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

Docket No. R.12-12-011

COMMENTS TO ORDER INSTITUTING RULEMAKING
FILED ON BEHALF OF THE
SAN FRANCISCO AIRPORT COMMISSION

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The San Francisco Airport Commission (“Airport” or “SFO”) submits the following comments responsive to the questions posed by the California Public Utilities Commission (“CPUC”) in the above-entitled rulemaking proceeding.

INTRODUCTION

The Airport’s primary concern is passenger safety and security. The Airport is also concerned about traffic congestion and the impact of additional vehicles on Airport roadways stopping along limited areas available for curbside pick-up and drop-off. While the Airport supports and encourages innovation and technology, such as in the form of the new online-enabled transportation services (“E-Rides”), the safety, security and efficiency for persons arriving and leaving SFO is paramount.

This year, more than 40 million people will travel through SFO. Their ground transportation experience is often the first and last impression they have of San Francisco and the Airport works hard to make that experience as stress free and efficient as possible. While vehicles operating within the geographical boundaries of the City and County of San Francisco may come and go over 1260 miles of streets in every direction and take alternate routes as needed, all ground vehicles accessing the Airport’s terminals must share 1.5 miles of roadway.

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In Fiscal Year 2010-11, approximately 20 million automobiles (taxi, limousines and private cars) made trips to the Airport.

SFO currently has multiple transportation options available at all times. The Airport issues permits for taxis, limousines and shared ride vans, and the staging areas for these services, located at each terminal, are continuously populated. Additionally, Bay Area Rapid Transit (BART) is located in the International Terminal and CalTrain operates from the nearby Millbrae BART station. Adding additional E-Ride vehicles could provide yet another option for travelers, but without regulation could have a negative impact for Airport operations.

Given the public safety and traffic congestion concerns specific to SFO, the Airport provides the following comments responsive to the CPUC questions posed in the Order Initiating Rulemaking.

SAFETY QUESTIONS

- **Are there any aspects of these new methods for arranging for transportation services that have the potential to increase or decrease public safety?**

Yes. Lack of adequate liability insurance, criminal background checks, driver training and regular vehicle inspections all decrease public safety. Although some E-Ride businesses represent that they have adequate insurance and perform background checks on drivers, there currently is no regulatory verification. The CPUC should require E-Ride operators to provide the CPUC or regulating government authority with insurance certificates demonstrating that all drivers are properly insured at the same levels of coverage as required of limousine drivers, and with current driving records and with criminal background check information.

In the case of commercial ground transportation operators doing business at SFO, the Airport's Rules and Regulations require that all such vehicles be physically inspected on at least an annual basis to verify that tires, headlights, tail-lights, glass, windshield wipers, interior conditions and brakes are all properly functioning. Drivers of vehicles failing to pass inspection may be fined, and failure to remedy vehicle operating systems can lead to suspension of

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operating permits. As commercial vehicles operating for revenue, these same rules should apply to any E-Ride Operator.

- **To the extent drivers and passengers in the new transportation models are allowed to publically rate each other, should the presence, absence, and detail of those reviews be part of the CPUC’s risk assessment? Is public safety enhanced when drivers and passengers can rely on reviews to avoid “bad apples?”**

SFO recommends that the CPUC consider a rating system that would provide reliable, objective safety information for consumers. While a customer-type rating system may provide subjective or anecdotal information on driver reliability and attitude, it is not a sufficient means of establishing driver safety. For example, using an online service such as Yelp, restaurant customers can make comments about food and service, but these comments are not a substitute for health inspections. Even if 12 diners “like” Bob’s Burgers, if the Health Department gives Bob an “F” for sanitary food handling, the objective measure is the determinative factor. Similarly, a consumer-based system to rate driver/rider experience is unlikely to provide meaningful information to passengers as to whether the driver has been involved in accidents and whether she is properly insured. Requiring a permit issued by the CPUC and/or a local government agency is the only appropriate way to demonstrate that the driver and her vehicle have met minimum operational standards.

TRANSPORTATION ACCESS QUESTIONS

- **How can safety regulations enhance or impede public access to the roadways?**

Reasonable regulations will serve the purposes of the Charter-Party Common Carriers Act, as enumerated in Public Utilities Code § 5352. The CPUC should require that all E-Ride drivers are covered by at least the statutory minimum of liability insurance now required for limousine drivers and allow local government entities to regulate these vehicles as they do limousines.

Safety regulations enhance public access to the roadways. Unregulated access would compromise safety for the traveling public and cause additional traffic congestion. SFO already provides numerous transportation options, including an abundance of taxis and shared-ride vans

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in designated holding areas around-the-clock, and easy access to trains. The Airport regulates all of its commercial ground transportation options. Given that the E-Ride business models are a form of commercial transportation¹, they should also be subject to Airport regulations, similar to limousines. Limousines are a pre-arranged mode of service and must have a waybill prior to arriving at the Airport. E-Rides, such as Uber, SideCar and Lyft, should be regulated and, like limousines, should have a waybill prior to approaching the Airport.

SFO is greatly concerned about increased congestion if there is no regulation on the number of E-Ride vehicles allowed on its limited roadways. If these transportation models incentivized just 10% more private cars to pick-up and drop-off paying passengers at the Airport, using Fiscal Year 2010-11 figures, more than 1.4 million additional vehicles would be using the Airport's roadways. This effect runs counter to SFO's Transit First Policy.

CONCLUSION

SFO's primary concerns are public safety and open roadways. To enhance public safety, SFO seeks reasonable regulations and permitting requirements for E-Ride operators and vehicles that provide a financial incentive for people to use vehicles for on-demand transportation of passengers. A permit would at a minimum establish that the driver has a valid California drivers license, has passed a criminal history background check and is covered by proper types and levels of liability insurance, and that the vehicle meets basic safety requirements.

¹ Uber publishes a fare schedule which includes flat fees for trips to and from airports, various fares in and around San Francisco and even a \$10 cancellation fee. (See [Uber.com](http://uber.com).) SideCar's webpage describes the fares as "donations," but unless the passenger expressly states the donation amount is \$0, the "suggested donation" is automatically deducted from the passenger's credit card. Suggested donations are based on the average amount people have paid drivers for a similar trip (<http://techcrunch.com/2012/06/25/sidecar>). Lyft's donation system works the same way, and there is a \$5 cancellation fee (see Lyft Terms of Service, www.lyft.me/terms). Prices can surge when demand is high, such as on New Years Eve. (<http://allthingsd.com/20121228/SideCar-ride-sharing-spp-does-its-own-surge-pricing-for-new-years-eve>). SideCar drivers have reported making between \$20 and \$40 an hour on busy nights (<http://www.quora.com/Ride-Sharing/How-much-does-the-average-Lyft-SideCar-driver-make-per-hour-while-on-the-clock>).

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SAN FRANCISCO AIRPORT COMMISSION

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