

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Order Instituting Rulemaking on Regulations  
Relating to Passenger Carriers, Ridesharing, and  
New Online-Enabled Transportation Services.

R.12-12-011  
(Filed December 20, 2012)

**COMMENTS OF THE SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY ON  
CRUISE LLC'S OFFER OF SETTLEMENT IN RESPONSE TO ADMINISTRATIVE LAW  
JUDGE'S RULING ON MOTION OF CRUISE LLC FOR ALTERNATIVE DISPUTE  
RESOLUTION AND DEFERRAL OF THE ORDER TO SHOW CAUSE PROCEEDINGS**

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Dated: February 29, 2024

## INTRODUCTION

Pursuant to California Public Utilities Commission’s (the “Commission” or “CPUC”) Rules of Practice and Procedure 12.2, the San Francisco Municipal Transportation Agency (“San Francisco”) submits these comments on Cruise LLC’s (“Cruise”) Motion for Approval of Cruise LLC’s Offer of Settlement in Response to Administrative Law Judge’s Ruling on Motion of Cruise LLC for Alternative Dispute Resolution and Deferral of the Order to Show Cause Proceedings.

## DISCUSSION

San Francisco does not support approval of the proposed settlement as submitted. San Francisco appreciates the Administrative Law Judge’s issuance of the Order to Show Cause<sup>1</sup> and some of the measures that Cruise has taken to address the deficiencies of its prior conduct identified in the Order to Show Cause, but adopting the Proposed Settlement<sup>2</sup> at this time would not be reasonable or in the public interest. The Proposed Settlement may offer a starting point, but the Commission should consider gathering additional information and modifying the settlement, or alternatively, proceed with the OSC hearing that was originally contemplated.

San Francisco has a strong interest in this matter: this incident occurred on San Francisco streets and required responses by San Francisco first responders; the report by Quinn Emmanuel Urquhart & Sullivan, LLP<sup>3</sup> (“Quinn Emmanuel Report”) and the report by Exponent<sup>4</sup> (“Exponent Report”) discuss interactions with City departments; and San Francisco relies on the Commission to provide oversight, collect information about AV passenger operations, and ensure that its permittees

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<sup>1</sup> See Joint Assigned Commissioner’s and Assigned Administrative Law Judge’s Ruling Ordering Cruise LLC to Show Cause Why It Should not be Sanctioned by the Commission for Failing to Provide Complete Information and for Making Misleading Public Comments Regarding the October 2, 2023 Cruise Related Incident and its Subsequent Interactions with the Commission (“OSC”) filed on December 1, 2023.

<sup>2</sup> Cruise LLC’s Offer of Settlement in Response to Joint Assigned Commissioner’s and Assigned Administrative Law Judge’s Ruling Ordering Cruise LLC to Show Cause Why it Should not be Sanctioned by the Commission for Failing to Provide Complete Information and for Making Misleading Public Comments Regarding the October 2, 2023 Cruise Related Incident and its Subsequent Interactions with the Commission (“Proposed Settlement”) filed on January 5, 2024.

<sup>3</sup> Attachment B to Cruise’s Motion for Approval of Cruise LLC’s Offer of Settlement in Response to Administrative Law Judge’s Ruling on Motion of Cruise LLC for Alternative Dispute Resolution and Deferral of the Order to Show Cause Proceedings filed on January 30, 2024.

<sup>4</sup> Attached as the Appendix to the Quinn Emmanuel Report.

are operating safely. For all of these reasons San Francisco believes that it is important for the City to express its concerns with the Proposed Settlement at this time.

**Adequacy of the record.** San Francisco recognizes the significant efforts that have gone into developing the record to date regarding the incident, including the Commission’s investigative work that led to the Order to Show Cause, Cruise’s commissioning of the Quinn Emmanuel Report and Exponent Report, disclosing the former report to the public and disclosing a significantly redacted version of the Exponent Report to the public, and Administrative Law Judge Mason’s thorough questioning during the February 6, 2024 hearing. Nevertheless, as those documents are available to the City, the Quinn Emmanuel Report and Exponent Report do not represent an accurate or complete accounting of the incident or the post-crash events. Further, to the extent that the good faith intent of Cruise officials is of concern to the Commission,<sup>5</sup> we object to the Quinn Emanuel Report’s reliance on post-crash interactions with City officials to support the conclusion that “Cruise officials demonstrated a good faith intent to disclose all facts about the Accident to regulators and government officials.”<sup>6</sup> San Francisco believes that the Commission should have an opportunity to develop and present its view on the incident and how it may inform understanding of driverless Cruise AV safety and/or Commission policies and procedures. Any settlement should not rely solely on the presentation of the facts in the reports commissioned by Cruise. The Commission has a clear interest in understanding this incident in order to prevent similar incidents in the future by its permittees who, regardless of whether they are actively carrying passengers at any given moment, would not be operating but for Commission authorization. Such additional record building could be done expediently and efficiently and San Francisco agrees with Administrative Law Judge Mason’s assessment that an OSC hearing would not be costly or a source of much delay given the work that has already occurred.

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<sup>5</sup> See Quinn Emmanuel Report at pages 3 and 6. As conceded by Cruise and acknowledged by the Administrative Law Judge, good faith or intent is not relevant to whether a violation of Rule 1.1 occurred. Reporters Transcript for February 6, 2024 hearing on Cruise’s Motion for Approval of a Settlement Agreement (“Reporters Transcript”) at page 9.

<sup>6</sup> Further, the San Francisco Fire Department rejects any inference that its public reports about Fire Department rescue operations were inaccurate. See Quinn Emanuel Report at pages 24 and 82.



**The offer is outdated.** Finally, San Francisco believes that Cruise’s Proposed Settlement fails to capture significant subsequent developments that occurred after its initial filing. The settlement offer refers to a forthcoming report but does not incorporate the report or separately include any account of either the crash itself or Cruise interactions with the press and regulators about what occurred. Nor does the settlement reflect the modification to the monetary penalty that was offered during the hearing<sup>7</sup> or any of the acknowledgements made by Cruise during the hearing. San Francisco believes that any settlement should include an acknowledgement of the events that occurred and address the central issues that were to be resolved in the OSC.<sup>8</sup> Alternatively, the Commission should proceed with the OSC hearing that was already contemplated.

Dated: February 29, 2024

Respectfully submitted,

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On behalf of: THE, SAN FRANCISCO MUNICIPAL  
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<sup>7</sup> Reporters’ Transcript at pp. 28-29.

<sup>8</sup> Namely: (a) Whether Cruise’s failure to fully disclose the circumstances of the October 2, 2023 incident violated Rule 1.1; (b) Whether Cruise’s failure to fully disclose the circumstances of the October 2, 2023 incident violated Public Utilities Code sec 2107; and (c) Whether Cruise’s failure to fully disclose the circumstances of the October 2, 2023 incident violated D.20-11-046 Ordering Paragraph 7g. OSC at page 10.