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
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
DATE: August 21, 2014

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

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Net gain/loss