



OFFICE OF THE MAYOR
CITY OF CHICAGO

FOR IMMEDIATE RELEASE

February 5, 2014

CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

MAYOR EMANUEL PROPOSES COMMON SENSE SAFETY REGULATIONS FOR RIDE SHARE COMPANIES

Ordinance would create new license and require ride share companies to protect consumers by obtaining additional insurance and conducting driver background checks, drug tests, and vehicle inspections

Mayor Rahm Emanuel and Alderman Emma Mitts announced today a proposed ordinance that would regulate ride share companies in Chicago to protect consumers, ensure safer rides, and promote innovation. Under the new ordinance, ride share companies would be licensed as "transportation network providers" (TNPs). The proposed draft ordinance would allow TNPs to operate legally if they adhere to a number of strict safety and consumer protection requirements.

"Ride share companies are using technology to provide innovative new transit options to residents but are operating in a regulatory vacuum," said Mayor Rahm Emanuel. "This ordinance includes common sense rules of the road that will protect consumer, keep riders safe, and allow these companies to continue to operate."

The ordinance would license ride share companies like UberX, Lyft, and SideCar that allow non-professional drivers to use their private vehicles to offer rides to the public for a fee as TNPs. To operate, ride share companies would be required to have a city license, issued for a one-year term, with a fee set at \$25,000 plus \$25 per driver. The proposed ordinance would require TNPs to ensure that all drivers maintain no disqualifying criminal and driving records through regular background checks and drug tests, undergo driver training, and operate vehicles that receive an annual 21-point inspection. The proposal will also require ride share vehicles to post visible, distinctive signage and emblems while operating. Like taxis and liveries, ride share drivers will be required to pay the City's ground transportation tax, which will be collected by the TNPs.

The ordinance also incorporates insurance coverage by requiring providers to have commercial general liability insurance with limits of not less than \$1,000,000 per occurrence and commercial auto liability insurance of \$1,000,000.00 per occurrence. This goes beyond the requirement for taxi

companies, which are required to insure their vehicles for \$350,000 in liability coverage per vehicle per incident.

To protect consumers, the ordinance requires TNP mobile applications to display important information before the rider enters into a contract with the driver. TNP mobile applications will be required to display driver's ID and picture, the license plate of the vehicle, the vehicle's insurance policy as required by the ordinance, instructions on how to file a 311 complaint, and information about how the fare is determined. The ordinance also requires that TNP applications allow potential passengers to request a wheelchair accessible vehicle (WAV).

Preserved by the ordinance are key distinctions between ride shares and the taxi industry. Unlike taxis, which charge on the basis of time and distance, TNPs will be limited to charging rates on the basis of time, distance, or a prearranged flat fee. The ordinance does not allow TNP vehicles to pick up street hails or operate at the City's airports, McCormick Place and designated taxi stands.

Lastly, these requirements strengthen the City's ability to enforce the ordinance, TNPs will be required to implement new recordkeeping and reporting requirements. TNPs will be required to track rides, hours, and locations of operations, and the City will receive access to the real-time GPS information used by the ride share companies to dispatch drivers. The City will be authorized to hold TNPs accountable for violations by their ineligible drivers and includes a penalty provision - \$500-\$10,000 per each violation for TNPs and \$500 - \$1,000 per each violation for drivers and others.

"This ordinance ensures that ride share companies are meeting standards that keep riders and residents safe while allowing them to continue to meet growing customer demand for this service," said Alderman Emma Mitts, Chair of the Committee on License and Consumer Protection, "The approach taken by this ordinance strikes the right balance, allowing Chicago to remain at the forefront of innovation in public transit."

The TNP ordinance is part of the Emanuel Administration's efforts to provide Chicago residents with modern and safe transit options. In 2011, the Mayor introduced a taxi reform ordinance that increased safety standards to better protect riders and pedestrians and established incentives that have quadrupled the number of fuel efficient vehicles and nearly doubled the number of wheelchair accessible vehicles since September 2011. The City remains on track to build 100 miles of protected bike lanes by the end of the Mayor's first term and at present has 20% of the nation's network. Also, the City launched the Divvy bike share system in the summer of 2013, which has 300 stations across Chicago with funding secured to add 175 additional stations next year, which will give Chicago the most stations of any bike share system in North America. In addition, the City has invested \$425 million to reconstruct the Red Line South Branch, and \$200 million to improve the North Side Red Line Branch and eliminate slow zones from Linden to Belmont and Blue Line slow

zones from Logan Square to Belmont. With the state's funding combined with city, federal and CTA funds, the total investment in the Red, Purple and Blue lines will be more than \$1 billion.

###