

ALABAMA PUBLIC SERVICE COMMISSION
CHAPTER 770-X-12
Transportation Network Company (TNC) Rules

770-X-12-.01 Application and Scope (Rule TNC-1)

(1) These rules and regulations shall govern persons subject to Act 2018-127.

(2) If compliance with any of these rules causes unusual hardship, application may be made to the Commission for modification of the rules or for temporary exemption from their requirements, provided the TNC or TNC driver submits with such application a complete explanation of the reason for the proposed exemption. No deviation from these rules shall be permitted without written authorization granted by the Commission. The Commission cannot, however, authorize deviation from the requirements of the Act.

(3) A TNC shall comply with all of the policies that it creates in order to comply with the requirements of the Act or these rules. Any violation of these statutorily-required or Commission-required policies will be addressed by the Commission in the same manner as a violation of the requirements of the Act or Commission regulations.

770-X-12-.02 Definitions (Rule TNC-2)

(1) COMMISSION. The Public Service Commission.

(2) DIGITAL NETWORK. Any online-enabled application, software, website, or system offered or utilized by a TNC that enables the prearrangement of a ride with a TNC driver.

(3) GROSS TRIP FARE. The sum of the base fare charge, distance charge, and time charge for a complete trip at rates published on the TNC's website. The term does not include any additional fees, including airport or venue fees. The term includes surge pricing.

(4) **PREARRANGED RIDE.** The provision of transportation by a TNC driver to a TNC rider, beginning when a TNC driver accepts a ride requested by a TNC rider through a digital network controlled by a TNC, continuing while the TNC driver transports the requesting TNC rider, and ending when the last requesting TNC rider departs from the personal vehicle of the TNC driver. A prearranged ride does not include transportation provided by any of the following pursuant to the Alabama Motor Carrier Act, Chapter 3 of Title 37:

(a) A shared expense carpool or vanpool arrangement.

(b) A regional transportation company or licensed motor carrier.

(5) **TNC.** A transportation network company that is a corporation, partnership, sole proprietorship, or other entity licensed and operating in this state that uses a digital network to connect a TNC rider to a TNC driver who provides a prearranged ride. A TNC may not control, direct, or manage the personal vehicle or the TNC driver who connects to its digital network, except where agreed to by written contract.

(6) **TNC DRIVER.** An individual who meets both of the following criteria:

(a) Receives connections to potential riders and related services from a TNC in exchange for payment of a fee to the TNC.

(b) Uses a personal vehicle to offer or provide a prearranged ride to a TNC rider upon connection through a digital network controlled by a TNC and in exchange for compensation or payment of a fee.

(7) **TNC RIDER.** An individual who uses the digital network of a TNC to connect with a TNC driver who provides a prearranged ride to the TNC rider in the personal vehicle of the TNC driver between points chosen by the TNC rider.

(8) TNC VEHICLE or PERSONAL VEHICLE. A vehicle that meets both of the following criteria:

- (a) Is used by a TNC driver to provide a prearranged ride and
- (b) Is owned, leased, or otherwise authorized for use by a TNC driver.

770-X-12-.03 Permitting (Rule TNC-3)

(1) The Commission shall issue a permit to an applicant that meets the following statutory requirements:

(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 transmission 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.

(2) In order to obtain a permit to operate a TNC, a person shall submit an application to the Commission, on the form prescribed by the Commission, which includes a sworn statement that the applicant will comply with all of the statutory requirements listed above in Subpart (1).

(3) An applicant shall submit the following documents 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

(4) Following the submission of a complete permit application, a public hearing will be held prior to the issuance of a TNC permit.

(5) A person must have a valid and current permit to operate as a TNC.

(6) The TNC permit will be valid until June 30th following the date that it was issued.

(7) In order to renew a TNC permit, a TNC will submit a permit renewal form, on a form prescribed by the Commission, and a renewal fee of \$300 on or before the close of business on July 1st. Any permit renewal received after July 1st will incur a late fee of \$100 per day.

(8) The Commission may revoke a TNC permit, effective 30 days from the date of notice, if a TNC fails to submit a completed annual permit renewal form and/or renewal fee on or before the close of business on July 1. Once a permit is revoked, to regain the permit, a person must submit a new application for a TNC permit with an application fee of \$700.

(9) A TNC shall comply with all of the terms of its permits. A TNC's failure to comply with the terms of its permit will be addressed by the Commission in the same manner as a violation of the Act, the TNC Rules, or a Commission order.

770-X-12-.04 Reporting (Rule TNC-4)

(1) No later than 30 days after the end of each calendar quarter, a TNC shall submit a report to the Commission that lists the percentage of the gross trip fare that originated in each municipality during the reporting period.

(a) The TNC shall submit the report to the Commission, in a spreadsheet approved by the Commission, listing each municipality in which a ride originated and providing the total gross trip fare and the total local assessment fee collected during the reporting period for rides originating in each municipality.

(b) The TNC shall submit the report electronically via an email address to be provided by the Commission or through an alternative method approved by the Commission as long as the TNC bears any additional costs related to the alternative transmission method.

(2) No later than 30 days after the end of each calendar quarter, a TNC shall submit a report to the Commission that lists the percentage of the gross trip fare that originated in the unincorporated portion of each county during the reporting period.

(a) The TNC shall submit the report to the Commission, in a spreadsheet approved by the Commission, listing each county in which a ride originated and providing the total gross trip fare and the total local assessment fee collected during the reporting period for rides originating in the unincorporated portion of each county.

(b) The TNC shall submit the report electronically via an email address to be provided by the Commission or through an alternative method approved by the Commission as long as the TNC bears any additional costs related to the alternative transmission method.

(3) For the purpose of the TNC Rules, the calendar quarters are defined as follows:

(a) 1st Quarter: January 1st through March 31st

(b) 2nd Quarter: April 1st through June 30th

(c) 3rd Quarter: July 1st through September 30th

(d) 4th Quarter: October 1st through December 31st

770-X-12-.05 Submission of Local Assessment Fees (Rule TNC-5)

(1) No later than 30 days after the end of each calendar quarter, the TNC shall submit to the Commission the total local assessment fee collected by the TNC during the calendar quarter, along with the TNC Local Assessment Fee Report on a form provided by the Commission.

(2) The local assessment fee collected by the TNC shall be equal to one percent of the total gross trip fare for all prearranged rides that originate in the state. The local assessment fee may be submitted to the Commission via wire transfer/ACH or via certified check.

(a) If the method of submission is a physical check, the payment shall be accompanied by the TNC Local Assessment Fee Report.

(b) If the method of submission is wire transfer/ACH, the TNC Local Assessment Fee Report shall be submitted electronically to an electronic mail address provided by the Commission or through an alternative method approved by the Commission as long as the TNC bears any additional costs related to the alternative transmission method.

770-X-12-.06 County and Municipal Boundaries (Rule TNC-6)

(1) The Commission will publish, on its website, a geographic information system ("GIS") file that shows the county and municipal boundaries as reflected by information provided to the Commission by the municipalities as required by the Act.

(2) The GIS file will be available to TNCs, TNC drivers, and the general public.

(3) TNCs shall use the boundaries indicated in the GIS file to determine where each of its rides originated.

(4) The Commission will notify the TNCs, through an electronic mail address provided by the TNC, when the GIS file has been updated.

(5) At the time of application, the TNC shall provide an electronic mail address to be used for communication of notice of an updated GIS file.

(6) TNCs shall have seven calendar days from the time of notification by the Commission to update its systems so that it can correctly identify the origination of its rides, based on the boundary data provided in the most current GIS file. TNCs shall notify the Commission of the exact date and time of the system update and shall use the data provided in the most current GIS file for all rides conducted after the system update.

770-X-12-.07 Safety Inspections (Rule TNC-7)

(1) Before a TNC driver first uses a vehicle to provide TNC services, and annually thereafter, a vehicle providing TNC services shall be inspected to ensure compliance with the requirements of this rule. The inspection shall be performed by an American Advanced Technicians Institute (AATI) certified mechanic or a National Institute for Automotive Service Excellence (ASE) certified mechanic or by a mechanic that is under the supervision of an AATI or ASE certified mechanic.

(2) The safety inspection shall cover the following:

- (a) Foot brakes
- (b) Parking/emergency brakes
- (c) Steering mechanism
- (d) Windshield
- (e) Rear window and other glass
- (f) Windshield wipers
- (g) Headlights
- (h) Tail lights
- (i) Turn indicator lights
- (j) Brake lights
- (k) Front seat adjustment mechanism
- (l) Doors, capability to open, close, and unlock
- (m) Horn
- (n) Speedometer
- (o) Bumpers

- (p) Muffler and exhaust system
- (q) Interior and exterior rearview mirrors
- (r) Safety belts and air bags for driver and passenger(s)
- (s) Tire condition, including adequate tread depth
- (t) Functioning heat and air conditioning

(3) The TNC shall maintain documentation that shows that the above safety inspection was completed and who performed and/or supervised the inspection. These records shall be maintained for two years from the date of the safety inspection and produced as part of the driver records during an annual inspection.

(4) No TNC driver shall drive or cause to be driven any vehicle that is more than 15 years old. For the purposes of this rule, a vehicle will be considered to be 15 years old on June 30th of the fifteenth year following the manufacturer's model year of the vehicle, regardless of the purchase date or the date it was originally placed into service.

770-X-12-.08 TNC Trade Dress (Rule TNC-8)

(1) A TNC shall establish a uniform logo, insignia, or decal, known as trade dress, for use on all motor vehicles that are to be used by TNC drivers who log in to the TNC's digital network for the purpose of providing a prearranged ride.

(2) A copy of the TNC's current trade dress shall be kept on file with the Commission.

(3) At all times that a TNC driver is logged into the TNC's digital network, the vehicle being used by the TNC driver shall prominently display a TNC's distinctive trade dress.

(4) At the time of application for a TNC permit, the TNC shall provide an illustration of the TNC's distinctive trade dress, to include dimensions and location of placement on the vehicles.

(5) The trade dress shall be readable during daylight hours at a distance of fifty feet and reflective or illuminated to assist with recognition at night.

(6) The trade dress may be magnetic or removable in nature.

770-X-12-.09 Inspection of TNC Records (Rule TNC-9)

(1) TNCs shall maintain copies of all driver records required by Section 10 of the Act for a period of two years.

(2) TNCs shall maintain records related to the investigation of possible violations of the zero tolerance intoxicating substance policy for a period of two years following the close of the investigation.

(3) TNCs shall maintain the individual trip records required by Section 14(a) of the Act for a period of two years, including the required electronic receipt information listed in Section 8 of the Act.

(4) TNCs shall identify each trip with a unique trip identification number that includes the date on which the trip began.

(5) Upon initiation of an inspection by the Commission, the TNC shall provide a list of all trip numbers for the trips provided within the time period identified by the Commission. As an alternative, if the trip identification numbers are created sequentially by the date, the TNC may provide a range of trip identification numbers for the trips provided within the time period identified by the Commission.

(6) TNCs shall identify each TNC driver with a unique driver identification number.

(7) Upon initiation of an inspection by the Commission, the TNC shall provide a list of all driver identification numbers for all TNC drivers that provided a prearranged ride within the time period identified by the Commission.

770-X-12-.10 Local Assessment Fee Audit (Rule TNC-10)

(1) Within 30 calendar days of the Commission's request for a third party audit, the TNC shall notify the Commission of the name of the certified public accounting firm that will be conducting the audit.

(2) Within 15 days of the completion of the third party audit, in addition to the submission of a copy of the audit report as required by the Act, the TNC shall also submit to the Commission:

(a) A file, in a spreadsheet approved by the Commission, that details any local assessment fee underpayment of over three percent as identified through the audit, detailing the amounts underpaid for each municipality and/or county; and

(b) The total underpaid local assessment fees, submitted in the same manner as described in Rule TNC-5.

(3) After reviewing the audit report and the details of any underpayments, the Commission will make any necessary fee distributions to the municipalities and/or counties to meet the fee allocation requirements of the Act.

770-X-12-.11 Investigation/Resolution of Complaints (Rule TNC-11)

(1) Informal Complaints

Any affected person may informally contact the Utility Enforcement Division of the Alabama Public Service Commission by telephone, email or other means to seek the assistance of Commission personnel in the resolution of issues with any regulated aspect of the service provided by TNCs or TNC drivers. The issues that may be presented for resolution include, but are not limited to a TNC or TNC driver's compliance with the provisions of the Act and the rules,

regulations, guidelines and procedures established by the Commission for purposes of implementing the Act. In such instances, Commission personnel will attempt to informally resolve any issues presented. The informal complaint process is strongly encouraged by the Commission prior to the filing of more legally stringent formal complaints which are governed pursuant to the provisions set forth in Section (2) below.

(2) Formal Complaints

Upon a formal complaint made in writing in a manner compliant with Rule 9 of the Commission's Rules of Practice, any affected person may set forth and allege that a TNC or TNC driver has failed to comply with Act 2018-127 or the associated rules and regulations of the Commission adopted for purposes of implementing the Act. Upon the filing of such a formal complaint with the Secretary of the APSC, the Commission may proceed to make such investigation as it may deem necessary or appropriate pursuant to the guidelines set forth in more detail below. The Commission may also proceed without such complaint to make such investigation whenever it deems such action necessary or appropriate for the public interest and may lodge a complaint against a TNC or the driver, so long as proper notice is provided for any hearing conducted pursuant to Subpart (4) of this rule.

(3) Complaints Filed by Affected Persons

A TNC or TNC driver against whom a formal complaint is filed must plead or answer such complaint in writing no later than 30 days of the service of the complaint upon the TNC or TNC driver. Following the proper service of a formal complaint and an answer thereto, the Commission may proceed to establish a public hearing concerning the matters in controversy. The Commission shall whenever possible provide the complainant, the TNC and/or the TNC driver 30 days' notice

of the time and place when the hearing will be conducted, but in no instance shall the Commission provide less than 10 days' notice.

(4) Investigations/Complaints Initiated by the Commission

In the event it is the Commission which lodges a formal complaint against a TNC or TNC driver on its own motion, the Commission shall provide a written statement of the alleged areas of deficiency or noncompliance supporting the complaint upon the TNC or TNC driver at least 20 days prior to any public hearing scheduled to address such matters.

(5) Hearing Requirements

Unless otherwise specified by Act 2018-127 or the associated rules and regulations of the Commission adopted to implement said Act, all public hearings conducted by the Commission with respect to a formal complaint shall be conducted pursuant to the Commission's Rules of Practice and the general provisions governing hearings before the APSC set forth in Code § 37-1-83 through § 37-1-90. All parties shall be entitled to be heard through themselves or their counsel and shall have process to enforce the attendance of the witnesses.

(6) Interventions in Hearings

Every person, firm, corporation, partnership, or organization affected thereby may petition to intervene and become a party to any proceeding conducted by the Commission pursuant to this rule.

(7) Remedial Actions/Penalty Provisions

If the Commission determines after investigation and any public hearing conducted pursuant to this rule that a TNC or TNC driver has failed to comply with the provisions of Act 2018-127 or an applicable rule, regulation or guideline adopted by the Commission in its implementation of said Act, the Commission may take any action consistent with Act 2018-127 deemed appropriate and

necessary. Such actions may include the suspension or revocation of a TNC's permit or the assessment of a civil penalty against a TNC in accordance with Section 15(a) of Act 2018-127. Likewise, the Commission may take any action consistent with Act 2018-127 deemed necessary and appropriate concerning a TNC driver that has failed to comply with the provisions of Act 2018-127 and the implementing rules, regulations and guidelines adopted by the Commission. Such actions against TNC drivers may include requiring a TNC to suspend the TNC driver from operating on its digital network or the assessment of a civil penalty against the TNC driver in accordance with Section 15(b) of Act 2018-127.

(8) Right to Appeal Final Orders of the Commission

Any person, any TNC, or any TNC driver with party status to any proceeding established by the Commission pursuant to this rule who is aggrieved by any final order of the Commission with respect to any hearing before it shall have the right of appeal of any final order of the Commission pursuant to the provisions of Code of Alabama, 1975 § 37-1-120 through § 37-1-124.

AUTHOR: Alabama Public Service Commission

STATUTORY AUTHORITY: Alabama Legislative Act No. 2018-127.

HISTORY: Adopted on June 8, 2018