



WHAT CUSTOMERS OF TRANSPORTATION NETWORK COMPANIES SHOULD KNOW

The Colorado Legislature in 2014 created a new classification in the state's transportation law for Transportation Network Companies (TNCs). TNCs, such as UberX and Lyft, arrange for-hire transportation services between riders and drivers using a digital network, such as a smart-phone app. Under the law, TNCs operate under with limited regulation from the Public Utilities Commission. The PUC retains registration, proof of insurance and safety oversight of TNCs, but does not have authority over rates, market entry, and many operational and service-quality issues.

Below is a summary of the key differences between regulation of TNCs and other types of transportation services, such as taxis and shuttle services.

RATES

The PUC has no authority to set rates for TNCs. Charges for rides provided through TNCs are set by the TNC using a formula that is controlled by the TNC. The formula can change at any time. Most likely, the passenger will be charged based upon the distance traveled and the time it took to travel that distance.

TNCs also adjust the cost of the fare based upon supply and demand. One company calls this "surge pricing." For example, fares can increase significantly on holidays, late at night, or depending on weather conditions. TNCs reserve the right to adjust the fare at any time. Usually, the TNC will provide notice when this "surge" occurs, but it is not a requirement.

Some TNCs will, by default, automatically add a percentage of the fare to the final bill for a gratuity. However, it is dependent upon the policies of each TNC regarding how tips may or may not be added, or even requested.

DRIVER SAFETY/REQUIREMENTS

Taxi and luxury limousine drivers in Colorado are required to submit fingerprints for a criminal background check through the Federal Bureau of Investigation and the Colorado Bureau of Investigation. TNCs are required to perform a criminal history check of their drivers, but they

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do not have to use the PUC's fingerprint-based system. They can use a privately administered criminal history record check.

TNCs are held responsible for engaging qualified drivers. The TNC statute outlines several specific driver requirements, including:

- The driver must be at least 21 years of age.
- The driver must have a valid driver's license.
- The driver must have proof of automobile insurance.
- The driver must have proof of a Colorado vehicle registration.
- The driver must have proof that they are medically fit to drive.
- The driver shall not offer or provide TNC services for more than 12 consecutive hours.
- The TNC is required to obtain and review a driving history research report.

VEHICLE SAFETY

At least once per year, the following items are to be inspected by the TNC itself, or by a certified mechanic, on a vehicle used in TNC service.

- Foot brakes
- Emergency brakes
- Steering mechanism
- Windshield
- Rear window and other glass
- Windshield wipers
- Headlights
- Tail lights
- Turn indicator lights
- Stop lights
- Front seat adjustment mechanism
- The opening, closing and locking capability of the doors
- Horn
- Speedometer
- Bumpers
- Muffler and exhaust system
- Tire conditions, including tread depth
- Interior and exterior rear-view mirrors
- Safety belts

OPERATIONAL REQUIREMENTS

The PUC has only limited jurisdiction over operational requirements of TNCs. For example, in the most populous counties, taxis are required to be available to provide service 24 hours a day, every day of the year, and to arrive within 30 minutes from the time a ride was requested. Also, taxi vehicles may be no older than 10 model years. TNCs have no such restrictions or requirements.

The following operational requirements DO apply to TNCs:

- A TNC driver may not solicit or accept the on-demand summoning of a ride, also known as a "street hail." Rides must be arranged through the digital network.

- A TNC must make available to prospective riders and drivers the method by which it calculates fares or the applicable rates being charged, and an option to receive an estimated fare.
- Upon completion of a prearranged ride, a TNC shall transmit to the rider an electronic receipt, documenting the origin and destination of the ride, the total duration and distance of the prearranged ride, the total fare paid, including the base fare and any additional charges incurred, and the driver's first name and telephone number.