

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



FILED

01/21/20
04:59 PM

*Order Instituting Rulemaking on
Regulations Relating to Passenger
Carriers, Ridesharing, and New Online-
Enabled Transportation Services*

R. 12-12-011
(Filed December 20, 2012)

**COMMENTS OF THE TECHNOLOGY NETWORK ("TECHNET") ON THE
ADMINISTRATIVE LAW JUDGE'S RULING ORDERING PARTIES TO COMMENT
ON QUESTIONS REGARDING THE COMMISSION'S REGULATION OF
AUTONOMOUS VEHICLES**

January 21, 2020 in Sacramento, CA

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I. INTRODUCTION

In accordance with Rule 6.2 of the California Public Utilities Commission (“Commission”) Rules of Practices and Procedure (“Rules”), the Technology Network (“TechNet”) submits comments to the Order Instituting Rulemaking 12-12-011. These comments are timely filed pursuant to the email ruling extending time issues by Administrative Law Judge (“ALJ”) Robert Mason, on January 9, 2020.

II. COMMENTS

TechNet appreciates the opportunity to comment on the Administrative Law Judge’s Ruling Ordering Parties to Comment on Questions Regarding the Commission’s Regulation of Autonomous Vehicles (AVs). TechNet urges the Commission to promptly remove the prohibition on monetary compensation in carriage of passengers in AVs, allow for shared rides in driverless AVs, and refrain from requiring AV companies to submit privacy sensitive data such as granular trip information to the Commission as a condition of providing service.

TechNet is the national, bipartisan network of innovation economy CEOs and senior executives. Our diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over three million employees and countless customers in the fields of

information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance.

The Commission Should Remove the Prohibition on Monetary Compensation for AV Passenger Service

Including monetary compensation in AV passenger service is critical for innovation by the autonomous vehicle industry in California. The ability to charge a fare will provide innovators in the AV industry the ability to develop more realistic deployment models and accordingly, provide a significant window into how the public will ultimately reap the benefits of AVs in the state. The current prohibition on monetary compensation established by Decision ("D.") 18-05-043 effectively blocks the path to commercializing AV passenger service in California, which undermines confidence in the potential investment around this technology in the state.

Fostering and encouraging competition in the AV industry will improve consumer choice and should be a top goal for the Commission. The ability to charge fees will incentivize larger participation in the CPUC pilot program which will lead to a competitive market but also more holistic participation from companies of all sizes. In all industries, including the AV industry, competitiveness increases users' options and enhances experiences and will assist in determining user demand. We cannot know what future AV service may look like without allowing paid service in California.

The Commission Should Authorize Pooled Rides for Driverless AVs

The Commission's AV Pilot decision prohibits AV companies from offering their riders the option of fare-splitting (or pooled service) in connection with driverless AV passenger service. TechNet urges the Commission to remove this limitation. AV passenger service has the potential to increase road safety, increase mobility, reduce personal car ownership, reduce parking demand, and increase levels of carpooling. But these benefits can only be explored and achieved if state

regulators allow the industry to utilize all the tools available in support of California's transportation, planning and environmental goals.

Data Reporting Requirements Should Not Be Modified to Include Granular Service and Trip Data

CPUC pilot permit holders are already required to submit data about each autonomous vehicle registered for passenger service in operations. Reported data metrics include total vehicle miles traveled during passenger service, total miles in electric vehicles (if applicable), miles traveled to the pickup point, "idling" time, vehicle occupancy and data about accessible rides.

Requiring pilot participants to submit granular AV trip data, including location data about where trips begin and end, poses significant risks for both consumers and the early-stage AV industry. Requiring personal trip data to be reported to the Commission – for possibly further dissemination – creates significant risks for privacy, security, and consumer trust in California's AV industry. Vehicle travel data can often contain very personal information about a consumer that should be protected and respected. Granular data reporting requirements can expose personally identifiable information, including travel patterns, and anonymizing or aggregating this data should not be viewed as providing sufficient protection for public release of data. These risks are unacceptable and entirely avoidable.

Trip data is carefully secured by the AV industry, including protection by appropriate computer security controls. Privacy risks associated with granular trip data arise when government agency protocols are lacking to protect this sensitive data. Data security protocols ensure the highest levels of monitoring, resources, and technical expertise and prevent inadvertent or targeted breaches. Further, high rates of personnel turnover and regular upgrades to records management systems add to the difficulty of properly evaluating datasets for risks. The more this sensitive data is requested and duplicated, the greater the opportunity for personal and proprietary information to be leaked or hacked.

The Commission should acknowledge the privacy concerns that requiring the sharing of granular trip data would raise for companies and consumers. TechNet therefore urges the Commission not to expand data reporting requirements beyond what is absolutely critical for the Commission's specific and discrete regulatory objectives and further urges the Commission not to require the reporting of granular, trip level data. Californians and the AV industry deserve an environment that fosters innovation and competition without placing privacy and security of personal and proprietary information at risk.

Conclusion

TechNet stands ready to work with the CPUC to start California on the path to commercialization, fare-splitting, and efforts to ensure that trip data is properly handled, and that the personal privacy of riders and consumers is maintained. We urge the Commission to foster innovation in California by encouraging competitiveness and increased participation by companies of all sizes.

Dated: January 21, 2020 in Sacramento, California

Respectfully submitted,

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