



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of Policy Planning
Bureau of Competition
Bureau of Consumer Protection
Bureau of Economics

April 19, 2013

The Honorable Debbie Ossiander
Assembly Member, Seat A
Municipality of Anchorage
P.O. Box 670772
Chugiak, AK 99567

Re: AO NO. 2013–36

Dear Assembly Member Ossiander:

The staffs of the Federal Trade Commission’s Office of Policy Planning, Bureau of Competition, Bureau of Consumer Protection, and Bureau of Economics¹ appreciate this opportunity to respond to your request for our views on AO NO. 2013–36 (“the proposed ordinance”). According to the Assembly Memorandum for the proposed ordinance, it is intended as a comprehensive rewrite of AMC Chapters 11.10—11.40 regulating the licensing and permitting of taxicabs, limousines, other vehicles for hire, chauffeurs, and dispatch services. The proposed ordinance would allow for additional entry into taxicab services through 2022, after which there would apparently be no limits on the number of taxicabs that could operate in Anchorage. Because new entry and competition may generate consumer benefits and are unlikely to harm consumers or competition, staff strongly supports eliminating restrictions on the number of vehicles that may provide taxicab service by 2022, or sooner, if practical. Staff also recommends that rates relating to the business of passenger vehicle transportation services should generally be set by competitive forces where there are no restrictions on entry.

As we further discuss in the final section of this letter, the Assembly may also wish to consider additional steps to modernize its regulatory framework, either now or in the near future, to respond to the development of new smartphone software applications (“applications”) currently being used in other areas of the country. These applications appear to provide consumers with new means of arranging for passenger vehicle transportation services and other new services, as discussed below. Because these applications may not fit neatly within the traditional regulatory framework, consideration of additional reforms might be warranted.

I. Interest and Experience of the Federal Trade Commission

The FTC is an independent federal agency that enforces laws prohibiting unfair methods of competition and unfair and deceptive acts or practices in or affecting commerce.² The Commission has wide-ranging responsibilities concerning nearly all segments of the economy. Pursuant to this responsibility, the Commission seeks to identify business practices and regulations that impede competition without offering countervailing benefits to consumers, and advocates for policies that promote competition and consumer protection.³

Competition and consumer protection enforcement naturally complement and mutually reinforce each other, to the benefit of consumers. Consumers benefit from market competition, which pressures producers to be innovative and responsive to consumer preferences with respect to price, quality, and other product and service characteristics.⁴ At the same time, consumer protections promote informed consumer decision-making by prohibiting firms from engaging in unfair and deceptive acts or practices, and requiring sellers to make truthful and non-deceptive representations about their offerings. In general, competition should only be restricted when necessary to achieve some countervailing procompetitive purpose or other public benefit such as protecting the public from significant harm.

In carrying out its mission, the Commission has developed considerable expertise in analyzing issues relating to passenger vehicle transportation services. FTC staff previously has submitted a number of advocacy filings related to taxicabs with various local and state authorities, including previous comments regarding taxicab regulation in Anchorage and the State of Alaska.⁵ Staff has also recently provided comments regarding the regulation of new applications for obtaining passenger vehicle transportation services in Colorado.⁶ In addition, the FTC has brought enforcement actions against two cities relating to taxicab regulation.⁷ Another major contribution in this area is an FTC staff report on taxi regulation.⁸ The report's conclusions are still generally applicable today.⁹

II. The Passenger Vehicle Transportation Marketplace

Until recently, the passenger vehicle transportation marketplace in the United States had remained largely unchanged since at least the early 1980s.¹⁰ However, primarily in response to the introduction of smartphones around 2007, both incumbent passenger vehicle transportation service providers and other entrepreneurs have introduced new software applications that allow consumers to arrange and pay for such services in a variety of ways.¹¹ These software applications, also sometimes called digital dispatch services, make use of technologies such as mobile smartphone applications, Internet web pages, email messages, and text messages.

These applications are an innovative form of competition that may enable consumers to more easily arrange and pay for passenger vehicle transportation services, compared to traditional methods such as street hails or prearrangement by telephone

through traditional service dispatchers.¹² For example, some applications use the Global Positioning System (“GPS”) technology incorporated into smartphones to enable consumers to locate nearby vehicles and track their arrival on an electronic map, thus facilitating matching between customers and service.¹³ Some applications also utilize the GPS and computing capabilities of smartphones to enable new fare calculation methods based on one or more factors, such as distance, time, per trip fees, demand, additional services, or gratuities, which the application can then charge to a credit card.¹⁴ These technologies and methods may be more responsive to consumer demand and may promote a more efficient allocation of resources (e.g., vehicles and drivers) to consumers. They may also raise novel consumer protection issues, for example, relating to consumers’ understanding of price information communicated via an application and the privacy of information collected.

Although some jurisdictions have embraced incremental reforms to expand competition within the traditional framework, others have responded to these broader changes in the industry with more expansive reforms. In some cases, the reforms have sought to facilitate the entry and expansion of new services. In other cases, policies have been proposed to impede the growth of these new services.¹⁵ Below, FTC staff offers its views on Anchorage’s proposed new ordinance, as well as some recommendations for possible additional, future steps towards modernization of its regulations.

III. The Proposed Ordinance

A. Regulatory Changes that Facilitate Entry May Generate Consumer Benefits and Are Unlikely to Harm Consumers or Competition

The proposed ordinance responds to perceived current and projected future shortages of taxicab services. It would add a limited number of new general taxicab permits, add a process for issuing new limited and special needs taxicab permits, and phase out the transferability of current taxicab permits.¹⁶ It is our understanding that Anchorage currently has 173 valid taxi permits, of which 158 are transferable.¹⁷ Anchorage stopped issuing transferrable permits in 1994; since that time fifteen non-transferable permits have been issued, with the last being issued in 2009.¹⁸ The most recent sales of transferable permits were each made for \$155,000 in January 2013 and in August 2012.¹⁹

The proposed ordinance would increase the total number of general taxicab permits by up to ten non-transferable permits a year, subject to certain conditions, through 2022.²⁰ In order to address targeted shortfalls in passenger service, it would also allow for the issuance of non-transferable limited and special needs permits, including for wheelchair-accessible vehicles and to address a specific public safety need, and require the issuance of between one and three non-transferable limited public safety permits to transport patrons home from establishments licensed to serve alcohol.²¹ The ability to transfer taxicab permits would expire altogether by the end of 2022, and there would be no limits on the number of taxicabs after that time.²²

As FTC staff indicated in previous comments regarding proposed ordinance AO 84-251, regulatory changes that facilitate new entry into the provision of passenger vehicle transportation services may generate consumer benefits and are unlikely to harm consumers or competition.²³ FTC staff, therefore, strongly supports the issuance of more taxicab permits in Anchorage and the adoption of policies that will lead to free entry and competition in the taxicab business by 2022, or sooner, if practical. A regulatory framework for passenger vehicle transportation services should focus primarily on ensuring qualified drivers, safe and clean vehicles, sufficient liability insurance, transparency of fare information, and compliance with other applicable laws, and should otherwise minimize barriers to entry by new entrants.²⁴

Studies have shown that the deregulation of taxicab services, both in the United States and in other countries, has generated consumer benefits in most instances, and has not led to significant harm to consumers or competition.²⁵ It appears that in most instances substantial consumer benefits have followed after restrictions on the supply of taxicabs have been removed.²⁶ For example, studies suggest that open entry into taxicab service may lead to price reductions or other discounts for consumers where price competition is allowed, and generally does not cause price increases.²⁷ New entry also does not appear to diminish the quantity or quality of taxicab services. Some cities have reported that service has improved, for example, through reductions in vehicle age, increases in fleet maintenance, reductions in waiting times for radio dispatched cabs, and increases in hours of service.²⁸ Certain consumer populations, such as low-income populations, who generally spend a larger portion of their income on taxicab rides than other segments of the population, would be expected to benefit most from such prospective improvements.²⁹

The principal beneficiaries of entry restrictions on taxicab service are incumbent taxicab operators, who in many instances have a strong incentive to try to restrict entry to maintain artificially high prices and profits.³⁰ Studies indicate the value of licenses to operate taxicabs in various cities to be substantial.³¹ Recent sales of transferrable Anchorage permits for \$155,000 appear to be generally consistent with these findings. In an open entry market, however, the value of such licenses would be greatly diminished. The fact that such licenses are valued so highly may be evidence that purchasers believe they can amortize the purchase cost by charging higher prices to consumers, versus what they would be able to charge if entry were unrestricted.³²

There is no obvious reason why the number of passenger transportation vehicles on the street should be limited in a manner different from private cars, trucks, or other commercial vehicles.³³ Economic theory suggests that it will generally be the case that the supply of passenger transportation vehicles will expand where there is unmet consumer demand, thus increasing the availability of transportation services to consumers who want them.³⁴

Assuming the Assembly proceeds with its planned transition towards fully open entry into taxicab services, the Assembly may wish to consider collecting certain data

(e.g., regarding rates, vehicle arrival times and consumer wait times, service to various areas, consumer complaints, and safety), in order to evaluate the effects of these changes.

B. Rates Should Generally be Set by Competitive Forces Where There is Open Entry

The proposed ordinance also amends certain provisions relating to the regulation of rates in the passenger vehicle transportation service business. It would define limousine service and executive sedan service separately, apply the current minimum hourly charges for limousine service to an amended definition of limousine service, and implement new minimum half-hourly and hourly charges to a stand-alone definition of executive sedan service.³⁵ The proposed ordinance would continue to provide for the regulation of maximum taxicab rates, dispatch service rates, maximum lease rates between taxicab permit holders and lease operators, and allowable fuel surcharge amounts and durations for taxicabs.³⁶ It would further provide for maximum rate regulation for all other regulated vehicles, and allow for the adoption of rate exceptions to promote competition to fulfill service needs.³⁷

Where there is open entry into passenger vehicle transportation services, as is the case for limousines and sedans in Anchorage, consumers are generally best served when prices are set by competitive forces, and disclosed in a truthful and non-deceptive manner.³⁸ As staff has noted in previous comments to The Alaska State Legislature in regards to taxi fares, price regulation relating to the business of passenger vehicle transportation services supplants competitive forces that will otherwise operate to lower prices and improve service.³⁹ In particular, minimum charges for passenger vehicle transportation services, such as those for limousine and sedan service, raise at least some prices, and may eliminate the ability of discounters to offer consumers lower prices.

In certain limited circumstances, such as at airport or railroad taxi lines, where it might be difficult for travelers to determine the cost of service in advance of actually needing to obtain it, maximum price regulation may be an efficient means to protect them from paying higher prices due to a lack of local knowledge. Requiring the posting of rates on vehicles may also be an efficient means to protect consumers in such situations, and in other circumstances, such as street hails, where it might also be difficult for consumers to determine service costs in advance.⁴⁰ But these particular situations do not provide a rationale for the general regulation of prices where there is open entry.

Where entry is restricted, however, as is currently the case for taxicabs in Anchorage, price regulation may serve to limit the ability of incumbents to charge higher prices than they would otherwise be able to do in an open entry framework.⁴¹ But, assuming the transition towards open entry by 2022 proceeds, staff recommends that the Assembly consider the extent to which there will then remain a rationale for general price regulations relating to the taxi business, or whether other alternatives might be sufficient to facilitate price competition and transparency.⁴²

IV. A Regulatory Framework Should be Responsive to New Methods of Competition, While Maintaining Appropriate, Reasonably Tailored Consumer Protections

As already noted above, today's passenger vehicle transportation industry is in a state of transition. Facilitated by technological advances in smartphones, software applications, and GPS systems, new forms of services are emerging. While these new services appear to be responsive to consumer demand, they may not fit neatly within longstanding traditional regulatory frameworks. To the degree regulatory reforms are being considered, therefore, the Assembly might want to look beyond merely adjusting competition within the boundaries of longstanding systems of regulation. The Assembly may wish to consider reforms that anticipate and will facilitate the future development of new technologies and new services, while maintaining or creating appropriate consumer protections. By perpetuating a framework that may now be dated, even while seeking to promote competition within its terms, regulators can unnecessarily and inadvertently impair the emergence of additional competitive and innovative forms of services.

Staff therefore recommends that a regulatory framework for passenger vehicle transportation services should allow for flexibility and adaptation in response to new and innovative methods of competition, while still maintaining appropriate, reasonably tailored consumer protections. Consumers benefit from competition among passenger vehicle transportation services, both traditional and new. Generally, a forward-looking regulatory framework should promote innovation and experimentation, because these forms of competition can benefit consumers, and should avoid creating impediments to new methods of competition, unless necessary to achieve some countervailing procompetitive purpose or other public benefit such as protecting the public from significant harm.⁴³ Thus, the Assembly, now or in the near future, may wish to consider expressly updating the regulatory framework to provide for such technologies.⁴⁴ Alternatively, it may wish to consider providing for the testing of applications under a pilot program or on an interim basis.⁴⁵

Regulation of new computer and smartphone applications should focus primarily on ensuring the safety of customers and drivers, deterring deceptive pricing practices, and addressing other consumer protection issues, especially privacy and the prevention of identity theft.⁴⁶ A regulatory framework should not restrict the introduction or use of new types of applications, or novel features they provide, absent some evidence of public harm. In the event that the Assembly finds evidence of harm from new methods of competition, a restriction on competition should be narrowly crafted to minimize its anticompetitive impact.

Conclusion

FTC staff appreciates this opportunity to provide views in regards to this proposed ordinance and would be happy to address any questions you may have regarding competition and consumer protection policy in the passenger vehicle transportation marketplace.

Respectfully submitted,

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¹ This staff letter expresses the views of the Federal Trade Commission’s Office of Policy Planning, Bureau of Competition, Bureau of Consumer Protection, and Bureau of Economics. The letter does not necessarily represent the views of the Federal Trade Commission or of any individual Commissioner. The Commission, however, has voted to authorize staff to submit these comments.

² Federal Trade Commission Act, 15 U.S.C. § 45.

³ Specific statutory authority for the FTC’s competition advocacy program is found in Sections 6(a) and (f) of the FTC Act, under which Congress authorized the FTC “[t]o gather and compile information concerning, and to investigate from time to time the organization, business, conduct, practices, and management of any person, partnership, or corporation engaged in or whose business affects commerce,” and “[t]o make public from time to time such portions of the information obtained by it hereunder as are in the public interest” 15 U.S.C. § 46(a), (f).

⁴ The U.S. Supreme Court has recognized that the benefits of competition go beyond lower prices: “The assumption that competition is the best method of allocating resources in a free market recognizes that all elements of a bargain - quality, service, safety, and durability - and not just the immediate cost, are favorably affected by the free opportunity to select among alternative offers.” *Nat’l Soc’y of Prof’l Eng’rs v. United States*, 435 U.S. 679, 695 (1978); *accord*, *FTC v. Superior Court Trial Lawyers Ass’n*, 493 U.S. 411, 423 (1990).

⁵ *E.g.*, FTC Staff Comments to Anchorage Assemblyman John Wood Concerning Proposed Ordinance AO 84-251 (Feb. 11, 1985); FTC Staff Comments to Alaska State Representative John Binkley Concerning House Bill 376 (Feb. 18, 1986).

⁶ FTC Staff Comments Before the Colorado Public Utilities Commission *In The Matter of The Proposed Rules Regulating Transportation By Motor Vehicle*, 4 Code of Colorado Regulations 723-6 (Mar. 6, 2013), *available at* <http://ftc.gov/os/2013/03/130703coloradopublicutilities.pdf>.

⁷ The FTC sued the cities of New Orleans and Minneapolis in 1984, charging both cities with unfair competition by combining with taxicab operators to impose regulations that limited the number of taxicab licenses, increased fares, and eliminated competition in violation of the federal antitrust laws. The complaint against Minneapolis was withdrawn after the city revised its ordinance to permit more competition. The complaint against New Orleans also was withdrawn after the state authorized the conduct in question by a new law. *See generally* FTC, 1985 ANNUAL REPORT 5 (1985), *available at* <http://www.ftc.gov/os/annualreports/ar1985.pdf>.

⁸ MARK W. FRANKENA & PAUL A. PAUTLER, AN ECONOMIC ANALYSIS OF TAXICAB REGULATION (1984) (FTC Bureau of Economics Staff Report), *available at* <http://www.ftc.gov/be/econrpt/233832.pdf> (“Staff Report”).

⁹ *See* OECD, Directorate for Financial and Enterprise Affairs, Competition Committee Working Party No. 2 on Competition and Regulation, Taxi Services Regulation and Competition 199-210 (Sept. 11, 2008) (Submission of the United States), *available at* <http://www.oecd.org/regreform/sectors/41472612.pdf>.

¹⁰ *Id.* at 200 (“As of 2007, the general description of the taxicab industry and taxicab regulation in the United States remains much as it was when Frankena and Pautler described it in 1984. That is, nothing dramatic has happened to alter the U.S. industry in the interim.”).

¹¹ *See generally* Lauren Goode, *Worth It? An App to Get a Cab*, WALL STREET J. (June 17, 2011), available at <http://blogs.wsj.com/digits/2011/06/17/worth-it-an-app-to-get-a-cab/>.

¹² *See generally id.*

¹³ *See generally id.*

¹⁴ *See generally* Brian X. Chen, *Uber, an App That Summons a Car, Plans a Cheaper Service Using Hybrids*, N.Y. TIMES, July 1, 2012, available at <http://www.nytimes.com> (discussing charging by time, distance, consumer demand, and gratuities); Michael B. Farrell, *Taxi app Hailo to expand service*, BOSTON GLOBE, Feb. 5, 2013, available at <http://www.bostonglobe.com> (discussing booking fees, service fees, and gratuities).

¹⁵ *See supra* note 6.

¹⁶ AO NO. 2013-36 (2013) at Ch. 11.20.016–11-20.050 (“Proposed Ordinance”).

¹⁷ Email of Debbie Ossiander to Christopher Grengs Concerning Anchorage Taxi Information (Feb. 28, 2013).

¹⁸ *Id.*

¹⁹ Email of Debbie Ossiander to David Conn Concerning Taxi Permit Sales in Anchorage (Mar. 27, 2013).

²⁰ Proposed Ordinance, *supra* note 16, at Ch. 11.20.030.

²¹ *Id.* at Ch. 11.20.035-11.20.036.

²² *Id.* at Ch. 11.20.030 F.; Ch. 11.20.040.

²³ FTC Staff Comments to Anchorage Assemblyman John Wood, *supra* note 5, at 5.

²⁴ *See generally* Staff Report, *supra* note 8, at 1-2.

²⁵ *See generally id.* at 112-56; OECD, *supra* note 9, at 8-9, 202-05.

²⁶ *See generally* OECD, *supra* note 9, at 17.

²⁷ *See generally* Staff Report, *supra* note 8, at 115-16, 156; OECD, *supra* note 9, at 202-05. Price declines of as much as 20% were reported in the 1990s in major New Zealand cities due to the deregulation of entry. OECD at 204 n.20. Indianapolis, Indiana deregulated taxicabs in 1994 and allowed jitney (transportation services for individuals along a semi-fixed route) and minivan operation. According to the city, new entrants cut fares by 7-10%. Others have questioned the overall, long-term effect of the Indianapolis deregulation, however. *Id.* at 202-03. Seattle, Washington opened entry and allowed fares to be set by individual taxicab firms in 1979. One

study found that immediately after regulation, the fare for an average trip increased by 35%. Using a longer time frame, another study found that by 1984 these changes may have led to a 5% net reduction in fares, as radio-dispatch fares fell and taxicab stand fares rose. A third study found no net change in fares. Staff Report at 125-31; OECD at 202 (both summarizing the experience of Seattle after deregulation). Other studies have questioned whether regulated fares were, in fact, held artificially low prior to deregulation, as compared to general rates of price inflation. Craig Leisy, *Taxicab Deregulation and Reregulation in Seattle: Lessons Learned* 5 (2001).

²⁸ Staff Report, *supra* note 8, at 116-20, 156. *See also generally* Office of Fair Trading, *The Regulation of Licensed Taxi and PHV Services in the UK* (2003), *available at* http://www.offt.gov.uk/shared_offt/reports/comp_policy/oft676.pdf. The report finds, among other things, that quantity controls on taxicab service result in: fewer taxis per capita; longer wait times for service; and the use of less suitable alternative transportation by consumers. Therefore, the report recommends that such quantity controls be removed. *Id.* at 2-6, 23-44.

²⁹ *See generally* Staff Report, *supra* note 8, at 102-03.

³⁰ *Id.* at 68, 74-79, 105-11. Typically, the operator of a taxicab service, as an overall business, is distinct from an individual taxicab driver (“cabbie”) who physically transports passengers via automobile.

³¹ *Id.* at 106-07 (collecting taxicab license values in various cities); OECD, *supra* note 9, at 208-10 (appendix collecting taxicab license values in various cities); Government of the District of Columbia, Office of the Chief Financial Officer, Office of Revenue Analysis, *Taxicab Medallions – A Review of Experiences in Other Cities* 2-3 (May 31, 2011) (appendix collecting taxicab license values in various cities), *available at* http://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/ocfo_taxicab_briefing_note.pdf.

³² Certain authors, however, have argued that these substantial license values serve as a deterrent mechanism that ensures good behavior by cab drivers who fear the loss of the license in the event of inappropriate behavior. Staff Report, *supra* note 8, at 71-72; OECD, *supra* note 9, at 201.

³³ Special issues have sometimes arisen following regulatory reform, as in the case of first-in first-out taxicab lines at airport, rail station, or downtown taxicab stand areas. Such queues may complicate consumer efforts to find the lowest fares. For example, it appears in some cases that first-in first-out taxicab queues have inhibited price competition, that drivers sometimes bickered over their places in line as queues of waiting cabs lengthened, and drivers also sometimes refused service to passengers wanting only a short trip. Staff Report, *supra* note 8, at 1, 50-51, 123-24, 156; OECD, *supra* note 9, at 204-05. But these particular problems do not provide an argument that new entry will harm consumers or competition, generally. Instead, consumers appear to be better off when regulators pursue alternatives for such locations that are less restrictive than wholesale bans on new entry, such as: redesigning taxicab stands, increasing fare transparency and fare competition, imposing lower fare ceilings, increasing taxicab line user fees, or entering into contracts with operators.

³⁴ Although an expansion in the number of passenger transportation vehicles could potentially lead to traffic congestion effects under certain conditions, permitting an increase in the

number of passenger transportation vehicles can also potentially reduce congestion in areas that currently have high traffic densities to the extent that consumers decrease their reliance on private automobiles.

³⁵ Proposed Ordinance, *supra* note 16, at Ch. 11.10.010; 11.20.260. Limousine service from a specific point of departure to a specific destination of no more than one hour is subject to a minimum one-hour charge at a minimum rate of \$60.00 per hour; all other limousine trips are subject to a minimum ninety-minute charge at a minimum rate of \$45.00 per hour. *Id.* at Ch. 11.20.260 B. Executive sedan service from a specific point of departure to a specific destination of no more than a half-hour is subject to a minimum half-hour charge at a minimum rate of \$25.00 per half-hour; all other executive sedan trips are subject to a minimum hourly charge of \$40.00 per hour. *Id.* at Ch. 11.20.260 C.

³⁶ *Id.* at Ch. 11.10.050. In particular, see Ch. 11.10.50 A. 1.-2., 5.-6.

³⁷ *Id.* at Ch. 11.110.50 A. 1., 7.

³⁸ From the perspective of consumer protection, information relating to the provision of passenger transportation vehicle services communicated to consumers should be evaluated on a totality of the circumstances approach. *See generally* FTC Policy Statement on Deception, Appended to Cliffdale Assoc., Inc., 103 F.T.C. 110, 174 (1984), *available at* <http://www.ftc.gov/bcp/policystmt/ad-decept.htm>.

³⁹ FTC Staff Comments to Alaska State Representative John Binkley, *supra* note 5, at 5-6.

⁴⁰ *See* Proposed Ordinance, *supra* note 16, at Ch. 11.10.050 C.

⁴¹ *See generally* OECD, *supra* note 9, at 20.

⁴² *See generally id.* at 20-21.

⁴³ *See generally supra* note 6.

⁴⁴ For example, under the Washington, D.C. Public Vehicle-for-Hire Innovation Amendment Act of 2012 (D.C. Council B19-0892) (adopted Jan. 18, 2013) (amending D.C. Official Code § 50-329.02), "For the purposes of this section, the term 'digital dispatch service' means a business that provides a service that connects a passenger to a public vehicle-for-hire through advanced reservation, including by computer, mobile phone application, text, email, or web-based reservations, or by other means as the [District of Columbia Taxicab] Commission may define by rule."

⁴⁵ *See generally* Press Release, California Public Utilities Commission, CPUC Enters Into Operating Agreement With Uber (Jan. 31, 2013), *available at* <http://www.cpuc.ca.gov/NR/rdonlyres/F013B3B9-ED4E-4554-9C34-E468C9DAED88/0/CPUCEntersIntoOperatingAgreementwithUber.pdf> (describing an interim agreement allowing Uber Technologies, Inc. to operate pursuant to certain safety requirements, while a California Public Utilities Commission rulemaking on innovations in passenger vehicle transportation services is underway). The details of this agreement are contained in Term Sheet for Settlement Between the Safety and Enforcement Division of the California Public Utilities

Commission and Uber Technologies, Inc. Re Case PSG-3018, Citation F-5195 (Jan. 2013)
(available via the California Public Utilities Commission).

⁴⁶ For example, under the Washington, D.C. Public Vehicle-for-Hire Innovation Amendment Act of 2012, *supra* note 44, (amending D.C. Official Code § 50-329.02), “A digital dispatch service shall be exempt from regulation by the [District of Columbia Taxicab] Commission, other than rules and regulations that are necessary for the safety of customers and drivers or consumer protection.”