



State of Vermont
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December 14, 2018

The Honorable Dick Mazza, Senate Committee on Transportation
The Honorable Dick Sears Jr., Senate Committee on Judiciary
The Honorable Ann Cummings, Senate Committee on Finance
The Honorable Patrick Brennan, House Committee on Transportation
The Honorable Maxine Grad, House Committee on Judiciary
The Honorable William Botzow II, House Committee on Commerce and Economic Development
State of Vermont General Assembly

Dear Senators Mazza, Sears, and Cummings and Representatives Brennan, Grad, and Botzow:

Under Section 3 of Act 3, "An act relating to transportation network companies," the Department is required to conduct a study of whether and to what extent vehicles for hire, vehicle for hire drivers, and vehicle for hire companies should be regulated by the State and how State regulations would affect relevant municipal regulations. A report is due January 15, 2019 to the Chairs of the Senate Committees on Transportation, on Judiciary, and on Finance, and the House Committees on Transportation, on Judiciary, and on Commerce and Economic Development. Pursuant to the same section, I am submitting a required progress report outlining the Department's progress on the report and initial findings and recommendations.

Several members of the Department have been working throughout the summer and continue to work diligently to complete this study. Department staff have undertaken more than 100 hours of research, reviewing existing literature on issues relevant to this study, discussing administrative matters via telephone and/or email with attorneys and/or vehicle for hire officials in Burlington, Brattleboro, Hartford, and other Vermont municipalities, as well as in Connecticut and Michigan. The report will include analysis of this literature and rely heavily on the expertise and scrutiny provided by transportation scholars, academics, policy specialists, and municipal and state officials. Department staff also worked with Lauren Hibbert, Director of the Office of Professional Responsibility, and officials from the City of Burlington and Burlington International Airport, to organize and hold a public forum in October for taxi and TNC drivers to share their



concerns and suggestions. The Department will continue to solicit feedback from additional municipalities and vehicle for hire companies next week and into the new year.

Divided by topic, the report will set forth any applicable federal regulation and/or Vermont state laws and, for ease of comparison, will include a chart comparing any existing municipal laws and ordinances. It will also include discussion and analysis of the regulatory approaches adopted by other states, and consider the comments of municipal officials, as well as the issues raised by vehicle for hire companies and drivers, who are most concerned with "leveling the playing field." The report's findings and recommendations section will set forth important policy considerations in determining the appropriate level of state regulation for taxis and TNCs in Vermont, including the following:

- Whether passenger and public safety interests outweigh the cost and burden to vehicles for hire of state-conducted and/or fingerprint-based background checks; and
- Whether it is appropriate to streamline the insurance requirements for taxis and TNCs.

As the Department is still conducting research, interviews, and analysis, final recommendations have not yet been formulated. However, review of existing municipal ordinances and discussions with vehicle for hire drivers suggest there is benefit in simplifying and unifying Vermont's existing patchwork of regulations applicable to taxis and other jitneys. Only 10-15 Vermont municipalities have adopted ordinances regulating vehicles for hire and their approaches range from simple licensing, in the case of Montpelier and St. Albans, to more comprehensive regulatory regimes, in the case of Brattleboro and Burlington. Though TNCs and taxis may warrant different regulatory treatment in some respects, the Department's preliminary analysis supports a model of uniform state regulation for vehicles for hire. However, the Department's analysis also considers whether certain administrative and enforcement functions should be ceded to municipalities and/or the Burlington International Airport.

The Department expects to complete and timely deliver the report, as required, by January 15, 2019. If you have any questions before that date, please don't hesitate to contact me. I look forward to working with your committees again this year.

Best Regards,

A handwritten signature in black ink, appearing to read 'Michael Pieciak', written over a horizontal line.

Michael Pieciak, Commissioner

