



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

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

R.12-12-011

**REPLY COMMENTS OF SAN FRANCISCO MUNICIPAL TRANSPORTATION
AGENCY ON PROPOSED DECISION FOR PHASE III.A: DEFINITION
OF PERSONAL VEHICLE**

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INTRODUCTION

These reply comments are submitted on behalf of the San Francisco Municipal Transportation Agency (SFMTA) in response to the proposed decision of Commissioner Randolph for Phase III.A: Definition of Personal Vehicle.

The SFMTA is concerned that the Proposed Decision for Phase III.A does not adequately protect the public, for the reasons set forth below, which should be the Commission's primary concern.

SFMTA'S CONCERNS REGARDING PUBLIC SAFETY

As addressed in the SFTWA's reply comments, unrestricted renting and leasing of TNC vehicles will have a profound impact on public safety and protection. In order to adequately protect the public, the SFMTA urges the Commission to modify the Proposed Decision to require that TNC drivers display certification that a vehicle used to provide TNC services has passed the 19-point safety inspection required by the Commission in Decision 16-04-041. Further, insurance consistent with Public Utilities Code sections 5433 and 5434 should be required for whatever vehicle is operated by a TNC driver. Finally, Rasier-CA, LLC'S objections to the Proposed Decision because it (1) narrows the definition of a TNC vehicle "owner" to individuals who are referenced on the vehicle's Department of Motor Vehicle registration, and (2) eliminates a requirement that specific terms and conditions of any lease or rental contract, such as the length of the agreement, pricing, and payment schedule, must be set forth in the agreement should be disregarded. As a matter of public safety, TNC drivers should be able to readily provide evidence of vehicle ownership or a valid rental or lease agreement when requested by law enforcement.

THE PASSAGE OF AB 2763 COMPELS A NEW REGULATORY SCHEME

The SFMTA believes that a comprehensive framework for regulating TNCs is the only means which will ensure public safety, accessibility and environmental sustainability given the passage of AB 2763. AB 2763's piecemeal approach to

regulating the TNC industry does not provide the public with a regulatory scheme that affords the same level of protection to the public as provided for limousines.

Contrary to the positions of Lyft and Rasier-CA, LLC, there are substantial reasons why the Commission should consider revisiting the regulatory scheme for TNCs and amend it to provide the public the same level of protection provided for limousines. First, any distinction between TNC drivers who use their personal vehicle for providing for-hire transportation and the commercial vehicles used by limousine drivers no longer exists. Second, there is no legitimate reason to treat these drivers differently. For example, limousine drivers are currently subject to a mandatory controlled substance and alcohol testing program that includes pre-employment, post-accident, reasonable suspicion, and random drug and alcohol testing, while TNCs are never required to test their drivers.¹ Also, the insurance requirements for limousines are in effect 24 hours a day, seven days a week, while TNCs are required to carry the full \$1 million in insurance only when they are transporting a passenger or traveling to pick up a passenger.² As a result, the SFMTA urges the Commission to reconsider the existing regulatory scheme for TNCs.

NEED FOR FURTHER ENVIRONMENTAL REVIEW

In 2013, the Commission determined that no environmental review under the California Environmental Quality Act (CEQA) was required when the Commission adopted rules and regulations applicable to TNCs. Now an estimated 45,000 Uber and Lyft drivers currently operate in San Francisco. The SFMTA believes that the current situation warrants further environmental review due to the potentially significant environmental impact these drivers and their vehicles may have in generating increased traffic congestion and greenhouse gas emissions which have the potential to result in a reduction in air quality, cause increased public transit delays, and increase the risk to

¹ CPUC Gen. Order No. 157-D, Part 10; Decision 13-09-045 at pages 26-27.

² Decision 13-09-045 at page 30.

pedestrian safety. Rasier-CA, LLC and Lyft urge the Commission to simply ignore CEQA even though the Commission's interpretation of AB 2763 could substantially increase the number of individuals who can now operate a "personal vehicle" in a commercial enterprise on City streets. Since the Proposed Decision interprets AB 2763 to the broadest extent possible by concluding that the phrase "for a term that does not exceed 30 days" only applies to vehicle rentals and not leased vehicles, there may be real and tangible impacts on the physical environment which can only be discovered if further environmental review is completed. Further, in its reply comments, Rasier-CA, LLC states that the introduction of its new ride-sharing service – uberPOOL - has had *no* impact on traffic congestion without providing a shred of evidence to substantiate their claim. No data or any other evidence has been provided by Uber to demonstrate that their uberPOOL service has, in fact, resulted in reduced traffic congestion. In fact, most of the informal evidence the SFMTA has received regarding uberPOOL indicates that the service is primarily providing single occupancy rides. For these reasons, the SFMTA urges the Commission to conduct further environmental review before issuing a final decision.

CONCLUSION

For the reasons set forth herein, the SFMTA respectfully requests that the Commission revise its Conclusion of Law and Order to include the requirement that TNC drivers have the ability, through their smart phones or through production of physical documents, to demonstrate to enforcement personnel at San Francisco International Airport and elsewhere that the vehicle being used to provide TNC services has successfully completed the 19-point vehicle safety inspection and that the vehicle and driver are covered to provide TNC services. In addition, the SFMTA urges the Commission to revisit the regulatory scheme for TNCs and amend it to provide the public

