



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Debra Figone

SUBJECT: PROPOSED CPUC REGULATIONS
FOR TRANSPORTATION
NETWORK COMPANIES

DATE: August 20, 2013

INFORMATION

On August 7, 2013, the Rules and Open Government Committee discussed the topic of proposed regulations by the California Public Utilities Commission (CPUC) related to Transportation Network Companies (TNC). TNC's are a new entrant into the transportation marketplace and provide an on-line enabled platform to connect passengers and drivers using their personal, non-commercial, vehicles.

On July 30, 2013, the CPUC issued a report and a proposed set of regulations for consideration at their September 5, 2013 business meeting. A copy of the report is available online at: <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M073/K768/73768000.PDF>.

The Rules Committee approved direction to have the Administration review the CPUC report and provide comments reflecting City staff input from Transportation, Police, Airport, Economic Development and the City Attorney's Office.

Attached is a copy of the letter staff submitted to the CPUC today.

DEBRA FIGONE
City Manager

For questions please contact Hans Larsen, Director of Transportation, at (408) 535-3835.

Attachment

August 20, 2013

Public Advisor's Office
California Public Utility Commission
505 Van Ness Avenue
San Francisco, CA 94102

Subject: Regulations for Transportation Network Companies (R.12-12-011)

To Whom It May Concern:

This is to express comments on behalf of the City of San José regarding proposed regulations by the California Public Utility Commission (CPUC) governing "Transportation Network Companies" (TNC), a new entrant into the transportation marketplace. TNC's provide an on-line enabled platform to connect passengers and drivers using their personal, non-commercial, vehicles. We understand the CPUC has initiated a regulatory process for TNC's based on its mission that in part includes the regulation of passenger transportation companies in a manner that protects consumers, ensures safety, stimulates innovation, and promotes competitive markets.

We were only recently made aware of the CPUC's proposed regulations for TNC's. Based on our brief analysis of the issue, we offer the following comments:

Ensure an Adequate Public Participation Process – We have received communications from the San Jose area taxi industry that additional time is needed for them to address the CPUC with their perspectives on the proposed regulations for TNC's. We request extending the public review and hearing process to allow a full opportunity for public participation.

Protect Public Safety – We generally concur with the proposed direction of the CPUC to protect public safety by requiring each TNC to be licensed by the CPUC, require criminal background checks for each driver, establish a driver training program, implement a zero-tolerance policy on drugs and alcohol, and require liability insurance coverage of at least \$1 million per-incident. The public safety protections should be coordinated further with transportation industry representatives to ensure adequacy and equity with industry standards.

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Support Responsible Innovation – As the largest city in Silicon Valley, San Jose strongly supports new innovations that help improve economic vitality, provide efficient mobility and enhance the quality of life for our community. TNC's are already innovating new ways to provide mobility in California. As this industry develops and evolves, we urge the CPUC to continue to monitor TNC's to ensure a balance of public interest goals are being achieved, including those related to safety, market competitiveness, and social equity.

We appreciate CPUC's engagement on the topic of Transportation Network Companies. With new technologies and evolving business models we find that transportation carrier regulations can be most effectively and consistently managed statewide than at a municipal level. We thank you for your consideration of our perspectives.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra Figone". The signature is fluid and cursive, with the first name "Debra" and last name "Figone" clearly distinguishable.

Debra Figone
City Manager