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Legislation Text

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Resolution Regarding the Regulation of Transportation Network Providers

WHEREAS, One year ago on May 28th, 2014 the City of Chicago passed the Transportation Network Provider (TNP) ordinance which established a license for companies, including Uber, which operate "e-hail" smartphone applications to dispatch for-hire vehicles.

WHEREAS, the ordinance established a regulatory framework for TNP companies that is significantly less costly and burdensome than the regulations that apply to licensed taxi owners and drivers in terms of insurance requirements, vehicle age and equipment requirements and licensing fees. In addition, the TNP ordinance left most of the compliance and enforcement authority up to the companies themselves including driver background checks, consumer complaint handling and trip data reporting to assess service to underserved areas.

WHEREAS, the impact of a two-tier regulatory framework with different sets of standards for the same service has had a major impact on the value of taxi medallions and the financial well-being of Chicago residents who have invested in a medallion as a small family business. As a result, city revenue derived from the taxi industry has declined sharply and is subject to significant uncertainty in the future.

WHEREAS, A majority of licensed taxi drivers, more than 3500 of the city's 7000 active taxi drivers, signed a petition calling on the City to hold a public hearing to address their concerns about unfair competition and the impact on their ability to earn a family-supporting income.

WHEREAS, Uber and other TNP corporations have also been the subject of multiple legal actions over the past year brought by their own drivers alleging labor law violations and questionable lending practices, and these TNP corporations have significantly increased fees and costs charged to drivers.

WHEREAS, At the time the ordinance was passed, the city agency charged with licensing TNPs, the Department of Business Affairs and Consumer Protections, had no data on how many TNP drivers and vehicles were operating, how frequently consumers were charged "surge pricing", how effectively the TNP corporations were carrying out background checks, but now has the authority to collect and report on such data.

WHEREAS, In light of the ongoing controversy, other municipalities have limited the operation of TNPs until such time as a proper study can be conducted to assess the impact on consumer safety, taxi service and the environment.

WHEREAS, A January 2, 2015 Chicago Sun-Times editorial called for a thorough review by this legislative body concerning Uber and other transportation network providers the City of Chicago now regulates.

BE IT RESOLVED, That we, the undersigned members of the City of Chicago City Council, gathered this day the 17th day of June of 2015 AD, do hereby call upon the chair of the Committee on License and Consumer Protection to review the current business and employment practices of all Class A and Class B transportation network providers that operate within the City of Chicago, expeditiously hold hearings to take testimony and data from representatives of these providers and other interested parties regarding their operations and practices and submit such findings in a report to this body within 60 days of the passage of this resolution.

BE IT FURTHER RESOLVED, That copies of this resolution be prepared and presented to all principals and registered agents of all Class A and Class B transportation network providers that operate within the City of Chicago.

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