

WATERFRONT BRIEFING #12

August 9, 2019

Welcome back to Waterfront Briefing, a regular executive report of issues and events related to San Francisco Bay transit. Our goal is to produce a clear, brief account of important or interesting developments for those who have neither time nor inclination to attend every meeting or wade through long documents. Bay transportation can only benefit from efficient information sharing and knowledgeable engagement by all stakeholders.

Flying Robo-Taxis Eyed for Bay Transit

French inventor Frank Zapata grabbed headlines around the world this week when he flew his hoverboard across the English channel from Pas de Calais, France, to the famous white cliffs of Dover.

But Bay Area commuters may soon do Zapata one better by skimming above San Francisco Bay on autonomous, single-passenger drones being developed by a Peninsula start-up company with ties to Google.

The automated drones are electrically powered, capable of vertical takeoff and landing, and would fly 10 feet above the water at 20 mph along a pre-determined flight path not subject to passenger controls. The drones' rotors are able to shift from vertical to horizontal alignment for efficient forward movement after takeoff.

The company behind all this, three-year-old Kitty Hawk Corp., has personal financial backing from Google founder Larry Page, now CEO of Google's parent, Alphabet, who has long been interested in autonomous forms of transportation.

And Kitty Hawk's top executives also have Google pedigrees. CEO Sebastian Thrun is the founder of X (previously Google X) and a leader in developing the self-driving car, as well as Google Glass and other projects. Alex Roetter, president of Kitty Hawk's Flyer division, spent many years as an engineer at Google and was senior vice president of engineering at Twitter before joining Kitty Hawk.

The company's website says Kitty Hawk "builds electric flight transportation solutions to free people from traffic."

Unlike autonomous cars, which face the complexities of tangled road networks crowded with human drivers, drones would operate initially in very low-level airspace that is relatively uncongested.

Although Kitty Hawk has discussed its work with specialized technology journals on occasion, the company is characteristically secretive and didn't respond to our inquiries about the project. But the business is known to operate a test site at Lake Las Vegas in Nevada and has been quietly testing its drones for the past year under the name Zephyr Airworks in New Zealand, where it also hopes to establish a commercial service.

Waterfront sources say the company's tentative Bay Area plan calls for debut runs between Treasure Island and Emeryville, a corridor where bay winds tend to be less powerful than elsewhere. One departure point would be the Emeryville Marina; the other would either be Treasure Island's Pier 1 or a yet-to-be-determined location on the island. Pier 1 has the advantage of having a dock already in place, but it is decidedly unglamorous and, having been constructed for a battleship, is 30 feet above the water and would require some type of new ramp.

While Kitty Hawk is based in Mountain View, a Coast Guard spokesperson said the drone project is operating "non-commercial development phase operations" out of the Redwood City Marina, one quarter of which is leased to Google for special projects.

The last Google-related waterfront undertaking to attract public attention was the ill-fated Google Barge project, a group of floating barges designed as luxurious maritime marketing platforms for Google Glass. That secretive project was scrapped in 2014 before coming to fruition after its existence was first disclosed by KPIX 5-TV in San Francisco, and it ran afoul of regulatory authorities, including the Bay Conservation and Development Commission.

Named after the North Carolina beach where the first aircraft flight took place, Kitty Hawk reportedly hopes to inaugurate Bay Area runs before the end of this year.

But the company faces a regulatory thicket that could potentially exceed the red tape encountered by Google Barge.

In an effort to clear obstacles to its drone project, Kitty Hawk is rumored to have hired a lobbyist with both Sacramento and local political connections. It isn't clear,

however, what steps Kitty Hawk may have taken to win approval, or at least mitigate objections, for this undertaking.

The Coast Guard said it is currently reviewing the Kitty Hawk vehicle's classification -- i.e., whether it is considered a water vessel, seaplane, air taxi, hovercraft or something else --and the military service's jurisdiction over the vehicle will depend on how it is classified.

Asked what special problems or opportunities the Kitty Hawk project might pose, the Coast Guard said this mainly depends upon where it is operated:

“Parts of San Francisco Bay and adjacent waterways are considered “narrow channels or fairways” where a navigation rule “prohibits interference with vessels that can only navigate within these areas. Coast Guard Sector San Francisco continues to creatively pioneer best practices during prototype testing of novel innovations with a maritime nexus.”

Another interested party from a regulatory perspective is the Bay Conservation and Development Commission (BCDC), which regulates bay fill and changes of use that have an impact on the bay.

Brad McCrea, regulatory director at BCDC, said he had received a telephone call on behalf of Kitty Hawk asking about potential issues the drone project might encounter.

Airborne vehicles are not part of BCDC's regulatory purview, McCrea said. “Flying is not an issue.”

He added, however, that BCDC would get involved if the project put a dock or structure in the water or built a facility such as a launch or runway within 100 feet of the bay.

Treasure Island Development officials either decline to comment or profess that the agency has not been approached about the drone, and the San Francisco County Transportation Agency has also not been approached, according to its spokesperson, Eric Young.

Tideline Gets an Extension

WETA's board of directors has granted Tideline Marine Group a six-month extension of its agreement to use WETA's Harbor Bay Terminal.

Tideline had originally requested a one-year add-on to its current deal, which expires August 25. The full-year request was incorporated in a presentation to the August board meeting by WETA's operations administrator, Rachel Rodriguez, and the time frame was endorsed by WETA Executive Director Nina Rannells and Operations Manager Keith Stahnke.

The term was reduced, however, in the face of board concerns about the non-union status of Tideline's employees, as well as the relatively few number of passengers on the Tideline run. Tideline provides service between Harbor Bay and Oyster Point in South San Francisco on behalf of the biotech firm, Exelixis. The two morning and two afternoon runs average about 12 passengers per day in each direction, Rodriguez said. Tideline's boat, the *Osprey*, has a capacity of 40 people.

"I want to see that we're taking care of working families in the Bay Area," said WETA Director Jeff DelBono, whose initial counter-proposal called for an extension of only three months, pending progress in labor negotiations between Tideline and two maritime unions.

Expressing sympathy for DelBono's concerns was Jim Wunderman, vice chair of WETA's board and President of the business group, Bay Area Council, who said: "The last thing we would want is for highly paid individuals to be transported in comfort by hard-working people who are underpaid. We are not going to do this on the backs of people who do the work."

But Danielle Weerth, Tideline's director of business development, said her company is, in fact, engaged in productive talks with the unions. "We are in the final stage of negotiations with labor," she said.

That view got at least a partial endorsement from Robert Estrada, regional director of the Inlandboatman's Union of the Pacific, who said: "The talks are cordial. I don't know that we are in the final stages, but the tone is positive."

Weerth then added that Tideline is also in late-stage with other companies about providing additional passenger service, and she said her firm is building higher wages and benefits into the terms of those new deals.

"People love the service," she said, of the Exelixis run.

Ultimately, following nearly an hour's discussion, Water Emergency Transportation Authority directors voted unanimously to approve the six-month extension. But it came with the stipulation that both Tideline and union representatives would make a new appearance before the board in January, more than a month before the new deal expires, to report on what progress they have may made.

Briefly Noted. . .

- **Waterfront Plan:** The Port of San Francisco is seeking review and comments on its Draft Waterfront Plan, which covers the use, design and improvement on 7.5 miles of pier and shoreline properties managed and operated by the Port, from Fisherman's Wharf to India Basin. The plan and public comment survey are accessible online at <https://sfport.com/waterfront-plan-update> Email questions to waterfront.plan@sfport.com
- **Solons Weigh In To Support Ferries:** Seven U.S. Senators have written a letter urging expanded funding for the nation's public ferry system. Signators of the letter, which was sent to heads of the Senate Committee on Environment and Public Works and the Senate Committee on Banking, Housing and Urban Affairs, include California Senators Dianne Feinstein and Kamala Harris. The writers note that public ferries carry more than 100 million passengers annually in 38 states and territories, reducing traffic congestion; providing important access to schools, jobs and medical treatment; and providing critical response in emergencies. While the FAST Act of 2015 authorized \$110 million a year for ferry programs, the letter states that amount is "far short" of what's needed for new construction, modernization and repair. "State and local governments are doing their part. . . but they are looking to the federal government to be an active partner in helping to address critical ferry needs."
- **And Speaking of Federal Funds:** The U.S. Transportation Department announced \$32.8 million in grants for ferry service at nine transit agencies, including \$5.9 million for the Golden Gate Transit District to buy a new boat. "America's waterways are a priceless asset, and the Passenger Ferry Grant Program partners with local communities to leverage those assets to improve mobility for millions of Americans," said FTA Acting Administrator K. Jane Williams.

- **RM3 Case Nears Appeal:** As expected, the plaintiffs' attorney has filed a motion to consolidate the appeal for separate lawsuits filed against Regional Measure 3 by East Bay businessman Randall Whitney and the Howard Jarvis Taxpayers Association. Both suits claim that a series of three \$1 toll hikes approved by voters last year for Bay Area bridges are in fact illegal under Proposition 13, which requires a two-thirds vote for tax increases. The lawsuits have each been dismissed by San Francisco Superior Court Judge Ethan P. Schulman and now are wending their way to appeal as one combined suit. "I'm conscientiously trying to do what I can to expedite a decision," said Jarvis Director of Legal Affairs Timothy Bittle.

On the Calendar

August 22: Public hearing on a proposal for a pilot program to discount fares for low-income riders. Anyone with an income below the poverty level (about \$40,000 a year for a family of four) would be eligible for discounts of up to 50 percent on ferry and bus tickets. 9 am GG Toll Plaza Administration Building.

August 23: Golden Gate Bridge District Board of Directors. 10 am GG Toll Plaza Administration Building.

September 5: BCDC Board Meeting, 1 pm, Bay Area Metro Center, 375 Beale Street

September 5: WETA Board of Directors Meeting, 1:30 pm at Pier 1.

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