

PERMITTING INTERSTATE COMMERCE IN LIMOUSINE SERVICE

OCTOBER 25, 2000.—Ordered to be printed

Mr. BLILEY, from the Committee on Commerce,
submitted the following

R E P O R T

[To accompany H.R. 1689]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, to whom was referred the bill (H.R. 1689) to prohibit States from imposing restrictions on the operation of motor vehicles providing limousine service between a place in a State and a place in another State, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

	Page
Amendment	1
Purpose and Summary	2
Background and Need for Legislation	2
Hearings	4
Committee Consideration	4
Committee Votes	4
Committee Oversight Findings	4
Committee on Government Reform Oversight Findings	4
New Budget Authority, Entitlement Authority, and Tax Expenditures	4
Committee Cost Estimate	4
Congressional Budget Office Estimate	4
Federal Mandates Statement	5
Advisory Committee Statement	5
Constitutional Authority Statement	6
Applicability to Legislative Branch	6
Section-by-Section Analysis of the Legislation	6
Changes in Existing Law Made by the Bill, as Reported	6

AMENDMENT

The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. REGULATION OF INTERSTATE LIMOUSINE SERVICE.

It shall be unlawful for any State, political subdivision or agency of a State, interstate agency, or political agency of 2 or more States, to restrict interstate commerce by the enforcement of any law, rule, regulation, standard, or other provision having the force and effect of law that restricts the operation of a motor vehicle providing pre-arranged ground transportation service if the motor carrier providing such service—

- (1) is registered under chapter 139 of title 49, United States Code, for the interstate transportation of passengers;
- (2) meets all applicable requirements of the State or States in which the motor carrier is domiciled or registered to do business; and
- (3) was hired pursuant to a contract for—
 - (A) travel from one State, including intermediate stops, to a destination in another State; or
 - (B) travel from one State, including 1 or more intermediate stops in another State, to a destination in the original State.

SEC. 2. REGULATION OF INTERSTATE TAXICAB SERVICE.

Nothing in this Act shall be construed as subjecting taxicab service to regulation pursuant to chapter 135 or section 31138 of title 49, United States Code.

SEC. 3. DEFINITIONS

For purposes of this Act

- (1) **MOTOR CARRIER.**—The term “motor carrier” has the same meaning given such term by section 13102(12) of title 49, United States Code.
- (2) **PRE-ARRANGED GROUND TRANSPORTATION SERVICE.**—The term “pre-arranged ground transportation service” means transportation for a passenger (or a group of passengers) arranged in advance (or operated on a regular route or between specified points) and provided in a motor vehicle with a seating capacity not exceeding 15 passengers (including the driver).
- (3) **STATE.**—The term “State” means the 50 States and the District of Columbia.
- (4) **TAXICAB SERVICE.**—The term “taxicab service” means passenger transportation in a motor vehicle having a capacity of not more than 8 passengers (including the driver), not operated on a regular route or between specified places, and that
 - (A) is licensed as a taxicab by a State or local jurisdiction; or
 - (B) is offered by an entity or individual that provides primarily local, demand response transportation.
- (5) **DEMAND RESPONSE TRANSPORTATION.**—The term “demand response transportation” means passenger transportation provided pursuant to a request communicated to the driver at a point in time relatively close to the pick-up time requested by the passenger, and does not include transportation provided pursuant to an advance reservation, notice of which is communicated to a designated driver soon after the reservation is made and numerous hours or days before the pick up time requested by the passenger.

PURPOSE AND SUMMARY

H.R. 1689 is a bill to prohibit States from imposing restrictions on the operation of motor vehicles providing limousine service between a place in a State and a place in another State. The legislation prohibits a State, local jurisdiction, public authority or other similar entity from enforcing any law, ordinance, rule or regulation that has the effect of restricting the operation of a motor vehicle providing pre-arranged ground transportation service if the motor carrier providing that service is registered with the Secretary of Transportation, meets all applicable State requirements in the State in which they are domiciled, and was hired pursuant to a contract for interstate travel.

BACKGROUND AND NEED FOR LEGISLATION

Travel by limousine and sedan, once reserved for only the wealthy, is an increasingly popular form of transportation. Because limousine travel is always pre-arranged, business travelers may secure a fixed rate and certainty in availability. Further, many busi-

nesses keep limousine companies on retainer to provide after-hours transportation to employees working overtime as an alternative to other forms of transportation or in inclement weather.

With the increase in the popularity of limousine transportation has come questions associated with limousine trips that cross State lines. Currently, the Department of Transportation regulates the requirements of interstate transportation of passengers and property. Additionally, States and localities regulate the pickup and drop-off of passengers within their jurisdictions ostensibly to regulate intrastate transportation of passengers and property on an intrastate basis, as well as the "safety" of out-of-State carriers. Certain localities and States, such as New York City, have developed a reputation as vigorously enforcing local ordinances and regulations to purposely prevent out-of-State carriers from operating within their borders.

For instance, if a person flies into the airport in Newark, New Jersey, and wants a limousine to take him to his hotel in New York city, the limousine would be able to drop him off, but it would be unlawful for the limousine to pick him up again to return him to the airport at the conclusion of his trip. Local New York ordinances require a license or "medallion" to pick up passengers within the city, a prohibitively expensive license for an out-of-State company which only occasionally needs to travel in the city. Thus, even if the limousine operator were able to drop off his client in the city (something that is increasingly monitored by local authorities), he would be unable to pick the client up again for the return trip.

Limousine operators who violate the law face the possibility of stiff fines, imprisonment, and confiscation of the vehicle. Similar situations exist in other localities, including Las Vegas and the District of Columbia. Further, New Jersey recently enacted legislation restricting the operation of out-of-State limousine services in New Jersey. Some view this statute as a reciprocal act for New York's actions against out-of-State drivers.

Thus, the local law interferes with the ability of an individual to contract for round-trip service from a point in one State to a point in another State, and back again. Further, local actions are leading to retaliatory actions by other States and localities, presenting a threat to continued interstate commerce transportation of passengers.

In a related matter, the Committee is aware that in some States providers of intrastate pre-arranged ground transportation service between or among points in two or more local jurisdictions or municipalities must secure permits from each local jurisdiction or municipality as a prerequisite to making a pick up in that locality. The Committee notes that such a requirement for pre-arranged ground transportation service that is not taxicab service (e.g., limousine service) could be alleviated by adoption of State legislation establishing a State licensing requirement, mooted the need for multiple local permits. The Committee also recognizes that some States may deem it prudent to grant local jurisdictions or municipalities the authority to impose a permitting requirement in regard to movements performed between or among points in the same local jurisdiction or municipality. However, such matters remain reserved to the States, and this legislation does not affect those laws and ordinances.

HEARINGS

The Committee on Commerce has not held hearings on the legislation.

COMMITTEE CONSIDERATION

On September 14, 2000, the Committee on Commerce met in open markup session and ordered H.R. 1689 reported to the House with an amendment by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 1689 reported. A motion by Mr. Bliley to order H.R. 1689 reported to the House, with an amendment, was agreed to by a voice vote.

The following amendment was agreed to by a voice vote:

An amendment in the nature of a substitute by Mr. Blunt, No. 1, narrowing the scope of the bill to cover only interstate travel of pre-arranged ground transportation service.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has not held oversight or legislative hearings on this legislation.

COMMITTEE ON GOVERNMENT REFORM OVERSIGHT FINDINGS

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Reform.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 1689, a bill to prohibit States from imposing restrictions on the operation of motor vehicles providing limousine service between a place in a State and a place in another State, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 28, 2000.

Hon. TOM BLILEY,
*Chairman, Committee on Commerce,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1689, a bill to prohibit states from imposing restrictions on the operation of motor vehicles providing limousine service between a place in a state and a place in another state, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are James O'Keeffe (for federal costs), and Victoria Heid Hall (for the state and local costs).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

H.R. 1689—A bill to prohibit states from imposing restrictions on the operation of motor vehicles providing limousine service between a place in a state and a place in another state, and for other purposes.

H.R. 1689 would prohibit states, state agencies, or political subdivisions of states from restricting interstate limousine service. Providers of interstate limousine services would continue to be governed by federal regulations on interstate commerce. H.R. 1689 would not have a significant impact on the federal budget because it would not expand the regulatory or enforcement authorities of federal agencies. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

The restriction on regulatory activities of state and local governments would be an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the cost of this mandate, primarily lost revenues from fines and penalties, would be well below the threshold established in UMRA (\$55 million in 2000, adjusted annually for inflation). H.R. 1689 contains no new private-sector mandates as defined in UMRA.

The CBO staff contacts are James O'Keeffe (for federal costs), and Victoria Heid Hall (for the state and local costs). This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for this legislation is provided in Article I, section 8, clause 3, which grants Congress the power to regulate commerce with foreign nations, among the several States, and with the Indian tribes.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Regulation of interstate limousine service

Section 1 clarifies that a State or local government or an interstate agency may not regulate pre-arranged interstate ground transportation provided by operators that meet all applicable licensing requirements under State law and are registered to transport passengers in interstate commerce pursuant to chapter 139 of title 49, United States Code.

Interstate ground transportation includes any trip in which one or more passengers are picked up in one state and taken to any intermediate or final destination in another state. For purposes of this rule, an intermediate destination is a destination where one or more passengers expect to conduct personal or business activities before continuing their trip. A destination is an intermediate destination only if the driver does not perform any service for a second passenger or group of passengers while waiting to transport the first passenger(s) to the next destination.

Section 2. Regulation of interstate taxicab service

Section 2 is a savings clause which provides that nothing in the legislation is to be construed as subjecting taxicab service to regulation pursuant to the Secretary of Transportation's authority over interstate commerce.

Section 3. Definitions

Section 3 defines certain terms, including "motor carrier," "pre-arranged ground transportation," "State," "taxicab," and "demand response transportation."

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.

