



March 24, 2014

\*NEWS RELEASE\*

On Friday, March 21<sup>st</sup>, Initiative 111 was filed with the Seattle City Clerk's office. Its purpose is to overturn in part the negative economic effects of Ordinance 124441 which was passed by the City Council on Monday, March 17<sup>th</sup>, the new ordinance which regulates transportation network companies and the for-hire drivers that work for them. The caps on the number of for-hire drivers a TNC may deploy would be eliminated, and the \$50,000 license fee the City intended to levy would be reduced to \$500.

It will take up to two weeks for the Clerk's office to process the initiative. It will be passed on to the City Attorney's office which will prepare a ballot title for it, which is essentially a short summary of what the initiative proposes to do.

The sponsors at this time are an informal group of individuals, including customers of TNC's that are concerned about the adverse effects of the Seattle City Council's plans to intervene in the economic viability of the nascent transportation network business sector, including but not limited to, capping the levels of service that transportation network companies may provide to the public. Thousands of satisfied TNC customers over the course of many months repeatedly entreated the Council to consider their transportation needs, and their overwhelming satisfaction with the service, all the while appreciating that some regulation was necessary to ensure their safety. Instead, those customers and the public's and even business's right of economic freedom was disregarded by the Council. Ordinance 124441 reflects that, Initiative 111 intends to rectify that.

A copy of Initiative 111 is available online via the following links:

<http://yesrideshareseattle.nationbuilder.com/>

<http://www.scotnow.com/yesrideshareseattle/I-1xxInitiativeRideshareForm11x1703-21-2014.pdf>

<http://yesrideshareseattle.com/>

The following are the highlights of the initiative, what it changes about the new TNC ordinance and what it adds to it. Initiative 111 will:

- Eliminate the cap on the number of for-hire drivers a TNC can have deployed at any one time;
- Reduce the license fee for a TNC from \$50,000 to \$500; and eliminates the further provision in the ordinance that would have taken in the alternative to a \$50,000 license fee, a fee that equaled .35% of a TNC's annual gross revenues;
- Allow TNC's to extend their app coverage to other entities that may find a beneficial use for it in dispatching their fleets of vehicles, such fleet operators as school districts, commuter and motor pool operators, courtesy transportation providers, the charter transportation carriers, and operators of transportation services for the elderly and those with disabilities;
- TNC's would only submit their insurance policy documents under seal to the City, they would not be available for public disclosure;

- Trade dress, the proprietary attachments to the TNC vehicle that establishes what company the for-hire driver is driving for would only be *registered* with the City, not approved by it as was previously required in the new ordinance;
- Provisions in the ordinance that granted wide latitude for the Director of the Finance and Administrative Services department to deny TNC license applications, proffer rules that could impede or curtail the economic viability of individual TNC's or the TNC sector have been eliminated; only those matters pertaining to public and for-hire driver safety were retained, and in some cases augmented;
- Add provisions that are for the benefit of customers, including the ability to know more about certain aspects of the service they are agreeing to, for example is a vehicle considered a smoke-free vehicle; wider opportunities to communicate with the TNC for various reasons, local phone number, a street address for the TNC the public can access are required; and a provision that the lost and found department of the TNC would be accessible Monday through Saturday, and open during hours that are more likely for working people;

In addition to the above provisions, careful consideration was given to fixing public safety oversights in Ordinance 124441. The changes are not substantial, but are consistent with the original intentions of the ordinance; they address areas that needed refinement, clarification, or additional consideration.

Initiative 111 requires that:

- Marijuana usage or possession by for-hire drivers is barred in the same manner that alcohol and illegal drug usage is prohibited. A driver may not "...smoke, inhale, or otherwise ingest marijuana or marijuana infused product(s) of any kind...or [possess any open or unsealed container of marijuana or marijuana infused product(s) of any kind;"]
- Greater attention is given to driver background checks, requiring *regular* review of drivers' background information, of any criminal, driving, and insurance records, requiring a complete background check of TNC drivers, not just a state and federal check, but a local check with the Seattle Police Department<sup>1</sup>; requires complete documentation of a driver, requires that they provide their Social Security number when applying for a for-hire license;
- All sections that set out the criminal or civil activity that may disqualify any individual from participating in the TNC market sector, either as an operator or as a driver, consistent throughout the ordinance. Specifically crimes of "physical violence" were omitted in several places in the ordinance.

The entire Initiative is consistent with The City of Seattle's authority to regulate the TNC industry in terms of public and driver safety, it is however firmly stripped of its other purpose which was to establish the Seattle City Council and the FAS Director as grand economic viziers of the transportation marketplace.

Finally, under the terms and conditions of Initiative 111, if passed the TNC regulatory program continues to retain its auspices as a "pilot program", however practically speaking once Initiative 111 is law it cannot be changed for a period of two years.

I-111 limits the scope of the periodic reviews and inquiries of the City Council and the Director, confining them to those matters that are proper and truly of a public safety nature, eliminating any

economic review that the Council had wanted to conduct and by extension could use to further intervene in the TNC market; even going so far as to establish economic winners and losers.

Greater public participation over time is also provided by I-111, requiring that the City hold a public workshop on the one year anniversary of I-111's passage, and under I-111, the opportunity to know how well the TNC regulation is performing in terms of positive safety and social outcomes related to insurance, general safety, insurance coverage, driver conduct, and discrimination.

### **Initiative vs. Referendum**

It is important to note that Initiative 111 is only an in-part revision of Ordinance 124441, unlike the referendum petition which is starting to circulate today, March 24<sup>th</sup>. With the exception of those areas of the ordinance that are amended or deleted by Initiative 111, the majority of the ordinance would remain in effect were Initiative 111 approved by the voters.

This is not the case in the instance of the referendum that is beginning to be circulated. If the referendum were to be approved the TNC ordinance would be entirely overturned, and we would be back where we started from, starting the legislative process over, leaving the public unprotected, safety concerns would be back on the front burner again, and the whole matter of necessary insurance coverage not being in place would be a problem once again.

An additional advantage of this initiative is that it will be circulated over two months' time allowing the public a better opportunity to learn about the changes and amendments to the new TNC ordinance that are being proposed by Initiative 111.

Again, the initiative format was chosen over a referendum as a referendum would overturn the entire ordinance, something that the sponsors of this initiative do not feel would be in the best interests of either sector of the for-hire industry, taxis or rideshare companies, the men and women that drive for them, and it especially would not be in the best interests of the public. Safety must be a priority in this matter.

Yes! Rideshare Seattle Campaign Coordinator:

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Democracy Workshop is a non-profit community organization that provides initiative and campaign services, including petition circulation, campaign organization, campaign website creation and maintenance, fundraising, contribution payment processing, public outreach planning, and GOTV phone bank system and location.

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<sup>i</sup> This is based on different failures in time to make a background check inquiries with the Seattle Police Department, that may hold pertinent information about an individual that is not available through the Washington State Patrol's background check system that links with the Federal system. One case in point, the SPD had pertinent information about Aaron Alexis, the "Navy Yard Shooter" that the WSP did not, that could have possibly prevented in whole or in part the September, 2013 tragedy.