
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2453 Session of
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INTRODUCED BY MUSTIO, KILLION, PICKETT, DeLUCA, KOTIK, MILLARD,
PASHINSKI, SWANGER, MURT AND DENLINGER, AUGUST 28, 2014

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, AUGUST 28, 2014

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, in general provisions, further
3 providing for definitions; in powers and duties, further
4 providing for power of commission to require insurance; in
5 contract carrier by motor vehicle and broker, further
6 providing for declaration of policy and definitions; and
7 providing for transportation network services.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. The definition of "common carrier by motor
11 vehicle" in section 102 of Title 66 of the Pennsylvania
12 Consolidated Statutes is amended by adding a paragraph and the
13 section is amended by adding definitions to read:

14 § 102. Definitions.

15 Subject to additional definitions contained in subsequent
16 provisions of this part which are applicable to specific
17 provisions of this part, the following words and phrases when
18 used in this part shall have, unless the context clearly
19 indicates otherwise, the meanings given to them in this section:

20 * * *

1 "Common carrier by motor vehicle." Any common carrier who or
2 which holds out or undertakes the transportation of passengers
3 or property, or both, or any class of passengers or property,
4 between points within this Commonwealth by motor vehicle for
5 compensation, whether or not the owner or operator of such motor
6 vehicle, or who or which provides or furnishes any motor
7 vehicle, with or without driver, for transportation or for use
8 in transportation of persons or property as aforesaid, and shall
9 include common carriers by rail, water, or air, and express or
10 forwarding public utilities insofar as such common carriers or
11 such public utilities are engaged in such motor vehicle
12 operations, but does not include:

13 * * *

14 (10) A person or entity that is any of the following:

15 (i) A transportation network company.

16 (ii) A transportation network company driver.

17 * * *

18 "Personal vehicle." A vehicle operated by its owner or a
19 person authorized by the owner to operate the vehicle and who is
20 listed as a household member on the insurance policy for the
21 vehicle.

22 "Providing transportation network services." The time period
23 during which a transportation network services driver has a
24 transportation network company's digital application open and is
25 available to receive requests for transportation network
26 services. For purposes of this definition, "available to receive
27 requests for transportation network service" includes the time
28 period where the transportation network company driver is
29 waiting for a request for transportation or is waiting to pick
30 up a passenger and from the time a passenger is picked up until

1 the passenger safely exits the vehicle.

2 * * *

3 "Transportation network company." A company that uses a
4 digital network to connect a passenger with a transportation
5 network company driver for the purpose of transportation between
6 points within this Commonwealth.

7 "Transportation network company driver." An individual who
8 uses the individual's personal vehicle to provide to passengers
9 transportation that is arranged electronically through a
10 transportation network company.

11 "Transportation network service."

12 (1) A service which meets all of the following:

13 (i) Matches a passenger and driver electronically in
14 advance.

15 (ii) Is rendered on an exclusive basis.

16 (iii) Is characterized by an individual offering
17 transportation to a passenger in the individual's
18 personal vehicle through a digital network.

19 (2) The term includes any digital applications that
20 facilitate communications between a transportation network
21 company, a transportation network company driver and
22 passengers.

23 * * *

24 Section 2. Section 512 of Title 66 is amended to read:

25 § 512. Power of commission to require insurance.

26 (a) Authority.--The commission may, as to motor carriers,
27 prescribe, by regulation or order, such requirements as it may
28 deem necessary for the protection of persons or property of
29 their patrons and the public, including the filing of surety
30 bonds, the carrying of insurance, or the qualifications and

1 conditions under which such carriers may act as self-insurers
2 with respect to such matters. All motor carriers of passengers,
3 whose current liquid assets do not exceed their current
4 liabilities by at least \$100,000, shall cover each and every
5 vehicle, transporting such passengers, with a public liability
6 insurance policy or a surety bond issued by an insurance carrier
7 or a bonding company authorized to do business in this
8 Commonwealth, in such amounts as the commission may prescribe,
9 but not less than \$5,000 for one and \$10,000 for more than one
10 person injured in any one accident.

11 (b) Coverage requirements for transportation network
12 companies.--The liability insurance maintained by a
13 transportation network company on each network company driver
14 shall be in an amount not less than \$35,000 to cover liability
15 for bodily injury, death or property damage incurred in an
16 accident arising from transportation network services. The
17 \$35,000 minimum coverage may be provided as split coverage in
18 the amounts of \$15,000 bodily injury per person, \$30,000 bodily
19 injury per accident and \$5,000 property damage per accident.
20 This coverage shall include first party medical benefits in the
21 amount of \$25,000 and first party wage loss benefits in the
22 amount of \$10,000 for passengers and pedestrians. Except as to
23 the required amount of coverage, these benefits shall conform to
24 75 Pa.C.S. Ch. 17 (relating to financial responsibility). First
25 party coverage of the driver of certificated vehicles shall meet
26 the requirements of 75 Pa.C.S. § 1711 (relating to required
27 benefits).

28 (c) Options for coverage.--The coverage requirements in
29 subsection (b) may be met by one of the following:

30 (1) A transportation network company maintaining such

1 insurance on its own.

2 (2) With any combination of a policy maintained by a
3 transportation network company and a policy maintained by a
4 transportation network company driver that is specifically
5 written for the purpose of providing transportation network
6 services. A transportation network company shall assume
7 financial responsibility for that portion of any damages not
8 covered under a policy maintained by a transportation network
9 company driver where a person is legally entitled to recover
10 such damages for an injury arising out of the maintenance or
11 use of a vehicle while providing transportation network
12 services.

13 (d) Duty of transportation network companies.--It shall be
14 the sole and exclusive responsibility of a transportation
15 network company to ensure that the coverage required by
16 subsection (b) is in force prior to permitting a transportation
17 network company driver to provide transportation network company
18 services through the transportation network company's digital
19 network. Each policy maintained pursuant to subsection (b)
20 shall:

21 (1) Provide primary liability coverage for incidents
22 involving a transportation network company driver while
23 providing transportation network company service.

24 (2) Include a duty of the insurer to defend against
25 claims made against a transportation network company driver
26 or the owner of a personal vehicle used to provide
27 transportation network services.

28 (e) Waiver of liability prohibited.--

29 (1) No transportation network company or transportation
30 network company driver may request or require a passenger to

1 sign a waiver of potential liability for losses of personal
2 property or injury.

3 (2) No transportation network company may request or
4 require a transportation network company driver to sign a
5 waiver of potential liability for losses of personal property
6 or injury.

7 Section 3. Paragraph (2) of the definition of "contract
8 carrier by motor vehicle" in section 2501(b) of Title 66 is
9 amended by adding a subparagraph to read:

10 § 2501. Declaration of policy and definitions.

11 * * *

12 (b) Definitions.--The following words and phrases when used
13 in this part shall have, unless the context clearly indicates
14 otherwise, the meanings given to them in this subsection:

15 * * *

16 "Contract carrier by motor vehicle."

17 * * *

18 (2) The term "contract carrier by motor vehicle" does
19 not include:

20 * * *

21 (x) A transportation network company or
22 transportation network company driver.

23 Section 4. Title 66 is amended by adding a chapter to read:

24 CHAPTER 25A

25 TRANSPORTATION NETWORK SERVICES

26 Sec.

27 25A01. Definitions.

28 25A02. Exclusions.

29 25A03. Requirements for transportation network companies.

30 25A04. Requirements for transportation network company drivers.

1 25A05. Vehicle requirements.

2 25A06. Rates and forms of compensation.

3 25A07. Regulations.

4 25A08. Assessments.

5 § 25A01. Definitions.

6 (Reserved).

7 § 25A02. Exclusions.

8 Transportation network services and transportation network
9 drivers are not:

10 (1) A "call or demand service," "taxicab service" or
11 "limousine service" for purposes of 53 Pa.C.S. § 5701
12 (relating to definitions).

13 (2) A "motor carrier" of passengers, "common carrier,"
14 "contract carrier" or "broker" under this title.

15 (3) A "ridesharing arrangement" or ridesharing operator
16 pursuant to the act of December 14, 1982 (P.L.1211, No.279),
17 entitled "An act providing for ridesharing arrangements and
18 providing that certain laws shall be inapplicable to
19 ridesharing arrangements."

20 § 25A03. Requirements for transportation network companies.

21 (a) License required.--No person or corporation shall engage
22 in the business of a transportation network company in this
23 Commonwealth unless the person or corporation holds a license
24 issued by the commission.

25 (b) License application and issuance.--An application for a
26 transportation network company license must be made to the
27 commission in writing, be verified by oath or affirmation and be
28 in such form and contain such information as the commission may,
29 by its regulations, require. A license shall be issued to any
30 applicant if it is found that the applicant meets all of the

1 requirements of subsection (c) and is fit, willing and able to
2 conform to the provisions of this title and the lawful orders
3 and regulations of the commission under this title.

4 (c) Service standards and requirements for transportation
5 network companies.--Any applicant seeking a license under this
6 section shall do all of the following as a condition of receipt
7 of a license:

8 (1) Maintain accurate records including the make, model
9 and license number of personal vehicles used by
10 transportation network company drivers to provide
11 transportation network services.

12 (2) Maintain accurate records of all transportation
13 network company drivers providing services arranged through
14 the transportation network company's digital network.

15 (3) Implement a zero-tolerance policy on the use of
16 drugs and alcohol while a transportation network company
17 driver is providing transportation network services. Any
18 transportation network company driver who is the subject of a
19 passenger complaint alleging a violation of the zero-
20 tolerance policy shall be immediately suspended. The
21 suspension shall last until such time as the complaint
22 investigation is completed. The following shall be provided
23 on a transportation network company's Internet website:

24 (i) Notice of the zero-tolerance policy.

25 (ii) The procedures a passenger may use to report a
26 complaint about a transportation network company driver
27 with whom the passenger was matched and the passenger
28 reasonably suspects who was under the influence of drugs
29 or alcohol during the course of the transportation.

30 (d) Conditions for retaining license.--Prior to permitting

1 any person to provide transportation network services, a
2 transportation network company shall comply with the following
3 duties, which shall be conditions for retaining the license:

4 (1) Establish a driver training program designed to
5 ensure that each transportation network company driver safely
6 operates the driver's vehicle while transporting passengers.

7 (2) Obtain and review a criminal history research report
8 for each transportation network company driver. The criminal
9 history research report shall be a national criminal
10 background check, including the national sex offender
11 database. Any person who has been convicted:

12 (i) within the last seven years of driving under the
13 influence of drugs or alcohol; or

14 (ii) at any time for fraud, a sexual offense, use of
15 a motor vehicle to commit a felony, a crime involving
16 property damage or theft, acts of violence or acts of
17 terrorism;

18 shall not be permitted to be a transportation network company
19 driver.

20 (3) Obtain and review a driving history research report
21 for each transportation network company driver. Any person
22 convicted of any of the following within the three years
23 immediately preceding the request date of a report shall not
24 be permitted to be a transportation network company driver:

25 (i) More than three moving violations.

26 (ii) A major violation, including attempting to
27 evade a police officer, reckless driving or driving with
28 a suspended license.

29 (4) Maintain insurance as required by section 512
30 (relating to power of commission to require insurance) as

1 memorialized by the filing of a Form E with the commission.

2 (5) Establish and maintain a digital application that:

3 (i) Connects transportation network company drivers
4 and passengers.

5 (ii) Displays for the passenger a photograph of the
6 transportation network company driver. The photograph
7 must have been taken within the last 12 months.

8 (iii) Displays for the passenger a photograph of the
9 transportation network company driver vehicle that will
10 be used by the transportation network company driver to
11 provide service and the vehicle's license plate number.

12 (6) Establish and maintain an Internet website that
13 provides:

14 (i) A customer service telephone number and e-mail
15 address or Internet form.

16 (ii) The commission's Internet website address.

17 (iii) The commission's complaint hotline telephone
18 number.

19 (7) Maintain the standards required under this
20 subsection on an ongoing basis.

21 (e) Discrimination prohibited.--No transportation network
22 company may unreasonably discriminate against any prospective
23 passenger or unreasonably refuse to provide service to a certain
24 class of passengers or certain localities.

25 (f) Inspection authority.--The commission has the authority
26 to inspect the records of a transportation network company to
27 investigate compliance with the requirements of this chapter and
28 any order or regulation of the commission.

29 § 25A04. Requirements for transportation network company
30 drivers.

1 (a) Licensing.--No separate license shall be required for a
2 transportation network company driver to provide transportation
3 network services for a licensed transportation network company.
4 Except as otherwise specifically provided, a transportation
5 network company driver shall not be subject to this title or 53
6 Pa.C.S. (relating to municipalities generally).

7 (b) Service requirements for transportation network company
8 drivers.--Each transportation network company driver shall:

9 (1) Satisfy the requirements for a criminal history and
10 diving history record search as provided by section 25A03(c)
11 (3).

12 (2) Possess a valid driver's license, proof of motor
13 vehicle insurance and be at least 21 years of age.

14 (3) In the case of an accident, provide:

15 (i) Proof of the transportation network company
16 driver's personal motor vehicle insurance.

17 (ii) Proof of the transportation network company's
18 commercial vehicle liability insurance. A transportation
19 network company driver shall have 24 hours following an
20 accident to provide proof of a transportation network
21 company's commercial vehicle liability insurance.

22 (c) Limitations.--A transportation network company driver
23 shall only provide service as provided by this chapter. A
24 transportation network company driver shall not solicit or
25 accept street hails or telephone calls requesting
26 transportation.

27 (d) Discrimination prohibited.--No transportation network
28 company driver may unreasonably discriminate against any
29 prospective passenger or unreasonably refuse to provide service
30 to a certain class of passengers or certain localities.

1 § 25A05. Vehicle requirements.

2 (a) Types of vehicles.--Vehicles used by transportation
3 network company drivers to provide transportation network
4 services may be coupes, sedans and other light-duty vehicles,
5 including vans, minivans, sport utility vehicles, hatchbacks,
6 convertibles and pickup trucks that are equipped and licensed
7 for operation on public roads.

8 (b) Certificate of inspection.--Vehicles used by
9 transportation network company drivers to provide transportation
10 network services shall be inspected annually by an inspection
11 station approved by the Department of Transportation pursuant to
12 67 Pa. Code Ch. 175 (relating to vehicle equipment and
13 inspection). A valid certificate of inspection shall be
14 maintained in all vehicles.

15 (c) Age of vehicles.--Vehicles used by transportation
16 network company drivers to provide transportation network
17 service may be no more than ten model years old.

18 (d) Commission inspection.--The commission may inspect any
19 transportation network company driver vehicle to ensure
20 compliance with this section.

21 § 25A06. Rates and forms of compensation.

22 (a) Rates.--A transportation network company may offer
23 transportation network services at no charge, suggest a donation
24 or charge a fare.

25 (b) Disclosure.--If a fare is charged, the transportation
26 network company shall disclose the method of calculation, the
27 applicable rates being charged and the option for a prospective
28 passenger to receive an estimated fare before booking the
29 transportation.

30 (c) Rates not subject to commission review.--The amount of a

1 donation or fare received as compensation for transportation
2 network services shall not be subject to commission review or
3 approval pursuant to Chapter 13 (relating to rates and
4 distribution systems).

5 (d) Receipts.--Upon completion of transportation provided
6 pursuant to this chapter, a transportation network company shall
7 transmit an electronic receipt to a passenger's e-mail address
8 or mobile application. The receipt shall contain:

9 (1) The origination and destination points of the
10 transportation.

11 (2) The total amount paid by the passenger, if any.
12 § 25A07. Regulations.

13 The commission shall make such orders or regulations as
14 necessary to implement and enforce this chapter.

15 § 25A08. Assessments.

16 Costs incurred by the commission to implement and enforce
17 this chapter shall be included in the commission's proposed
18 budget and shall be assessed upon a transportation network
19 company in accordance with section 510(a) (relating to
20 assessment for regulatory expenses upon public utilities).

21 Section 5. This act shall take effect in 60 days.