

**BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA**

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| Order Instituting Rulemaking on |) | |
| Regulations Relating to Passenger Carriers, |) | R. 12-12-011 |
| Ridesharing, and New Online-Enabled |) | |
| <u>Transportation Services</u> |) | |

**Opening Comments
Submitted on Behalf of the California Airports Council**

Introduction

The California Airports Council is (CAC) comprised of the 30 commercial service airports in California. The mission of the CAC is to promote awareness and understanding of the activities of commercial airports and the role they play in our state. Included within this mission is to advocate for public policy and regulation that preserves the safety and security of California’s commercial aviation infrastructure and that of our passengers and employees.

California commercial aviation activity is greater than any other single state, with over 170 million passengers passing through the state’s airports annually. California also is home to two of the nation’s 10 largest airports, Los Angeles International and San Francisco International.

California airports are most concerned about the safety and security of ground transportation service providers that operate at our state airports. Existing providers must comply with either PUC regulation and oversight or the regulatory structure of a municipal government. Our comments will again focus on these considerations.

**Comments on the Proposed Decision of Commissioner Peevey
Dated July 30, 2013**

The CAC generally concurs with the proposed decision to require each Transportation Network Company (TNC) to be licensed by the California Public Utilities Commission, herein after the “Commission”, and to require background checks, driver training, establish zero tolerance drug and alcohol policies and require transparent and appropriate insurance coverage. The CAC believes background checks should be provided by an entity with the authority to conduct criminal background inspections, for example the Department of Justice, which may include live scan digital fingerprinting. Further, the CAC also believes TNCs should to be required to make insurance information transparent to the public. There exists no precedence of this industry as a regulated

company or its insurance coverage, and the CAC believes TNCs insurance policies and coverage should be filed under access.

We also concur with the requirement to include TNCs in the Department of Motor Vehicle's Employer Pull Notice Program. We also agree with the requirement to allow disabled consumers to indicate their need for a properly equipped vehicle. As previously asserted by the CAC, we conclude the Commission indeed has the jurisdiction to impose regulatory requirements on companies, and in this case an industry, that provide ground transportation services for hire.

Safety Requirements Item j – Nineteen Point Vehicle Inspection

With Regard to the Safety Requirements, *item j*, requires a nineteen point vehicle inspection. The CAC strongly supports this proposed safety requirement and asserts it is an element of conformity to existing requirements for ground transportation service providers at airports. However, the CAC believes oversight of the vehicle inspection is preferable than a TNC self-inspection. Options for vehicle inspections should be considered, including the California Highway Patrol or other local law enforcement agency or otherwise qualified agency or class of individuals. We do not suggest individual airports be required to conduct the proposed nineteen point vehicle safety inspections and believe a central entity or group of entities have responsibility for TNC vehicle inspection oversight.

Regulatory Requirements & Items J and L

The CAC would like to express our support of the overall regulatory requirement proposal, and note our particularly strong support of *Items J and L*. *Item J* requires evidence of an electronic record of a ride in progress to law enforcement, including airport enforcement officers. This is a key element of maintaining consistency with both the requirements to operate at California airports and the enforcement function at airports to ensure compliance. *Item L* extends existing airport authority to approve ground transportation providers for airport operations to Transportation Network Companies. Again, this proposal will ensure the safety goals of the regulations are also extended to on-airport consumer transactions.

Conclusion

As we have asserted previously, California's commercial aviation infrastructure represents tens of billions of dollars worth of investment by local communities and preserving that infrastructure must be a paramount goal of federal, state and local government. As new technologies emerge to bring products and services to consumers in new ways, airports and others must adapt to accommodate

the use of technology, while maintaining procedures and controls to ensure the safety and security of passengers. The CAC believes the Transportation Network Company industry that has emerged to provide an existing service in a new, technology centric manner, must be included in an appropriate regulatory and safety regime so that the aforementioned goal of public and aviation system safety and preservation is maintained. The proposed decision should be adopted, as modified pursuant to our suggestions, and will prevent any erosion of regulatory and security protocols for airports and ground transportation service providers in favor of technological innovation alone.

The steps to be taken by the new TNC industry required by the proposed decision will begin to bring TNC operators into conformity with other airport ground transportation providers. The intent of the proposed regulatory structure is to ensure TNCs collectively operate in a manner that maximizes the safety of the consumer of the service and the public overall. The licensing requirement and regulatory structure will join existing charter party carrier regulations and become a vital component of ensuring all manner of ground transportation providers serve airport passengers safely and maintain the security of the airport infrastructure. Allowing TNCs to escape a reasonable level of regulatory and safety oversight leaves unknown variables for both the public and for the airport security apparatus. The proposed decision should be approved by the Commission as the appropriate course of action for the TNC industry.

Dated: August 17, 2013

Respectfully Submitted,

By: _____/S/_____

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