

San Francisco Can and Should Regulate Taxi-Like Ride Services

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I. Introduction

Since commencing operations in San Francisco over two years ago, taxi-like ride service companies such as UberX, Lyft and Sidecar, which use drivers' personal vehicles to provide commercial livery service, have grown exponentially. The San Francisco Cab Drivers Association has documented over 10,000 distinct license plates of drivers providing these services, and Lyft alone has said it has "tens of thousands" of vehicles operating in San Francisco. These numbers dwarf the San Francisco taxi fleet, which has about 1,900 cabs. The ability of ride service companies and drivers to operate free of city regulation or control has had a significant negative impact on the environment in terms of congestion and vehicle emissions, adversely affected taxi service, sharply reduced cab drivers' income, forcing many to seek other employment, and has dealt a heavy blow to the city's taxi industry. Although, as explained below, San Francisco has ample legal authority to regulate these companies and strong public policy reasons for doing so, to date the city has not asserted that authority.



San Francisco taxis, shown here descending the Lombard Street hill, are almost all low-emissions vehicles. Photo: John Montgomery

II. Summary

UberX, Lyft and similar services (hereafter referred to as “ride services” or “TNCs”) are performing taxi services that come under the exclusive regulatory authority of cities and counties. **Even if TNCs are classified as charter-party carriers under the law, San Francisco may still impose reasonable regulations on their operations.** There are compelling public policy reasons for San Francisco to exercise this authority in order to protect public safety, preserve the environment, promote the well-being of taxi drivers and the health of the taxi industry, provide revenues to the City and County of San Francisco and foster safe, reliable, high-quality taxi service for all members of the public, including the disabled community.

III. The status of taxi service under California law

In California, regulatory authority over private commercial transportation is divided between state and local government. The California Public Utilities Commission (CPUC) regulates limousine, shuttle and charter bus services, called “charter-party carriers of passengers” (CPCs). Cities and counties are given exclusive authority over taxi service. Under Government Code Section 53075.5, every city or county “shall protect the public health, safety, and welfare by adopting an ordinance or resolution in regard to taxicab transportation service.”

IV. Distinctions between charter-party carrier and taxi service

The law requires limousines and other charter-party carriers to operate on a prearranged basis. Prearrangement must take place either by written contract or telephone, but the term is not further defined. Taxis may work by prearrangement, but mainly operate on demand. Historically, the two types of services were distinct in other ways as well. One was a high-end service provided in luxury-class vehicles at a premium price. Taxis serve the population as a whole at reasonably affordable rates, using more modestly priced vehicles. Limousines were generally booked well in advance for special occasions, or prearranged for longer rides or large blocks of time. They were dispatched from a base, and returned when unoccupied to await their next booking. Taxis cruise the streets, wait at designated stands for pickups, or respond to dispatch orders, which are usually placed for immediate service.



San Francisco taxi drivers are trained in officially licensed schools, undergo fingerprint-based Department of Justice and FBI background checks, work under city-issued permits — evidenced by the badge to the left — and are subject to the regulatory oversight of the SFMTA. In contrast, ride service driver training and background checks are left up to the companies themselves and the CPUC does not even require TNC drivers to have a permit for providing transportation to the public.



San Francisco taxis are inspected by San Francisco International Airport's Ground Transportation Unit, working with the San Francisco Police Department. TNC inspections are left in the hands of the ride service companies themselves.

A permissive regulatory environment and a lack of enforcement by the CPUC have worked to erode those distinctions. Thus, charter-party carriers came to use more modest vehicles similar to those found in the taxi industry; responded to calls for immediate service; and, on account of negligible enforcement, became a virtual taxi fleet by soliciting and picking up passengers on the street, at hotels, at tourist destinations and the airport. This was occurring even before ride services, operating outside the law but with the CPUC's blessing, began providing essentially the same service as taxis, obliterating – unlawfully, we maintain -- most of the remaining distinctions.

V. A brief history of transportation apps in San Francisco

A. The taxi industry is the first to provide app-based service.

Before Uber, Lyft and Sidecar, etc., came into existence, taxis were using similar apps. Taxi Magic (now called Curb) was in use by Luxor Cab in 2008, and Green Cab began using Cabulous (now called Flywheel) in 2009. Today, most San Francisco cabs use Flywheel, and Curb is in widespread use here and elsewhere around the U.S. However, the novelty of upstart companies providing unregulated taxi services in defiance of the law engaged the media's attention, resulting in tons of free publicity that overshadowed the lawful taxi industry's use of the same technology.

B. Uber begins operations as an illegal service.

Uber began operations in San Francisco in 2010 as "UberCab". At the time, it was using only CPUC-licensed vehicles. The company itself, however, lacked a CPUC

license. In October 2010, the CPUC's Consumer Protection & Safety Division issued a cease-and-desist letter to UberCab, instructing the company to stop advertising and operating as a passenger carrier for hire without Commission authorization. The City of San Francisco also sent UberCab a cease-and-desist letter, which led the company to change its name to Uber.

C. Lyft and Sidecar begin operations illegally, using personal vehicles to provide taxi services.

Lyft and Sidecar began operations in 2012, using personal vehicles not licensed as charter-party carriers. They claimed they were entirely exempt from regulation because the service they provided was "ridesharing". There is an exemption

in the California Public Utilities Code for true ridesharing, but it specifies that ridesharing cannot be for profit and requires that the ride be taken by persons going in the same direction as the driver, for a work-related purpose. Lyft and Sidecar deceitfully claimed that their operations qualified for this exemption. They called the payment of the fare a "donation", though it was charged automatically unless the passenger overrode it, and people who didn't pay soon found they could not get a ride.



Uber started its life as "UberCab" until the SFMTA issued a cease-and-desist letter, causing the company to change its name.



Flywheel, formerly called Cabulous, works only through licensed taxis. It preceded both Uber and Lyft as a transportation app.

In August 2012, the CPUC's enforcement department sent cease-and-desist letters to both Lyft and Sidecar, instructing them to halt operations. That November, it issued \$20,000 citations to Lyft, Uber and Sidecar, charging them with operating as charter-party carriers without authorization in violation of the Public Utilities Code. But the companies continued to do business in violation of law and in defiance of the Commission's order to cease and desist.

In December 2012, the CPUC commenced a Rulemaking proceeding related to these companies' operations. Then, in January 2013, it entered into secret agreements with Uber and Lyft, allowing them to operate while the Rulemaking was pending. The faulty insurance the CPUC approved in these agreements created enormous incentives for drivers

to commit fraud by concealing their commercial activities from their private insurers — a situation that persists to this day. A similar agreement with Sidecar was only concluded months later, but the company was allowed to freely conduct its business in the meantime. Uber soon followed Lyft's and Sidecar's model by allowing personal vehicles without CPUC licenses into its existing UberX service.



Uber CEO Travis Kalanick has made it clear that Uber competes directly with taxis.

D. The CPUC gives its approval to personal vehicles providing commercial transportation services.

In September 2013, the CPUC approved new rules regulating ride services, which it called “Transportation Network Companies”, or “TNCs”. It based its Decision on the dubious notion that the use of a smartphone app to hail a driver constituted “prearrangement”, a necessary precondition for the Commission to assume jurisdiction. (See *Section VI. below.*) The Decision did, however, put to rest the false claim that the services provided by TNCs were “ride-sharing”.

The CPUC’s approval of ride services was based on a fundamental misunderstanding of their operations. The Decision states as follows:



This promotional card from Seattle offers a “Free Cab Ride” in a Lyft vehicle.

“The primary distinction between a TNC and other TCPs [e.g., limousines] is that a TNC connects riders to drivers who drive their personal vehicle, *not a vehicle such as a limousine purchased primarily for a commercial purpose.*” (CPUC Decision, 9/23/13, at 24. Bracketed material and emphasis added.)

That is very far from the model ride services are following. Both UberX and Lyft offer special incentives for drivers who work full-time. Uber gives its drivers enormous bonuses for full-time work and has a program of low-cost loans for vehicle purchase. Lyft at one point offered its drivers the opportunity to purchase customized SUVs for high-end service. According to a Lyft spokesperson, the company now has “tens of thousands” of vehicles operating in San Francisco. Uber’s numbers are likely even higher.

E. TNC insurance rules come under scrutiny after an Uber driver kills a little girl.

On New Year's Eve of 2014, a driver for UberX struck and killed a six-year old girl and badly injured her mother and brother. The driver was logged onto the Uber app at the time, but had not been matched with a passenger. Uber denied responsibility. As a result, the CPUC reopened its Rulemaking to consider changing its insurance rules. The State Legislature then stepped in, enacting AB 2293, authored by Assemblywoman Susan Bonilla. The new law requires ride services to have commercial insurance whenever the driver's app is on. However, the coverage limits in the new law are far lower than those that apply to San Francisco taxis and the law fails to close other ride service insurance gaps, leaving the public unprotected in many commonplace, predictable situations. For example, **if the driver picks up a private client or accepts a direct street hail, neither the ride service's insurance nor the driver's personal carrier will provide coverage.**



Two Uber drivers get into an accident in San Francisco. Were their apps on or off? Does Uber's commercial insurance apply? The driver's personal policy? Both? Or neither? Uncertainties, coverage gaps, the potential for litigation, delays in claim payments, and incentives for concealment and fraud all plague ride service insurance.

In addition to the gaps in ride service insurance, it has become increasingly clear that the TNC business model is dependent on insurance concealment and fraud committed by drivers who fail to inform either their personal insurance companies or the Department of Motor Vehicles that they are providing commercial transportation services. Insurance Code Section 332 explicitly prohibits concealment of material facts affecting insurance. Major insurer Geico, for one, will reject an applicant who admits to working for a ride service, and has instructed its employees to refer such cases to its fraud unit. ("Leaked transcript shows Geico's stance against Uber, Lyft", SF Gate, 11/23/14, <http://www.sfgate.com/business/article/Leaked-transcript-shows-Geico-s-stance-against-5910113.php>.) A representative of the

S.F. District Attorney's Office testified about documented cases of TNC insurance fraud at a hearing held last spring by Insurance Commissioner Dave Jones.

F. District Attorneys in San Francisco and Los Angeles sue Uber, settle with Lyft.

On December 9, the San Francisco and Los Angeles District Attorneys filed a

consumer protection and unlawful business practices lawsuit against Uber. The lawsuit accused the company of making false claims about its driver background checks, failing to get state certification of its metering system, fraudulently charging passengers airport surcharges and illegally operating at the airport. Lyft reached a settlement with prosecutors on some of the same charges, agreeing to stop making misleading statements about background checks, get permission before serving airports and have its app certified by the state Weights and Measures Department. It also agreed to pay \$500,000, half of which will be waived if it complies with the rest of the settlement.

VI. Transportation hailed through a smartphone app is not prearranged.

The CPUC decided that ride services met the requirement for prearrangement based on two factors: the user registers a credit card with the ride service, and the vehicle is hailed electronically through the use of a smartphone app. But registering the card does not arrange for transportation. It's much like opening a charge account at a store. Nothing has been purchased; there is no obligation to make a purchase; no purchase may ever be made. It's simply a means of payment if and when the account holder buys something.

Likewise, an e-hail cannot be seen as *pre-arrangement*. The person using the app is seeking transportation immediately, or as soon as possible, not at some specified time in the future. The ride services themselves not only admit this fact, they tout it in their marketing. **Both Uber and Lyft call their services "on demand" and both say you cannot make an advance reservation.**

Can I make a reservation in advance?

With Uber, all pickups are made on demand and drivers arrive within minutes, so there's no need to schedule a ride in advance.

The app will show you approximately how far away the closest driver is so you can request your pickup at a time that fits your schedule.

Online materials from Uber (above) and Lyft (below) demonstrate that they are self-professed on-demand services. Charter-party carriers may only work by prearrangement.

IS IT POSSIBLE TO SCHEDULE A LYFT IN ADVANCE OR GET A SPECIFIC CAR? CAN I SCHEDULE WHEN I WANT A RIDE?

Since Lyft is an on-demand ride share platform, it's not possible to schedule a Lyft pickup in advance. Since we operate 24/7, as long as your request comes from inside the coverage area, you should have no problem getting picked up within a few minutes of

VII. If it walks like a duck . . .

While prearrangement is a *necessary* condition for transportation to qualify for charter-party status, it is not a *sufficient* condition. Taxis may also operate by prearrangement. The CPUC has considered a number of factors in determining whether service rendered by a charter-party carrier is in fact taxi service. For example, one CPUC decision on this issue states:

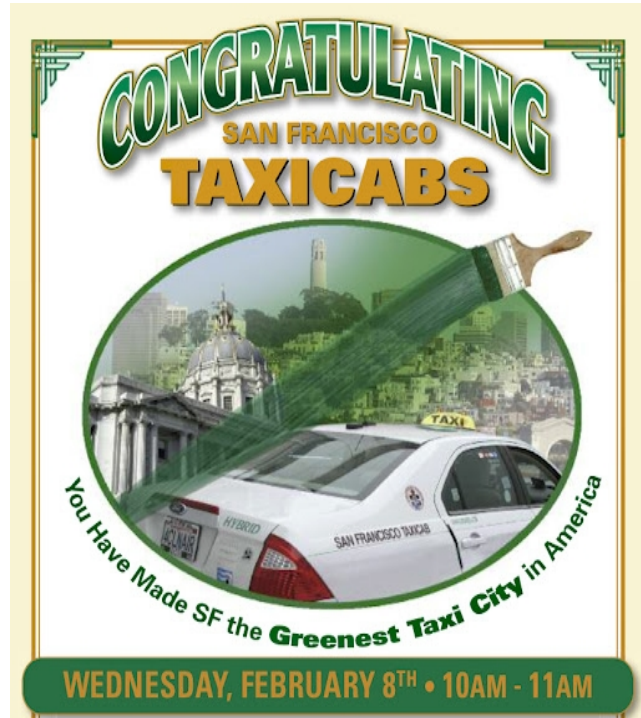
“It is true that GO 157 [CPUC Regulations for charter-party carriers] allows short notice reservations by telephone. However, interpreting the rule to allow the majority of transportation service to be short notice or immediate response, gives the effect of allowing a charter-party carrier to operate a taxi service. We cannot allow this interpretation to prevail. Under no interpretation of GO 157 may defendant operate a taxi service.” (*Babaeen Transp. Co. v. Southern Cal. Transit Corp.* (1992) 45 CPUC2d 85 at 88.)

Ride services such as Uber, Lyft and Sidecar provide exactly this kind of service.

VIII. Common sense indicates that TNCs perform taxi services.

A number of common-sense indicators point to the fact that ride services are indeed providing taxi services:

- When Uber began operations, it called itself UberCab. The City of San Francisco forced it to drop the word “cab” from its name because it was not authorized to perform taxi services.
- Ride services hold themselves out to the public in their advertising and marketing as alternatives to taxis.
- They promote themselves as “on demand”. Uber and Lyft say on their websites that you *cannot* make an advance reservation.
- Users of these services expect immediate service, not a day or an hour or even 15 minutes later. Their business model is based on meeting this demand.
- The apps themselves operate like virtual taximeters, charging by a combination of time and distance just as cabs do.
- The vehicles they use are not the luxury vehicles one associates with the



San Francisco has the greenest taxi fleet in the nation, but those gains have been more than eliminated since TNCs began operating free of environmental controls.

limousine industry, but on the whole more modest vehicles of the kind used in the taxi industry.

- Most of the trips they take are short hops around town, as opposed to the longer trips or blocks of time for which charter party vehicles are usually booked.

- Ride service vehicles prowl the streets just like cabs. In San Francisco alone there are tens of thousands of them, and they're constantly on the move, circulating along busy streets, heading towards parts of town where they're most likely to find a ride. That is very different from traditional limousines, which are dispatched from a base and return to the base at the conclusion of a ride.

- Many of them pick up street hails just like taxis. Although this is against the law, the CPUC cannot prevent it because it has virtually no street enforcement capability.



Uber targets its advertising directly at taxi passengers.

IX. Cities currently have regulatory authority over charter-party carriers.

Prior regulatory decisions and common sense compel the conclusion that ride services are performing taxi services. In that case, the city's regulatory authority over them is incontestable. But even in the absence of that conclusion, state law authorizes local regulation.

Public Utilities Code Section 5371.4(a) provides as follows:

"The governing body of any city, county, or city and county may not impose a fee on charter-party carriers operating limousines. However, *the governing body of any city, county, or city and county may impose a business license fee on, and may adopt and enforce any reasonable rules and regulations pertaining to operations within its boundaries for, **any** charter-party carrier domiciled or maintaining a business office within that city, county, or city and county.*"
(Emphasis added.)

Uber, Lyft and Sidecar maintain San Francisco offices and are thus subject to regulation under this provision.

Public Utilities Code Sections 21690.5-21690.10 give airports the authority to grant, deny and/or limit concessions for services to the public, based on a series of criteria, among which are avoiding wasteful duplication of services and limiting or prohibiting destructive business competition. In addition, PUC Section 5371.4(c) states:

“ . . . the governing body of any airport may adopt and enforce reasonable and nondiscriminatory local airport rules, regulations, and ordinances pertaining to access, use of streets and roads, parking, traffic control, passenger transfers, trip fees and occupancy, and the use of buildings and facilities, that are applicable to charter-party carriers operating limousines on airport property.”

Also pertinent is Vehicle Code Section 16501:

"The provisions of this chapter shall not prevent local authorities, within the reasonable exercise of the police power, from adopting rules and regulations, by ordinance or resolution, licensing and regulating the operation of **any vehicle for hire and the drivers of passenger vehicles for hire.**" (Emphasis added.)

In addition to setting insurance requirements for ride services, AB 2293 defined TNCs as a distinct category of charter-party carrier. Arguably, AB 2293 distinguishes between TNCs and charter-party carriers classified as limousines, in which case local regulatory authority nonetheless applies. PUC Section 5371.4(g) states:

" . . . nothing in this section prohibits a city, county, city and county, or the governing body of any airport, from adopting and enforcing reasonable permit requirements, fees, rules, and regulations applicable to charter party carriers of passengers other than those operating limousines."



Cab driver protests have fallen on deaf ears at City Hall and the CPUC.

Besides the explicit regulatory authority described above, nothing in state law precludes or preempts cities from regulating in areas where the legislature or CPUC have not stepped in. CPUC regulations apply to Transportation Network Companies. TNCs treat their drivers as independent contractors — that is, as self-employed business owners. Cities have the right to regulate the conduct of drivers performing these

services. (See “Authority of Municipal Authorities to Regulate ‘Transportation Network Companies’”, a preliminary analysis authored by Christopher B. Dolan of the Dolan Law Firm.)

Furthermore, ride services and their drivers are subject to ordinances of general application to all businesses in San Francisco. Thus, both companies and drivers must obtain business registration certificates and pay required registration fees as provided in the Business Regulation Ordinance, as contained in the Business and Tax Regulations Code, Sections 851-863.

X. Ride services should be regulated locally as a matter of public policy.

Beyond the legal bases for the city’s jurisdiction over ride services are powerful policy considerations. The effects of TNC operations are quintessentially local:

- Exposure of the public to increased risk and financial jeopardy owing to insurance fraud, gaps and underinsurance.
- Increased congestion and emissions from thousands of vehicles of all kinds plying the streets just like taxis.
- A sharp deterioration of taxi service available to wheelchair users. The vehicles employed are much more expensive to run and provide less income to their drivers than ordinary cabs. As a consequence, many are not operating.
- A dramatic reduction in the income of taxi drivers, many of whom cannot earn enough to support themselves and their families. As a result, many drivers have left the industry.
- Hundreds of cabs out of operation or sitting idle, even at very busy times, because cab companies can’t attract enough drivers to fill their shifts. When demand is high, people without smartphones or credit cards or those who cannot afford to pay surge prices may have difficulty obtaining



The ability of taxi companies to provide wheelchair-accessible service is being disrupted by ride services, which discriminate against wheelchair users.

service. That has compromised the taxi industry's ability to effectively serve the public.

- A situation of near anarchy on the streets, where TNC drivers and others without taxi licenses pick up at will with virtual impunity, placing the public further at risk.

XI. Similar services must operate under similar rules.

San Francisco taxicabs, like taxis elsewhere, are highly regulated. These rules are in place to provide the public with safety protections and assurances of sufficient oversight. They also protect drivers in a dangerous occupation, provide career opportunities in order to attract and maintain a knowledgeable and experienced workforce, and help to promote a viable and healthy taxi industry. Charter-party carrier regulations do not serve most of these functions, perhaps because they were established in the context of a luxury service catering to a high-end clientele. As discussed above, those distinctions have eroded to the point where TNC service is indistinguishable from taxi service in most respects. Yet the regulatory requirements for each are strikingly different.

One major distinction: San Francisco, and most cities, regulate the number of taxis, whereas charter-party carriers in general, and TNCs in particular, operate in an open-entry system with no limits as to numbers. As noted above, many thousands are operating in San Francisco, far outnumbering taxis. This is tantamount to deregulation of the taxi fleet.

Deregulation of the number of taxis has been tried and failed many times before. In the 1970's about two-dozen American cities, following Reagan-era laissez-faire economics, deregulated their industries. The results were so bad that most returned to fully regulated industries in short order. Among the consequences were a decline in operating efficiency and productivity; increased congestion, energy consumption and environmental pollution; an increase in rates; a decline in driver income and a deterioration in service. (See Dempsey, "Taxi Industry Regulation, Deregulation and Reregulation: The Paradox of Market Failure", *Transp. Law Journal*, University of Denver College of Law, v. 24 #1 (1996).) The same phenomenon is now taking place in the San Francisco taxi industry. Thousands of ride service vehicles are congesting the streets and polluting the air. Drivers are leaving in droves. Cabs are sitting idle in their lots. The disabled community has been severely impacted by a sharp reduction in



The ride service business model depends on drivers concealing their association with the TNC from their personal insurance carrier.

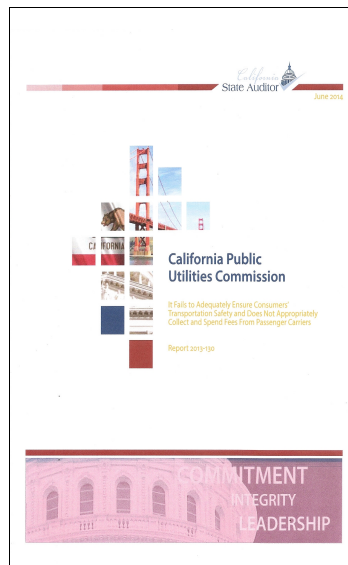
the number of wheelchair-accessible ramp taxis. It's hard to find drivers for these vehicles, which require greater skills, entail more demanding service, use far more gas, are much more expensive to maintain and produce less income than regular cabs.

Damage to the environment comes in two forms: increased congestion and greater vehicle emissions. On account of local regulation, San Francisco has the greenest taxi fleet in the country. Most taxis are hybrids or other low-emissions vehicles. When thousands of cars of every shape and kind circulate through the streets just like cabs, riding empty much of the time, the effects are obvious. Yet the CPUC saw no need for an environmental review of its decision to allow these vehicles to operate with virtually no restrictions as to type and none at all on their numbers.

In a variety of other ways, local taxi regulations are more protective of the public than those applying to ride services. Insurance is a prime example. Taxis everywhere have full-time commercial liability insurance. San Francisco cabs carry a minimum of \$1 million in coverage. In contrast, TNC insurance suffers from gaps in coverage that leave the public unprotected, as evidenced by the fatal New Year's Eve accident alluded to above where Uber denied all responsibility. AB 2293 dealt — albeit inadequately — with that specific situation by requiring ride services to have insurance whenever the driver is logged into the app. But coverage is well below that of San Francisco taxis, and the law does not cover other periods of TNC driver activity, as previously explained. Failing to protect the public in predictable situations is not acceptable policy.

Under CPUC rules, driver training, background checks and vehicle inspections are left in company hands. The drivers themselves need no permit at all. If the Commission wanted to suspend or revoke a driver's privilege to perform this service, it has no means of doing so. It's all in company hands. Companies providing transportation to the public should not be allowed to self-regulate.

A scathing report by the California State Auditor concludes that the CPUC's Transportation Enforcement Branch "does not provide sufficient oversight of charter-party carriers and passenger stage corporations (passenger carriers) to ensure consumer safety."



A recent audit of the CPUC by California's State Auditor, Elaine M. Howle, has documented Commission failures to adequately ensure consumer transportation safety. The situation is even worse than depicted in the report, owing to the CPUC's negligible enforcement capability. Cab drivers have complained for years about the absence of enforcement against lawbreaking limousines and town cars; now it's the ride services as well. These are exactly the circumstances in which insurance gaps have their most devastating effect.



S.F. charges so-called “Google buses” for their use of the streets. The taxi industry pays tens of millions in regulatory and medallion fees. Why should ride services be exempt from paying their fair share?

XII. TNCs should contribute to city finances, as other transportation providers do.

Ride service operations are costly to San Francisco. Tens of thousands of commercial vehicles — many of them operating full-time — cause significant wear-and-tear to the streets and greatly increase the burden of congestion management. The city also bears the cost of enforcement needed to police violations of law by TNC drivers. S.F. can and should recoup these and all other costs associated with ride service operations.

The taxi industry contributes to city finances through permitting fees that cover regulatory costs and through charges for the use of taxi medallions, which bring tens of millions of dollars a year into the SFMTA’s Transportation Fund. San Francisco has justified the medallion fees as a charge for the use of the streets. The fees paid by operators of so-called “Google buses” are another form of street-use charge. There is no reason to exempt ride services from contributing their fair share towards the costs of regulation, the burdens of enforcement and their own street use.

Besides regulatory and medallion fees, taxi drivers pay the city’s business registration tax. If cab drivers are subject to that tax, ride service drivers need to pay it as well.

XIII. Violations of law by TNCs and their drivers should not be tolerated.

Uber, Lyft and Sidecar went into business in blatant violation of the law. They continued their lawbreaking even after gaining CPUC approval by, among other things, illegally serving airports around the state. Uber in particular has gone into city after city and country after country without permission to do so. Lyft has also started service without authorization in a number of places. They dare the authorities to stop them, and often get away with it. But a growing number of cities and countries are refusing to back down. Uber has been ordered off the road in a number of countries, including Spain, France, Germany, Thailand and South Korea, and in U.S. cities, including Las Vegas, Portland and Philadelphia.

San Francisco must not allow public safety to be compromised by TNC lawbreaking. District Attorney George Gascon recognizes this. He has sued Uber and gained agreement from Lyft over their use of uncertified meters, false claims about background checks, illegal airport operations, and, in Uber’s case, fraudulent airport

charges. But much more needs to be done to ensure that TNCs and their drivers are operating within the law. The ubiquitous insurance fraud perpetrated by TNC drivers who conceal their commercial activities from their personal insurers is a violation of California Insurance Code Section 332. Under those circumstances, the carrier can rescind the insurance, placing the public at grave risk. TNCs are also violating the Americans with Disabilities Act by refusing to accommodate wheelchair users on an equal basis with non-users. These violations must be stopped. Given the CPUC's dismal record on enforcement, San Francisco must step in.

XIV. Recommendations

As discussed above, there are compelling reasons to conclude that UberX and Lyft are unlawfully providing taxi services. But even if they fall under state regulation as charter-party carriers, San Francisco can regulate them. Regulations should focus on areas of vital interest to the city: safety, service, the environment, the health of the taxi industry and the well-being of its workers.

A. Safety

San Francisco should regulate ride services in the interest of public safety and protection. This should include requirements for driver training and background checks and vehicle inspections over and above the CPUC's requirements.

B. Service

San Francisco should adopt regulations ensuring that ride services comply with the ADA by providing equal access to the disabled community. All ride services should provide wheelchair-accessible vehicles at no additional charge to the passenger.

C. The environment

San Francisco should adopt reasonable regulations designed to protect the environment. These should include vehicle emissions standards and limits on the number of vehicles providing service at a given time.

D. The workers

Taxis render an essential public service. The quality and safety of this service are dependent on the well-being of the workforce that performs it. Ride service rules must be crafted to allow cab drivers a fair opportunity to earn a decent living.

E. City Revenues

San Francisco should charge ride services and their drivers to defray the costs of their regulation and compensate the city for the consequences of their use of the streets.

F. Enforcement

The District Attorney, City Attorney and Police Department should enforce the law against ongoing and future violations when and as they occur, including insurance fraud, failure to comply with the ADA, and commercial vehicle licensing requirements. Legal limits on the number of hours a commercial driver may work should be enforced for the protection of the public and the workers themselves.

XV. Conclusion

For the reasons explained above, the city must regulate ride services and enforce the laws and rules that apply to them. The law allows it and sound public policy demands it.