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**TRANSPORTATION NETWORK PROVIDERS 'RIDE SHARE' ORDINANCE PASSES CITY COUNCIL**  
*City Establishes Safety Regulations Including First "Surge Pricing" Protections*

Mayor Rahm Emanuel announced the City Council today passed the Transportation Network Provider or "rideshare" ordinance that establishes common sense safety regulations for the ride share industry and passengers. The ordinance provides consumer protections, improves passenger safety, meets customer demand while promoting innovation and recognizing the different services and providers throughout our entire public vehicle industry.

"This ordinance will help keep rideshare companies from operating in a regulatory vacuum while increasing public safety, protecting consumers and meeting customer demands for an innovative transportation option," said Mayor Rahm Emanuel. "Residents now have another choice that adds to Chicago's healthy public vehicle industry."

The ordinance requires ride share companies to classify their drivers under the new imposed set of requirements (Class A and Class B) based on the number of hours drivers spend behind the wheel.

- Class A – Companies with company-wide driver averages of 20 hours or less per week logged into the application will need to get City approval of their background check, driver training, vehicle inspection, and zero tolerance drug policies. The license fee will be \$10,000. No chauffeur licenses will be required for drivers for Class A companies.
- Class B – Drivers for companies with company-wide driver averages of more than 20 hours a week logged into the application will be required to get public chauffeur licenses. The City will conduct the background check and drug test and companies will be required to get an annual 3<sup>rd</sup> party, 21-point inspection of all vehicles. Like Liveries, vehicles in this class have an age limit of 6 years and must pass annual inspections by the City to operate up to 8 years. The companies will need to obtain City approval for their driver training process. License fee is \$25,000.

Drivers must meet multiple requirements, including possession of a valid driver's license; a minimum age of 21; no convictions within 12 months of seeking the license of reckless driving, hit and run, more than two moving violations, or license suspension/revocation; no guilty findings

within 5 years for felonies, DUIs, crimes of moral turpitude, and sale or possession of controlled substances.

The City of Chicago is the first city to require surge pricing protections, as prices will be reported before rides are confirmed to ensure the consumer is protected. The ordinance will require companies to publicly announce that such periods are in effect and to take steps to ensure that customers clearly agree to the price, including providing customers with a true fare quote in dollars and cents unless the customer opts out of such a quote. The ordinance also reserves the right to place a cap on surge pricing if the increased disclosure requirements do not alleviate consumer complaints.

The City of Chicago is also the first City in the country to require commercial coverage for the period the driver is logged onto the application and matches state's requirements for personal auto coverage. This ordinance requires \$1M in commercial auto liability and in addition, the ordinance also requires commercial general liability insurance with limits of not less than \$1,000,000 per occurrence, with the City named as an additional insured party.

"The Department of Business Affairs and Consumer Protection believes this is a balanced approach to regulate public vehicles while providing top notch public chauffeurs," said BACP First Deputy Commissioner Jeffrey Lewelling. "We also look forward to working with the ride share companies in the training, licensing and inspection processes."

This ordinance is packed with benefits for the current taxicab industry. A few examples are it reduces the inspection burden for vehicles younger than 2 years: these vehicles would only have to get an annual inspection, as opposed to a semi-annual one. It increases the incentives for green and wheelchair accessible vehicles by extending the age limits for alternative fuel and WAVs by one year, to 6 years for alternative fuel vehicles and 7 years for WAVs. Liveries are able to provide their own BACP-approved driver training and it establishes a task force to develop recommendations within 60 days for reducing the length of class and increasing convenience for taxi drivers.

In addition, all ride share companies must pay the ground transportation tax and drivers will not be allowed to drive more than 10-hours per day total, and no personal vehicles can be used for more than 10-hours per day for ride sharing.

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