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01-29-13

04:59 PM

Order Instituting Rulemaking on )  
Regulations Relating to Passenger )  
Carriers, Ridesharing, and New Online- )  
Enabled Transportation Services )  
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Docket No. R.12-12-011

COMMENTS TO ORDER INSTITUTING RULEMAKING  
FILED ON BEHALF  
OF THE  
SAN FRANCISCO CAB DRIVERS ASSOCIATION

**Introduction and General Comments:**

I have driven a legal taxicab in the San Francisco Bay Area since 1979. I am submitting comments regarding the Order Instituting Rulemaking relating to New Online-Enabled Transportation Services on behalf of the San Francisco Cab Drivers Association (SFCDA).

We appreciate that the California Public Utilities Commission (CPUC) is holding this proceeding and for the opportunity to participate in it. We are concerned however, that although Lyft, Sidecar and Uber have been given cease and desist orders, they have interpreted this proceeding and lack of any further enforcement, as a green light to continue operating and advertising, with impunity from laws regarding charter carriers and taxicabs. This effectively allows these illegal businesses to grow exponentially and build their customer base, creating acceptance and the illusion of legitimacy in the eyes of the public.

We are increasingly seeing our business boldly stolen from us, while law abiding taxicabs are unable to compete. In a twitter response, ft@lyft tweets that “Lyft donations are 80% – 90% the cost of a cab”. (Exhibit A)

Taxicabs are highly regulated by local municipalities, and our rates standardized. We cannot charge according to demand. We have higher safety and insurance requirements, newer vehicle requirements, regular vehicle inspections, driver background checks by law enforcement, permit fees and an 84 page book of regulations we can be fined for if we violate.

In San Francisco taxicabs are required to operate 24 hours a day, 365 days a year. There are certain costs to providing such a service, including to drivers who must be out working during slow hours, and the companies that must maintain safe insured vehicles and dispatch.

There are also dangers taxi drivers must face while providing this continuous service, as we're not allowed to discriminate or demand payment information before picking someone up.

We now consistently witness street hails being picked up and solicited right in front of us by licensed or unlicensed towncars and now even by private vehicles. Lyft cars with mustaches are regularly seen waiting in front of hotels ahead of legitimate taxicabs. (Exhibit B) Town cars regularly block the entrances of nightclubs and events, where taxicabs traditionally lineup for passengers.

### **3.1 Jurisdiction**

There needs to be a clear distinction between taxicabs and charter carriers. Taxicabs are an on demand service, which can be "flagged" or "hailed" off the street, and now in real time, from a few blocks away, by various smartphone applications. Taxicabs also charge primarily by mileage, which is calculated on a State certified and sealed taximeter.

Charter carriers may operate only on a prearranged basis. Although the wording of the Public Utilities Code regarding charter carriers was written before the advent of smartphones, "hailing" or "flagging" an Uber, Lyft or Sidecar from a phone app, is clearly an "on demand" request, and not a "pre-arrangement". To make the distinction more clear, we suggest that 30 – 60 minutes be required to be considered a "pre-arranged" ride.

We feel the use of GPS and a cellphone to calculate a mileage charge should not be allowed. GPS signals are prone to errors and these devices are not calibrated or certified by the Department of Weights and Measures as is required of taximeters.

### **3.2 Safety**

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

We feel that the proliferation and acceptance of private vehicles and unlicensed public passenger drivers for hire creates a false sense of trust by the general public. We are already witnessing private vehicles being flagged down and soliciting passengers on the street. It is only a matter of time until there is an assault or

worse, on a passenger or a driver, unprotected by security cameras, dispatch or a shield, and no readily identifiable markings on the vehicle. These privately owned cars, which can be 13 years old, are not subject to any state or municipally sanctioned inspections and are more prone to mechanical failures and safety hazards.

Taxicabs, which are authorized to pick up street hails, are clearly marked with large vehicle numbers, their company's name, color scheme and phone number. Private vehicles and town cars do not have these identifying markings, thus making it difficult or impossible for identification in the event of a crime, complaint or lost item.

A safe taxicab system is considered a necessity, particularly in urban areas. In general, there is great thought and process involved before a city adds more taxicabs. San Francisco has over the years held Public Convenience and Necessity hearings to determine the fine balance of providing adequate service, yet also allowing for those working in the industry to maintain a livable wage. When there are too many cabs, or where deregulation has occurred, cabdrivers, legal or not, start racing and fighting each other for fares, and this becomes a very real public safety hazard.

### **3.3 Ridesharing**

Businesses like Sidecar and Lyft clearly do not qualify for exemption from charter carrier laws under the definition of ridesharing as defined in Section 522 of the Vehicle Code. This transportation is not between home and work locations or of persons having a common work-related trip. The sole purpose of these trips is to convey passengers to their requested destination, for profit. (Exhibit C) They are not incidental to any other purpose of the driver, who would not otherwise be making the trip.

#### **Should the Commission recommend a broader or narrower definition of ridesharing than that contained in the California Vehicle Code?**

We feel the current wording of this law is very clear and sufficient. What is necessary is enforcement.

### **3.4 Transportation Access**

I have personally witnessed an abundance of Lyft and other private vehicles transporting people in the back seat, blocking up traffic and making illegal maneuvers while legal taxicabs drive around empty. This adds to traffic

congestion. A Lyft driver nearly ran into me head-on while making an illegal left turn across Van Ness onto California. A professional driver would not do that.

Professional drivers, who are on the road 8 to 10 hours a day, year after year, are generally safer, more efficient drivers. Services such as Lyft and Sidecar encourage an unlimited number of non-professional drivers and their vehicles, to be on the road, going places they're unfamiliar with, while engaging with their new customers.

Taxicabs in San Francisco must be no older than 8 years, have strict inspection standards and are maintained on a daily basis. They are safer vehicles on the road, and break down less than most private vehicles put to commercial use.

### **3.5 Insurance**

We question whether a vehicle insured for private use would be covered at all in an injury or death accident, should the insuring company become aware of its for profit use. Customers of Lyft and Sidecar must sign a waiver, indemnifying the company of responsibility and even to support the driver in the case of an accident. If these drivers conceal the fact that they're transporting passengers for profit, they are relying on insurance fraud for their coverage.

### **Summary**

We welcome discussion and exploration of these issues but feel that immediate action needs to be taken in the form of daily fines and if necessary, arrests, for this blatant disregard for charter carrier and taxicab regulations. Otherwise, the primary effect of these proceedings will be to allow this illegal activity to flourish unchecked for another 6 months or more, causing irreparable damage to the legitimate taxicab industry and its drivers.

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January 28, 2013