



# Transportation Network Company Operating Agreements



**Economic Development Committee**  
**July 15, 2020**

# Background

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- Transportation Network Companies (TNCs), such as Uber and Lyft, are regulated by the State
  - Texas Occupations Code, Chapter 2402, allows airports to establish reasonable operating rules and access fees
- Currently, TNC rules and fees are codified in Chapter 9 (Aviation – Houston Airport System) of the Code of Ordinances
- Many other airports have entered into direct operating agreements with TNCs to secure fees and solutions to operational challenges
- HAS has now negotiated favorable terms in an Operating Agreement with Uber and Lyft

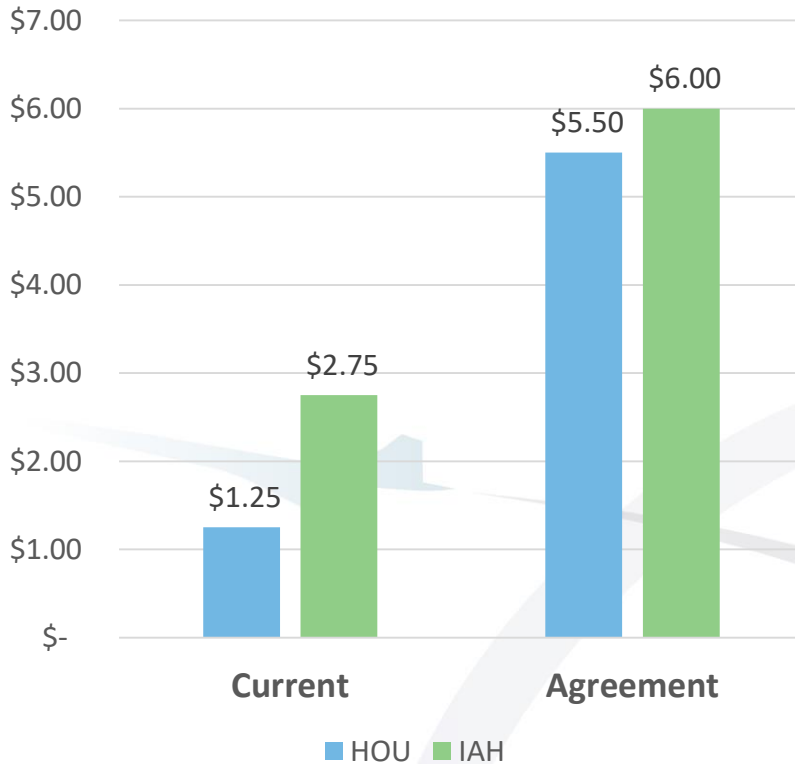
# Texas Airports with Agreements



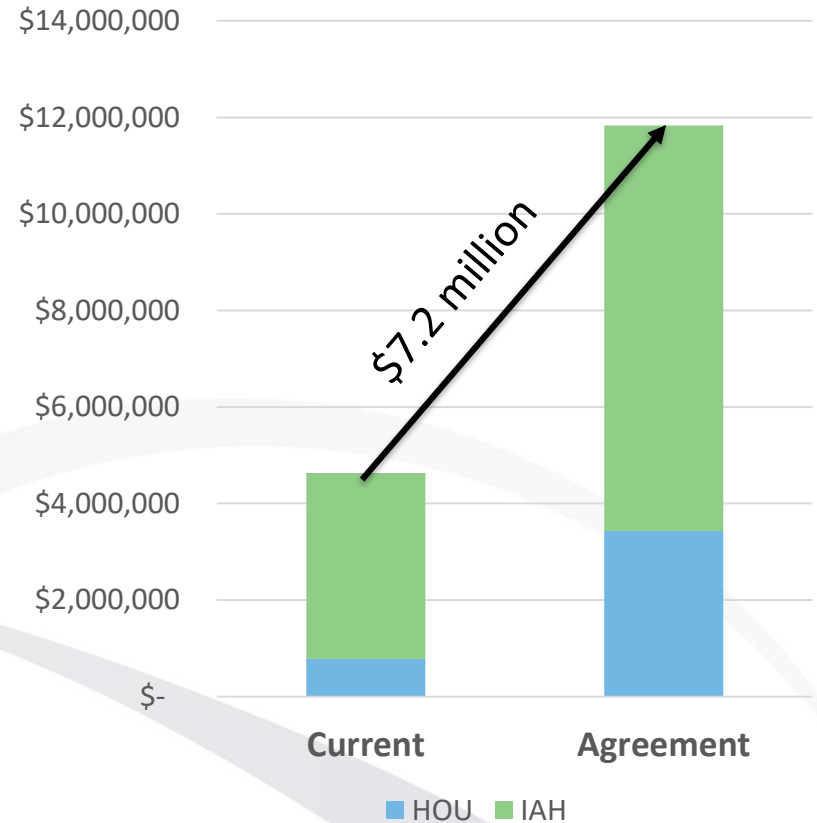
<b>Texas Airport</b>	<b>Agreement</b>	<b>Pick-up + Drop-off Fee</b>
Dallas-Ft. Worth	Yes	\$6.00
Austin	Yes	\$5.00
San Antonio	Yes	\$5.00
Houston – IAH	No	\$2.75
Dallas – Love	No	\$2.50
Houston – HOU	No	\$1.25

# TNC Fees under the Agreement

### Fees per TNC Trip (Pick-up + Drop-off)



### Annual Revenue to HAS \*



\* Based on pre-COVID levels of TNC transactions

- Currently – HAS obtains information on TNC drivers (vehicle registration, proof of insurance, etc.) through a permitting process
- Under the Agreement -- TNC will provide HAS with this information electronically PLUS real time data on TNC vehicle locations and movements
- This data will help HAS better manage traffic flows and curbside congestion

# Enforcement of Regulations

- Currently -- HAS is responsible for permitting TNC drivers and enforcing airport rules with each individual driver
- Under the Agreement -- TNC will enforce compliance with airport rules
  - HAS will notify TNC of a violation and TNC will address it with the TNC driver
  - This leverages the relationship between the TNC and TNC drivers, eliminating the need for a permit

# Pre-Match and Re-Match

- Currently – TNC Drivers must wait in the designated Staging Area for the passenger's arrival on the curb
- Under the Agreement -- Pre-Match and Re-Match are permitted
  - *Pre-Match* prompts a TNC driver to leave the Staging Area in anticipation of a pick-up request
  - *Re-Match* connects a TNC driver who has just dropped off a passenger with a pick-up request, to improve service
  - These features will reduce passenger wait times and roadway congestion

# Other Key Terms of the Agreement

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- **Term** – Five years, with 30 days’ notice for termination for convenience
- **Non-exclusivity** – City may enter into a TNC Operating Agreement with any and all TNCs
- **Airport Rules** – TNC shall follow all airport rules, including use of designated staging areas and pick-up and drop-off curbs
- **Insurance** – TNC shall maintain insurance as set forth in Chapter 2402 of the Texas Occupations Code
- **Release and Indemnification** – Except for City’s gross negligence or willful misconduct, TNC shall release and indemnify the City





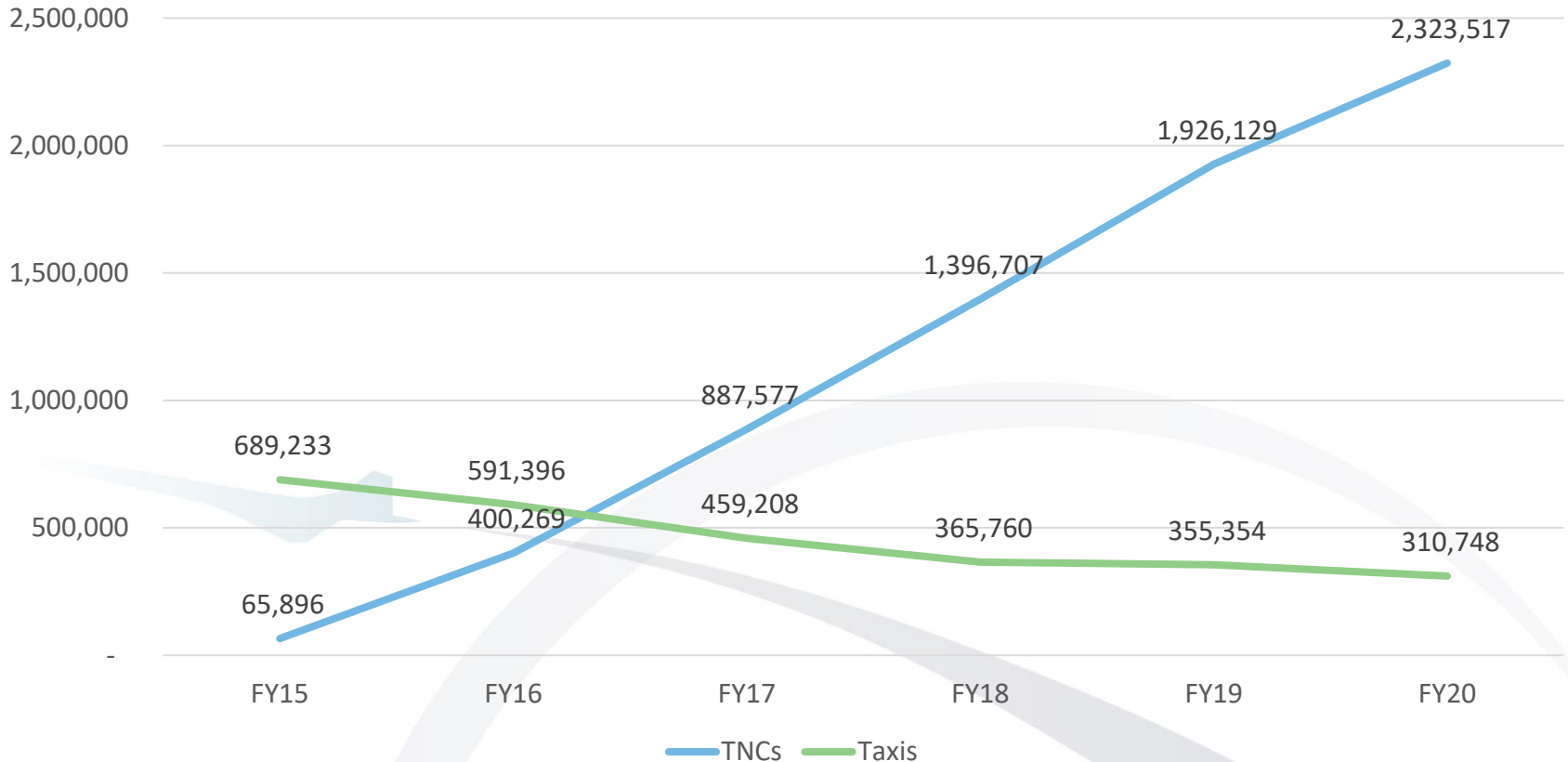
# Q & A



# TNC vs Taxi Transactions – Pre-COVID



## Annual Transactions – Pre-COVID Impact

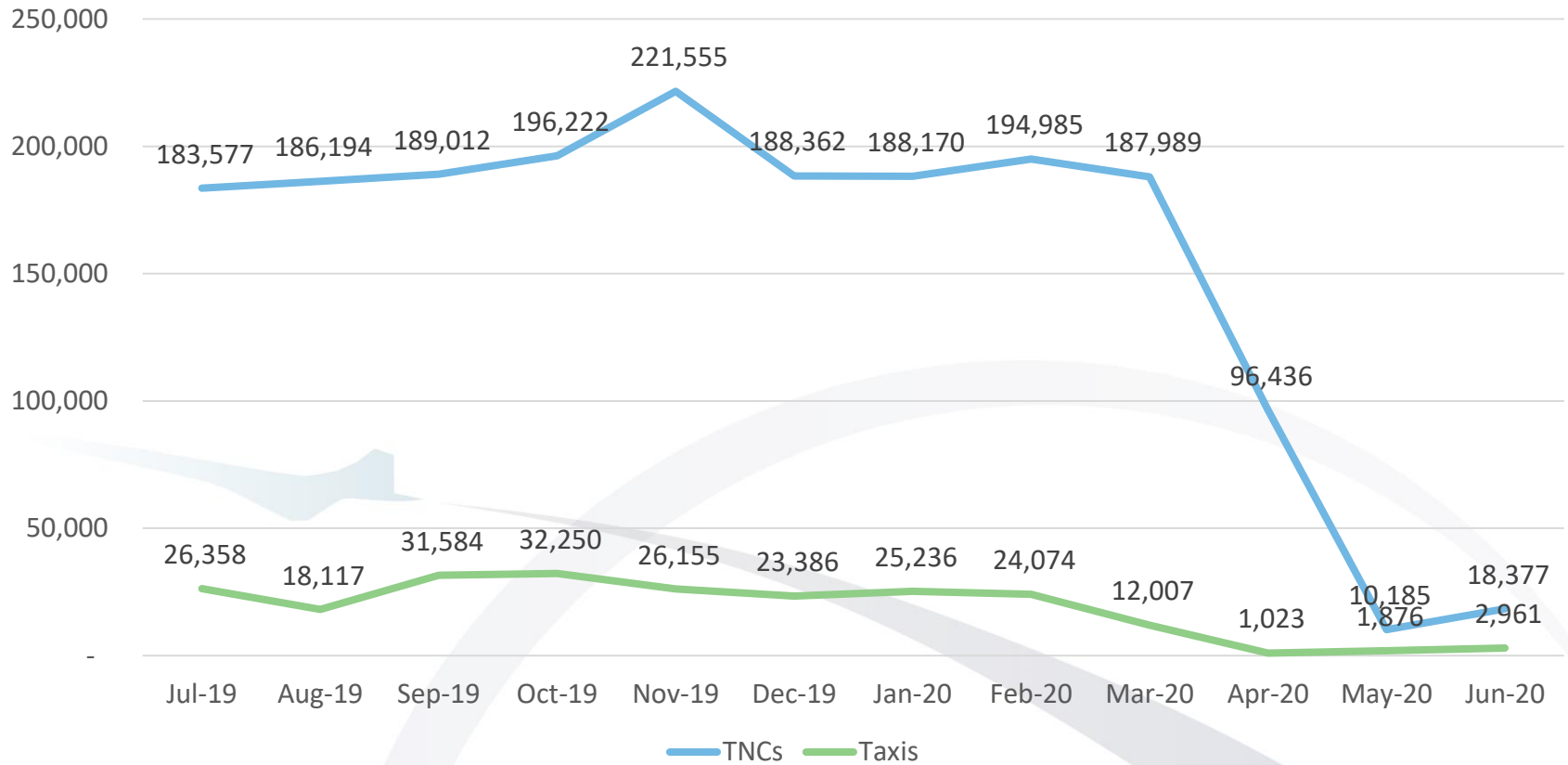


Note: COVID impact started in March 2020 → FY20 is July-Feb (8 months) annualized

# TNC vs Taxi Transactions – COVID Impact



## TNC vs Taxi Transactions – COVID Impact in FY20



Note: COVID impact started in March 2020