



July 28, 2017

Attention: Luly Massaro
Division Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Dear Division Clerk Massaro,

Lyft welcomes the opportunity to submit comments on the Division of Public Utilities and Carriers' (the "PUC") updated proposed Rules and Regulations (the "Proposed Rules") drafted for Transportation Network Companies ("TNC") and TNC services in Rhode Island pursuant to R.I. Gen. Laws § 39-14.2 (the "Act").

Since launching in Rhode Island, Lyft has offered drivers a flexible opportunity to earn extra income. As a result, individuals such as retirees, working parents, students, veterans, and entrepreneurs have been empowered to make money when and how they want. Moreover, Lyft provides an opportunity for residents of Rhode Island to lead a car-free lifestyle, thereby reducing traffic congestion and the expenses associated with car ownership. Developing an entirely new transportation model requires creative thinking and a collaborative spirit, and we appreciate the PUC's efforts toward that goal. However, as set forth below, and as Lyft previously noted both in our May 12, 2017 comments to the PUC ("May 12 Comments"), and during testimony provided at the PUC's July 19 hearing (the "Hearing"), Lyft is concerned about some of the language contained within the Proposed Rules.

We appreciate the PUC's consideration of our concerns and proposed changes to the Proposed Rules. We look forward to continuing to work with the PUC to finalize a regulatory framework for TNCs that will continue to prioritize public safety, while allowing TNCs to

operate successfully.

I. Background

On July 6, 2016, the Governor of Rhode Island signed Senate Bill 2864 into law. The Act became effective on November 4, 2016 (the “Effective Date”), and provides that the PUC shall promulgate rules and regulations to govern certain TNC activities in Rhode Island. The Act allows for TNCs operating in Rhode Island prior to the Effective Date to continue providing TNC services until the PUC has promulgated regulations and licensing criteria. Lyft has continued to grow our business operations in Rhode Island and looks forward to a constructive working relationship with the PUC.

II. Comments and Proposed Changes¹

In addition to the comments and proposed changes below, Lyft’s in-line edits to the Proposed Rules are attached to this document as Exhibit A.

A. Subsection 5.3(B)(3)

Lyft proposes that the PUC revise subsection 5.3(B)(3) to strike the requirement that a Personal Vehicle be inspected by a facility “licensed by the state to conduct such inspections.” While this subsection is taken directly from the Act, it would seemingly prohibit Personal Vehicles from states where inspections are not required, and that therefore do not require inspections by state-licensed facilities. Thus, to guard against any potential confusion, Lyft proposes an amendment that would remain consistent with the language in the Act, while allowing Personal Vehicles from states without licensing requirements to continue operating in Rhode Island.

Lyft proposes that subsection 5.3(B)(3) be amended to read as follows:

- *The vehicle meets the vehicle safety inspection requirements for a private motor vehicle in Rhode Island or the state in which the vehicle is registered [performed by a facility licensed by the state to conduct such inspections], and shall display an according inspection sticker on the vehicle's windshield if required to do so by applicable law; and*

¹ Underlined materials in Lyft’s changes represent proposed additions; [bracketed] materials represent proposed deletions.

B. Subsection 5.3(E)

Lyft commends the PUC's efforts to address driver fatigue, and believes that reasonable limitations on the number of hours a driver may transport passengers is an effective way to ensure that drivers are well-rested. Indeed, the USA Today article introduced by the PUC during the Hearing confirms that, "Lyft shuts off its app, which drivers need to find customers, after 14 hours at a time and doesn't let drivers back on for six hours to let them rest."² Moreover, as noted in Lyft's 2017 Economic Impact Report, 82% of Lyft drivers drive fewer than 20 hours per week.³ Indeed, the Lyft platform has features that monitor the amount of time a driver spends giving rides to passengers, and this technology allows Lyft to precisely monitor the amount of time our drivers spend on the road, and ensure that our drivers take mandatory rest breaks.

Lyft believes that the best way to ensure that TNC Drivers are well-rested is to limit the amount of time they spend providing Prearranged Rides. Therefore, Lyft requests that the PUC revise subsection 5.3(E) to limit only the amount of time a TNC Driver may provide Prearranged Rides, as opposed to limiting the amount of time that a TNC Driver may access a TNC Digital Network. Simply because a TNC Driver is logged onto a Digital Network does not necessarily indicate that he or she is driving. It is not uncommon for drivers to connect to a TNC's Digital Network to gauge ride-demand or wait for a request while in the comfort of his or her home. Therefore, a calculation of hours based on the amount of time a TNC Driver spends providing Prearranged Rides, as opposed to the time connected to a TNC's Digital Network, is a more accurate way to ensure that drivers are well-rested and protect against driver fatigue.

Accordingly, Lyft proposes that subsection 5.3(E) be amended to read as follows:

- *TNC drivers shall be prohibited from providing Prearranged Rides [being connected to a TNC digital network(s)] for more than 12 hours in a 24-hour period [unless the driving time is broken by a period of eight full hours of rest]. Following an 8-hour period during which the TNC driver does not provide Pre-arranged Rides, the 12-hour period will reset.*

²

<https://www.usatoday.com/story/money/cars/2017/07/10/some-uber-drivers-work-dangerously-long-shifts/10309068>

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³ <https://take.lyft.com/economic-impact/Lyft-Drives-Economy.pdf>

C. Subsection 5.3(I)

Lyft appreciates the PUC's consideration and acceptance of some of Lyft's proposed suggestions to subsection 5.3(I), which clarify that any and all TNC insurance requirements apply only when a TNC Driver is engaged in TNC services. However, in order to confirm that a TNC Driver is not required to provide information about his or her TNC insurance coverage if the Personal Vehicle is not being used for TNC Services, Lyft proposes that subsection 5.3(I) be amended to read as follows:

- *At all times during their use of a vehicle in connection with a TNC's digital network, a TNC driver shall carry physical or electronic proof of insurance coverage that satisfies the financial responsibility provisions of R.I. Gen. Laws § 39-14.2-14. In the event of an accident, when logged on to the TNC's digital network or providing a pre-arranged ride, [or not,] TNC drivers shall be required to provide this proof of insurance coverage to all interested parties, automobile insurers and investigating police officers, upon request pursuant to R.I. Gen. Laws § 31-47- 2(15).*

D. Subsection 5.3(J)

As Lyft outlined in our May 12 Comments, Lyft continues to believe the intent of subsection 5.3(J) can be fully captured with language requiring that TNC Drivers transport no more Riders than the manufacturer's designed capacity for the Personal Vehicle.

Lyft proposes that subsection 5.3(J) be amended to read as follows:

- *[A TNC driver shall not operate his/her vehicle when it is so loaded or when there is in the front seat such number of persons as to obstruct the view of the driver to the front or sides, or to interfere with his/her control over the vehicle.] No TNC driver shall carry more passengers than the Manufacturer's designed capacity of the vehicle.*

E. Subsection 5.3(K)

Lyft reiterates the concerns we outlined regarding subsection 5.3(K) in our May 12 Comments, and again at the Hearing. As drafted, the Proposed Rules not only expand the

disqualification criteria for TNC Drivers, but also allows the PUC to immediately suspend TNC Drivers. Lyft is concerned that the PUC's expanded criteria would limit economic opportunity for drivers who pass an extensive background check, without providing drivers with reasonable notice or an opportunity to be heard. As we previously noted, Lyft strongly objects to language that would allow the PUC to make subjective determinations that are contrary to fundamental principles of social justice. The PUC would be able to issue a discretionary negative determination of suitability, without first providing the TNC Driver the opportunity to respond. Moreover, unlike the disqualifying criteria set forth in the Act, Drivers would have no notice of the types of offenses that would disqualify them from providing TNC Services. TNC Drivers should have the opportunity to respond to any questions or concerns before the PUC seeks to suspend his or her authority to drive for TNCs in Rhode Island.

Lyft therefore proposes revisions that would more appropriately respond to the PUC's stated desire to receive prompt notification about disqualifying violations outlined in the Act. This is more appropriately achieved through language that hews closely to the Act's outlined restrictions, rather than language expanding the disqualification criteria.

Accordingly, Lyft proposes that subsection 5.3(K) be amended to read as follows:

- *A TNC driver must report any [criminal] conviction, plea, or violation of the offenses listed in 39-14.2-7(c)(1) or 39-14.2-7(c)(2) of the Act [or adjudicated traffic violation] to each TNC[(s)] with which the TNC driver is affiliated and the Division within five (5) business days of the conviction, plea, or violation [or adjudication]. If the Division investigation reveals that the reported [criminal] conviction, plea, or violation [or adjudicated traffic violation] is of such a nature that continued driving for a TNC by said TNC driver could constitute a danger to the public, a formal hearing shall be scheduled as soon as possible to gauge the appropriateness of an immediate suspension under the Act and to determine the length of such a suspension [the Division may impose an immediate suspension on the TNC driver's authority to drive for all TNCs doing business in Rhode Island; if such a discretionary action is taken, a formal hearing shall be scheduled as soon as possible to gauge the appropriateness of the immediate suspension*

and to determine if the suspension shall continue].

Section 5.4: Transportation Network Company Requirements for TNC Driver Background Checks

A. Subsection 5.4(A)(1)

Lyft appreciates the PUC's desire to ensure vehicle owners are aware that his or her vehicle will be used for TNC Services. Lyft therefore proposes that the PUC revise subsection 5.4(A)(1) in line with those of many other states that have anticipated this scenario. Importantly, Lyft's proposed revisions also bring the Proposed Rules in line with the manner in which the Act contemplates TNCs will disclose insurance information to third parties.

Lyft proposes that subsection 5.4(A)(1) be amended to read as follows:

- *Require the individual to submit an application to the TNC that includes the individual's name, address, age, driver's license number, photocopy or electronic copy of the driver's license, motor vehicle registration for the personal vehicle that the individual intends to use to provide prearranged rides, automobile liability insurance policy (with effective dates), and other information as may be required by the TNC. Further, if the vehicle to be used by the individual/applicant is owned by and insured through another individual, the individual submitting the application must notify [provide written authorization from that] the owner/insured that [acknowledges that he/she is aware that their] his or her vehicle will be used for TNC services and that [he/she has been notified that either the TNC is providing insurance coverage outlined to § 5.7(B)(1) of this Part or] depending on its terms, the TNC's financial responsibility coverage may not provide insurance protections when the vehicle is connected to the TNC's digital network or being used to provide TNC services [the TNC has chosen to not provide insurance coverage and is notifying the owner/insured pursuant to § 5.7(B)(2) of this Part].*

B. Subsection 5.4(B)(5)

Lyft proposes that the PUC revise subsection 5.4(B)(5) to accord with the revisions Lyft proposes to subsection 5.4(A)(1). As previously discussed, these revisions bring the Proposed

Rules in line with the the manner in which the Act contemplates TNCs will disclose insurance information to third parties, and ensures vehicle owners are notified of planned TNC Services that would involve the owner's vehicle.

Lyft proposes that subsection 5.4(B)(5) be amended to read as follows:

- *Possesses proof of registration for the motor vehicle to be used to provide prearranged rides or TNC services; and further, if the vehicle to be used by the individual/applicant is owned by and insured through another individual, [proof that] the individual submitting the application must notify [received written authorization from that] the owner/insured that [acknowledges that he/she is aware that their] his or her vehicle will be used for TNC services and that [he/she has been notified that either the TNC is providing insurance coverage outlined to § 5.7(B)(1) of this Part or] depending on its terms, the TNC's financial responsibility coverage may not provide insurance protections when the vehicle is connected to the TNC's digital network or being used to provide TNC services [the TNC has chosen to not provide insurance coverage and is notifying the owner/insured pursuant to § 5.7(B)(2) of this Part].*

C. Subsection 5.4(C)

As Lyft emphasized in our May 12 Comments and at the Hearing, subsection 5.4(C) is both redundant and prohibitively onerous. Subsection 5.4(C) requires TNCs to provide the PUC with a daily "driver's list," with the stated goal of ensuring that TNCs are completing required background checks. However, 5.4(D) also requires TNCs to certify annually that all TNC Drivers continue to satisfy the background check requirements.

The certification method outlined in subsection 5.4(C) would require TNCs to provide the PUC with a daily "drivers list," with specific details related to driver information. As Lyft previously noted, such a request is unduly onerous and would also be prohibitively expensive. The resources Lyft or any other TNC would need to expend to implement such a practice, and ensure that processes are in place for daily transmission to the PUC, would soon prove unsustainable. Even absent the undue burden a daily compilation of this sort would place on a

TNC, it is unclear how this information is relevant to ensure compliance with respect to background checks. Importantly, the data requested does not appear to be specifically tailored to the alleged desire of ensuring that each applicant has satisfied the required background check criteria.

Furthermore, Lyft remains concerned that the data requested pursuant to subsection 5.4(C) will result in significant risks to personal privacy and industry competition. Such massive data transfers, especially one done on a daily basis, pose certain cybersecurity risks - specifically, the risk of data being breached or manipulated to violate TNC Drivers' personal privacy, or to impede industry competition.

Given the huge burden and risks that would result from a daily reporting requirement, Lyft proposes that the PUC strike subsection 5.4(C) in its entirety. Subsection 5.4(D) is sufficient and appropriately tailored to provide the PUC with all the information it needs to ensure TNC compliance with background check requirements.

Section 5.5: Transportation Network Company Operating Requirements

A. Subsection 5.5(B)(4)

Lyft proposes that the PUC revise subsection 5.5(B)(4) to accord with the revisions Lyft proposes to subsection 5.4(A)(1). As previously discussed, these revisions ensure vehicle owners are notified of planned TNC Services that would involve the owner's vehicle.

Lyft proposes that subsection 5.5(B)(4) be amended to read as follows:

- *b. Has submitted an application that contains the TNC driver's name, address, age, driver's license number, and a photocopy or electronic copy of the driver's license, motor vehicle registration, automobile insurance policy and if applicable, the TNC Driver has notified [verification from] the vehicle's owner/insured that [he/she is aware that their] his/her vehicle will be used for TNC services.*

B. Subsection 5.5(H)(1)

As we did in our May 12 Comments, Lyft continues to request that the PUC clarify what both a "complaint" and "report" are as contemplated in subsection 5.5(H)(1). To reiterate, Lyft,

like most TNCs, has myriad ways for Riders and TNC Drivers to leave feedback about their trips and overall experience with the application. As such, clarity as to what type of feedback rises to the level of a “complaint” is critical for compliance. In addition, Lyft places the utmost importance on the privacy of both our TNC Drivers and Riders, and legal restrictions and our privacy policy may limit the extent to which Lyft can provide a report on the investigatory findings of a complaint.

C. Subsection 5.5(M)

Lyft proposes that the PUC strike subsection 5.5(M) to remove redundant language. Currently, subsection 5.5(M) limits a TNC Driver’s ability to connect to a digital network for more than 12 hours absent an 8-hour rest period. However, subsection 5.5(M) is redundant because subsection 5.3(E) already establishes that limitation, although as outlined above, Lyft has proposed a more efficient calculation method for driver hours.

In addition, subsection 5.5(M) would require TNCs to inquire about a TNC Driver’s activity with another TNC before allowing a TNC Driver to resume driving. There does not appear to be real utility in asking TNC Drivers to confirm the amount of time they have driven for another TNC when there is no way for Lyft to verify the accuracy of the Driver’s response.

Section 5.6 Transportation Network Company Rate, Charging and Receipt Operating Requirements

Lyft proposes that the PUC revise subsection 5.6(D) to accord with the requirements outlined in the Act. Unlike the requirements in the Act pertaining to passenger receipts, the Proposed Rules include a provision that would require TNCs to include language on passenger receipts informing TNC Riders that insurance protections do not exist for rides that are not offered through a TNC’s digital network. There does not appear to be real utility in providing this information on a receipt that comes from a ride offered through a TNC’s digital network.

Lyft therefore proposes that subsection 5.6(D) be amended to read as follows:

- *D. Within a reasonable period of time following the completion of a TNC service trip, a*

TNC shall transmit an electronic receipt to the rider that provides the following information: 1. The origin and destination of the trip; 2. The total time and distance of the trip; and 3. An itemization of the total fare paid, including any additional surcharges[; and 4. A notification that warns the rider that there are no insurance protections in place when riding with a TNC driver who is not providing services through a TNC's digital network].

Section 5.7 Transportation Network Company Financial Requirements

Lyft proposes that the PUC revise subsection 5.7(B)(1) to strike coverage requirements that would extend insurance responsibilities for TNCs. Sections 39-14.2-14 and 39-14.2-15 of the Act outlines the insurance requirements that Rhode Island established for TNCs. The additional requirement proposed in subsection 5.7(B), though optional, would expand insurance responsibilities for TNCs. Since this would be an extension of coverage, current TNC policies in Rhode Island do not provide coverage as outlined, and this additional coverage requirement would be extremely burdensome.

Rhode Island's House of Representatives previously proposed a bill to amend the Act and extend insurance requirements. Both Lyft and the insurance industry opposed the bill and it did not advance through the House Committee on Corporations. The extension of insurance requirements is a legislative prerogative that has previously failed due to the unnecessary disruption it would cause to insurance markets and TNCs here in Rhode Island. Importantly, the ability it has to undermine a system that is already in place, and which covers over 1 million trips a day on the Lyft platform alone, cannot be understated.

Lyft has fully complied with the insurance requirements outlined in the Act; indeed, contrary to comments at the Hearing regarding the public's alleged inability to access Lyft's Certificate of Insurance, we would note that this document is easily accessible on Lyft's website.⁴

Therefore, Lyft proposes that the PUC make revisions to subsection 5.7(B) to bring it in line with the Act. Lyft proposes that subsection 5.7(B) be amended to read as follows:

- *B. In cases where the vehicle to be used to provide TNC services is owned by and insured*

⁴ <https://help.lyft.com/hc/en-us/articles/213815188-Lyft-s-Certificates-of-Insurance>

through an individual other than the TNC driver, all TNCs must [either:

- 1. Provide financial responsibility coverage designed to provide hold harmless protections for the vehicle's owner/insured while the vehicle is connected to the TNC's digital network and financial responsibility coverage designed to provide sufficient property damage protections to cover damages sustained to the owner/insured's vehicle while connected to the TNC's digital network, or*
- 2. Provide written notice to] disclose in writing to TNC Drivers that he or she must notify the vehicle's registered owner/insured that [clearly explains that] depending on its terms, the TNC's financial responsibility coverage [does] may not provide the owner or insured [such] insurance protections when the vehicle is connected to the TNC's digital network or being used to provide TNC services. A sample of this written disclosure [notice] shall be provided to the Division for review and approval.*

Section 5.8 Division Audit Powers

Lyft appreciates the PUC's consideration and acceptance of some of Lyft's suggestions to subsection 5.8. Incorporation of the additional language Lyft proposed helps clarify the process TNCs will engage in during an audit. To ensure the process is appropriately tailored, Lyft again proposes that the PUC limit the number of records the PUC may inspect to 25. Lyft believes that these annual audits, in addition to the PUC's ability to inspect records held by TNCs that are necessary to investigate and resolve complaints, provides for abundant oversight.

Lyft proposes that subsection 5.8(A) be amended to read as follows:

- The Division shall have the authority, on an annual basis, to visually inspect [a sample of records] up to 25 records that the TNC is required to maintain. The [sample] records for inspection shall be chosen randomly by the Division in a manner agreeable to both the Division and the TNC. The TNC shall transmit the requested records to the Division within 14 business days of request, via a secure delivery method, which may include use of encryption security.*

Section 5.9 Penalties

Lyft appreciates the PUC's consideration and acceptance of certain of Lyft's suggestions to subsection 5.9. Incorporation of the additional language Lyft proposed to subsections 5.9(A) and 5.9(B) helps to minimize the likelihood of wholly disproportionate penalties for first or minor offenses. Importantly, now subsections 5.9(A) and 5.9(B) provide both TNCs and TNC Drivers with notice and opportunity to be heard in response to an alleged violation of the Proposed Rules or Act.

However, because the PUC did not incorporate Lyft's proposed language to subsections 5.9(C) and 5.9(D) as well, these subsections now directly conflict with what appears to be the PUC's intended purpose - providing notice and an opportunity to be heard. Instead, subsections 5.9(C) and 5.9(D) continue to codify subjective and vague determinations that give the PUC the ability to impose an immediate suspension on either a TNC Driver or a TNC permit holder where it is "in the public interest," which is contrary to fundamental principles of due process.

Lyft proposes that the PUC amend Section 5.9 again, and replace it with language that codifies a requirement that both TNCs and TNC Drivers receive notice and an opportunity to be heard before any determination that could result in sanctions. Lyft continues to believe that both TNCs and TNC Drivers should have the opportunity to respond to allegations before either suspension or revocation of their ability to operate. This will afford both TNCs and TNC Drivers the minimum level of due process to which they are entitled.

Accordingly, Lyft proposes that subsection 5.9 be amended to read as follows:

- *C. Failure by any TNC or TNC driver to adhere to and comply with any of these rules and/or any applicable state statutes may be grounds for regulatory sanctions. [Generally, s]Such sanctions shall be sought and imposed only after a formal hearing on the issue, [but the Division reserves the right to impose an immediate suspension of a TNC permit holder's authority to operate as a TNC and/or a TNC driver's authority to drive for a TNC if such an action is deemed in the public interest; if such a discretionary action is*

taken, a formal hearing] which shall be scheduled as soon as possible to gauge the appropriateness of [the] an immediate suspension [and to determine if the suspension shall continue].

- *D. Any TNC driver who is the subject of a complaint or disciplinary investigation who repeatedly fails to appear for a duly noticed hearing at the Division, received appropriate notice of the hearing, and failed to provide good cause for his or her inability to appear shall be subject to an immediate suspension of his/her TNC driving authority following final notice of a hearing. [For repeated failures to appear, such TNC driver shall be subject to a permanent revocation of his/her authority to drive for a TNC.]*

Section 5.11 Notice

Consistent with the understanding that both TNCs and TNC Drivers should receive adequate notice, Lyft continues to propose that the PUC amend subsection 5.11(A)(1), which outlines the current notice requirements, to include language that will ensure that parties receive appropriate notice of a hearing. Lyft believes this change is necessary to achieve minimum requirements of due process.

Lyft proposes that subsection 5.11(A)(1) be amended to read as follows:

- *Notice shall be by first-class mail or personal service unless otherwise specified by the Division. The Division shall give at least ten (10) calendar days' written notice of the hearing [unless the hearing officer determines that less notice is reasonable]. Nothing herein, however, shall limit the power of the Division to order notice by additional means, including but not limited to notice by publication.*

III. Conclusion

Lyft appreciates the PUC's consideration of these comments. We look forward to working with the PUC to craft a workable regulatory framework that advances public safety and ridesharing in Rhode Island.

Sincerely,

A handwritten signature in black ink, appearing to read 'Temilola Sobowale', with a long horizontal flourish extending to the right.

Temilola Sobowale
Regulatory Compliance Manager

Exhibit A

TITLE 815 – DIVISION OF PUBLIC UTILITIES AND CARRIERS

CHAPTER 50 – Common Carriers

SUBCHAPTER 10 – Motor Carriers of Passengers

Part 5 –Transportation of Passengers via Transportation Network Companies

5.1 Authority

- A. Consistent with a 2016 legislative mandate providing for the regulation of intrastate for-hire passenger transportation services provided by “Transportation Network Companies,” enacted through R.I. Gen. Laws Chapter 39-14.2, these rules and regulations are deemed by the Division to be necessary to assure adequate, safe and compliant service under this new Chapter of the Rhode Island General Laws. These rules and regulations further acknowledge that the Division is authorized to conduct investigations into complaints, conduct investigations initiated on its own, and to hold hearings and impose sanctions as it deems necessary to fulfill the proper administration of R.I. Gen. Laws Chapter 39-14.2.

5.2 Definitions

- A. Terms used herein shall be construed as follows unless another meaning is expressed or is clearly apparent from the language or content.
1. Administrator: Means the Administrator of the Division of Public Utilities & Carriers or his or her duly appointed designee.
 2. Digital Network: Means any online-enabled technology application service, website or system offered or utilized by a transportation network company that enables the prearrangement of rider transportation with transportation network company drivers.
 3. Division: Means the Division of Public Utilities and Carriers.
 4. Partner or Partnering: Means the act of a TNC operator agreeing to the terms and conditions set forth by a TNC for access to the TNC's digital network for the purpose of being connected to potential TNC riders seeking TNC services.
 5. Person: Means and includes any individual, partnership, corporation or other association of individuals.

6. Personal Vehicle: Means a vehicle that is used by a transportation network company driver and is:
 - (a) Designed to hold no more than seven (7) individuals, including the driver;
 - (b) Owned, leased or otherwise authorized for TNC use by the individual; and
 - (c) Not a jitney, as defined in R.I. Gen. Laws § 39-13-1, a taxicab or limited public motor vehicle, as defined in R.I. Gen. Laws § 39-14-1, a public motor vehicle, as defined in R.I. Gen. Laws § 39-14.1-1, or a common carrier as defined in title 39.
7. Transportation Network Company or TNC: Means an entity licensed by the Division pursuant to R.I. Gen Laws § 39-14.2 that uses a digital network to connect transportation network company riders to transportation network operators who provide prearranged rides. A transportation network company shall not be deemed to control, direct or manage the personal vehicles or transportation network company drivers that connect to its digital network, except where agreed to by written contract.
8. Transportation Network Company Affiliation Placard: Means a recognizable logo or decal issued by the TNC used to identify personal vehicles whenever such a vehicle is available to provide, or is providing, TNC services.
9. Transportation Network Operator or TNC Operator or TNC Driver: Means an individual who:
 - (a) Receives connections to potential riders and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and
 - (b) Uses a personal vehicle to offer or provide a prearranged ride to TNC riders upon connection through a digital network controlled by a transportation network company in exchange for compensation or payment of a fee.
10. Transportation Network Company (TNC) Rider or Rider: Means an individual or persons who uses a transportation network company's digital network to connect with a transportation network driver who provides prearranged rides to the rider

in the driver's personal vehicle between points chosen by the rider.

11. Transportation Network Company (TNC) Services or Prearranged Ride:
Means the provision of transportation by a TNC driver to a TNC rider beginning when a TNC driver accepts a TNC rider's request for a ride made only through a digital network controlled by a transportation network company (TNC), continuing while the TNC driver transports the requesting TNC rider(s) and ending when the last requesting TNC rider(s) departs from the personal vehicle. TNC services and prearranged rides do not include transportation provided using a jitney, as defined in R.I. Gen. Laws § 39-13-1, a taxicab or limited public motor vehicle, as defined in R.I. Gen. Laws § 39-14-1, a public motor vehicle, as defined in R.I. Gen. Laws § 39-14.1-1, a common carrier as defined in title 39 of the general laws, or a regional transportation provider. TNC services and prearranged rides do not include a shared expense carpool or vanpool arrangement or service.

5.3 TNC Driver Requirements

- A. A TNC driver is not required to register the vehicle such driver uses for prearranged rides as a commercial or for-hire vehicle.
- B. TNC drivers may utilize a personal vehicle to provide licensed TNC services, provided:
 1. The vehicle is owned by, leased to or otherwise authorized by the legal owner/lessee to be used by a TNC driver to provide TNC services; and
 2. The vehicle is no older than fifteen (15) model years old and is designed to hold no more than seven (7) individuals, including the driver; and
 3. The vehicle meets the vehicle safety inspection requirements for a private motor vehicle in Rhode Island or the state in which the vehicle is registered [performed by a facility licensed by the state to conduct such inspections], and shall display an according inspection sticker on the vehicle's windshield if required to do so by applicable law; and
 4. The vehicle shall have met or surpassed sanitary/acceptability standards established by the TNC with which the TNC driver has partnered; and
 5. It shall be prohibited for a TNC driver to connect to a TNC's digital network for the purpose of accepting solicitations and providing TNC services in a personal vehicle other than a personal vehicle that the TNC driver has registered with the

TNC pursuant to R.I. Gen. Laws § 39-14.2-11.

- C. A TNC driver must display the Transportation Network Company's placard on the TNC's driver's personal vehicle at all times when connected to a TNC's digital network and when transporting a TNC rider.
- D. A TNC driver may be affiliated with or may "partner" with more than one properly permitted transportation network company to provide TNC services.
- E. TNC drivers shall be prohibited from providing Prearranged Rides [being connected to a TNC digital network(s)] for more than 12 hours in a 24-hour period [unless the driving time is broken by a period of eight full hours of rest]. Following an 8-hour period during which the TNC driver does not provide Prearranged Rides, the 12-hour period will reset.
- F. No individual shall provide TNC services or transport TNC riders in a personal vehicle until the individual shall have first submitted to required background checks conducted through the TNC.
- G. TNC drivers shall be strictly prohibited from soliciting or accepting so-called "street hails" or "walk-up requests" by potential passengers or from parking at or waiting for passengers at taxicab stands.
- H. TNC drivers are prohibited from smoking in their vehicles when transporting TNC riders. The TNC driver may allow or prohibit passengers from smoking in their vehicle.
- I. At all times during their use of a vehicle in connection with a TNC's digital network, a TNC driver shall carry physical or electronic proof of insurance coverage that satisfies the financial responsibility provisions of R.I. Gen. Laws § 39-14.2-14. In the event of an accident, when logged on to the TNC's digital network or providing a pre-arranged ride, [or not,] TNC drivers shall be required to provide this proof of insurance coverage to all interested parties, automobile insurers and investigating police officers, upon request pursuant to R.I. Gen. Laws § 31-47-2(15).
- J. [A TNC driver shall not operate his/her vehicle when it is so loaded or when there is in the front seat such number of persons as to obstruct the view of the driver to the front or sides, or to interfere with his/her control over the vehicle.] No TNC driver shall carry more passengers than the Manufacturer's designed capacity of the vehicle.
- K. A TNC driver must report any [criminal] conviction, plea, or violation of the offenses listed in 39-14.2-7(c)(1) or 39-14.2-7(c)(2) of the Act [or adjudicated traffic violation] to each TNC(s) with which the TNC driver is affiliated and the Division within five (5) business days of the conviction, plea, or violation [or adjudication]. If the Division

investigation reveals that the reported [criminal] conviction, plea, or violation [or adjudicated traffic violation] is of such a nature that continued driving for a TNC by said TNC driver could constitute a danger to the public, a formal hearing shall be scheduled as soon as possible to gauge the appropriateness of an immediate suspension under the Act and to determine the length of such a suspension [the Division may impose an immediate suspension on the TNC driver's authority to drive for all TNCs doing business in Rhode Island; if such a discretionary action is taken, a formal hearing shall be scheduled as soon as possible to gauge the appropriateness of the immediate suspension and to determine if the suspension shall continue].

5.4 Transportation Network Company Requirements for TNC Driver Background Checks

- A. Prior to permitting an individual to accept trip requests through its digital network, a TNC shall:
1. Require the individual to submit an application to the TNC that includes the individual's name, address, age, driver's license number, photocopy or electronic copy of the driver's license, motor vehicle registration for the personal vehicle that the individual intends to use to provide prearranged rides, automobile liability insurance policy (with effective dates), and other information as may be required by the TNC. Further, if the vehicle to be used by the individual/applicant is owned by and insured through another individual, the individual submitting the application must notify [provide written authorization from that] the owner/insured that [acknowledges that he/she is aware that their] his or her vehicle will be used for TNC services and that [he/she has been notified that either the TNC is providing insurance coverage outlined to § 5.7(B)(1) of this Part or] depending on its terms, the TNC's financial responsibility coverage may not provide insurance protections when the vehicle is connected to the TNC's digital network or being used to provide TNC services [the TNC has chosen to not provide insurance coverage and is notifying the owner/insured pursuant to § 5.7(B)(2) of this Part].
 2. Conduct, or have a third party accredited by the National Association of Professional Background Screeners (NAPBS) conduct a local and national criminal background check for each applicant that shall include: (a) multi-state/multi-jurisdictional criminal records locator or other similar commercial nationwide database with validation (primary source search); and (b) Dru Sjodin National Sex Offender Public Website; and
 3. Obtain and review, or have a third party obtain and review, a driving history research report for such driving applicant.

B. The TNC shall certify to the Division that the background checks verify that the applicant meets the following criteria:

1. Has not had more than three (3) moving violations in the prior three (3) year period, or one of the following major violations in the prior three (3) year period: (i) attempting to evade the police; (ii) reckless driving or driving on a suspended license; or (iii) revoked license;
2. Has not, in the past seven (7) years, been convicted of or pleaded nolo contendere to any of the following: (i) driving under the influence of drugs or alcohol; (ii) felony fraud; (iii) sexual offenses; (iv) use of a motor vehicle to commit a felony; (v) felony crimes involving property damage, and/or theft; or (vi) acts of violence or felony acts of terror.
3. Is not a match in the Dru Sjodin National Sex Offender Public Website;
4. Possesses a valid driver's license;
5. Possesses proof of registration for the motor vehicle to be used to provide prearranged rides or TNC services; and further, if the vehicle to be used by the individual/applicant is owned by and insured through another individual, [proof that] the individual submitting the application must notify [received written authorization from that] the owner/insured that [acknowledges that he/she is aware that their] his or her vehicle will be used for TNC services and that [he/she has been notified that either the TNC is providing insurance coverage outlined to § 5.7(B)(1) of this Part or] depending on its terms, the TNC's financial responsibility coverage may not provide insurance protections when the vehicle is connected to the TNC's digital network or being used to provide TNC services [the TNC has chosen to not provide insurance coverage and is notifying the owner/insured pursuant to § 5.7(B)(2) of this Part].
6. Possesses proof of automobile liability insurance, which satisfies the financial responsibility requirement for a motor vehicle under R.I. Gen. Laws § 31-47-2(13)(i)(A), for the motor vehicle(s) to be used to provide prearranged rides or TNC services; and
7. Is at least nineteen (19) years of age.

C. [The TNC shall certify to the Division that the applicant has satisfied the aforementioned background check criteria by providing the Division with an electronically-delivered daily "drivers list" that verifies compliance and which provides the following details on each certified driver: (1) the driver's full name, (2) the plate number (and state) that will be displayed on the vehicle the driver plans to

use to provide TNC services, (3) the driver's license number (and state), and (4) the date on which the driver is authorized to begin providing TNC services. Such records shall be treated by the Division as confidential and shall not be treated as public records.]

- D. The TNC shall conduct an annual background check on its TNC drivers and shall recertify to the Division on an annual basis that a TNC driver continues to satisfy all prescribed background check requirements.

5.5 Transportation Network Company Operating Requirements

- A. No person shall operate a TNC in the state until that person shall have applied for and obtained a permit from the Division. Such permits shall be renewed annually before the close of business on December 31. Permits shall not be transferred without the consent of the Division.

- B. No application for a permit may be granted or renewed unless each applicant for a permit has paid the appropriate application or renewal fee (fee schedule contained in R.I. Gen. Laws § 39-14.2-5(c)) and the Division determines that each applicant has satisfied the following requirements:

1. That the applicant has verified that it has a sufficient oversight process in place to ensure that every vehicle providing TNC services through its digital network possesses adequate insurance coverage;
2. That the applicant has established vehicle sanitary and acceptability standards for its TNC drivers, which ensures compliance with the vehicle age and safety requirements contained in R.I. Gen. Laws Chapter 39-14.2 and, which also ensures that TNC riders will be transported in clean vehicles. Such standards shall be submitted, in writing, with all applications for TNC permits and be subject to Division approval;
3. That the applicant has submitted to the Division information on the internal or third party background check entity and its data collection process to ensure compliance with the requirements of R.I. Gen. Laws § 39-14.2-7

(b) and (c). This information shall consist of the following:

- a. The identity of the internal or third party background check entity (name, address and telephone number) and verification of accreditation by the National Association of Professional Background Screeners (NAPBS);
- b. Details on the methodology to be used in conducting the required

background checks, including the time required to conduct such background checks;

- c. Details on the information required to be provided by the prospective TNC driver in order to begin the background check process and a description on how the internal or third party background check entity verifies the accuracy of the information provided by the prospective TNC driver; and

- 4. That the applicant has verified that it has sufficient oversight processes in place to ensure that each TNC driver using the applicant's network:

- a. Has submitted to a background check conducted by the applicant that includes a review of local and national criminal records, sex offender records and driving records associated with each driver;

Has submitted an application that contains the TNC driver's name, address, age, driver's license number, and a photocopy or electronic copy of the driver's license, motor vehicle registration, automobile insurance policy and if applicable, the TNC Driver has notified [verification from] the vehicle's owner/insured that [he/she is aware that their] his/her vehicle will be used for TNC services.

- C. Each TNC shall maintain a "business address" that must be a street address at which mailings may be delivered and said address shall be furnished to the Division. Post Office Boxes are not sufficient to satisfy this requirement. A change of business address shall be reported to the Division within ten (10) business days.
- D. The TNC's digital network shall display to passengers requesting TNC services a picture of the TNC driver and the license plate number of the vehicle to be used to provide the requested services before the passenger enters the TNC driver's vehicle.
- E. All TNCs must issue a transportation network affiliation placard to their TNC drivers and require their TNC drivers to display the TNC's transportation network affiliation placard in a conspicuous place on the TNC driver's personal vehicle at all times when connected to the TNC's digital network. Each TNC shall provide the Division with one of its placards for informational purposes and shall provide updated placards in the event that a TNC redesigns its placard. Placards between TNCs must be sufficiently different to allow TNC riders and the Division to be able to distinguish between the various TNCs operating in Rhode Island.
- F. A TNC shall be prohibited from disclosing a TNC rider's personal identifiable

information to a third party, except under the following conditions:

1. Disclosure is pursuant to the publically disclosed terms of the TNC's privacy policy or another consent mechanism to which the rider consents;
 2. Disclosure is required by a legal obligation; or
 3. Disclosure is required to protect or defend the terms of use of the service or to investigate violations of those terms. In addition to the foregoing, a TNC shall be permitted to share a rider's name and/or telephone number with the TNC operator providing prearranged rides or TNC services to such passenger in order to facilitate correct identification of the rider by the TNC operator or to facilitate communications between those two parties.
- G. Every TNC shall adopt a policy of non-discrimination based on the rider's race, color, national origin, religious belief or affiliation, gender, physical disability, age, sexual orientation/identity, gender identity, or the pick-up location or drop-off location requested by the rider. TNCs and TNC drivers shall not impose any additional charge(s) for providing such non-discriminatory services.
- H. Every TNC shall implement a zero tolerance alcohol and drug policy regarding a TNC driver's activities while accessing the TNC's digital network. The zero tolerance policy shall address the use of drugs or alcohol while a TNC driver is providing prearranged rides or is logged into the TNC's digital network but not providing prearranged rides. The TNC shall provide notice of this policy on its website or mobile application, as well as the procedures to report a complaint about a TNC driver with whom a rider was matched and whom the rider reasonably suspects was under the influence of drugs or alcohol during the course of a recently completed prearranged trip.
1. Upon receipt of such a rider complaint alleging a violation of the zero tolerance policy, the TNC shall suspend such TNC operator's access to the digital network as soon as possible and shall conduct an investigation into the reported incident. The suspension of access shall last until the investigation is complete. The TNC shall maintain records relevant to the enforcement of this requirement for a period of at least two (2) years from the date that a rider complaint is received by the TNC. The TNC shall also provide the Division with a copy of the complaint and a report on the TNC's investigatory findings and action taken thereon immediately after the investigation is completed.
- I. Before a TNC driver is allowed to accept a request for prearranged rides on the TNC's digital network, the TNC shall disclose in writing to its TNC driver the insurance coverage limits detailed in R.I. Gen. Laws § 39-14.2-15.

- J. A TNC shall maintain individual trip records that detail the date, time, pick-up location, drop-off location, distance traveled, length of time of the trip and total fare charged for every TNC service it coordinates in the state. Such records shall be maintained for a minimum of two (2) years from December 31 of the calendar year in which the services were rendered.
- K. A TNC shall maintain detailed TNC driver records that include the dates and times the driver "logs into" and "logs out of "the TNC's digital network, the number of TNC service trips the driver performs through the TNC's digital network, and the total miles driven and fares collected. Additionally, the TNC shall maintain records of all passenger complaints lodged against each TNC driver and the results of any investigation or actions taken as a result of such complaints. Such records shall be maintained for a minimum of two (2) years from December 31 of the calendar year in which the services were rendered.
- L. No TNC permit holder may use any other business name than that listed on the permit. Should a business name be changed, the permit holder must first, if the business is not a corporation, register the name with the city or town in which the business is located. If a corporation, the business must first register the name with the Secretary of State's Office. After registration, all new business names must be filed with the Division. The Division will review the filing to determine whether the name could cause confusion with any existing business. If the Division rejects the name, the permit holder will be notified within ten (10) business days of the filing.
- M. [No TNC shall permit a TNC driver to be connected to its digital network for more than 12 hours in a 24-hour period unless the connection/driving time is broken by a period of eight full hours of rest. Before allowing a TNC driver to connect to its digital network, a TNC must inquire whether the driver requesting access to the TNC's digital network has driven for another TNC during the last 24 hours and whether the driver has exceeded or will be exceeding his/her maximum allowable hours of TNC service operations.]
- N. TNCs shall make arrangements for bringing these rules and regulations to the attention of all their drivers and employees.

5.6 Transportation Network Company Rate, Charging and Receipt Operating Requirements

- A. A TNC may charge a fare for the transportation services provided to the passengers; provided that, if the fare is charged, the TNC shall disclose to the riders the fare or fare calculation method on its website or within the digital network.

- B. The TNC shall provide the potential rider with the option to receive a reasonably accurate estimate of the expected total fare before the passenger enters the TNC driver's personal vehicle.
- C. Fares for TNC services shall not be paid in cash. Any payment for TNC services shall be made only electronically using the TNC's digital network or other application.
- D. Within a reasonable period of time following the completion of a TNC service trip, a TNC shall transmit an electronic receipt to the rider that provides the following information:
 - 1. The origin and destination of the trip;
 - 2. The total time and distance of the trip; and
 - 3. An itemization of the total fare paid, including any additional surcharges[; and
 - 4. A notification that warns the rider that there are no insurance protections in place when riding with a TNC driver who is not providing services through a TNC's digital network].
- E. All TNCs shall establish and implement a written policy capping dynamic pricing during disasters and relevant states of emergency and make this policy available on its website and in its web-application. The policy shall also be filed with the Division at the time the TNC applies for its initial TNC Permit, and re-filed with the Division upon any change/amendment to the policy.

5.7 Transportation Network Company Financial Responsibility Requirements

- A. All TNCs and TNC drivers shall fully comply with the financial responsibility requirements contained in R.I. Gen. Laws §§ 39-14.2-14 and 39-14.2-15.
- B. In cases where the vehicle to be used to provide TNC services is owned by and insured through an individual other than the TNC driver, all TNCs must [either:
 - 1. Provide financial responsibility coverage designed to provide hold-harmless protections for the vehicle's owner/insured while the vehicle is connected to the TNC's digital network and financial responsibility coverage designed to provide sufficient property damage protections to cover damages sustained to the owner/insured's vehicle while connected to the TNC's digital network, or
 - 2. Provide written notice to] disclose in writing to TNC Drivers that he or she must

notify the vehicle's registered owner/insured that [clearly explains that] depending on its terms, the TNC's financial responsibility coverage [does] may not provide the owner or insured [such] insurance protections when the vehicle is connected to the TNC's digital network or being used to provide TNC services. A sample of this written disclosure [notice] shall be provided to the Division for review and approval.

5.8. Division Audit Powers

- A. The Division shall have the authority, on an annual basis, to visually inspect [a sample of records] up to 25 records that the TNC is required to maintain. The [sample] records for inspection shall be chosen randomly by the Division in a manner agreeable to both the Division and the TNC. The TNC shall transmit the requested records to the Division within 14 business days of request, via a secure delivery method, which may include use of encryption security.
- B. In response to a complaint against a TNC driver, or upon reasonable suspicion that a violation of R.I. Gen. Laws Chapter 39-14.2 has occurred, the Division is authorized to inspect records held by the TNC that are necessary to complete its investigation.
- C. Any records inspected by the Division shall be held confidential and are not subject to disclosure to a third party without the prior written consent of the TNC. Such records shall also be exempt from disclosure under the Rhode Island Access to Records Act (R.I. Gen. Laws Chapter 38-2).

5.9. Penalties

- A. The Division is authorized to fine a TNC or TNC driver for any violation(s) of these rules and regulations or violation of the provisions of R.I. Gen. Laws Chapter 39-14.2, provided that the Division first schedules a formal hearing to gauge the appropriateness of a fine, and provides a TNC or TNC Driver the opportunity to be heard.
- B. The Division is authorized to suspend or revoke a TNC permit for any violation of these rules and regulations or violation of the provisions of R.I. Gen. Laws Chapter 39-14.2. However, before either a suspension, revocation or denial of the renewal of a Permit, the Division shall first schedule a formal hearing to gauge the appropriateness of a suspension or revocation of a Permit, and provide the TNC the opportunity to be heard.
- C. Failure by any TNC or TNC driver to adhere to and comply with any of these rules and/or any applicable state statutes may be grounds for regulatory sanctions. [Generally, s]Such sanctions shall be sought and imposed only after a formal hearing on the issue[, but the Division reserves the right to impose an immediate suspension of a TNC permit

holder's authority to operate as a TNC and/or a TNC driver's authority to drive for a TNC if such an action is deemed in the public interest; if such a discretionary action is taken, a formal hearing] which shall be scheduled as soon as possible to gauge the appropriateness of [the] an immediate suspension [and to determine if the suspension shall continue].

- D. Any TNC driver who is the subject of a complaint or disciplinary investigation who repeatedly fails to appear for a duly noticed hearing at the Division, received appropriate notice of the hearing, and failed to provide good cause for his or her inability to appear shall be subject to an immediate suspension of his/her TNC driving authority following final notice of a hearing. [For repeated failures to appear, such TNC driver shall be subject to a permanent revocation of his/her authority to drive for a TNC.]

5.10. Complaints

- A. Any person may file a complaint with the Division regarding a violation of these rules and regulations. The Division shall also have the authority to conduct investigations sua sponte. Complaints should be in writing and signed by the complainant stating the complainant's address and telephone number and either mailed or hand-delivered to the Division of Public Utilities and Carriers, 89 Jefferson Blvd., Warwick, Rhode Island 02888. Nothing in this rule should be construed to prevent the Division from instituting an investigation or proceeding based upon an oral complaint or upon information developed in any other manner.
1. If the Division determines that the complaint alleges facts which could constitute a violation of these rules and regulations, the Division shall notify in writing the particular TNC driver /or TNC of the nature of the complaint. A sufficient written answer must be filed by the TNC driver and/or TNC with the Division within ten (10) calendar days following the date of notice of the complaint. Upon receiving such answer(s), the Division shall notify the complainant of the contents or nature of the answer(s) and shall take whatever action deemed appropriate to resolve the complaint.
 2. If the Division determines that the facts as alleged in any complaint are clearly not in violation of these rules and regulations, the complainant shall be so notified and no further action will be taken.
 3. However, when the Division finds that a satisfactory response is not made to the notification of a complaint, or when no response is made to a complaint, or when the facts clearly warrant, a hearing shall be conducted by the Division concerning the complaint. The Division shall send a written notice of hearing to all parties consistent with the manner of notice specified in Rule 5.11, below.

4. Failure of the TNC and/or TNC driver to appear before the Division for a scheduled hearing may result in a suspension or revocation of the TNC's permit and/or the TNC driver's authority to drive for a TNC. Failure of the complainant to appear for a scheduled hearing may result in dismissal of the complaint, although the Division reserves the right to pursue the matter without the complainant if it determines such action to be in the public interest.

5.11 Notice

- A. The Division shall give notice of the commencement of a scheduled hearing in any pending matter to all parties and to such other persons as the Division designates.
 1. Notice shall be by first-class mail or personal service unless otherwise specified by the Division. The Division shall give at least ten (10) calendar days' written notice of the hearing [unless the hearing officer determines that less notice is reasonable]. Nothing herein, however, shall limit the power of the Division to order notice by additional means, including but not limited to notice by publication.
 2. Unless information to the contrary has been received by the Division, notices shall be sufficient if mailed or delivered to the following:
 - a. If the addressee is a TNC, the business address on file with the Division pursuant to Rule 5.5.C, above.
 - b. If the addressee is a TNC driver, the home or mailing address listed on file with the TNC involved in the complaint matter.
 - c. If an attorney has entered an appearance on behalf of the addressee, to the office of the attorney.

5.12 Effective Date

- A. These rules are effective as of 0-00-0000. Amendments to these rules shall be effective 20 days from the date they are filed with the Secretary of State's Office.