



SFMTA
Municipal
Transportation
Agency

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February 7, 2018

President Michael Picker
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Resolution M-4831 adopting new Public Utilities Commission Transportation Reimbursement Account User Fees

Dear President Picker,

I am writing to request that you delay taking action to reduce Public Utilities Commission Transportation Reimbursement Account (PUCTRA) user fees, which is on the agenda for the February 8, 2018 Commission meeting. The PUCTRA user fees, including fees for Passengers Stage Corporations and Charter Party Carriers (which includes Transportation Network Companies) are established annually under Public Utilities Code Section 421 and Section 431 provides:

(b) The annual fee shall be established to produce a total amount equal to that amount established in the authorized commission budget for the same year, including adjustments for increases in employee compensation, other increases appropriated by the Legislature, and an appropriate reserve to regulate public utilities less the amount to be paid from special accounts or funds pursuant to Section 402, reimbursements, federal funds, and any other revenues, and the amount of unencumbered funds from the preceding year.

Potentially reducing fees for Transportation Network Companies (TNCs), some of which are valued in the billions of dollars, does not make sense from a public safety perspective, nor does it align with the independent consultant oversight study on the CPUC's Transportation Enforcement Branch (TEB), which indicates that TEB is underperforming in every mandate related to its transportation oversight program. The study notes that chronic understaffing, low salary ranges, lack of meaningful enforcement tools and under-resourcing the enforcement program has resulted in a situation in which a major new transportation mode impacting a significant number of drivers, passengers, pedestrians, bicyclists and other road users has extremely limited enforcement oversight.

If the Commission moves forward with the vote on Thursday, we strongly encourage you to maintain the existing fee schedule and increase their enforcement efforts on TNCs. If CPUC staff is unable to fulfill their enforcement duties, we request that the associated fees be redirected to local entities to cover the costs of enforcement activity by local jurisdictions to adequately monitor and mitigate TNC activity. We also request that the fees support a disability access fund to support on-demand transportation access to wheelchair users.

TNC Fees, Public Safety and Enforcement

Many requirements that CPUC has established to regulate TNCs and state laws appear to be dependent on self-monitoring from TNCs, such as the zero tolerance policy for drug and alcohol use, [driving underage passengers](#) and the maximum allowable driving time for drivers operating commercially.

San Francisco adopted Vision Zero as a City policy in 2014, committing the City to eliminate all traffic deaths by 2024. Our philosophy and approach is simple: no loss of life on our streets is acceptable. One core Vision Zero principle is that traffic deaths are preventable. SFMTA has expressed serious concerns in writing to the CPUC regarding TNC drivers exceeding the maximum amount of drive time permitted under California Vehicle Code section 21702.¹

Drowsy drivers are involved in one-fifth of U.S. fatal accidents according to AAA Automobile Club. The risk of a serious collision increases every hour that a TNC driver continues to operate beyond these legal guidelines. People who sleep only four to five hours per night have the same risk of becoming involved a serious accident as those who drive while intoxicated.

We are concerned that the CPUC has not expended sufficient time, effort, and resources to ensure that these types of safety regulations are being properly enforced. Given that the level of enforcement is known to be inadequate and the level of resources necessary to enforce these types of regulations, it is difficult to understand the public policy rationale to lower the TNC fees.

Data Transparency

In addition to enforcement concerns, SFMTA has long expressed the need for transparency related to TNC data. We're pleased that the CPUC is considering data transparency as part of the Phase IIIB rulemaking proceedings, and point out that the ability to handle voluminous amounts of data either in-house or through a third party vendor will require additional financial resources. This is another point in favor of not lowering TNC fees.

Disability Access

The effects of TNCs on the transportation system in San Francisco has been well-documented, particularly its adverse impact on the existing on-demand wheelchair accessible service provided by ramp taxis. The advent of unchecked growth of TNCs in San Francisco has led to a steep decline in the supply of taxis for the senior and disabled community, with the number of taxi trips provided to

¹ No person shall drive upon any highway any vehicle designed or used for transporting persons for compensation for more than 10 consecutive hours nor for more than 10 hours spread over a total of 15 consecutive hours. Thereafter, such person shall not drive any such vehicle until eight consecutive hours have elapsed.

Regardless of aggregate driving time, no driver shall drive for more than 10 hours in any 24-hour period unless eight consecutive hours off duty have elapsed.

wheelchair users declining by 43 percent since 2012. While TNCs claim to provide equivalent service to wheelchair users, often times, there are no wheelchair accessible vehicles available, meaning that the TNCs are failing to provide comparable service. Although the CPUC does require TNCs to provide information about wheelchair accessible trips, the data is not available to the SFMTA and therefore we are limited in our full understanding of this problem. The SFMTA strongly recommends that the CPUC retain the current level of fees and use the PUCTRA fees collected from TNCs to vigorously regulate and enforce disability access requirements. Moreover, until TNCs provide a comparable level of wheelchair accessible service, the CPUC should either allow local jurisdictions to levy a surcharge or, if permissible, earmark a portion of the PUCTRA fees to go into an accessibility fund.

Requiring TNCs to assess a per-trip fee to help fund accessible transportation is not unprecedented. Many state and local jurisdictions have required TNCs operating in their area to charge a per-trip fee that provides dedicated funding to transportation improvement projects, including helping to fund accessible transportation. In the state of Massachusetts, where the state's Department of Public Utilities oversees TNCs, a 20 cents per-trip fee is assessed, with 5 cents designated for a state transportation fund. In King County, Washington, TNCs must pay 10 cents per-trip for the Wheelchair Accessible Services Fund. This fund provides financial assistance to help cover the vehicle costs associated with purchasing and retrofitting an accessible vehicle, extra fuel and maintenance costs, and time involved in providing wheelchair accessible. In Chicago, a 52 cents per-trip fee is assessed to TNCs with 10 cents dedicated to fund additional wheelchair accessible taxis.

Conclusion

We believe that the action should be delayed to provide for a more transparent public process that would include an accounting of how much in PUCTA fees have been collected from TNCs and how the funds have been expended. There is a strong need to increase enforcement of regulations and monitoring of TNCs in San Francisco. To reduce the existing fees would impede the ability of the CPUC to have the available resources to address these problems.

According to a February 1, 2018 [article in Popular Science](#), "...a coalition of companies—including Lyft, Uber, and Zipcar—officially announced that they were signing on to a 10-point set of "[shared mobility principles for livable cities](#)"—in other words, industry goals for making city transit infrastructure as pleasant, equitable, and clean as possible." Principle 7 states: "We support fair user fees across all modes."

Every vehicle and mode should pay their fair share for road use, congestion, pollution, and use of curb space. The fair share shall take the operating, maintenance and social costs into account.

Given that Uber and Lyft support paying their fair share for operating, we ask that you delay action to reduce PUCTRA fees for Transportation Network Companies, pending further public review and discussion about how much is being collected and what the funds are used for. We would also like a

discussion as to whether jurisdictions could utilize the fees collected by the CPUC to conduct local enforcement of TNCs and establish an accessibility fund.

Sincerely,



Edward D. Reiskin
Director of Transportation

cc: Carla J. Peterman, CPUC Commissioner
Martha Guzman Aceves, CPUC Commissioner
Liane M. Randolph, CPUC Commissioner
Clifford Rechtschaffen, CPUC Commissioner

