



California Public Utilities Commission
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PRESS RELEASE

Docket #: R.12-12-011

**CPUC ESTABLISHES RULES FOR
TRANSPORTATION NETWORK COMPANIES**

SAN FRANCISCO, Sept. 19, 2013 -- The California Public Utilities Commission (CPUC) today took action to ensure that public safety is not compromised by the operation of transportation services that use an online-enabled platform to connect passengers with drivers who use their personal, non-commercial vehicles.

The CPUC determined that companies such as Lyft, SideCar, and UberX are charter party passenger carriers subject to CPUC jurisdiction. The CPUC created the category of Transportation Network Company (TNC) to apply to companies that provide prearranged transportation services for compensation using an online-enabled application (app) or platform to connect passengers with drivers using their personal vehicles.

The CPUC established 28 rules and regulations for TNCs. The rules include the requirements that TNCs must:

- Obtain a license from the CPUC to operate in California;
- Require each driver to undergo a criminal background check;
- Establish a driver training program;
- Implement a zero-tolerance policy on drugs and alcohol;
- Hold a commercial liability insurance policy that is more stringent than the CPUC's current requirement for limousines, requiring a minimum of \$1 million per-incident coverage for incidents involving TNC vehicles and drivers in transit to or during a TNC trip, regardless of whether personal insurance allows for coverage; and,
- Conduct a 19-point car inspection.



A second phase of this proceeding will review the CPUC's existing regulations over limousines and other charter party carriers to ensure that public safety rules are up to date and responsive to the needs of today's transportation market.

"The CPUC is at the forefront of leadership in crafting new safety based regulations for a rapidly emerging industry," said CPUC President Michael R. Peevey, the lead Commissioner for this proceeding. "The rules we created today allow Transportation Network Companies to compete with more traditional forms of transportation and for both drivers and consumers to have greater choice within the transportation industry."

"Our decision emphasizes safety as a primary objective, while fostering the development of this nascent industry," said Commissioner Mark J. Ferron. "We have specified our expectations for the attributes of insurance. Now the insurance market will determine the best approach to ensure that there is coverage for passengers, drivers, and third-parties at all times while these vehicles are operating on a commercial basis."

The proposal voted on is available at

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K112/77112285.PDF>

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