

ATTACHMENT H



San Francisco International Airport

May 9, 2014

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Peter Stern

FROM: Airport Director

SUBJECT: Transportation Network Companies Status Update

I wanted to share with you the status of Transportation Network Companies ("TNCs") in general, and at the Airport in particular.

Recent Regulatory Developments:

The California Department of Insurance convened a hearing in March to explore whether the California Public Utilities Commission's ("CPUC") September 23, 2013 Decision establishing regulations for the operation of TNCs in California required TNCs to carry sufficient liability insurance. The hearing was attended by TNC representatives, representatives of the taxi and limousine industries, representatives of the insurance industry, and others.

Following the hearing, CPUC President Peevey issued a Proposed Modified Decision that would somewhat broaden insurance requirements. The parties had an opportunity to respond. The Airport and SFMTA filed a joint response in which we applauded the CPUC for revisiting the important issue of insurance, and expressed our continued concern that public safety requires that TNC policies (as opposed to the individual policies of drivers) must be primary, which the CPUC has so far declined to include in its regulations. The CPUC has not yet issued a Final Modified Decision. As of April 7, 2014, the CPUC has issued operating permits to four of five TNCs who submitted applications: Lyft, Raiser (Uber-x), Wingz (formerly, Tickengo), and Summon (formerly, InstantCab). SideCar has applied but not yet been issued a permit by the CPUC.

In the meantime, several bills have been introduced in Sacramento addressing TNCs and "ridesharing," one of which seeks to require that TNC insurance be primary. We are monitoring this legislation.

Airport TNC Permits:

In November, Staff advised TNCs of the general requirements for an Airport operating permit, and each TNC followed up separately with questions and comments. On April 7, 2014 Staff sent all five known TNCs a permit application for a pilot permit. To date, no TNC has applied for an Airport operating permit. Unfortunately, TNCs continue to operate on the Airport's roadways without a permit.

The San Mateo District Attorney (DA) declined to prosecute TNC drivers last year because he felt the operative statute needed additional clarity. Proposed legislation addressing the DA's concerns is currently pending in Sacramento and we are optimistic regarding its eventual passage. In the meantime, at our request, the City Attorney is exploring available legal options and the SFPD-AB has recently stepped up enforcement. Officers are issuing admonishments to TNC drivers and habitual offenders will be cited for failing to comply with the CPUC's regulations, which include a requirement that TNCs obtain authorization from airports in the state before conducting business on airport roadways. These are misdemeanor offenses.

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The pilot program at the Airport will be effective through May 31, 2015 and limits TNC activity to drop-off only because the volume of business is currently unknown and there is no current curbside capacity to accommodate pickups. Among other things, the Airport permit requires: (1) TNC insurance coverage for TNC vehicles while on Airport property; (2) TNCs shall provide real time data for vehicle and trip fee tracking; and (3) all TNC vehicles shall display an Airport-issued windshield decal to assist with curbside enforcement.

Since April 16, SFPD has been issuing admonishments to TNC drivers at the Airport. To date, 110 admonishments have been made. The following information has been gathered on the drivers:

- 63% did not have all of the information required by the CPUC in the form of an electronic waybill
- 77% did not have the vehicle "trade dress" (company-identifying information) required by the CPUC
- 71% reside outside of San Francisco
- 3 did not have proof of insurance
- 1 did not have a driver's license

Please let me know if you have any questions.



John L. Martin
Airport Director