

## **Massachusetts lawmakers agree on new rules for Uber and Lyft**

Up against a midnight deadline before formal legislative sessions ended for the year, House and Senate lawmakers reached a deal on rules governing ride-for-hire like Uber and Lyft late Sunday night.

The two chambers each quickly approved of the compromise bill, bringing a hurried close to one of the state's most high-profile political debates and sending a bill to Gov. Charlie Baker's office that would establish the first statewide laws for the services.

The final product came from a six-member committee of House and Senate negotiators who ironed out the differences between the chambers' dueling "Uber bills," settling on a state-run driver background check and establishing a 20-cent-per-ride fee on the companies.

Uber and Lyft — which have left cities across the country over regulations they consider overly burdensome — supported the Senate's approach to the bill while decrying the House's proposal in the weeks leading up to the compromise.

In a statement issued shortly after midnight, Lyft celebrated the final bill as "common sense legislation that sets high safety standards." Uber did not immediately chime in, but the compromise seemed to address many of the behemoth's problems with the House's version.

Perhaps of most significance to the companies' riders: The agreement did not include measures in the House bill that would have prohibited the on-demand transportation services from picking up riders at Logan Airport or the Boston Convention and Exhibition Center.

Most drivers are already banned from picking up riders at the airport by Logan, but the House plan would have cemented that rule for five years. Without the ban, it's now possible that Logan officials can strike a deal to let Uber and Lyft in. Meanwhile, convention center officials had opposed the plan to ban pick-ups at their property.

The bill also includes a two-step background check, adding a state-run inspection of drivers' histories to the companies' existing procedures. The state process will require the companies to submit driver information to the state's Department of Public Utilities, and DPU will base its own check on that information. If the driver passes the DPU check, the state will provide drivers with a certificate, which will be required to drive for any transportation network company.

The background check process differs from the House's prior proposal, which would have required drivers to individually go to the state for approval rather than having companies pass along information. The transportation companies disapproved of that plan because they felt it would interrupt the supply-side of their businesses by discouraging drivers from joining the service — a process that presently requires them only to enter their personal information online and, if they pass the background check, get behind the wheel. But House officials felt it was important to give the state greater oversight over driver approval.

However, the House's conference committee representatives felt comfortable with the final arrangement because it gave the state greater oversight of drivers with the certificate process, said Rep. Aaron Michlewitz, who led the drafting of the House bill and the House's side of negotiations.

In an interview, Michlewitz described the background check process as "first-in-the-nation" and said he expects the states that have not yet regulated Uber and Lyft to look to the bill's public safety provisions as model legislation.

On another safety front, lawmakers agreed to allow the Registry of Motor Vehicles to create a new inspection process for cars used by Uber and Lyft drivers. Such an inspection would consider vehicle safety standards that may not be considered for a personal vehicle inspection. In the prior bills, the Senate did not require the secondary inspection while the House did.

The compromise bill also expands on a provision that had been included in the Senate bill, requiring the companies to pay a 20-cent fee on every trip that cannot be passed along to the driver or rider. The Senate had proposed a 10-cent-per-ride assessment, while the House did not propose any such fee in its bill. Under the final agreement, 10 cents from each ride will go to the cities or towns in which trips originate, five cents will go to the state's transportation fund, and another five cents will go to Uber and Lyft's own competition through a program meant to assist taxicab companies adopt technology and modernize their services.

Despite that nod, the taxi companies and their allies in the livery industry are unlikely to be happy with the outcome of the debate. They had pushed for Uber and Lyft drivers to be forced to carry 24/7 commercial insurance and to face fingerprint background checks. Neither the House nor Senate bills included those provisions, and while the House's version was considered less friendly to Uber and Lyft, taxi companies strongly opposed both versions.

Taxi companies have sought refuge in the courts, seeking to force the cities of Boston and Cambridge to apply the same regulations to Uber and Lyft that they impose on taxis. An attorney representing the companies in both suits told Boston.com in June that if the state passed a ride-for-hire law this session, she might consider adding the state to the suits to challenge the constitutionality of the law. "Even if the bill is passed, these are two industries that are not being regulated in the same manner, and that's unconstitutional," she said at the time.

The bill is now headed to Baker for approval. The governor has been supportive of many of the provisions included in the bill, though the new-tax-averse Republican has not said how he feels about the proposed per-ride fee.

By: **Adam Vaccaro**