

CITY OF HOUSTON

Office of the Mayor

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Mayor

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October 15, 2015

Honorable Ann Kitchen
Council Member, District 5
City of Austin
301 W. Second Street
Austin, Texas 78701

Re: City of Houston TNC Licensing Standards

Council Member,

The City of Houston regulates all vehicles-for-hire in the interest of public safety and customer service, regardless of service category. On August 6, 2014, Houston's City Council approved an ordinance expanding our regulatory framework to include Transportation Network Companies (TNCs) – companies such as Uber and Lyft that dispatch drivers using their personal vehicles to provide commercial transportation service via a smart phone application. The City of Houston's ordinance requires all applicants for a license to drive a vehicle-for-hire, including TNC applicants, to complete the following steps to qualify for a license:

- Undergo a five panel drug test
- Complete a physical examination
- Undergo a warrant check with the City of Houston's Municipal Courts Department
- Pass a ten fingerprint FBI background check conducted through the Texas Department of Safety

In our experience over the past year, it has proved **critically** important to require TNC drivers to undergo a fingerprint-based FBI background check before licensure. Uber and other TNCs use commercial third party companies that use name-based searches or the basic identifiers used for credit checks, such as social security numbers, past counties of residence, and voter records. These are effectively skip-trace and credit check companies. Additionally, these private checks do not search all 50 states and commercial databases only have access to information that is already publicly available.

Because they do not use a biometric identifier (i.e. fingerprints), these companies miss applicants that use aliases. For example, a recent TNC driver, **who had been cleared by Hirease**, underwent a City of Houston fingerprint background check that produced results showing she **had 24 alias names, 5 listed birth dates, 10 listed social security numbers, and an active warrant for arrest.**

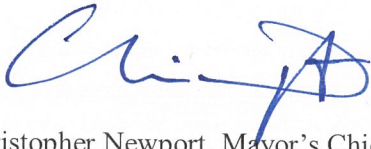
In the approximately ten months since Houston's ordinance went into effect, our fingerprint-based FBI background check found that several applicants for TNC driver's licenses – who had passed a commercial criminal background check – had a prior criminal history. The charges include: **murder, assault, battery, racketeering, indecent exposure, DWI/DUI, possession of a controlled substance, prostitution, fraud, robbery, aggravated robbery, larceny, violation of probation, sale of alcohol to a minor, traffic of counterfeit goods, unlawful carry of a weapon, reckless driving, public intoxication, driving with a suspended license and unauthorized use of vehicle.**

In light of the compelling evidence and Houston's own experience regulating TNCs, Houston strongly believes that all Texas cities should require all vehicle-for-hire drivers to undergo a fingerprint-based FBI background prior to being authorized to provide transportation services to fellow Texans. I have attached the City of Houston's white paper summarizing our research on fingerprint-based background checks as well as the extensive body of research that has informed our opinion.

Only government agencies have the full authority to see all information contained in the FBI database, which is the single strongest source of criminal history information in the country. The only way a TNC driver can undergo this full check is if a government body acts as a regulatory authority. It is important to remember that TNCs may have a zero tolerance policy when it comes to criminal history of any kind; however, that policy is hard to enforce when the background check fails to identify the criminal record.

Please feel free to contact me with any questions or if you require any of our source documents. My staff in the Administration & Regulatory Affairs Department stands ready to assist you in any way.

Regards,

A handwritten signature in blue ink, appearing to read "Chris Newport", with a stylized flourish at the end.

Christopher Newport, Mayor's Chief of Staff
City of Houston