

Virginia General Assembly
1000 Bank Street
Richmond, VA 23219

January 22, 2015

Dear Members of the Virginia Legislature,

We applaud the General Assembly's initiative to advance full legalization of transportation network companies (TNCs) operating within the state, in particular through legislation such as the most recent iteration of Senate Bill 1025. New businesses like Uber and Lyft provide low-cost and reliable transportation options for thousands of commuters and we believe Virginia's willingness to embrace the innovation economy is a step in the right direction.

The temporary operating agreement reached last August with Uber and Lyft was an important step in the relationship between the commonwealth's regulators and companies that provide technology-based transportation options. Unfortunately, the agreement fails to provide a permanent or broad-based legal framework for all ride-hailing services.

In crafting a permanent solution, we urge you to adopt an open, light-handed and market-oriented regulatory framework. Successful models include the framework signed into law in California, Colorado and the District of Columbia. Each established inspection and safety standards and driver background checks. We caution strongly, however, against adopting legislative provisions that would unnecessarily hinder competition in favor of entrenched interests.

In particular, elements of the proposed House Bill 1933 would create burdensome and anti-competitive requirements and steep barriers to entry for part-time drivers. These include a requirement to maintain \$1,000,000 in primary commercial insurance at all times, regardless of whether a driver has agreed to transport a paying customer, and a mandate to use public sector agencies rather than licensed private firms to conduct background checks.

Uber and Lyft currently are the primary providers of application-based transportation options in the state. We support a formal legalization of TNCs that recognize not only these providers, but a myriad of new services which may compete in Virginia's transportation market in the years to come.

Sincerely,

Eli Lehrer, R Street Institute
Grover Norquist, Americans for Tax Reform
Evan Feinberg, Generation Opportunity

