WHO'S DRIVING YOU?

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California Model of Creating a Separate Regulatory Track for 'Ridesharing' is Harmful, Wasteful and Bad Public Policy

ROCKVILLE, Md.— Thus far, California is the only state to have formally implemented a second regulatory division for so-called 'ridesharing' companies—or "Transportation Network Companies" (TNCs) as they are known in the state. California is reeling from the harmful unintended consequences of this bad policy decision.

There are several reasons why this is bad public policy:

- For starters, California is struggling to plug numerous insurance gaps associated with TNCs that have resulted in uncompensated claims from accidents involving injury and death.

- As a result of state action, cities are now scrambling to regain control of their streets. Following the death of 6-year-old Sophia Liu, killed by an uberX driver, San Francisco's Supervisors have held urgent community meetings focused on public safety. Uber has publicly denied all responsibility in the case.

- San Francisco's overall taxi environment for people with disabilities has been severely degraded. One quarter of the city's wheelchair-accessible taxicabs are sitting idle for want of drivers. So-called "ridesharing" companies do not provide wheelchair-accessible service and have been documented refusing service to blind passengers with service dogs.

- The California Public Utilities Commission, which oversees the new second track of regulation for TNCs, is unequipped to handle the thousands of additional vehicles that have entered the taxi market.

Despite these warning signs, politicians introducing legislation on behalf of Uber and Lyft frequently seek this second track of regulation for these companies—foisting an unfunded mandate onto states.

"States considering imitating California's two-track model should bear in mind that these companies are asking for expensive special treatment while at the same time contributing far less in licensing and other costs borne by licensed taxicab companies," said Dave Sutton, spokesperson for the 'Who's Driving You?' campaign. "Creating a second regulatory track for so-called 'ridesharing' companies, as California has done, is terrible public policy. It costs the state money to develop and administer, places its citizens at risk, drives up other people's insurance costs, and then degrades the locally developed taxicab ecosystems."

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