



**AGENDA
SPECIAL TAXI COMMITTEE MEETING**

**August 21, 2014
9:00am**

**Board Room
SunLine Transit Agency
Thousand Palms, CA**

(Public Comments will be accepted on each Agenda item upon the conclusion of the staff report on that item. Public comments on non-agendized items will be accepted during the Public comments section. Comments may be limited to 3 minutes in length. Please notify the Committee Chair if you wish to comment.)

1. **Call to Order**

2. **Roll Call**

3. **Confirmation of Agenda**

4. **Public Comments**

Receive Comments

Anyone wishing to address the Taxi Committee on items not on the Agenda should do so at this time. Each presentation is limited to three minutes.

----- **DISCUSSION** -----

5. **Transportation Network Companies (TNC) (Michael Jones)**

Discussion

Discussion of Transportation Network Companies and the impact on the taxicab franchises. (Pages 1-9) ([Assembly Bill No. 612](#) and [Assembly Bill No. 2293](#) separate attachments)

6. **Adjourn**

SunLine Services Group

DATE: August 21, 2014 **DISCUSSION**
TO: Taxi Committee
FROM: Taxi Administrator
RE: Transportation Network Companies (TNC)

Background

In June 2010, Uber launched operations in San Francisco California. Uber presented its business model as a mobile application (app) that connects passengers with drivers of vehicles for hire and ridesharing services. Cars may be reserved by sending a text message or by using the Uber mobile app. The mobile app can also be used by customers to track their reserved car's location.

Transportation regulators across the nation have been struggling with the question of how to regulate rideshare application providers and protect the public welfare. In California, the California Public Utilities Commission (CPUC) established regulations for rideshare application providers, creating a new category of transportation providers now known as Transportation Network Companies (TNC). The CPUC has been working to develop effective regulatory and licensing requirements for the TNC services.

In May 2011, Uber was issued a cease-and-desist letter from the San Francisco Municipal Transportation Agency claiming that it was operating an unlicensed taxi service. Uber was also issued a demand to cease operations from the CPUC stating that it was operating an unlicensed limousine dispatch. Both claimed criminal violations and demanded that the company cease operations.

In the fall of 2012, the CPUC issued a cease and desist letter to Uber, along with rideshare companies Lyft and SideCar, and fined each \$20,000. However, in 2013 an interim agreement was reached reversing those actions.

In September 2013, the CPUC unanimously voted to make the agreement permanent, creating a new category of service called Transportation Network Companies (TNC) to cover Lyft, UberX, and SideCar, making California the first jurisdiction to recognize such services. The CPUC established 28 rules and regulations for TNC, including requirements that they obtain a license from the CPUC to operate in California. The decision also requires TNC to establish driver training programs and make their services accessible to persons with disabilities. Attachment A provides additional requirements released by the CPUC through a September 19, 2013 press release.

On November 4, 2013, the CPUC established the requirement that TNC establish driver safety programs that ensure that all drivers are safely operating their vehicle prior to the

driver being able to offer service, and established a requirement that TNC file an accessibility plan that would make the services accessible to persons with disabilities.

On April 7, 2014, the CPUC issued a TNC permit to RASIER CA, LLC, who operates under the more commonly known names of Uber and Uber X. TNC permits were also issued to operators Sidecar, Lyft, Wingz, and Summon. The permit for Summon was later suspended for failing to maintain adequate insurance.

On June 10, 2014, the CPUC released a proposed decision that would establish three distinct TNC driver statuses and require TNC to carry commercial liability insurance, uninsured/underinsured insurance, comprehensive and collision coverage, and medical payments coverage while TNC drivers are providing TNC services. A copy of the proposed decision is included as Attachment B.

Since the establishment of the Uber transportation business model, there have been regulatory challenges and opposition not only in California, but also across the United States. State and local regulators and state lawmakers continue to work to establish regulations that will reasonably protect the public from excessive risk.

Two Assembly bills related to stricter regulation of TNC are currently in the California Senate. AB 612 would establish more stringent requirements for issuing or renewing CPUC operating permits or certificates of conveyance, including permits for TNC. Specifically, AB 612 would require the enrollment of drivers in the Department of Motor Vehicles Employer Pull Notice Program and would require criminal background checks through the Department of Justice. This bill was heard in the Senate Appropriations Committee on August 4, 2014. August 7 the bill was placed on APPR - Suspense file. August 14, 2014, AB 612 was removed from the suspense file and passed. The bill will go to the Senate floor this week for a vote. A copy of his bill is included as Attachment C.

AB 2293 would establish insurance requirements for TNC. AB 2293 was also heard in the Senate Appropriations Committee on August 4, 2014. On August 7, the bill was placed on APPR; Suspense file. August 14, 2014, there was a push by TNCs to include language preempting local ordinance so AB 2293 would stop any local action. AB 2293 was removed from the suspense file and passed with amendments to require \$100,000/\$300,000 insurance in first phase. The bill will not define TNC service.

Any additional status updates of AB 612 & 2293 will be supplied to the Taxi Committee.

Summary

Regulators across the nation continue to develop regulations to manage TNC operators to ensure the safety of the traveling public. In California, the CPUC has accepted regulatory authority and is permitting TNC operators as they demonstrate compliance with permitting requirements. Because TNCs are regulated by the CPUC and not by SunLine Regulatory Administration (SRA), at this time SRA staff has no jurisdictional authority over TNC.

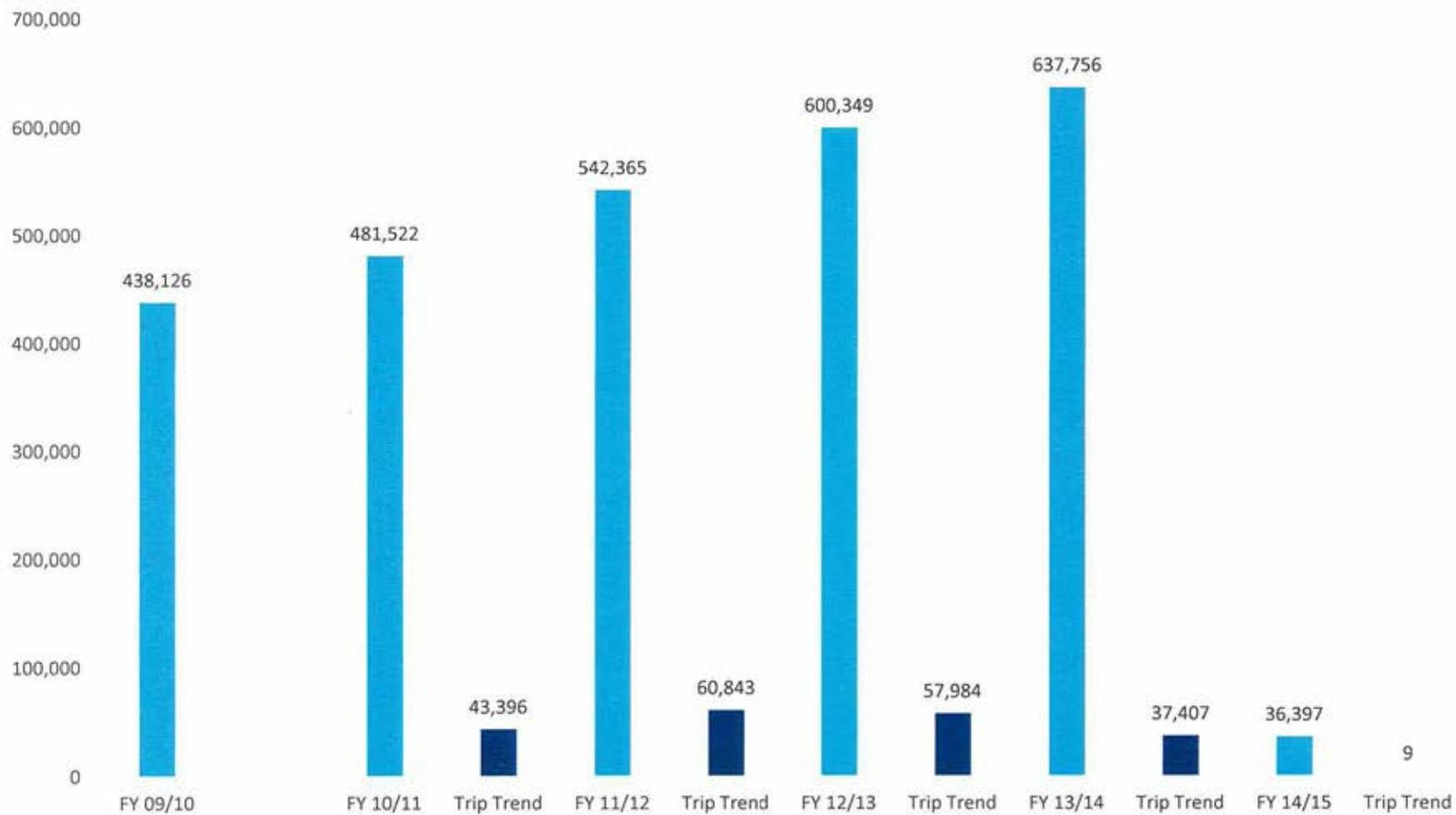


Michael Jones

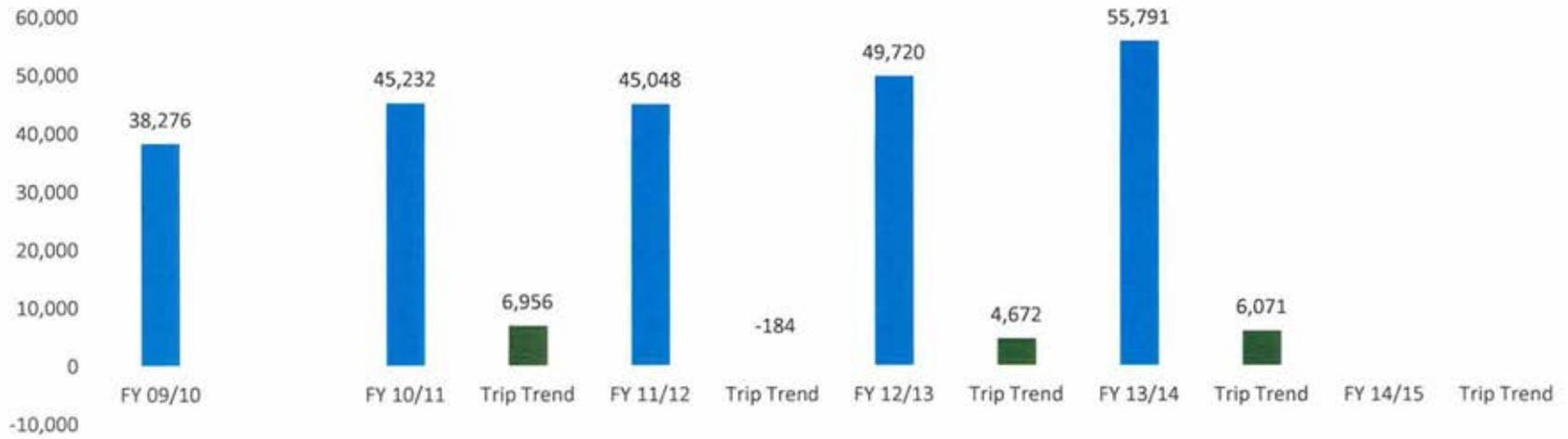
TAXI TRIP DATA FY 2009-CURRENT

TRIPS												
	FY 09/10	Base	FY 10/11	Trip Trend	FY 11/12	Trip Trend	FY 12/13	Trip Trend	FY 13/14	Trip Trend	FY 14/15	Trip Trend
Jul	26,487		31,211	4,724	30,391	-820	33,019	2,628	36,388	3,369	36,397	9
Aug	23,671		29,238	5,567	29,459	221	35,031	5,572	38,550	3,519		
Sep	29,239		31,807	2,568	34,446	2,639	38,754	4,308	39,874	1,120		
Oct	37,468		40,222	2,754	43,009	2,787	45,301	2,292	49,781	4,480		
Nov	40,466		40,494	28	44,173	3,679	48,495	4,322	54,456	5,961		
Dec	32,084		36,226	4,142	39,180	2,954	46,431	7,251	48,480	2,049		
Jan	38,276		45,232	6,956	45,048	-184	49,720	4,672	55,791	6,071		
Feb	36,557		42,331	5,774	53,840	11,509	55,559	1,719	60,465	4,906		
Mar	44,219		48,942	4,723	62,962	14,020	71,774	8,812	71,008	-766		
Apr	57,645		60,821	3,176	71,576	10,755	77,798	6,222	85,522	7,724		
May	42,074		43,910	1,836	49,091	5,181	56,251	7,160	57,726	1,475		
Jun	29,940		31,088	1,148	39,190	8,102	42,216	3,026	39,715	-2,501		
	FY 09/10		FY 10/11	Trip Trend	FY 11/12	Trip Trend	FY 12/13	Trip Trend	FY 13/14	Trip Trend	FY 14/15	Trip Trend
Trips	Total		Total	Net gain/lc	Total	Net gain/loss						
	438,126		481,522	43,396	542,365	60,843	600,349	57,984	637,756	37,407	36,397	9

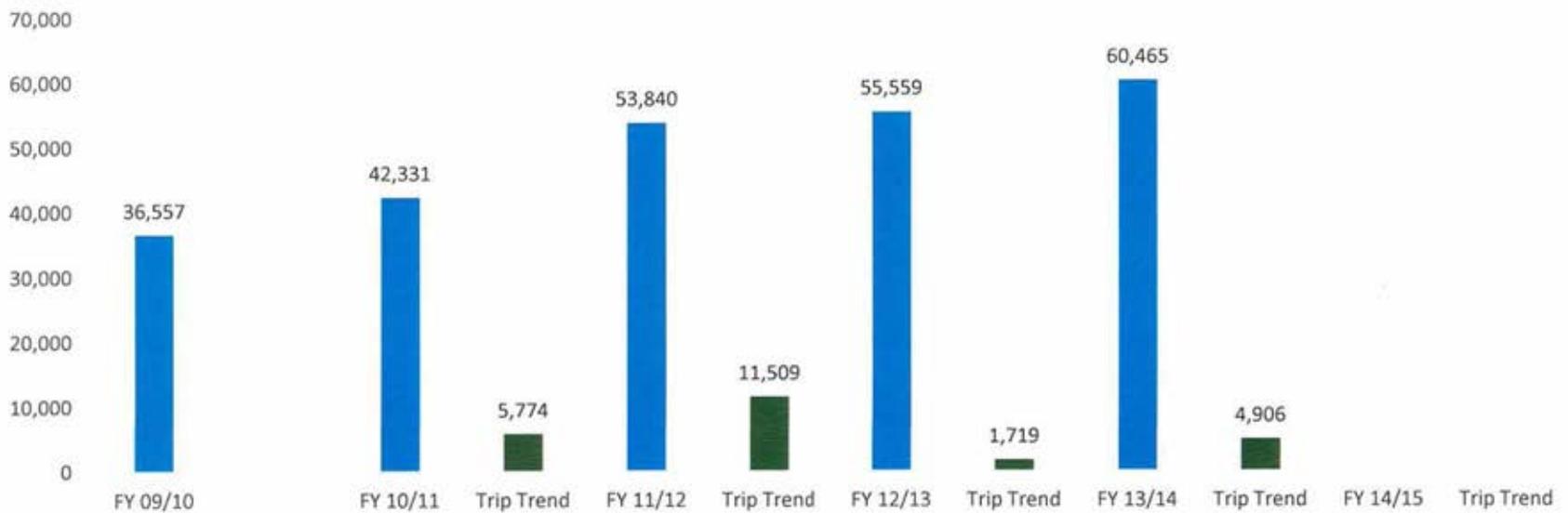
Taxi Trips



January Trip History



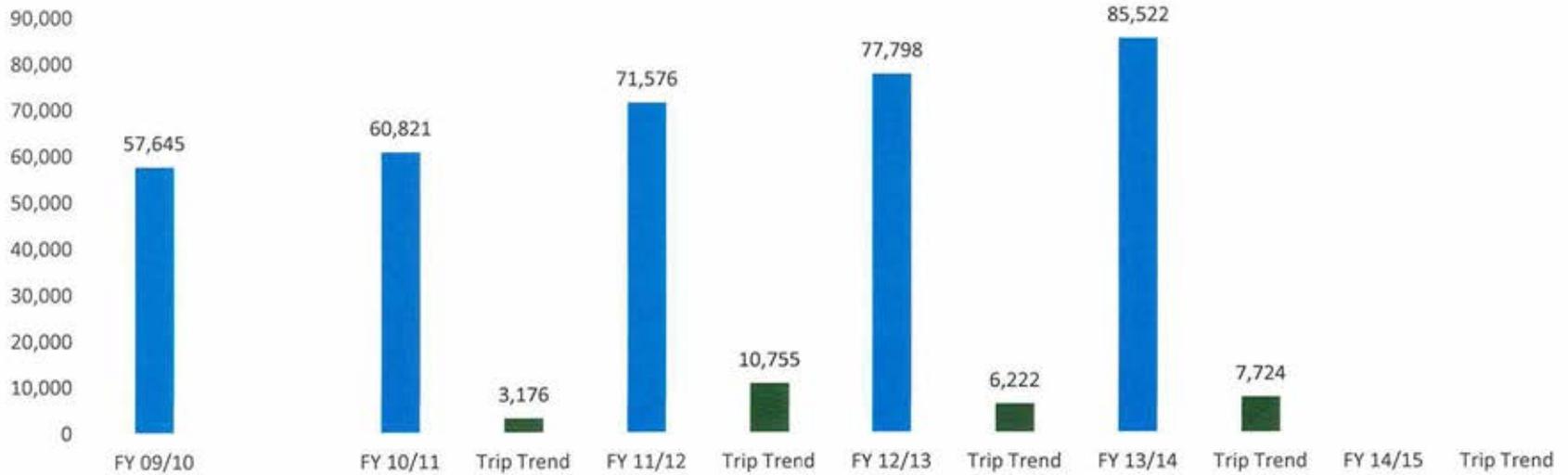
February Trip History



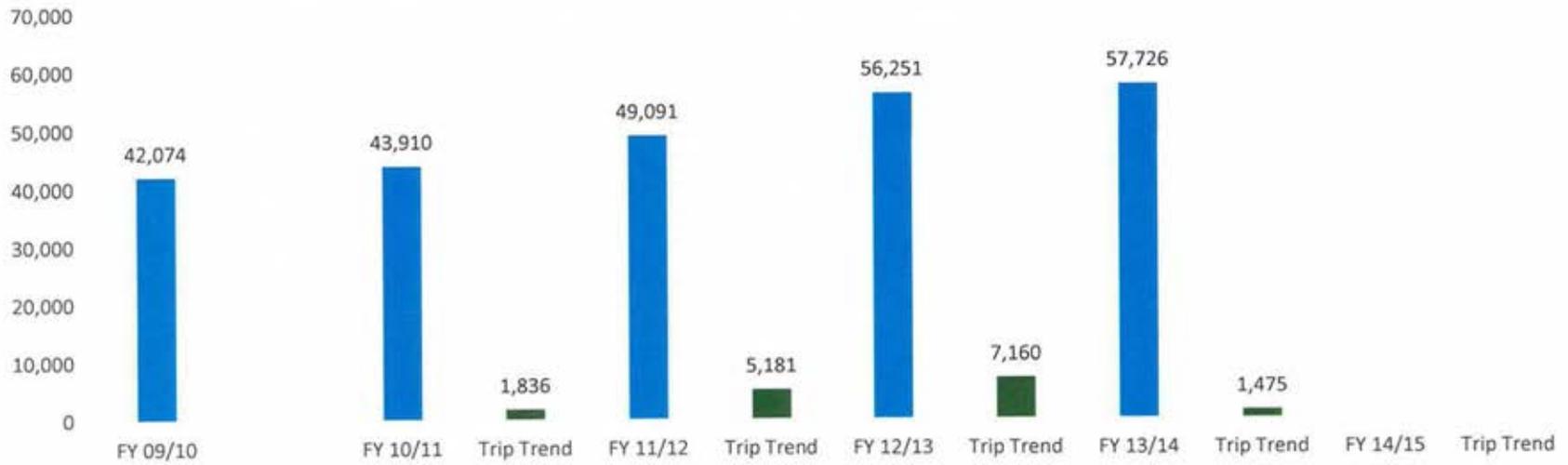
March Trip History



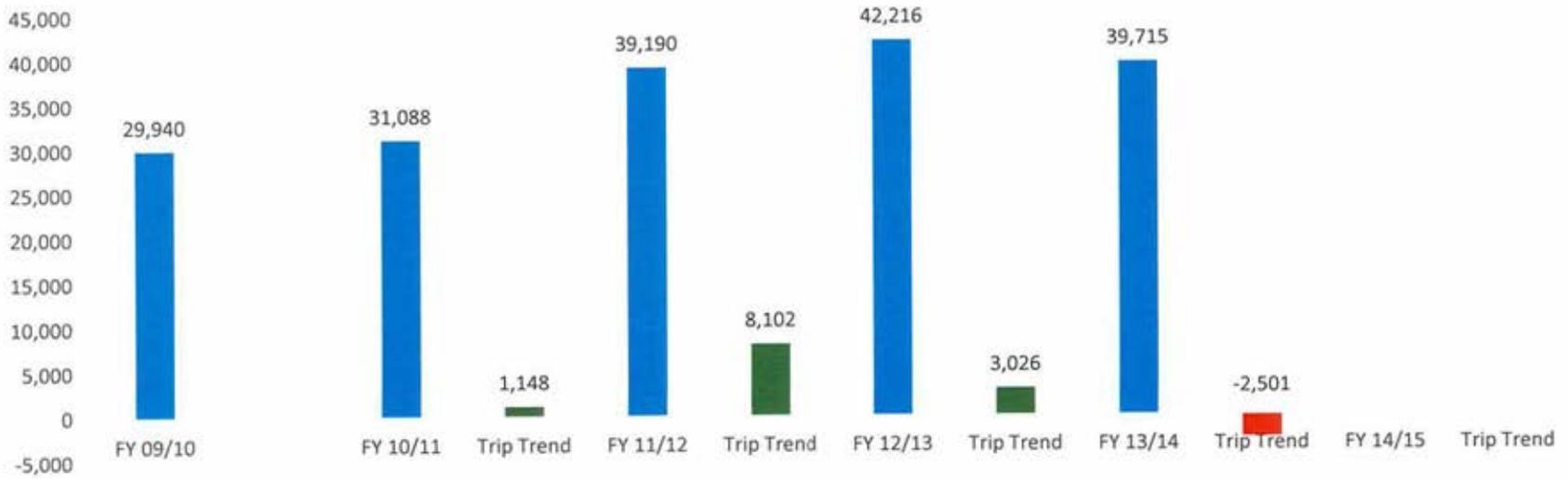
April Trip History



May Trip History



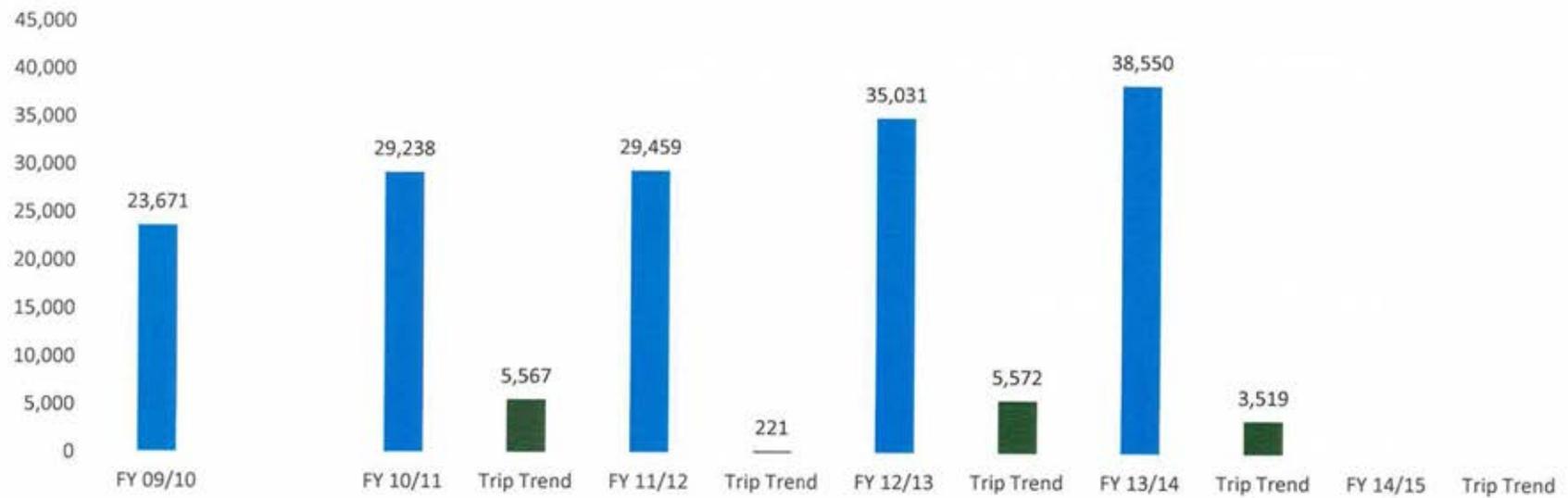
June Trip History



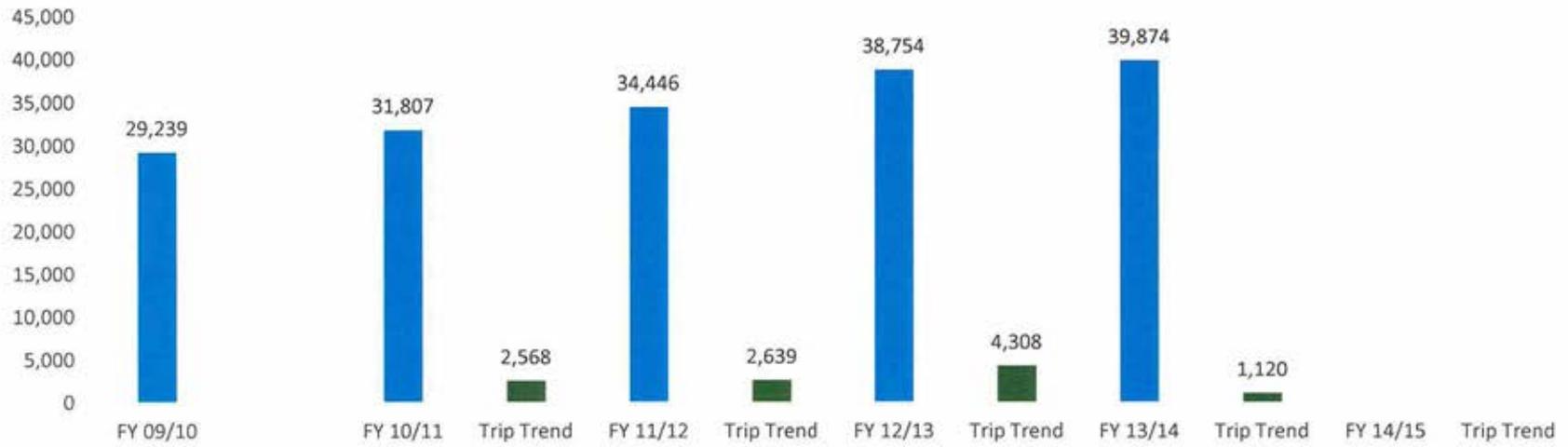
July Trip History



August Trip History



September Trip History



October Trip History

