



*Senate of Pennsylvania*

*Senator Wayne D. Fontana*

*42<sup>nd</sup> Senatorial District*

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**MEMO**

**Date:** August 21, 2014  
**To:** Rosemary Chiavetta, Secretary, Public Utility Commission  
**From:** Senator Wayne Fontana  
**Subject:** En Banc Transportation Hearing Testimony

Please find a copy of my written testimony for the En Banc Transportation Hearing before the PUC on August 28, 2014. I am scheduled to present the enclosed before the Commission at 9:15 am.

If you have any questions or need additional information, please contact my office at 787-5300.

Thank you.

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**Testimony of Senator Wayne D. Fontana**  
**Senate Bill 1457 – Transportation Network Companies in Pennsylvania**  
**Before the Pennsylvania Public Utility Commission**  
**En Banc Transportation Hearing**  
**August 28, 2014**

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Good morning, Chairman Powelson, Vice Chairman Coleman and Commissioners Brown, Cawley and Witmer.

Before I begin, I want to thank and acknowledge members of the PUC for their interest, fairness and effort to encourage the growth of Transportation Network Companies in Pennsylvania.

These promising new transportation alternatives, commonly called “ride share,” accommodate riders by providing more options, access and flexibility and I believe they will prove to be an asset to Pennsylvania’s public transportation network.

Citing public safety, the Commission took what you felt was a justifiable and necessary step in June of imposing its cease and desist order. However, recognizing the viability and importance of this new transportation alternative, I am pleased to add that the PUC also quickly acted to grant the two ride share companies with limited temporary emergency authority to continue operating in Allegheny County while committing to work with us in establishing a more permanent resolution.

Recognizing the need to establish workable legal and regulatory authority for governing these new businesses, members of the PUC worked closely with me on drafting Senate Bill 1457.

Before I discuss some of the specifics of what my bill does, let me briefly reiterate what Transportation Network Companies do.

In the simplest terms, these “ride share” entities, such as Lyft and Uber, connect riders with available rides using Smartphone technology. The driver and rider connect and a fee is charged for the transportation. It is an exciting concept that will revolutionize our transportation industry for many years to come.

Again, while I support legalizing and encouraging the growth of Pennsylvania’s ride-share industry, it is also important that we properly regulate and make this new transportation alternative safe.

Senate Bill 1457 would provide reasonable regulation, restrictions and oversight. For example, the measure would require transportation network companies to establish driver training programs, have a zero tolerance alcohol and drug use policy, have adequate liability insurance coverage, implement a thorough background check system and maintain detailed records.

My legislation would also mandate that ride share drivers have an updated photo in plain view. It also would ban drivers from picking up passengers who attempt to “hail” the vehicle while in use.

Senate Bill 1457 is currently before the Senate Committee on Consumer Protection and Professional Licensure. With a limited session schedule for the General Assembly this fall, I have made a request of the committee to consider the legislation upon the Senate’s return to session in mid-September so that we can get it to the Governor’s desk prior to the expiration of the current legislative session in November.

While the legislation works its way through the General Assembly, I am pleased that the PUC has made it possible for these businesses to continue serving their customers in the meantime.

I am also encouraged that you have scheduled these hearings on this issue. Receiving testimony and input from a wide range of advocates, opponents, regulators and others can only strengthen our efforts to construct the best possible law. It will also help us provide the best possible fit for our state’s transportation network.

As new transportation options and alternatives continue to make their way into Pennsylvania, I am hopeful my legislation can serve as a model for encouraging growth, while seeing to it that public safety remains the top priority.

Hopefully, the full Senate will act on Senate Bill 1457 when it reconvenes in September. *The sooner we can enact the necessary safeguards and oversight, the better it will be for companies that offer ride share services – as well as for people who rely on this new transportation option.*

To me, new business models such as transportation network companies make good use of cutting edge technology to help bridge some of the gaps, shortfalls and shortcomings in Pennsylvania’s public transportation network. It’s not fair or sensible to limit or ban these new alternatives from reaching their potential in our state.

Thank you.

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