

**NetChoice** *Promoting Convenience, Choice, and Commerce on The Net*

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President Rolando R. Lavarro, Jr.

Jersey City Council

Jersey City, NJ

April 22, 2019

***RE: Opposition to 19-036 – Requirements on transportation network companies.***

Dear President Lavarro and members of the Council,

We ask that you not advance City Ordinance 19-036.

Today, transportation network companies (“TNCs”) create economic opportunities for many Jersey City residents and provide affordable and convenient transportation opportunities for community members across the state.

However, 19-036 would debilitate TNCs in throughout the city, expose private information of Jersey City citizens, and is preempted by state law. Moreover, this ordinance would depress the availability and use of these services and increase road congestion across the state.

The legacy taxi industry regularly argues for “a level playing field” by pressing for rules that would create obstacles to TNCs – disadvantaging promising new technologies and business models. Imposition of bit-taxi’s recommendations, some more restrictive than those facing taxi drivers, serve more to prop-up legacy business models than to advance innovation or protect the public.

Emerging business models must be viewed in a new way. When regulating new technologies, we must avoid trying to fit emerging technologies into boxes that were created to regulate older, legacy business models.

When I applied to become a Lyft driver, I provided my personal information, including birth date, mailing address, phone number, email address, driver’s license number, vehicle information, and Social Security number. This information was used to run my background check. In addition, Lyft also did a check of my insurance.

I, like hundreds of other drivers, have successfully passed a rigorous check that now works efficiently. The on-boarding process is designed to ensure accountability but also make it easy for Jersey City residents to try a new way to supplement their incomes.

By creating new less-efficient protocols with no material benefit, 19-036 will make it harder for Jersey City residents to find work. Some of these inefficiencies are described below.

## 19-036 improperly mandates ride-sharing cars look like taxis.

We're all familiar with the bright lights atop taxis. But taxis are primarily single use vehicles. For TNC drivers, like myself, my car is used occasionally for ride-sharing, but primarily for taking my kids to sports and activities. It doesn't make sense to force me to affix a light for the occasional rides I give.

But what this requirement does do is make it less attractive for Jersey City residents to drive for TNCs for additional income.

These mandated "beacons" provide no real benefit for Jersey City residents. Unlike a taxi, when hailing a TNC through Lyft or Uber, the rider knows the make, model, color, and license plate of the car. The rider is provided with a picture of the driver. With all this information, mandating a blinking light to the car doesn't provide much benefit and creates a significant deterrent to adoption of the TNC model. What this requirement does do is artificially prop up legacy taxi cabs by stifling competition.

## 19-036 invades the privacy of New Jersey residents and sets a bad precedent for Jersey City citizens.

19-036 demands the disclosure of the private information of each and every driver outside of Jersey City who may drive in the city. This is a gross overreach and encourages other cities to make the same demands of Jersey City residents.

Moreover, 19-036 fails to address how this very sensitive information will be kept. Given the highly sensitive nature of data, it must be kept secure and should involve a fiscal note to create a highly secure data storage system.

## 19-036 is preempted by state law.

In 2016, New Jersey enacted the "Transportation Network Company Safety and Regulatory Act." This Act expressly prohibits ordinances like 19-036 saying:

C.39:5H-26 Exclusive governing of company, driver.

26. Notwithstanding any other provision of law, a transportation network company and a transportation network company driver shall be governed exclusively by P.L.2017, c.26 (C.39:5H-1 et seq.), any supplements or amendments thereto, and any rules promulgated by the commission or division pursuant to P.L.2017, c.26 (C.39:5H-1 et seq.).

Clearly 19-036 is illegal and even if passed, will likely be swiftly enjoined and revoked.

## 19-036 would increase road congestion and pollution in New Jersey

The onerous requirements of 19-036 undermine initiatives to decrease road congestion and emission of air pollutants.

Ridesharing technology is addressing many of the pressing transportation needs facing New Jersey. Transporting more passengers in fewer vehicles allows consumers to share costs, reduce congestion, and obtain lower fares.

However, imposing 19-036 would undermine these efforts since it would discourage residents from becoming drivers and subsequently depress the success of the ride-sharing industry. This would result in more single-occupancy vehicles on New Jersey roads, increasing air congestion, pollution, and taxpayer costs for road repairs and projects.

We appreciate your consideration of these concerns and urge you not to adopt 19-036.

Sincerely,

Carl Szabo  
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