FROM COMPANIES THAT DO NOT PROVIDE SUFFICIENT WHEELCHAIR-ACCESSIBLE SERVICE

(i) The feasibility of establishing a Massachusetts Accessible Transportation Fund credited with annual surcharges from ride for hire companies that do not, as determined by the task force, provide sufficient wheelchair-accessible service

Jurisdiction: State (Legislature), Municipal

Current Conditions:

Since 2016, Lyft and Uber have partnered with the Massachusetts Bay Transportation Authority's (MBTA) paratransit service, The RIDE, to enable paratransit users to book trips on-demand through the TNCs. The program seeks to improve customer's flexibility and mobility, test the implementation of on-demand options, and assess the financial and operational feasibility of the new model.

After delivering 10,000 successful rides to paratransit passengers through the program, TNCs Lyft and Uber expanded their partnership with the MBTA to every customer of The RIDE. The hope is that Lyft and Uber will build on the success of these partnerships and continue to work to bring ride-sharing to those with disabilities who seek on-demand transportation but don't have access to (or aren't able to use) a smart phone or ride-sharing app. The results for customers are lower wait times, same-day booking options, quicker trips, options to book via an app or phone call, and access to WAVs.

There are over 1,500 RIDE customers in the program, over 800 of whom used the service at least once during November of 2017. Customers took nearly 8,400 trips in November, for an average of about 10 trips per active customer, increasing the total trips taken to date under the program to over 61,000 through November 2017.

Wheelchair accessible vehicle (WAV) availability on Uber and Lyft is currently limited. In 2018, the TNCs' collective WAV fleet is expected to expand, as there are plans to add over 100 Boston-area WAVs to Lyft and Uber's platforms, as well as on Curb (a technology service that has recently partnered with The RIDE to provide on-demand service using taxis).

There are no current definitions in Massachusetts which quantify "sufficient wheelchair service". The Boston Police Commissioner sets the number of designated WAV taxi medallions in the city, with a current mandate that 100 of the 1,825 medallions be dedicated for WAVs. No such minimum number of required WAVs exists for liveries, TNCs, or most taxis outside of the City of

Boston. Cambridge has about 10 WAVs out of about 250 taxis. In Chelsea, any taxi company with at least 6 taxi licenses must have at least one accessible vehicle, though the City has less than 30 taxis in total. Newton limits the number of taxi licenses to one for every 1,000 residents, however licenses for taxis designed to carry elderly or handicapped passengers are exempt from this limit and can apply for permits as needed. Quincy has dictated that there must be between 60 to 88 taxis, however there is no WAV requirement or set-aside. Similarly, Revere has set the number of taxi licenses at 75 with a minimum of at least 50, but has no WAV requirements or set-asides. Somerville has a limit of one taxi license per 1,000 residents, as in Newton, however there are no WAV requirements or exemptions.

In Washington D.C., taxicabs are required to have at least 12% of their fleets be wheelchair accessible, however some indications are that this may be higher than necessary (Department of For Hire Vehicles, 2017) (Di Caro, 2017). Pennsylvania's 2016 state TNC law requires that TNCs provide at least 70 wheelchair-accessible vehicles in any "city" in which it operates (Pennsylvania General Assembly, 2016). The development of a metric for "sufficient wheelchair accessible service" would be difficult for ride for hire modes individually or in aggregate.

If a definition for sufficient WAV service were to be developed, the legislature would be required to establish any Accessible Transportation Fund, including determining how the funds would be used to further support access to WAV services.

Relevant Laws and Regulations:

- Municipal Regulations
 - o Example: City of Boston Police Department – [Rule 403: Hackney Carriage Rules and Regulations](#)

6. ASSESS THE IMPACTS OF AUTONOMOUS VEHICLES ON THE RIDE FOR HIRE INDUSTRY

(vi) The potential impact of autonomous cars in the ride for hire industry, including the possible effect that autonomous cars may have on vehicle safety and fairness to existing drivers

Jurisdiction: State (Legislature, MassDOT)

Current Conditions:

On October 20, 2016, Governor Charles Baker signed [Executive Order \(EO\) 572](#): To Promote the Testing and Deployment of Highly Automated Driving Technologies. Boston Mayor Martin Walsh also [signed an executive order](#) in parallel, to oversee and develop guidelines for autonomous vehicle (AV) [testing in the City of Boston](#).

The [AV Working Group](#) was created by the Governor's EO in late 2016, and is charged with advising MassDOT on the development of guidance for AV testing in Massachusetts. The EO also states that the Working Group should consider changing statutes or regulations that would facilitate the widespread deployment of highly automated vehicles while ensuring the safety of the public. The Working Group has convened 7 AV Working Group meetings through 2017, with about 75+ attendees on average, including companies and representatives, academic institutions, MPOs, and news media. The Working Group will be issuing a report of its findings in 2018.

Massachusetts is an emerging player in the hardware and software products enabling the AV industry. AV firms located here include: nuTonomy, Optimus Ride, Aptiv (formerly Delphi), Neurala, NextDroid, and Sensata. The Commonwealth also has physical presence from other related companies like Zipcar, Amazon Robotics, Uber, Lyft, and Google. Companies developing LIDAR components in MA include Analog Photonics, Sensata, and Autoliv Electronics. In addition, Massachusetts has rich intellectual and research assets, such as the Volpe Center, Draper Labs, Lincoln Labs, Toyota Research Institute, MIT Photonics Group, Mitsubishi Electric Research Laboratories, MassRobotics, and others.

There are likely to be several types of autonomous vehicle services and modes which evolve over the next several years and decades. The integration of semi-autonomous and fully-autonomous vehicles into the current vehicle fleet will take several decades to fully complete, if ever, and the impact of the transition towards automation on the ride for hire industry will vary due to a wide range of factors including geography, infrastructure, regulation, consumer acceptance, costs, and more. TNCs and other fleet operators will likely be among the first adopters of AV technologies.

It is challenging to anticipate the impacts on the industry given the number and complexity of variables, however there are a significant number of research initiatives being conducted on this subject.

The US Department of Transportation Federal Transit Administration has been [conducting research on “Mobility as a Service” \(MaaS\)](#), which supports efforts to integrate mobility tools across modes such as transit, for-hire services, and other shared options such as bike share. Most research to date has focused on integrating TNCs and transit, but the research can be used to link transit riders with future automated vehicle-for-hire services as well. The USDOT also recently issued a [request for comment](#) on the current and near-future status of automated transit buses, including regulatory or policy barriers to the development and deployment of the technology for transit buses, which is part of the USDOT’s larger [Automated Vehicles policy initiative](#).

The USDOT [Volpe National Transportation Center](#), located in Cambridge, is also conducting research on topics such as the [future of transportation systems](#), [technology readiness](#), vehicle [platooning](#), and an initial analysis of the [emissions impacts of autonomous vehicles](#). The Volpe Center’s research project on emissions impacts of AVs involves a model which a region (Metropolitan Planning Organization or city) could use to analyze the transportation system impacts of vehicles with automation applications, and is anticipated to be completed in 2018.

AVs are forecast to significantly reduce crash risk and severity. Automotive safety regulations are presently divided between driver safety and vehicle safety. Driver safety is primarily regulated by states through licensure and driving behavior laws. Vehicle safety is principally regulated on the federal level by the Federal Motor Vehicle Safety Standards (FMVSS). FMVSS is charged with specifying how vehicles must be designed before they can be sold in the United States. New concept or prototype vehicles may not be compliant with existing FMVSS if, for example, they do not include a steering wheel. The [RAND Corporation](#) has been conducting research on AVs, including a recent entitled [Autonomous Vehicles and Federal Safety Standards – An Exemption to the Rule](#), which both outlines and provides recommendations addressing this issue which is currently under evaluation.

There is potential for autonomous vehicles to have a significant impact on workers who are motor vehicle operators. A [2017 US Department of Commerce study](#) found that the possible impact of autonomous vehicles adoption on motor vehicle operators will depend greatly on the age and education level of the driver, and whether they have skill sets that are transferable to other occupations.

Other research initiatives underway at the [Victoria Transport Policy Institute](#), the [Brookings Institution](#), and countless [academic research institutions](#) and [think tanks](#) (including several in Massachusetts) will continue to provide additional insights into the potential impacts of autonomous vehicles as the technology and business models continue to develop.

Relevant Laws and Regulations:

- Executive Order 572

7. ENVIRONMENTAL IMPACTS OF TNC SERVICES AND FEASIBILITY OF INCENTIVIZING ZERO-EMISSIONS VEHICLES IN RIDE FOR HIRE SERVICES

(vii) The environmental impacts that the provision of transportation network services may have and the feasibility of incentivizing the use of zero emission vehicles in the ride for hire industry

Jurisdiction: State (DPU, EEA)

Current Conditions:

The known environmental impacts of TNC activities could be explicitly calculated, as the number of miles traveled and routes taken are accurately tracked. Assessing whether or not TNC activity has affected the environmental impacts from the transportation sector in general is a question which would necessitate research beyond the capacity of this Task Force.

The relatively nascent TNC industry has already led to changes in travel dynamics and mobility across the Commonwealth. As the business models and services are still in their infancy, so too is the growing body of research on the range of impacts of TNC operations, including topics such as vehicle-miles traveled, transit ridership, trip frequency, and car ownership. New “mobility-as-a-service” business models are being tested with motor vehicles as well as alternative modes such as bicycles. Autonomous vehicles may likely yield additional improvements to mobility options and business models. A confluence of factors indicates that the next several years and decades will likely yield significant change to how various modes of transportation are used.

TABLE 6 DISTRIBUTION OF LOGAN GROUND-ACCESS PASSENGERS BY GROUND-ACCESS MODE, ALL TRIPS (2007-2016)

Mode	2007	2010	2013	2016
Automobile				
Private Vehicle				
Dropped off	23.3%	27.0%	28.0%	21.3%
Parked On-Airport	14.6%	12.2%	12.5%	11.4%
Parked Off-Airport	2.3%	1.1%	2.6%	1.8%
Rental Vehicle	12.4%	10.9%	10.4%	10.9%
Taxicab	19.7%	18.8%	18.6%	9.8%
Uber/Lyft/Fasten	-	-	-	14.3%
Total	72.2%	70.0%	72.2%	69.5%
HOV/Shared Ride				
Public Transit				
Logan Express Bus	3.3%	4.0%	3.9%	5.2%
Other Express Bus	3.0%	3.7%	2.9%	4.5%
MBTA Blue Line Subway	3.5%	4.0%	2.7%	3.1%
MBTA Silver Line Bus	2.6%	3.1%	4.7%	3.3%
Water Shuttle/Water Taxi	0.4%	0.3%	0.2%	0.2%
Other Shared-Ride Vehicles				
Car Service or Shared-Ride Van	8.1%	8.2%	8.3%	8.1%
Free Hotel/Courtesy Shuttle	3.5%	4.4%	3.3%	3.3%
Charter Bus	2.5%	1.3%	1.3%	1.5%
Other	0.9%	1.1%	0.4%	1.1%
Total	27.8%	30.0%	27.8%	30.5%
Total	100.0%	100.0%	100.0%	100.0%

2016 Massport Ground Access Survey (Massport, 2017)

discounts, incentives for employers to acquire EV charging stations, and state-funded installation of charging facilities.

Considering the number of confounding factors in changes to mode share, it would be difficult to prove whether TNC use has caused an increase or decrease in the environmental impacts from the transportation sector in general. While there is historical data from Massport to show the travel patterns to access Logan Airport, the sample is not representative of State-wide impact, and such data are not currently available on a state-wide level.

With respect to incentivizing electric vehicle (EV) adoption, there are several initiatives in Massachusetts aimed at promoting the use of zero emission vehicles, including EV purchase

Massachusetts has an existing state tax rebate of up to \$2,500 for the purchase of an EVs. The Mass Energy Consumers Alliance helps to further reduce cost of purchasing EVs through its “Drive Green” program. Participating car dealerships offer discounts on the purchase price of EVs. In exchange, they receive exposure on Mass Energy’s website and access to a pool of potential customers interested in electric cars. Consumers may join the program by visiting www.massenergy.org/drivegreen. The discounts offered vary by model and dealership, and range from \$2,500 to \$8,000. The discount provided by Mass Energy Alliance is offered in addition to the existing state rebate of up to \$2,500 and federal tax credit of \$7,500.

The Massachusetts Electric Vehicle Incentive Program (MassEVIP) Workplace Charging program is a Department of Environmental Protection (MassDEP) open grant program that provides incentives for employers to acquire Level 1 and Level 2 EV charging stations. Companies with 15 or more employees in non-residential places of business are eligible. MassDEP provides 50 percent of the funding (up to \$25,000) for hardware costs to employers installing Level 1 and Level 2 stations capable of charging EVs produced by multiple manufacturers.

By installing workplace charging stations, employers can:

- Allow access to EV charging for employees who may not be able to charge their vehicles at home.
- Demonstrate environmental leadership to employees, customers and the surrounding community.
- Improve employee commuting practices and reduce vehicle emissions of greenhouse gases and other pollutants.
- Enhance employee benefit packages, which can help with employee recruitment and retention.

In addition to the Charging Stations program, MassDEP also administers the [MassEVIP: Fleets](#) program, which provides incentives for cities and towns, state agencies, and state colleges and universities to acquire electric vehicles and install Level 2 charging stations.

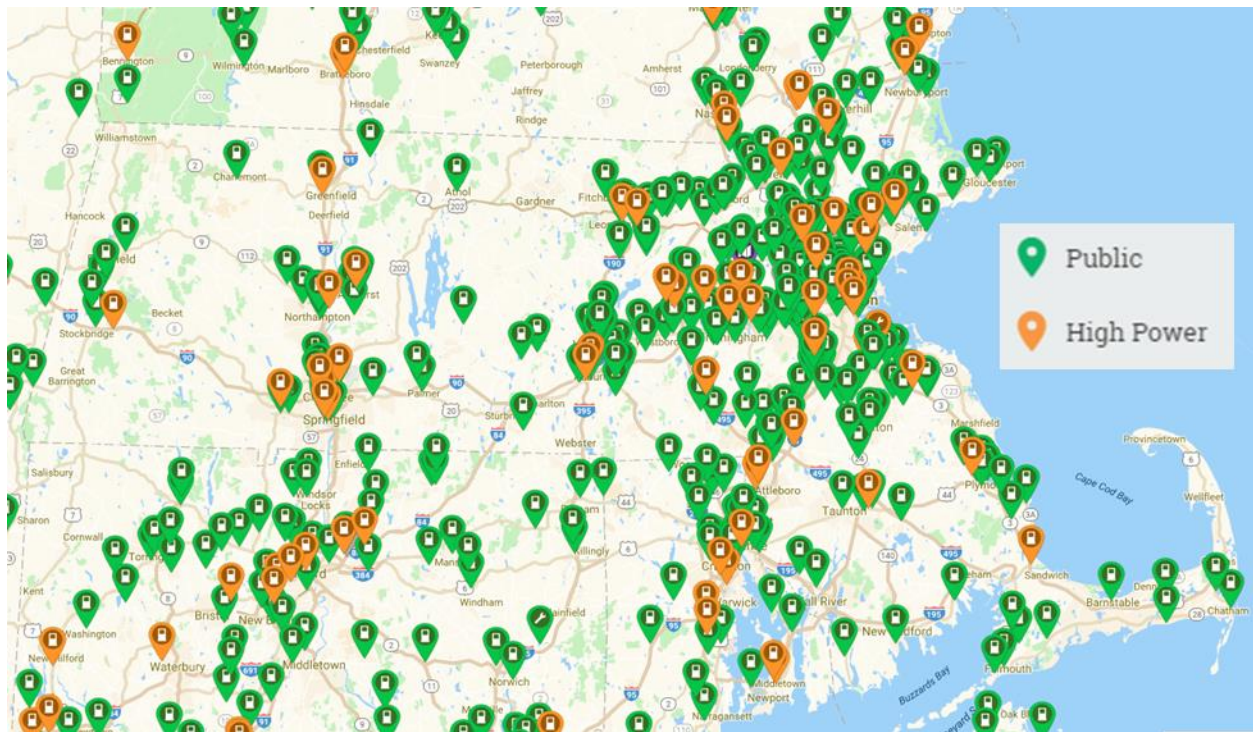


Figure 4 - PlugShare Charging Station Map of Massachusetts

There are about 520 electric [charging stations in Massachusetts](#), with over 1,350 charging outlets (U.S. Department of Energy, 2018). MassDOT has installed DC fast charging stations at six service plazas on the Massachusetts Turnpike (Lee East, Lee West, Charlton East, Charlton West, Framingham & Natick). Information on availability is provided to customers through apps like Plugshare. The stations accept most forms of electronic payment, including EVGo membership cards, but do not require any membership in any charging programs. The stations are not intended to replace EV owners' primary method of charging, but to support long-distance travel, increase range confidence, and increase EV adoption. MassDOT has sized and pre-engineered the utility service and spaces to meet future demand for expansion and changes in technology, with space for at least two additional stations per site. Additional projects are being reviewed for service plazas in additional corridors which may increase range confidence and further promote EV adoption.

The advent of ride-sharing business models to deliver mobility as a service through providers such as Uber and Lyft, and eventually autonomous vehicles, has the potential to introduce a rapid adoption of EVs. Ride-sharing companies could accelerate the transition to EVs as they support regional climate goals and reduce their carbon footprint. There are several electric ride-sharing initiatives underway:

- In several cities, including Boston, Uber and Lyft drivers have the option to rent Chevy Bolts, through a new service called [Maven Gig](#).
- In San Diego, California, Uber, through a partnership with Plug In America, connects car shoppers with resources to facilitate the purchase of EVs.

Task Force Topics for Review

- In 2017, Uber launched an EV Ambassador program in Portland, Oregon. Through this program, incentives are provided for Uber driver-partners driving EVs to educate their riders about the benefits of EVs. This program supports the company's electric car [initiative](#) to reach its goal of making ten percent of all vehicles driven on the Uber platform in Oregon electric by 2019.
- In 2017, Uber announced plans to electrify its London fleet by 2025. To reach this goal, the company will provide incentives for drivers who want to purchase EVs. Funding for this program will be provided by an additional surcharge to trips. ([Uber Announces Plans to Electrify its London Fleet by 2025](#), *The Verge*, 9/8/17)
- In 2017, Lyft announced that to advance climate action and electric vehicle use, its shared platform will provide at least 1 billion rides per year using electric autonomous vehicles by 2025. ([Lyft will Provide 1 Billion Automated Electric Car Rides per Year by 2025](#), *Huffington Post*, July 12, 2017)

Relevant Laws and Regulations:

- None

11. ANY OTHER MATTERS WHICH MAY IMPROVE PUBLIC SAFETY, CONSUMER PROTECTION, AND ECONOMIC FAIRNESS

(xi) Any other matters which the task force finds may improve public safety, consumer protection and economic fairness in the ride for hire industry

No additional topics were reviewed.

APPENDIX

BACKGROUND CHECK AND STATEWIDE ROSTER FEASIBILITY REPORT

DPU and the RMV completed a Feasibility Report in August 2017, as required by Chapter 187, examining the feasibility of: (i) conducting statewide criminal offender record information checks for each operator of a ride for hire vehicle; and (ii) establishing a statewide roster of all livery and taxicab drivers, along with a convenient means for municipalities to notify the division of any livery or taxicab drivers registered within their municipality, including reciprocal reporting between municipalities and the department regarding any driving infractions, criminal convictions, suspension or ban of all livery drivers and taxicab drivers on the statewide roster.

Statewide Criminal Offender Record Information Checks for Ride for Hire Vehicle Operators

The Division and Registry conclude that new legislation and significant technological resources are required to establish a comprehensive, statewide system for criminal offender record information (“CORI”) checks for each operator of a ride for hire vehicle. We begin by observing that term “ride for hire” is nowhere defined. Accordingly, based on our experience with the Act and for purposes of this report only, we refer to ride for hire operators as those individuals who provide TNC, taxi, and livery services – individuals engaged in the transport of passengers for payment.

Second, our conclusion is based on an overview of each respective industry. Each industry is regulated differently and while statewide CORI checks for TNC vehicles are clearly defined by statute, taxi and livery standards are not as clear. Taxis and liveries have minimal state oversight and therefore any statewide background check across the ride for hire industry would require new legislation.

Further, the Division’s suitability standard was not developed in isolation. The Division worked closely with the Executive Office of Technology Services and Security, Energy and Environmental Affairs Information Technology, Department of Criminal Justice Information Services, Registry of Motor Vehicles, the Sex Offender Registry Board, and others to design and create an interconnected platform to extract, synthesize, and disseminate driver background information to the Division. The Division continues to work with various stakeholders to adjust the database for efficiency and foresight. Accordingly, any statewide background check system will need to account for significant resources and investments in technology.

Lastly, we provide a brief overview of the regulatory landscape of drivers of TNC vehicles, taxis, and liveries:

Transportation Network Company

Screening for TNC drivers is provided for by G.L. c. 159A½, which requires that the Division create a suitability standard by which to measure each individual’s background information.

The background check is a two-step background check process. First, a TNC performs a multi-state criminal and driving background check, as well as a check of the United States National Sex Offender Public website. A TNC is required to disqualify any driver who does not meet the Division's suitability standard. Second, if a driver passes the TNC's check, the TNC then forwards the driver's information to the Division. The Division provides the information to the Registry, Department of Criminal Justice Information Services, Sex Offender Registry Board, and the Warrant Management System. Based on the results from those agencies, the Division determines whether the driver is suitable.

Taxi

Background checks for taxi drivers are regulated at a municipal level. General Laws c. 40, §22 provides as follows:

a city or town may make ordinances or bylaws, . . . rules and orders, for the regulation of carriages and vehicles used therein, and may set penalties for the violation thereof; and may set and receive an annual fee for each license granted to a person to use any such carriage or vehicle therein.

With the exception of motor vehicle registration, taxi companies are not subject to state regulation. And while the Registry issues taxi license plates to individuals and companies who have the requisite insurance, there is no state agency or regulatory body that oversees taxi drivers. As of July 19, 2017, the Registry had 3,434 active taxi registrations.

The background check regulations vary amongst municipalities. For example, the cities of Boston and Cambridge promulgated their own local regulations that cover a wide range of topics related to the operation of both a taxi company, the vehicle, and the operator. See City of Boston Ordinance Rule 403; City of Cambridge Ordinance, c. 5.20. Conversely, many cities and towns, like Belmont and Scituate, have no requirements beyond registering with the municipality and obtaining a business certificate.

Livery

Similar to taxis, no state agency has statutory authority to conduct background checks for livery drivers. Livery companies and drivers are not required to be regulated at the municipal level. The Registry's authority over livery is limited to the issuance of livery plates to individuals and companies that have requisite commercial insurance. See 540 C.M.R. § 2.05(4)(i). As of July 19, 2017, the Registry had 13,299 active livery vehicle registrations.

Statewide Roster and Reciprocal Reporting of Livery and Taxi Drivers

As previously mentioned, there is no state agency that performs background checks for taxi or livery drivers. Moreover, there is not a statewide list of livery and taxi drivers in each municipality. Accordingly, it is not currently feasible to create a statewide roster of all livery and taxi drivers or a means for reciprocal reporting between municipalities.

Roster

Compiling a roster of all livery and taxi drivers in the Commonwealth would require a significant effort. First, there must be legislation that obligates each municipality to collect specific biographical information on each taxi or livery driver within their jurisdiction; or, legislation that preempts municipal regulation of these drivers in favor of state regulation in order to centralize that information. Because G.L. c. 40 §22 permits, but does not require, municipalities to regulate taxi and livery, many municipalities may not regulate or even track livery and/or taxi drivers at all. Nor does the Registry have driver license numbers for each taxi and livery driver.

Second, in the context of municipal regulation, each municipality must report that information into a statewide repository. The repository must be capable of exchanging data between several other state agencies, such as the Registry, Department of Criminal Justice Information Services, Sex Offender Registry Board, and the Warrant Management System. Whether by municipal ordinance or state regulation, specific legislation is required to access information from each of these agencies.

Notification and Reciprocal Reporting

Notification and reciprocal reporting of the statewide roster and driver activity would, as previously mentioned, first require the agency and the municipalities to have access to the statewide roster of taxi and livery drivers. Second, each driver must give their consent for a background check of their CORI and for the sharing of that information with all of the cities and towns in the Commonwealth. Third, municipalities and the state agency would need to set up a secure method (e.g. secure encrypted email address, encrypted drop box, secure portal) by which the municipalities could notify the agency of livery and taxi drivers registered within their municipality. The state agency would also need to use this method to notify the municipalities of activity that would disqualify a driver from providing services.

A new regulatory structure for taxis and livery would likely incur financial burdens on the municipalities, the state, and potentially the drivers. If oversight of ride for hire drivers and vehicles were at the state or municipal level, that agency or municipality would need to accommodate the new regulatory structure. For example, the agency or municipality would need to draft new ordinances or regulations for oversight of the taxi and livery drivers and companies; increase staffing levels or reallocate existing resources in order to implement and enforce the new regulations; improve existing, or create new, databases and web based applications to track the drivers and their vehicles.

Conclusion

The creation of a statewide roster of TNC, taxi, and livery drivers, a means of notification and reciprocal reporting of driver activity between the state and municipalities, and performing background checks on taxi and livery drivers is not currently feasible. In order to accomplish this, several challenges would need to be addressed.

In order to conduct statewide CORI background checks for all taxi, livery, and TNC drivers, legislative changes are necessary. Legislative changes would also be necessary to establish a statewide roster of all livery and taxicab drivers and a means for municipalities to notify the state agency regarding negative driver activity. Changes to the regulation of livery and taxi would necessitate cooperation across several secretariats and municipalities. While difficult to quantify, there would be information technology costs because the system or database used to house the driver information would need to be able to communicate with all of the cities and towns in the Commonwealth. Similarly, the cost of additional staffing at the state and municipal level would likely grow in order to accommodate this new regulatory structure.

There are many challenges to creating a statewide driver roster, a means of notification and reciprocal reporting of driver activity between the state and municipalities, and performing background checks on taxi and livery drivers. However, through the efficient allocation of resources and investment in a robust information technology solution, it may be possible to meet these challenges.

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[DPU's TNC Division Website](#)

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[Driver Applicant Disqualifying Conditions](#)

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