



STATE OF CALIFORNIA

GAVIN NEWSOM, Governor

PUBLIC UTILITIES COMMISSION

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TO PARTIES OF RECORD IN RULEMAKING 12-12-011:

This is the proposed decision of Commissioner Baker. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's May 15, 2025 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ MICHELLE COOKE

Michelle Cooke

Chief Administrative Law Judge

MLC:jnf

Attachment

Decision **PROPOSED DECISION OF COMMISSIONER BAKER**
(Mailed 4/9/2025)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Rulemaking 12-12-011

**DECISION FOLLOWING LIMITED REHEARING OF
DECISION 23-12-015****Summary**

Decision 24-10-034 granted limited rehearing of Decision 23-12-015 on the issue of whether Lyft, Inc.'s (Lyft's) trip data contained in its 2014-2019 Annual Reports continues to have independent economic value to support a trade secret claim considering the data's age. Based on the record presented during the limited rehearing, Lyft has met its burden of demonstrating that the trip data for 2014-2019 still has independent economic value. However, a trade secret claim, even if established, is not an absolute privilege, therefore Lyft's trip data for 2014-2019 must be made public (with the restrictions previously established) because the Commission has determined that the public interest in obtaining access to the trip data outweighs Lyft's trade secret claim.

1. Background

1.1. Factual Background

Ever since the Commission adopted D.20-03-014 and eliminated, prospectively, the presumption of confidentiality for trip data that had previously been created by D.13-09-045, fn. 42, it became necessary for a TNC seeking to shield the trip data in its Annual Report from public disclosure on either confidentiality or privacy grounds to make the necessary granular factual showing to substantiate the claim(s). Since then, TNCs have filed motions each year for confidential treatment of their trip data on the grounds that their trip data was exempt from public disclosure on trade secret and privacy grounds.¹ The Commission has addressed a number of these motions by way of rulings and decisions.²

1.2. Procedural Background

On December 15, 2023, the Commission issued D.23-12-015 which terminated the presumption of confidentiality for the trip data in the 2014-2019 Annual Reports and ordered that this information be made publicly available with limited redactions based on privacy grounds, and with some trip data being provided in aggregated form. TNCs were ordered to submit their Annual

¹ Currently, the following motions for confidential treatment are pending before the Commission and will be addressed in a subsequent decision: *Motions of Lyft, Uber, Nomad, and HopSkipDrive for Confidential Treatment of Certain Data in Their 2021, 2022, 2023, and 2024 Annual Reports*.

² See, e.g., *Ruling on Uber's and Lyft's Motion for Confidential Treatment of Certain Information in Their 2020 Annual Reports* (December 21, 2020); *Ruling on the Motions of Uber, Lyft, HSD, and Nomad for Confidential Treatment of Portions of Their 2021 Annual Transportation Network Company ("TNC") Reports* (November 24, 2021); D. 21-06-023 (*Order Modifying Decision 20-03-014 and Denying Rehearing of Decision, As Modified*) (June 4, 2021); and D.23-02-041 (*Order Modifying Decision 22-05-003 and Denying Rehearing of the Decision, as Modified*) (February 24, 2023).

Reports for 2014-2019 to the Commission in accordance with the disclosure and redaction templates attached to D.23-12-015 as Appendices A through U.

On January 16, 2024, Lyft, Inc. (Lyft) filed an *Application for Rehearing of D.23-12-015* and alleged, *inter alia*, that the decision erred when it found that Lyft failed to establish that the trip data for 2014-2019 had independent economic value.³

On October 22, 2024, the Commission issued D.24-10-034 which modified portions of D.23-12-015, rejected the majority of the issues that Lyft had raised, and found that Lyft had established that the trip data from 2014-2019 had independent economic value. In reaching this later conclusion, the Commission found that at least one non-TNC party inquired about purchasing or licensing the company's trip data; that Lyft took significant steps to maintain the secrecy of the trip data; and the City and County of San Francisco recognized the economic value of Lyft's trip data to San Francisco. In the Commission's view, these factors taken together were sufficient to satisfy the independent economic value standard set forth in *Yield Dynamics, Inc. v. TEA Systems* (2007) 154 Cal.App.4th 547, 564-565.

Notwithstanding that conclusion, the Commission ordered a limited rehearing on whether the trip data from 2014-2019 continued to have

³ Lyft's other arguments on rehearing were that D.23-12-015 (1) made an incorrect conclusion that disclosure of a trade secret does not destroy a property right under the Fifth Amendment; (2) erred in finding that Lyft had no expectation of confidentiality when filing its annual reports; (3) mischaracterized *Carpenter v. U.S.* (2018) 138 S.Ct. 2206; (4) misconstrued the requirements of Evidence Code Section 1060 to support disclosure of Lyft's trip data; (5) violated Lyft's constitutional right to privacy under the Fourth Amendment; (6) did not protect privacy with time aggregation; (7) did not accurately follow putative expert approach to data disclosure; (8) rejected expert analysis in an arbitrary and unsupported manner; (9) did not consider each of Lyft's objections raised in proposed decision comments; and (10) improperly required Lyft to establish confidentiality. D.24-10-034 rejected these arguments but did make some modifications to D.23-12-015. (See D.24-10-034 at 20-21.)

independent economic value despite its age. The Commission grounded its order for a limited rehearing on the basis that it was a factual question whether data that once had independent economic value still maintains that value when the data is between five and ten years old.⁴

On December 16, 2024, a prehearing conference was held in which Lyft was instructed to file its opening brief, accompanied by all supporting documents such as declarations and any secondary source materials by January 31, 2025.

After Lyft complied with its filing deadline for its *Opening Brief*, on February 14, 2025, the San Francisco County Transportation Authority filed its *Opposition*.

On March 11, 2025, Lyft filed its *Reply*.

1.3. Submission Date

This matter was submitted on March 11, 2025, upon Lyft's filing of its *Reply*.

2. Issues Before the Commission

The limited issue on rehearing is despite its age, does Lyft's trip data for the years 2014-2019 continue to have independent economic value for a trade secret claim.

⁴ D.24-10-034 at 5, citing to *Fox Sports Net North, LLC v. Minn. Twins Partnership* (8th Cir. 2003) 319 F.3d 329, 336; *Taylor v. Babbitt* (D.C. Cir. 2011) 760 F.Supp.2d 80, 81; *Vendavo Inc. v. Long* (N.D.Ill. 2019) 397 F.Supp.3d 1115, 1133; and *Microstrategy, Inc. v. Business Objects, S.A.* (E.D.Va. 2009) 661 F.Supp.2d 548, 554.

3. Discussion and Analysis

3.1. Lyft has Established that its Trip Data for 2014-2019 Continues to Have Independent Economic Value.

The law recognizes that a trade secret can last as long as it meets the requirements for trade secret status. (*See, e.g., Fujikura Composite America, Inc. v. Dee* (S.D. Cal., June 28, 2024, No. 24-CV-782 JLS (MSB)) 2024 WL 3261214, at *11 (“So long as the at-issue information (1) retains potential value and (2) remains secret, it will retain trade secret protection regardless of how long the inventor sits on their creation.”); *Altavion, Inc. v. Konica Minolta Systems Laboratory, Inc.* (2014) 226 Cal.App.4th 26, 55, fn. 23 (Noting that trade secret protection “can last forever.”), quoting Schwartz, *The Corporate Preference for Trade Secret* (2013) 74 Ohio St. L.J. 623, 624.) Thus, for our purposes, if the trade secret continues to have independent economic value, a claim of trade secret protection may be asserted without regard to the age of the information that is the subject of the trade secret.

Lyft has met its burden of proof. First, Lyft has documented the continuing economic use of trip data, even trip data that may be 10 years old. Lyft explains that it uses all of the trip data on a regular basis to “glean insights into various aspects of Lyft’s business” by examining the supply of drivers with the demand from passengers in a given geography during a given time period. (*Lyft Opening Brief* at 3, and Declaration of Jonathan Pelsis [Pelsis Decl.], ¶4, Lyft Staff Data Scientist.) Lyft’s ability to monitor the supply and demand of the trip data is a skill that it claims it has developed over time and “at great expense to increase supply or demand or otherwise help to balance these continually changing variables.” (*Id.*) By evaluating the trip data, Lyft claims it can identify

market travel trends, both positive and negative, and determine which of its business initiatives have been successful. (*Id.*)

Second, Lyft has documented the economic usefulness of trip data dating back to 2014 for Lyft's competitors. It argues that the trip data from 2014-2019 relates to a unique period of exponential growth for the early-stage TNCs and represents a snapshot in time that documents a period of competition in a new transportation industry segment. (*Lyft Opening Brief* at 4.) Lyft argues that new entrants into the TNC market would find the 2014-2019 trip data useful to understand what Lyft did in the early stages of its operations to compete effectively with limited resources, and what Lyft operations were less effective as it entered the marketplace. (*Id.*, Pelsis Decl., ¶6.)

Third, Lyft argues that this trip data would be of use to third-party data brokers who would seek to monetize the information. Lyft claims there are a number of third-party data brokers who are focused on gathering data regarding completed TNC trips, who will then analyze and resell the data for a variety of purposes. (*Lyft Opening Brief* at 4, Pelsis Decl., ¶7.) As an example, Lyft points to a company called YipitData that collects data regarding completed TNC trips and issues periodic reports with estimates of TNC market activity, which are purchased by investors, analysts, and others, for various purposes. (*Id.*) While YipitData collects data regarding completed TNC trips from emails sent by TNCs to passengers upon the completion of a trip, the trip data from 2014-2019 would be more granular and therefore more financially useful for analysts, investment banks, investor representatives, and industry analysts looking to understand Lyft's past performance and projections of future performance. (*Lyft Opening Brief* at 5, Pelsis Decl., ¶8.)

Finally, Lyft asserts that the 2014-2019 trip data would have independent economic value for its future business ventures in the autonomous vehicle (AV) transportation market. Lyft claims that in November 2024, it partnered with May Mobility to make AVs available on the Lyft platform in certain geographic areas, and Lyft will utilize its historical trip data to aid in the onboarding and deployment process. (*Lyft Opening Brief* at 6, Declaration of Chiraag Devani, Lyft Senior Manager, ¶3.)

Also in November 2024, Lyft states it partnered with a company called Nexar, which provides video dashcams to explore ways to harness the power of aggregated, anonymized marketplace and fleet data to help Original Equipment Manufacturers and AV companies build better and safer autonomous technology. (*Id.*) By pairing Lyft's trip data with Nexar's millions of hours of video footage, Lyft claims that it and Nexar can jointly contribute to a more complete data set for autonomous research and development. (*Id.*)

In summary, we conclude that Lyft has demonstrated that the trip data from 2014-2019 continues to have independent economic value. The trip data may have economic value to competitors for model validation and refinement, to new entrants and potential new entrants seeking to refine their business strategies, and for actual and potential Lyft business partners.

3.2. Public Interest in Access to the Trip Data Outweighs the Claim of Trade Secret Protection

Even if a trade secret claim has been established, such a claim is not an absolute bar to making trade secret information public. (*See Bridgestone/Firestone, Inc. v. Superior Court* (1992) 7 Cal.App.4th 1384, 1390-1393.) Unlike privileges such as the attorney-client or the physician-patient, which--with limited exceptions--bar the public's intrusion into the content of these privileges, a trade secret claim

does not enjoy the same automatic protection against public disclosure. (*Id.*) Instead, a court must conduct a balancing test to determine which interest is greater: the public's interest in disclosure or the claimant's interest in maintaining the secrecy of trade secret information. (*See* Evidence Code Section 1060⁵ and Government Code Section 7920.000 (formerly Government Code Section 6255).⁶

The balancing test has been applied in a variety of factual contexts. For example, in *Uribe v. Howie* (1971) 19 Cal.App.3d 194, 210, the Court recognized the importance of the public interest in a dispute regarding physical harms allegedly caused by exposure to pesticides: "Alternatively, even if the information in the spray reports does contain trade secrets, we believe that the public is far better served by disclosure than by the converse." The Court noted that the public had a strong interest in the spray reports that defendant claimed were trade secret protected because "the information contained in the reports is important to the study of the effect of pesticides on man. The information would be useful to study the long-range effects of pesticides on humans, and in the treatment of present illness traceable in whole or part to exposure to these

⁵ Evidence Code Section 1060 states: "If he or his agent or employee claims the privilege, the owner of a trade secret has a privilege to refuse to disclose the secret, and to prevent another from disclosing it, if the allowance of the privilege will not tend to conceal fraud *or otherwise work injustice.*" (Italics added.)

⁶ Government Code Sections 7920.000 through 7930.215 continue the former Government Code Sections dealing with records requests without substantive change. (*See* Assembly Bill 473 [Chau].) The California Public Records Act or CPRA was formerly codified as Chapter 3.5, commencing with Section 6250 and through 6276.48. The renumbering of the CPRA was designed to make the law more user-friendly, thus furthering the public's right to access information concerning the conduct of public business. (*Id.*) Government Code Section 6255 now appears at Section 7922.000 and states: "An agency shall justify withholding any record by demonstrating that the record in question is exempt under express provisions of this division, or that on the facts of the particular case, *the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record.*" (Italics added.)

chemicals.” (*Id.*) Against such important public health interests, the Court concluded that disclosure took precedence over maintaining trade secret protection.

Uribe’s rationale was reaffirmed by the California Supreme Court in *State Farm Mutual Automobile Insurance Company v. Garamendi* (2004) 32 Cal.4th 1029, 1039, where the Court addressed the public’s right to inspect insurance company records filed with the Insurance Commissioner to which a trade secret privilege had been asserted. The Court first noted that the trial court and the court of appeal applied the *Uribe* balancing test: “Finally, the court held that, even if the trade secret applied, it still would not protect State Farm’s record A data.” The Court noted that there was a strong California policy in encouraging public participation in the insurance rate-setting process, which would be frustrated if insurers were allowed to withhold, on trade secret grounds, information on how insurance rates were calculated: “By giving the public access to all information provided to the Commissioner pursuant to article 10 – which was enacted by Proposition 103 – our construction of Insurance Code Section 1861.07 is wholly consistent with Proposition 103’s goal of fostering consumer participation in the rate-setting process.” After analyzing the applicable law, the Supreme Court ruled in favor of disclosure: “[W]e conclude that Insurance Code section 1861.07 does not incorporate the exemption to disclosure found in Government Code section 6254, subdivision (k), and that trade secret information is therefore not exempt from disclosure.” (32 Cal.4th at 1047.)⁷

⁷ Other decisions applying the balancing test when a trade secret claim has been made include *Stadish v. Superior Court* (1999) 71 Cal.App.4th 1130, 1145-1146; and *Westinghouse Electric Corporation v. Newman & Holzinger* (1995) 39 Cal.App.4th 1194, 1208-1209. Superior Court judges also have the power to seal records after conducting a balancing test similar to Evidence Code Section 1060 and Government Code Section 7920.000. (*See* California Rules of Court,

Footnote continued on next page.

The public interests recognized in *Uribe* and *State Farm* are no greater than the public's interest in obtaining Lyft's trip data for 2014-2019. D.24-10-034 agreed with D.23-12-015's conclusion that the public interest would be served by the public disclosure of the trip data regardless of whether a trade secret claim had been established. In agreeing that nondisclosure of the trip data would work an injustice, D.24-10-034 acknowledged how the dissemination of the trip data sheds public light on how the Commission regulates the TNC business in several respects: (1) to ensure that TNCs conduct their operations in a safe manner; (2) to ensure that TNCs operate in a nondiscriminatory manner; (3) to ensure that TNC vehicles are accessible to people with disabilities; and (4) to evaluate the impact of TNCs on traffic congestion, infrastructure, and air pollution. (D.24-10-034 at 11, citing to D. 23-12-015 at 85-91.) These and other public interest considerations were also deemed persuasive by the Court in *City of San Francisco v. Uber Technology, Inc.* (2019) 36 Cal.App. 5th 66, 75-76, in approving the City attorney's investigative powers to issue administrative subpoenas to obtain Uber's trip data.

The fact that the trip data from 2014-2019 may continue to have independent economic value does not outweigh the public's interest in the trip data's disclosure.⁸ Lyft recognizes this conundrum yet urges the Commission to

Rule 2.250(d) ["The court may order that a record be filed under seal only if it expressly finds facts that establish---there exists an overriding interest that overcomes the right of public access to the record[.]".])

⁸ Ironically, the Commission notes that one of Lyft's arguments regarding continuing independent economic value underscores why there is a great public interest in requiring the public disclosure of its trip data for 2014-2019. Lyft argues that it is making unredacted trip data available to its partner, Nexar, to build "better and safer autonomous technology." (Lyft *Opening Brief* at 6.) As the Commission has jurisdiction over autonomous vehicles and has issued decisions authorizing their operation on both a pilot and full deployment basis, trip data

Footnote continued on next page.

revisit that determination because of the reasons set forth in its *Application for Rehearing*. Lyft claims that while examining trip data is relevant to deciding if the information is a public record, and that the trip data may be useful for other salutary purposes, the trade secret claim should prevail over those considerations. (Lyft *Opening Brief* at 7.) Lyft cites *Bambu Franchising, LLC v. Nguyen* (N.D. Cal. 2021) 537 F.Supp.3d 1066, 1080 and *Henry Schein, Inc. v. Cook* (N.D. Cal. 2016) 191 F.Supp.3d 1072, 1078, arguing that D.24-10-034 did not consider this public interest argument, so Lyft is free to make this argument now. Lyft's position appears to be that the duty to protect against potentially unfair business competition outweighs the public's interest in obtaining Lyft's trip data for 2014-2019.

Lyft's argument is unpersuasive as it relies on authorities that are factually inapposite because they arose in the context of trade secret misappropriation litigation. In *Bambu Franchising*, the plaintiff sued for violations of the Defend Trade Secrets Act, the California Uniform Trade Secrets Act, breach of contract, violations of the Business and Professions Code, conspiracy, and intentional misrepresentation and sought a preliminary injunction against all defendants. In deciding whether to grant injunctive relief, the Court balanced the policy favoring competition versus the need to protect trade secrets and concluded that the latter prevailed: "Though California has a strong public policy in favor of vigorous competition, that interest 'yields to California's interest in protecting a company's trade secrets.'" (537 F.Supp.3d at 1080, quoting *Latona v. Aetna U.S. Healthcare, Inc.*, 82 F.Supp.2d 1089, 1096 (C.D. Cal. 1999.) Here, however, the Commission did not ground its decision on the need to promote competition in

information sharing that may result in safer AV transportation supports the Commission's regulatory duty to ensure that the transportation services it oversees are provided safely.

the TNC industry. Instead, the Commission determined the public interest in understanding how the Commission regulated the TNCs and the impact of TNC operations on the public outweighed the trade secret claim.

Similarly, in *Henry Schein*, the Court had to balance the hardships in deciding whether to grant a temporary restraining order to prevent defendant from accessing, using, disclosing, or making available, any of plaintiff's trade secret information. The Court determined that the public interest was served by enabling the protection of trade secrets, especially since the defendant's employer had signed a contractual agreement to be bound by the trade laws. In contrast, there is no contractual agreement binding the Commission to a trade secret agreement that would prevent it from weighing the public interest in trip data disclosure.

Finally, Lyft asks that if the Commission still intends to require the public disclosure of the 2014-2019 trip data, it should adopt additional data anonymization as a further safeguard, something Lyft notes was utilized by the City of Chicago. (*Lyft Opening Brief* at 8.) San Francisco County Transit Authority opposes any attempt by Lyft to expand confidential treatment of trip data submitted to the Commission beyond that which the Commission has already approved for confidential treatment. (*San Francisco County Transit Authority Opposition* at 2.)

We reject Lyft's request. The Commission has already considered how the City of Chicago anonymized TNC trip data and developed its own aggregation approach in order to preserve passenger and driver safety, and we ordered that trip request date/time, trip request accepted date/time, passenger pick up date/time, and passenger drop off date/time be aggregated to the nearest 30 minutes interval. (*See* D.23-12-015 at 107-112, and Ordering Paragraph 3.) There

is no reason to require further anonymization of the 2014-2019 trip data beyond what we have already required.

4. Summary of Public Comment

Rule 1.18 of the Commission's Rules of Practice and Procedure (Rule or Rules) allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

No public comments were submitted following the limited rehearing.

5. Comments on Proposed Decision

The proposed decision of Commissioner Matthew Baker in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

6. Assignment of Proceeding

Matthew Baker is the assigned Commissioner and Robert M. Mason III is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Lyft continues to use its trip data from 2014-2019 to examine driver supply with the demand from passengers in a given geography during a given time period.

2. Lyft has documented that new entrants into the TNC market would find its trip data from 2014-2019 useful to understand Lyft's business operations at the beginning of the TNC market.

3. Lyft has documented that its trip data from 2014-2019 would be useful to third-party data brokers who would seek to monetize the information.

4. Lyft has documented that its trip data from 2014-2019 may help in creating better and safer autonomous vehicle technology from autonomous vehicle transport.

Conclusions of Law

1. It is reasonable to conclude that Lyft’s trip data for 2014-2019 has independent economic value.

2. It is reasonable to conclude that even with independent economic value, the public interest in access to Lyft’s trip data for 2014-2019 outweighs Lyft’s claim of trade secret protection.

3. It is reasonable to conclude that Lyft has failed to advance any credible argument for requiring the Commission to order further anonymization of the 2014-2019 trip data beyond what is required by D.23-12-015.

O R D E R

IT IS ORDERED that:

1. Lyft, Inc. shall submit public versions of its Annual Reports to the Commission for the years 2014-2019 in accordance with the requirements adopted in Decision 23-12-015 and affirmed by Decision 24-10-034.

2. Rulemaking 12-12-011 remains open.

This order is effective today.

Dated _____, at _____, California