



STATE OF ALABAMA
PUBLIC SERVICE COMMISSION
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MONTGOMERY, ALABAMA 36130

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CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

LYFT, INC.,

DOCKET 32780

Applicant

PERMIT TNC-2

ORDER

BY THE COMMISSION:

By application filed on or about June 12, 2018, Lyft, Inc. ("Lyft" or "Applicant"), 185 Berry Street, Suite 5000, San Francisco, California 94107, sought authority to operate as a transportation network company ("TNC") in the State of Alabama. The application of Lyft was set for hearing on June 14, 2018, pursuant to notice issued on May 29, 2018.¹ The Commission received a timely notice of intervention from the Office of the Attorney General of Alabama ("Attorney General"). A representative of the Attorney General appeared at the hearing on June 14, 2018.

Lyft's permit application was filed pursuant to Alabama Legislative Act No. 2018-127 ("Act") and the Commission's TNC Rules. The Act created a framework for the statewide regulation of TNCs and TNC drivers, placing these entities under the regulatory jurisdiction of the Commission. The Act states that the Commission "shall issue a permit to each applicant that meets the requirements for a TNC under this act." Rule TNC-3 of the Commission's TNC Rules addresses the statutory requirements which must be met in order for the Commission to issue a permit and requires the submission of certain documents in support of these statutory requirements.

¹ Due to the compressed time schedule necessary to meet the Act's effective date of July 1, 2018, the notice of this permit application hearing was published prior to both the promulgation of the final TNC Rules and the receipt of the permit application.

During the hearing on June 14, 2018, Lyft indicated its intent to request a temporary exemption from Rule TNC-7. Following the hearing, pursuant to Rule TNC-1(2), Lyft submitted a petition for a temporary exemption from Rule TNC-7, specifically the vehicle safety inspection requirements for existing TNC drivers.

Requirements of the Act and Rule TNC-3

Pursuant to the Act and Rule TNC-3, an applicant must satisfy the following criteria in order to receive a TNC permit:

- (a) TNC shall disclose to the rider the fare or fare calculation in its digital network. If the fare is not disclosed to the rider before the beginning of the prearranged ride, the rider shall have the option to receive an estimated fare before the beginning of the prearranged ride.
- (b) TNC's digital network shall display a picture of the TNC driver, the first name of the TNC driver, and the make, model, and license plate number of the TNC driver's vehicle before the rider enters the TNC vehicle. In the photo of the TNC driver displayed on the digital network, the TNC driver must: be facing directly into the camera; be the only person in the photograph; be clearly identifiable; show full face and top of shoulders; and not be wearing sunglasses or other accessories that prevent clear identification.
- (c) Within two hours following the completion of a trip, a TNC shall transmit an electronic receipt to the rider that lists all of the following: the origin and destination of the trip; the total time and distance of the trip; the total fare paid;

and the TNC driver's first name. The receipt transmit period is tolled for any delays in receipt transmission caused by a TNC rider or any delivery system issues beyond the reasonable control of the TNC. An electronic receipt may be sent via electronic mail or made available through the TNC's digital network.

(d) TNC shall complete all of the required statutory checks before allowing an individual to accept trip requests through that TNC's digital network as a driver. After allowing an individual to accept trip requests through that TNC's digital network as a driver, a TNC shall annually screen drivers for compliance with the requirements in Section 10 of the Act.

(e) TNC shall establish and enforce a zero tolerance intoxicating substance policy for TNC drivers that prohibits any amount of intoxication of the driver while providing transportation network services.

(f) TNC shall include on its website, in a prominent location, a notice concerning the TNC's zero tolerance intoxicating substance policy and the means to make a complaint about a suspected violation of the policy.

(g) Upon receipt of a rider complaint alleging a violation of the zero tolerance intoxicating substance policy, the TNC shall immediately suspend the TNC driver's access to the TNC's digital network and conduct an investigation into the reported incident. The suspension shall last the duration of the investigation.

(h) The TNC's zero tolerance intoxicating substance policy shall include a description of the corrective measures to be taken against a TNC driver if the

TNC confirms that the TNC driver has violated the terms of the zero tolerance intoxicating substance policy.

(i) The TNC shall adopt a policy of nondiscrimination against riders or potential riders who are protected by Title 7, Civil Rights Act of 1964, 42 U.S.C. 2000e. et. seq. or the Americans With Disabilities Act of 1990. TNC may not impose additional charges for providing services to individuals with physical disabilities because of those disabilities.

(j) TNC shall maintain an agent for service of process in the State.

(k) TNC shall maintain records as required by the Act.

In addition, an applicant shall submit the following items with its application:

- (a) Application fee of \$700
- (b) Articles of Incorporation or Articles of Organization
- (c) Nondiscrimination Policy
- (d) Zero Tolerance Intoxicating Substance Policy
- (e) Illustration of TNC's trade dress
- (f) Method that TNC will use to calculate customer fares
- (g) TNC's Record Retention Policy
- (h) TNC policy regarding periodic checks of TNC drivers to ensure that the TNC drivers using its digital network continue to meet the initial standards for TNC drivers described in the Act
- (i) Certificate of Insurance

- (j) TNC's procedures for responding to requests from law enforcement
- (k) Name of agent for service of process in the state
- (l) Copy of TNC Vehicle Safety Inspection Form

Lyft's Permit Application and Hearing Testimony

Lyft submitted its permit application on or about June 12, 2018. In its permit application, an authorized representative for Lyft provided a sworn statement that Lyft will comply with all of the statutory requirements, as described in the above list. At the hearing, the representative for Lyft confirmed that the affiant on the permit application has the authority to approve policy statements for Lyft. The representative of the Applicant testified that the policy documents included in the application, which were screen-shots from Lyft's website, are in fact the official policy documents of Lyft. These policy documents included the non-discrimination policy; the zero tolerance intoxicating substance policy; the records retention policy; and the policy regarding periodic checks of its drivers.

Further addressing the zero tolerance intoxicating substance policy, the representative for Lyft testified that her company "has a zero tolerance policy for both drivers and passengers for substances and alcohol" and that passengers who suspect that a driver is under the influence of drugs or alcohol may contact Lyft's Trust and Safety Team through the critical response line posted on Lyft's website. The Applicant's representative indicated that a driver would permanently lose access to the platform upon the verification of a complaint of alcohol or drug use while driving for Lyft and that a driver would be temporarily suspended from using the platform while such a complaint is being investigated. The representative for Lyft stated that the zero tolerance intoxicating substance policy is displayed in a prominent location on her company's website, specifically at [Lyft.com/safety](https://www.lyft.com/safety).

The representative for Lyft also explained how her company discloses fares to riders through its digital network; how Lyft would ensure that its drivers display the correct trade dress; and how it sends

trip receipts to TNC riders. The Applicant's representative stated that Lyft completes annual background checks and driving history checks for all of its active drivers. Lyft's representative indicated that the certificate of liability insurance provided with the application meets the requirements listed in Alabama Code Chapter 32-7C. The representative of the Applicant testified that passengers will be able to access their trip receipts in two ways, through electronic mail or through the Ride History tab on Lyft's software application.

In its application and through post-hearing submission, Lyft provided all documents required by the Commission's TNC Rules. However, the vehicle safety inspection form submitted by Lyft did not include a field for the signature of the certified mechanic that either performed or supervised the vehicle inspection. At the hearing, the Applicant's representative admitted to this problem with the submitted form. Lyft must resubmit a vehicle submission form that satisfies the requirements of the Rule TNC-7.

Request for Temporary Exemption from Rule TNC-7

Lyft petitioned for a temporary exemption from Rule TNC-7 which requires a vehicle inspection as a prerequisite for providing TNC service. Specifically, Lyft requested an exemption until January 1, 2019 "to collect safety inspection documents, which comply with Rule TNC-7, from drivers who joined its digital network before the effective date of the rules." Lyft contends that requiring these TNC drivers to complete a new safety inspection within a very short time period would be "an enormous undertaking" and likely result in the deactivation of Lyft drivers.

The Applicant has reasonable concerns regarding the burden placed on current Lyft drivers who have recently completed a vehicle safety inspection to satisfy the requirements of a municipal ordinance. The Commission recognizes that the vehicle safety forms used to comply with these municipal ordinances include checks that are very similar to the safety checks required by the Commission's TNC Rules. Therefore, the Commission grants Lyft a six month exemption from Rule TNC-7 for any TNC

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driver who began providing TNC services within the State of Alabama prior to July 1, 2018 and who completed a safety inspection in compliance with the ordinance requirements of the relevant municipality or municipalities in which he or she provided TNC services that were in effect prior to the July 1, 2018.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That Transportation Network Company Permit 2 (Permit TNC-2) is hereby issued to Lyft, LLC, 185 Berry Street, Suite 5000, San Francisco, California 94107, authorizing operations as a TNC in the State of Alabama.

IT IS FURTHER ORDERED BY THE COMMISSION, That Lyft shall notify the Commission and its drivers within thirty (30) days of any changes to its policies that are required by this Act or the TNC Rules.

IT IS FURTHER ORDERED BY THE COMMISSION, That Lyft is granted a temporary exemption from Rule TNC-7 for any TNC driver who began providing TNC services within the State of Alabama prior to July 1, 2018 and who completed a safety inspection in compliance with the ordinance requirements of the relevant municipality or municipalities in which he or she provided TNC services that were in effect prior to the July 1, 2018. This temporary exemption shall expire on January 1, 2019.

IT IS FURTHER ORDERED BY THE COMMISSION, That Lyft shall submit a vehicle inspection form that complies with Rule TNC-7 on or before August 1, 2018 and utilize that compliant inspection form for all TNC drivers who are not subject to the above-described temporary exemption from Rule TNC-7.

IT IS FURTHER ORDERED BY THE COMMISSION, That the operations herein authorized shall be subject to all the rights, privileges and immunities as well as all the restrictions, liabilities and responsibilities that are now or may hereafter be imposed by law or the rules and regulations of this Commission upon TNCs.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premise.

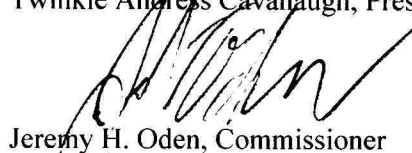
IT IS FURTHER ORDERED, That this Order shall be effective as July 1, 2018.

DONE at Montgomery, Alabama, this 28th day of June, 2018.

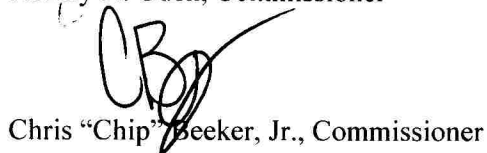
ALABAMA PUBLIC SERVICE COMMISSION



Twinkle Andrews Cavanaugh, President

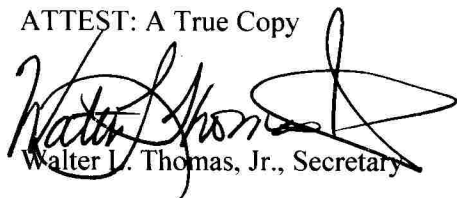


Jeremy H. Oden, Commissioner



Chris "Chip" Beeker, Jr., Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary