



“Vehicle for Hire” Permitting

A proposed change for Tour Operators



Current Regulations



Anchorage Municipal Code

11 AMC 10.010 defines a “vehicle for hire” as “any form of motorized chauffeured passenger transportation offered for hire having a manufacturer’s stated seating capacity of 15 or fewer persons, which capacity includes the driver ... A vehicle for hire is intended to satisfy a demonstrated, specific need for passenger transport by offering and providing limited purpose or exclusive transportation services as may be authorized by the commission.”



MOA VFH Permit Requirements



Annual permit per vehicle at a cost of \$1,450 per permit (half that for six-month permit)



Annual inspection using MOA form (MOA rejects DOT form)



Permit number displayed on vehicle



All drivers carry a MOA chauffeur's license (Alaska driving record/driver's license, fingerprinting, application - \$130 initial cost, \$75 renewal biennially)

Exemptions

The following are exempt in code from the definition in 11 AMC 10.010:

- Vehicles with 16 seats or more
- Taxicabs
- Limousines
- Horse-drawn vehicle
- Vehicles owned or leased by the Municipality used for transportation

The following are exempt by practice, but are not exempt in the definition and would fit under the definition:

- Hotel airport shuttles
- Parking lot airport shuttles
- Car dealerships that offer complimentary rides

Anchorage Transportation Commission

11 AMC 10.030

“The commission shall regulate all vehicles that are chauffeured and provide transportation services on request for a fee or charge for such transportation, chauffeurs, dispatch services in accordance with this title except for those vehicles for hire which the commission determines to be subject to a comprehensive regulatory program established by Alaska or federal law or where preempted by state of [sic] federal law.”

(emphasis original)

USDOT – Federal Motor Carrier Safety Administration (FMCSA)

- A “for-hire carrier” is defined as “a person engaged in the transportation of goods or passengers for compensation.” 49 C.F.R. §390.5
- “Direct compensation” is defined as “payment made to the motor carrier by the passengers or a person acting on behalf of the passengers for the transportation services provided, and *not included in a total package charge* or other assessment for highway transportation services” 49 C.F.R. §390.5 (emphasis added)

Current FMCSA Requirements to Operate

- Filing a motor carrier identification report MCS-150 biennially or when there is an address or name change;
- Mark commercial motor vehicles with the USDOT identification number;
- Maintain an accident register up to 3 years following each accident;
- Comply with the prohibition against drivers texting while driving;
- Comply with the driver's restriction of hand-held cellular phone use;
- File UCR annually (\$69);
- File BOC-3 insurance annually (proof of insurance) (insurance costs \$16,000 annually with four vehicles)
- Interstate Authority - Process agent for filing BOC-3 annual (\$75)
- Annual Vehicle inspection (\$800 for four vehicles)

Why are Tour Vehicles Regulated under this Provision?

We are not taxis

- Price of the permit suggests we are considered taxis (price is also onerous)
- We do not use the roads at the volume that taxis do – a single taxi uses Municipal roads at 27 times the rate of any single small tourism operator
- We do not provide or advertise as providing transportation services
- Transportation is incidental to our primary operations

Is safety the issue?

- We are regulated by FMCSA due to picking up guests and the Port of Alaska and Port of Whittier and the airport
- FMCSA requires insurance, inspection, and other obligations

Anchorage Transportation Commission role

Arguably, the ATC should not be regulating tour vehicles because they (1) do not provide transportation services on request for a fee or (2) charge for transportation services, chauffeurs, or dispatch services

Additionally, tour operators subject to FMCSA are “subject to a comprehensive regulatory program established by ... federal law”

Never once has the ATC provided us notice to participate in or that we were subject to a biennial hearing under 11 AMC 10.030(B).

Remainder of regulations suggest that ATC role relates solely to taxicabs

Our Proposal



Two Changes

Blanket exemption for FMCSA-regulated vehicles otherwise subject to 11 AMC 10.010 – this is authorized under 11 AMC 10.030

New category called “Incidental Operators” for those not subject to any other state or federal regulation

Exemption

Blanket exemption for vehicles otherwise subject to state or federal regulation – this is the approach taken by Fairbanks

Exempt operators could file a simple form with the Transportation Inspection Division showing they are subject to such regulation

Proposed Amendment to 11 AMC 10.010

Vehicle for hire means any form of motorized chauffeured passenger transportation offered for hire having a manufacturer's stated seating capacity of 15 or fewer persons, which capacity includes the driver. **A vehicle for hire is intended to satisfy a demonstrated, specific need for passenger transport by offering and providing limited purpose or exclusive passenger transportation services as may be authorized by the commission.** and does not mean an ambulance, a horse-drawn vehicle, a taxicab, a limousine, or a vehicle owned or leased by the municipality and used to transport passengers for hire in connection with the municipality's operation of its mass transit system. A vehicle for hire is intended to satisfy a demonstrated, specific need for passenger transport by offering and providing limited purpose or exclusive passenger transportation services as may be authorized by the commission. **Specifically excluded from regulation under this provision are: ambulance, horse-drawn vehicles, taxicabs, limousines, or vehicles owned or leased by the municipality and used to transport passengers for hire in connection with the municipality's operation of its mass transit system, vehicles used for the primary purpose of sightseeing and tours outside of the city, vehicles operated by a business where transportation is incidental to the primary line of business, and commercial vehicles regulated by state or federal law.**

New Category – “Incidental Operators”

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- Vehicles not currently subject to comprehensive state or federal regulation
 - Goal would be to recognize that they are not vehicles for hire, but instead use transportation only incidental to primary business purpose
 - Lower permit fee than current amount, and one permit per business not per vehicle
 - ✓ \$300 for annual/\$150 for six-month
 - ✓ Get one Municipal “Regulated Vehicle” sticker per vehicle
 - Eliminate chauffeur license requirement
 - Provide two specific benefits to permit holders in this category:
 - ✓ Access to parking lots closed at 11:00 p.m. to the public
 - ✓ No requirement for extra permits for any downtown passenger loading zone

Proposed Amendments to Title 11

Add new definition to 11 AMC 10.010:

Incidental operator means any form of transportation that is incidental to the primary line of the business, such as a tour operator, where payment for the transportation service is included in a total package and not paid for separately. A driver for an incidental operator is not a chauffeur.

Make additional changes to Title 11:

1. Amend the second sentence of 11 AMC 10.050(G) as follows:
“Each vehicle operated as **an incidental operator or** a vehicle for hire shall conspicuously post a sign on each side of the vehicle, such sign stating the full name of the **incidental operator or** vehicle for hire service and, if required by the transportation inspector, the fare to be charged.”
2. Amend 11 AMC 10.140(B), (C) & (D) to insert “incidental operator”: “taxicab, limousine, **incidental operator,** or vehicle for hire.”



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Thank you for your consideration
