

1 [Urging Further Regulation of Transportation Network Companies to Ensure Passenger Safety
2 and Baseline Social Services]

3 **Resolution urging the California Public Utilities Commission and the San Francisco**
4 **Municipal Transportation Agency to consider further regulation of Transportation**
5 **Network Companies to ensure passenger safety and baseline social services.**

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7 WHEREAS, Vehicles for hire, including taxis, are an important component of San
8 Francisco’s transit-first policy, with taxis alone serving over 52,000 passengers a day,
9 according to the City Controller; and

10 WHEREAS, The California Public Utilities Commission (CPUC) considers both
11 Transportation Network Companies (TNCs), which includes so-called “ridesharing” companies
12 *Uber, Lyft, and Sidecar*, and taxi companies to be providers of for-profit transportation
13 services, TNC fleets are not covered by the stringent and comprehensive local regulations
14 that govern taxis; and

15 WHEREAS, The CPUC considers TNCs to be charter-party services because they are
16 prearranged services, these services can be easily arranged within minutes if there is an
17 available driver close by; and

18 WHEREAS, As of June 2014 the CPUC has proposed changing its TNC insurance
19 requirements to specify that TNC insurance shall be primary and exclusive and shall assume
20 all liability whenever the TNC driver has the application open, including during the following
21 three periods: 1) when the application is open and the driver is awaiting a match, 2) when a
22 match is accepted but the passenger is not yet in the car, and 3) when the passenger is in
23 the car and until the passenger exits the car; and

24 WHEREAS, The CPUC’s June 14 decision also proposes that in addition to the
25 \$1,000,000 in commercial liability insurance that TNCs currently must carry, TNCs provide

1 \$50,000 in comprehensive and collision coverage, \$1,000,000 in uninsured/underinsured
2 motorists coverage, and \$ 5,000 in medical payments coverage; and

3 WHEREAS, The June 14 decision would allow TNCs to satisfy the insurance
4 requirements through policies held by the TNC, or through a combination of policies held by
5 the driver and the TNC, but only if the driver’s policy is specifically written to cover TNC
6 services; and

7 WHEREAS, While these proposed changes represent progress for reducing the risks
8 posed by accidents involving TNCs, the CPUC’s regulations still contain gaps that leave
9 drivers, passengers, bicyclists, and pedestrians vulnerable; and

10 WHEREAS, A report by the Budget and Legislative Analyst showed that the current,
11 minimal regulation of TNCs poses a significant potential liability for the City and County of San
12 Francisco, taxi operators, pedestrians, and TNC drivers and passengers; and

13 WHEREAS, SFMTA requires its taxi companies to comply with a number of safety
14 measures that include driver background checks based on submission of driver fingerprints to
15 state and federal law enforcement agencies and capping the length of drivers’ work shifts to
16 ensure adequate safety for passengers, while TNCs are not required to limit the number of
17 consecutive hours that their drivers may work, or utilize law enforcement databases for driver
18 background checks; and

19 WHEREAS, While taxi vehicles must be inspected annually by the SFMTA or its
20 designee to ensure vehicle integrity and overall vehicle condition, vehicles utilized by TNCs
21 need only be inspected once, before beginning work as a TNC vehicle, and the inspection
22 may be conducted by the TNC rather than by a third party; and

23 WHEREAS, While taxis provide a valuable service to low income residents because
24 they operate at a predictable rate under regulated pricing, TNCs which are not subject to
25 pricing limits, may change rates at any time in response to a number of variables, and may

1 impose “surge pricing” during periods of high demand such as we experienced during the
2 recent Muni operators “sickout”; and

3 WHEREAS; While TNCs are not required to, and do not, provide vehicles that are
4 accessible to persons who use wheelchairs, the SFMTA has been unable to find enough
5 drivers to utilize the City’s entire accessible taxi fleet because it must compete with TNCs for
6 drivers; and

7 WHEREAS, While San Francisco’s taxi fleet is made up of 2,000 low emission
8 vehicles, and the SFMTA has recently received a grant to expand its fleet with 100% electric
9 vehicles and rapid charge stations, TNCs have no environmental standards for the vehicles
10 they utilize; and

11 WHEREAS, As stated by the San Francisco Municipal Transportation Agency’s
12 (SFMTA) report, *Best Practices Studies of Taxi Regulation: Managing Taxi Supply*, TNC
13 vehicles may cause a complete loss of service to the City’s outer neighborhoods; therefore be
14 it

15 RESOLVED, That the San Francisco Board of Supervisors urges the California Public
16 Utilities Commission to enact further regulations for Transportation Network Companies to
17 ensure passenger safety and baseline social services, including but not limited to 1) more
18 stringent safety regulations, including annual vehicle inspections conducted by third parties
19 and driver background checks using state and federal criminal history databases, 2) more
20 comprehensive insurance requirements, 3) restrictions on the number of consecutive hours
21 that a TNC driver may work, and 4) requirements for fully accessible service for persons with
22 disabilities; and, be it further

23 RESOLVED, That the San Francisco Board of Supervisors urges the SFMTA to report
24 upon the steps necessary to establish and enforce local regulations or to locally enforce state
25 regulations within six months of the passage of this resolution.