



San Francisco International Airport

May 9, 2014

Michael R. Peevey, President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear President Peevey,

I am writing to request the assistance of the CPUC in enforcing its September 23, 2013 Decision (the "Decision")¹ and Transportation Network Company ("TNC") permits. Over the past month, we have been collecting data concerning TNC operations on the roadways of San Francisco International Airport ("SFO" or the "Airport"). What we have found is that not only are the TNCs operating on Airport property without an SFO TNC permit (in violation of the Decision), they are also doing so in violation of the CPUC permit. Most TNC vehicles operate without trade dress and without proof of a pre-arranged ride (waybill). Several drivers did not have proof of insurance. One did not have a driver's license. This disturbing lack of compliance with CPUC requirements raises serious public safety concerns for the Airport.

On April 7, 2014, the Airport provided the CPUC-permitted TNCs (Uber-x (aka Raiser) Lyft, Wingz (aka Tickengo), and Summon (aka InstaCab)) with an SFO TNC permit application package. (The Airport also provided the permit to SideCar, a known TNC which does not have a CPUC permit.) Included with these materials was a letter reminding the TNCs that operating on the Airport's roadways without a permit violates the Decision. To date, none of these TNCs have applied for an Airport permit, yet they continue to conduct commercial business on the Airport's roadways.

The San Francisco Police Department's Airport Bureau ("SFPD-AB") has been issuing written admonishments to TNC drivers detected on Airport roadways. Between April 16, 2014 and May 5, 2014, SFPD-AB made contact with 110 TNC drivers, all of whom are operating illegally at the Airport. As you are aware, failure to comply with a Commission decision or order is a misdemeanor under Public Utilities Code § 5411.

Of the 110 drivers, 101 were Uber-x drivers. Eighty percent (80%) of the Uber-x drivers did not have trade dress on their vehicles, as required by the Decision. One Uber-x driver reportedly asked to an officer, "Why should I advertise for them?" Four of the Uber-x drivers had no proof of insurance.

¹ The Decision states that "TNCs shall not conduct any operations on the property of or into any airport unless such operations are authorized by the Airport authority involved." (Decision at 33.)

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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The remaining TNC drivers with whom SFPD-AB officers made contact during this period are Lyft (7 contacts), SideCar (1 contact), and Wingz (1 contact).

This information, collected over only a three-week period, demonstrates that TNCs are operating in willful disregard of their CPUC permit requirements. The flouting of the CPUC TNC permit includes unlawful, unpermitted operations on Airport roadways.

Under these circumstances, I request that the CPUC engage in enforcement activities with the SFPD-AB. I request that until such time as a TNC is issued an SFO TNC permit, the CPUC direct each TNC to: (a) remove the Airport as a trip location; (b) provide the Commission with a declaration from the Chief Operating Officer or other high level TNC executive stating, under penalty of perjury, that it has complied with the order to remove the Airport as a location (for either drop-off or pick-up of passengers); and (c) place a notice in a prominent place on each website (1) to customers, notifying them that trips to and from SFO are not available until further notice and, (2) to TNC drivers, notifying them that no rides may be given to or from SFO until further notice.

I look forward to the Commission's assistance in bringing TNCs into compliance with its Decision. If you would like to discuss this matter, please contact Associate Deputy Director Eva Cheong at 650-821-5221. In the meantime, thank you for your courtesy and cooperation in this matter.

Very truly yours,



John L. Martin
Airport Director



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