BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Establish Policies, Processes, and Rules Regarding Autonomous Vehicle Passenger Transportation Service	Rulemaking 25-08-013 (Filed August 28, 2025)

COMMENTS OF TESLA, INC. ON ORDER INSTITUTING RULEMAKING TO ESTABLISH POLICIES, PROCESSES, AND RULES REGARDING AUTONOMOUS VEHICLE PASSENGER TRANSPORTATION SERVICE

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission ("CPUC" or "Commission"), and the Senior Administrative Law Judge's September 22, 2025, Email Ruling Granting Request for Extension to file comments, Tesla, Inc. ("Tesla") respectfully submits the following comments on the *Order Instituting Rulemaking (OIR) to Establish Policies, Processes, and Rules Regarding Autonomous Vehicle Passenger Transportation Service* (R. 25-08-013) issued on September 5, 2025.

I. INTRODUCTION

Tesla applauds the Commission for its initiative and leadership in promoting the advancement of autonomous vehicle (AV) technologies and deployments on California roadways. The rate of traffic collisions and fatalities continues to be a staggering statistic that takes a tremendous toll on our families and communities. Tesla has always been committed to a well-considered, thoroughly tested, and robust approach to Advanced Driver Assistance Systems (ADAS) and AVs. We write to express concerns with certain aspects of the Commission's OIR that we believe could hinder progress in this important area. In particular, we are concerned that imposing unduly restrictive limitations on the use of ADAS and personally-owned AVs by regulated carriers may run counter to the State's broader goals of ensuring access to safe, reliable, and affordable passenger-carrying transportation, and promoting the health of California's economy. With appropriate modifications, we believe the Commission can shape a final rule that balances consumer safety and innovation.

II. COMMENTS

2.1 Partnership and Emerging Business Model Configurations

2.1.2 Use of Advanced Driver Assistance Systems or "Level 2" by Regulated Carriers

1. *To what extent should TNCs and/or TCPs allow the use of Level 2 ADAS in passenger service?*

Under the Society of Automotive Engineers (SAE) taxonomy shown in Figures 1 and 2 below, vehicles equipped with Level 2 ADAS can control both steering and accelerating/decelerating, but the driver remains fully responsible for the driving task and must be prepared to take control at any time. Unlike a Level 3, 4, or 5 Autonomous Driving System (ADS), a Level 2 ADAS does not make a vehicle autonomous because the driver is responsible for actively monitoring the driving environment and intervening as necessary to ensure the safe operation of the vehicle.

The Highway Loss Data Institute (HLDI) estimates that by 2028, ADAS systems will be present in half or more registered vehicles.[1] Today, many vehicle manufacturers, including Tesla, offer Level 2 ADAS across various brands, makes, and models in the United States. Other manufacturers include Toyota, Lexus, Chevrolet, Ford, Hyundai, Lucid, Rivian, BMW, Honda, Jeep, Mazda, Nissan, Volkswagen, and Mercedes-Benz, among others. All Level 2 ADAS today may be used across the country without restriction or permitting. In California, members of the public, TNC, and TCP drivers may freely engage a Level 2 ADAS on their vehicle when traveling on public roads. The National Highway Traffic Safety Administration (NHTSA) has officially stated that driver assistance technologies in vehicles not only help to keep drivers and their passengers safe, but also other following motorists and pedestrians.[2] All of Tesla's TCP

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[1] https://injuryfacts.nsc.org/motor-vehicle/occupant-protection/advanced-driver-assistance-systems/data-details/.

[2] https://www.nhtsa.gov/vehicle-safety/driver-assistance-technologies#:~:text=Overview,when%20buying%20your%20next%20vehicle.

vehicles are equipped with Tesla's Level 2 ADAS, FSD (Supervised). According to Tesla's Q3 2025 Vehicle Safety Report, Tesla "recorded one crash for every 6.36 million miles driven in which drivers were using Autopilot technology,"[3] including FSD (Supervised). "By comparison, the most recent data available from NHTSA and FHWA (from 2023) shows that in the United States there was an automobile crash approximately every 702,000 miles."[4] In July of this year, Tesla commenced its TCP operation in California. To date, Tesla has completed over 40,000 rides in the State, and almost 100% of those rides engaged FSD (Supervised) at some point in the drive cycle. Notably, Tesla has not received notice of any significant TCP-vehicle incidents, including incidents involving major property damage, injury, or fatality. To date, Tesla has reported only three events involving TCP vehicles under NHTSA's Standing General Order 2021-01. In Tesla's assessment, none of the three incidents resulted from a failure of the ADAS.[5] Based on Tesla's review of available data, the frequency of collisions relating to the use of FSD (Supervised) in TCP vehicles is extremely low.

Imposing any kind of limitation on TNCs or TCPs that prohibits or restricts the use of Level 2 ADAS would be inconsistent with current practice in California and the U.S. at large; create unnecessary disparity with vehicles operated for personal use that are similarly equipped with a Level 2 ADAS; display a fundamental misunderstanding of the technology that is misaligned with existing federal and state precedent; deprive Californians of the valuable roadway safety benefits associated with Level 2 ADAS; and possibly drive TCP and TNC-related investments to other markets. For these reasons, Tesla strongly recommends that the Commission avoid restricting any Level 2 ADAS use in TNC and TCP vehicles operated for passenger service.

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[3] https://www.tesla.com/VehicleSafetyReport#q3-2025.

[4] *Id.* (citing Research Note: Overview of the 2023 Crash Investigation Sampling System and Traffic Volume Trends December 2023 - Policy | Federal Highway Administration).

[5] One incident involved a customer opening the TCP vehicle door into the path of a bicyclist, and the remaining two incidents involved the TCP vehicle being rear ended while slowing for a yellow light and a lead vehicle, respectively.

Fig. 1 – SAE Levels of Driving Automation

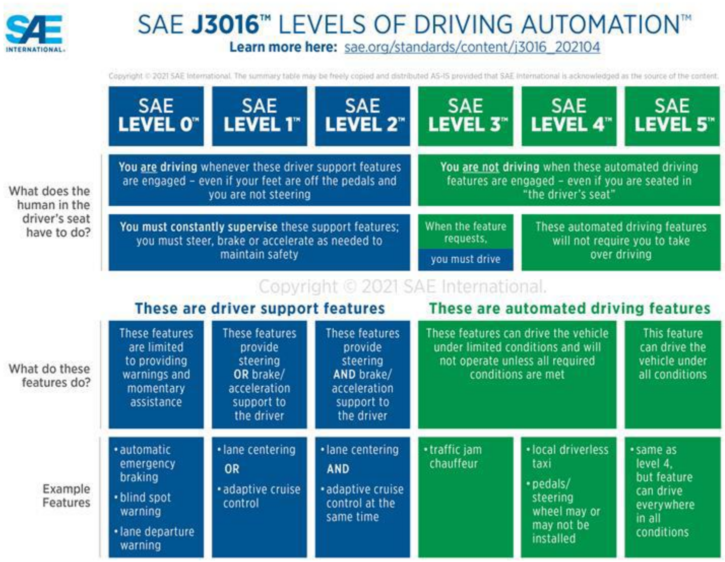
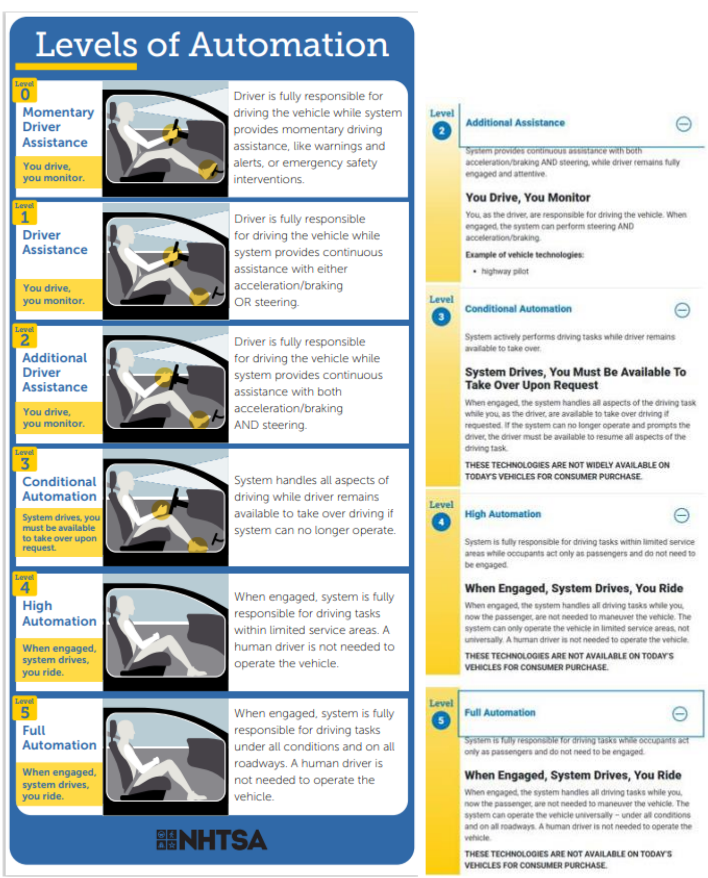


Fig. 2 – NHTSA Overview of the Levels of Driving Automation



2. What safety information should TNCs and TCPs be required to provide to drivers who use Level 2 technology in the course of providing regulated service? How should it be provided to drivers?

As a general matter, Tesla supports providing TNC and TCP drivers who use Level 2 technology with safety information that is consistent with the information provided to vehicle customers by the manufacturer of the vehicle and Level 2 system. The provision of this information and any further safety information should be left to the discretion of the TNC and TCP holder based on operational needs and their specific technology.

3. Should TNC and TCP holders be required to provide driver training on ADAS-equipped vehicles?

As a general matter, Tesla supports the concept of requiring ADAS-specific training for TNC and TCP drivers before they are permitted to transport passengers or otherwise perform safety-sensitive duties. Tesla's TCP drivers, for example, must successfully complete rigorous classroom and behind-the-wheel training before they are permitted to operate a TCP vehicle, and are subject to routine post-training audits to ensure their compliance with Tesla's robust driving standards. Tesla believes the precise content, format, and frequency of any mandated ADAS training should not be prescribed by the Commission, but rather left to the discretion of the TNC and TCP holder and tailored to their specific business model and technology. Imposing a one-size-fits-all approach would treat every ADAS system the same regardless of a system's unique design and performance or the TNC and TCP holder's intended operational use.

4. What safety information should TNCs and TCPs be required to provide to passengers of vehicles with Level 2 technology, if any? If so, how should it be provided to passengers?

As a general matter, Tesla supports providing TNC and TCP passengers with safety information that is consistent with the information provided to vehicle customers by the manufacturer of the vehicle and Level 2 system. The provision of this information and any further safety information should be left to the discretion of the TNC and TCP holder based on operational needs.

Tesla would point out that, by law, all TCP rides must be "prearranged" with customers, which enables carriers to educate customers about the service prior to a ride being scheduled. For example, customers who wish to utilize Tesla’s TCP service must download Tesla’s rideshare mobile application and review Tesla’s Terms of Service, Rider Rules, and Privacy Notice before they are permitted to book a ride. Tesla's app also provides riders with clear directions before, during, and after a ride, as well as instructions on how to contact Tesla to provide feedback.

5. Should drivers, TNCs, or TCPs be required to solicit and receive passenger consent prior to engaging Level 2 technology while in passenger service? If so, what requirements should be in place?

Tesla supports requiring TNCs and TCPs to provide customers with advance notice that a Level 2 technology may be utilized during a passenger ride. When California customers sign up for Tesla’s rideshare mobile application, they must consent to Tesla's rideshare Terms of Service and are alerted that their ride will be conducted using Tesla’s Level 2 ADAS, FSD (Supervised). If the customer requests that the TCP vehicle be driven manually at the start of a ride, the driver should respect that request. In the absence of such a request, however, Tesla does not support requiring drivers, TNCs, or TCPs to obtain or reaffirm affirmative consent from a passenger prior to engaging a Level 2 technology while in passenger service. Under the SAE Level 2 taxonomy, the driver’s role specifically includes “[d]etermin[ing] whether/when engagement and disengagement of the driving automation system is appropriate” in a given situation. Requiring drivers to request and receive or reobtain affirmative passenger consent prior to engaging an ADAS would be antithetical to the functionality of a Level 2 system. The decision to engage a Level 2 system should remain within the province of the driver and should not be contingent upon obtaining the passenger’s consent.

6. Should the Commission require TNCs and TCPs to carry additional insurance for vehicles using ADAS?

A Level 2 ADAS is not considered an autonomous vehicle system under California law or the SAE taxonomy. Like a manually-driven vehicle, the driver of an ADAS-equipped vehicle retains responsibility for the driving task at all times and must actively monitor the driving environment and react as necessary to ensure safe operations. Notably, the proceeding record is devoid of any evidence demonstrating an increased risk to passengers that is unique to ADAS-equipped vehicles. Indeed, according to the National Safety Council, HLDI has conducted studies on “the overall effects of ADAS technologies by comparing police-reported crash rates and insurance claims for vehicles with and without various ADAS technologies."[6] Of the ADAS technology groups studied, all were associated with decreases in crashes and insurance claim rates.[7] Increasing the insurance coverage for TNCs and TCPs operating ADAS could result in a corollary increase in ride cost to the customer, which could potentially deter the public from using these TNCs/TCPs and deprive riders of the safety benefits of ADAS. Accordingly, requiring TNCs and TCPs who operate ADAS-equipped vehicles to carry additional insurance beyond what is currently required for these regulated carriers would be unjustified and unreasonable.

7. In what ways could use of ADAS by TNCs and TCPs increase risks to passenger and public safety? What safeguards could be put in place to reduce these risks?

To the contrary, Tesla expects use of its ADAS, FSD (Supervised), by TNCs and TCPs to decrease risks to passengers and the traveling public in line with its record of reducing vehicle collisions in existing customer vehicles. Given the significantly higher number of average miles driven by TNC/TCP drivers compared to private vehicles, the safety benefits will be even greater per vehicle. Because FSD (Supervised) does not make a vehicle autonomous, the driver remains the primary safeguard. To support the driver in making timely and appropriate decisions about the safe use of the system, Tesla designed FSD (Supervised) to provide real-time audible, visual, and/or haptic warnings, alerts, and feedback to the driver. The frequency and timing of these warnings may vary depending on vehicle speed, road conditions, and the presence of other vehicles or pedestrians. Importantly, the driver is instructed in the owner's manual and other disclosures that he or she cannot passively rely on the system to draw his or her attention to a situation requiring response, and circumstances may arise where an intervention from the driver is required without system prompting. If the driver does not provide sufficient confirmation of attentiveness, FSD (Supervised) will automatically disengage and cannot be re-engaged by the

[6] Advanced Driver Assistance Systems - Injury Facts (citing Insurance Institute for Highway Safety, Highway Loss Data Institute. (2023). *Real-world benefits of crash avoidance technologies.* Arlington, VA). The five ADAS technologies studied were: Forward Collision Warning with Autobrake; Automatic Emergency Braking with Pedestrian Detection; Lane Departure Warning; Blind Spot Detection; and Rear Automatic Braking.
[7] *Id*.

driver for the remainder of the drive cycle. Like any driver-assistance feature or system, the driver may disengage FSD (Supervised) at any time. Requiring safeguards beyond the redundancies already built into an FSD (Supervised)-equipped vehicle is counter-productive and unnecessary.

2.1.4 Use of Personally Owned AVs by Regulated Carriers—SAE Level 4 and 5

1. To what extent should personally owned vehicles equipped with Level 4 or 5 technology be permitted to provide passenger service?

Personally-owned vehicles equipped with Level 4 or 5 technology should be permitted to provide passenger service, so long as they comply with the Commission's TNC and AV Pilot and Deployment rules, in addition to DMV requirements, and are permitted to operate at the direction of the manufacturer holding the requisite DMV and CPUC permits. There is no basis to extend regulatory preference for corporate-owned autonomous vehicles over personally-owned autonomous vehicles if all safety and operational requirements are satisfied.

2. *Should the Commission create a distinct permit category for personally owned AVs that are made available to provide transportation to the general public, either in the context of an existing TNC platform or as part of a new transportation business, separate from the existing AV pilot or deployment authorization framework?*

Approval to operate a personally-owned AV should fall under the permitted authority of the specific rideshare network or provider that the personally-owned AV will operate for. Tesla would support a modification to the CPUC's existing AV Pilot and Deployment authorization framework that allows carriers to obtain a TNC and TCP in order to operate both personally- and corporate-owned AVs.

Notably, other states have successfully created a separate legal framework for transportation service networks that use a software application or other digital means to enable the prearrangement of AVs for purposes of transporting persons for compensation. These operations are often called "On-demand Autonomous Vehicle Networks" (OAVNs) or "Autonomous Vehicle Network Companies" (AVNCs), and in most states, both corporate- and personally-owned AVs may operate as part of an OAVN/AVNC fleet. Tesla would encourage the Commission to review the laws of Alabama, Arizona, Arkansas, Florida, Iowa, Kansas, Mississippi, Nebraska, New Hampshire, Nevada, North Dakota, Oklahoma, South Dakota, Utah, and West Virginia in developing a solution that would permit personally-owned vehicles to operate as part of an AV fleet in California.

3. Should TNCs that dispatch trip requests in personally owned AVs be required to report data under the AV Passenger Service program rules, the TNC Annual Reporting rules, or a combination of both?

Tesla believes requiring TNCs that dispatch trip requests in personally-owned AVs to submit reports under both the AV Passenger Service and the TNC Annual Reporting rules would be unduly burdensome and possibly duplicative. Tesla instead proposes that the reporting obligation for TNCs operating personally-owned AVs be equivalent to that imposed on carriers operating corporate-owned AVs pursuant to a TCP. Such parity will help avoid inconsistent reporting among carriers operating both types of vehicles under the AV Pilot and Deployment authorization framework and reduce the carrier's administrative burden of tracking and collecting reportable information.

2.2 Operations

2.2.1 Unaccompanied Minors in AVs

Tesla appreciates the importance of – and the CPUC's commitment to – ensuring the safety of unaccompanied minors in AVs. With appropriate safeguards in place – such as a minimum age limit, robust in-app safety features, enhanced privacy protections, and specialized training for remote support – Tesla believes certain minors should be permitted to ride alone in AVs under the Drivered and Driverless AV Pilot and Deployment programs.

According to NHTSA, motor vehicle accidents remain one of the leading causes of teen deaths in the United States.[8] By allowing minors to ride unaccompanied in AVs, the CPUC can help

[8] Young Drivers | NHTSA.

eliminate distracted and impaired driving and significantly reduce the number of crashes on California roadways. In AVs, minors would also be free from the risk of driver misconduct.

Additionally, modifying the CPUC's current prohibition on unaccompanied minors would unlock an affordable and accessible transportation option for minors who may not otherwise have a reliable form of transportation, including those with disabilities. Not only would this foster independence and promote equitable mobility, but it would have the added advantage of alleviating the logistical transportation burden on parents and caregivers.

2.2.3 Customer Support in Driverless Vehicles

1. Should the PSP requirements be expanded or modified to require carriers to provide additional information on the role and capabilities of remote customer support agents, including their interactions with other internal support personnel (e.g., remote assistance or remote operators, roadside assistance) and their interactions with passengers during driverless rides?

In Tesla's assessment, no expansions or additions to the PSP requirements are necessary. Pursuant to CPUC Decision 20-11-046 as modified by Decision 21-05-017, the existing PSP requirements mandate that carriers provide information on the role and capabilities of remote customer support agents, including their interactions with other internal support personnel and passengers during driverless rides. Specifically, a PSP must currently set forth how the carrier will (1) minimize safety risks to passengers traveling in a ride operated without a driver in the vehicle and (2) enable passengers to contact the AV service provider during the ride and ensure the passengers receive a timely and complete response. These prompts provide the carrier with adequate opportunity to explain how remote customer support agents fit within the carrier's broader operational infrastructure, the agents' responsibilities during the lifecycle of a passenger ride, and the specific actions agents will take if confronted with an emergency. If the Commission desires additional information from a carrier on this topic, it can issue a request to the carrier pursuant to existing authority.

Moreover, the DMV regulations already require that vehicles operating under a Driverless AV Tester (AVT) Permit be equipped with "a communication link between the vehicle and the remote operator to provide information on the vehicle's location and status and allow two-way communication between the remote operator and any passengers if the vehicle experiences any failures that would endanger the safety of the vehicle's passengers or other road users, or otherwise prevent the vehicle from functioning as intended, while operating without a driver."[9] Under the DMV definition, "remote operators" *may* – but are not required to – have the ability to perform the dynamic driving task, so could include the type of "remote assistants" discussed in the OIR.[10] Further, the DMV requires Driverless AVT permit applicants to certify that they will "continuously monitor the status of the vehicle and the two-way communication link while the autonomous test vehicle is being operated without a driver;" describe "how the manufacturer will monitor the communication link;" and explain "how all of the vehicles tested by the manufacturer will be monitored.[11] For these reasons, Tesla believes an expansion of the PSP requirements to encompass remote support is duplicative of current DMV regulations.

3. *Should the Commission require mandatory training for all remote agents who assist AV passengers?*

As a general matter, Tesla supports the concept of requiring training for remote agents to ensure their preparedness in mitigating risks to AV passenger safety, so long as the precise content, format, and frequency of that training is left to the discretion of the carrier and tailored to their specific business model and technology.

Because current DMV regulations already require that entities seeking a Driverless AVT Permit "maintain a training program for its remote operators and certify that each remote operator has completed training sufficient to enable him or her to safely execute the duties of a remote operator and possesses the proper class of license for the type of test vehicle being operated,"[12]

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[9] 13 CCR § 227.38(b)(1).
[10] *Id*. at § 227.02(n).
[11] *Id*. at § 227.38(b)(1)(A)-(C).
[12] *Id*. at § 227.38(f). The manufacturer must provide the DMV "with a course outline and description of the remote operator training program and the date that each remote operator completed the program. The remote operator training program shall include, but not be limited to the following:

Tesla believes a mandate to AV passenger carriers to provide training for its remote agents is duplicative of current DMV regulations.

4. *Should the Commission set minimum staffing levels, response times, or other standards for remote agents to ensure adequate coverage and access?*

Staffing levels, response times, and other standards for remote agents will be system and carrier specific and depend on a number of factors that cannot be appropriately standardized into a regulation. Accordingly, the carrier is best positioned to determine the optimal staffing resources, response times, and remote agent standards for the scale of its planned operation.

2.2.4 Purpose-Built AVs

1. Should participants in the Driverless AV Deployment program that wish to transport passengers in purpose-built AVs be required to describe their safety protocols and policies specific to purpose-built vehicles in their Passenger Safety Plan?

The same safety protocol and policy requirements for PSPs should apply to Driverless AV Deployment program participants regardless of AV type. The existing PSP requirements and guidance provide carriers with sufficient flexibility to account for any variation between vehicle types and operations that may impact passenger safety. Additionally, purpose-built AVs can be engineered to the same or a higher level of passenger safety compared to standard passenger vehicles today, inclusive of safety protocols related to rider interactions.

2. Which provisions of GO 157-E are incompatible with purpose-built AVs? and 3. What, if any, changes should be made to the GO 157-E exemption process specifically for purpose-built AVs?

In Tesla's assessment, the following sections of General Order (GO) 157-E may be incompatible with purpose-built AVs and thus warrant reevaluation by the Commission: Part 4.01, Equipment

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(1) Instruction on the automated driving system technology being tested, including how to respond to emergency situations and hazardous driving scenarios that could be experienced by the vehicle or the vehicle's occupants."
(2) The instruction shall match the level and technical maturity of the automated driving system. *Id*. at 227.38(f)(1)-(2).

Statement to be Current; Part 4.02, Safety Requirements Before Operations; Part 4.05, 19-Point Inspection; and Part 4.06, Maintenance of Vehicle Inspection Records.

GO 157-E Part 4.01 obligates TCPs to maintain with the Commission an equipment list of all vehicles in use under each certificate and permit. California Vehicle Code Section 260 and the Commission's Passenger Carrier Equipment Statement (Form PL-664) require vehicles that are used for the transportation of persons for hire to be registered as "commercial." For carriers who are manufacturers and wish to transport passengers in purpose-built AVs, it is feasible that the manufacturer may wish to operate its purpose-built AVs under plates provided by their Manufacturer's License ("M-plates") issued through the DMV's Occupational Licensing Division. The M-plates would permit the manufacturer to operate the AVs on public roads without being traditionally registered. CPUC Decision 18-05-043 indicates that the AV Pilot programs are "designed to work in tandem with the DMV's jurisdiction over regulations addressing the safe operation of AVs themselves,"[13] and the DMV AV testing program currently permits AVs to operate on public roads with M-plates. To ensure consistency between the DMV and CPUC AV testing programs and allow flexibility for manufacturers of purpose-built AVs, Tesla recommends that the Commission permit the use of M-plates in the AV Pilot Program.

GO 157-E Part 4.02 requires TCP vehicles, including AVs, to comply with the requirements of the California Highway Patrol and the Motor Carrier Safety Sections of Title 13 of the California Code of Regulations ("CCR"). 13 CCR § 1215(b)-(c) require drivers to prepare a daily inspection report for each operated vehicle that addresses specific parts and accessories, including the service brakes, steering mechanism, and rear vision mirrors. Similarly, Part 4.05 mandates that all TCPs ensure every vehicle undergoes a 19-point vehicle inspection prior to initial operation and every 12 months or 50,000 miles thereafter. This inspection must include, among other things, the foot and emergency brakes, steering mechanism, and interior and exterior rear-view mirrors. Under Part 4.06 of GO 157-E, all TCPs must maintain records of their vehicles' 19-point inspection for a period of three years.

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[13] CPUC Decision 18-05-043, at 2.

Because purpose-built AVs are designed to operate without a human driver, they may not be equipped with certain manually-operated driving controls. Under 13 CCR § 228.06(b)(3), AVs are excepted from these manual control requirements if the vehicle otherwise complies with applicable federal regulations or NHTSA has approved an exemption. If a manual control(s) has been exempted by NHTSA or is not otherwise required by applicable federal law, and is not actually present in the vehicle, the carrier should not be required to complete the 19-point inspection or daily inspection and report for that manual control(s). Relatedly, a carrier should not be required to comply with the three-year record keeping requirement for any items in the 19-point inspection with which the purpose-built AV is not required to be – and is in fact not – equipped.

4. What safety information should carriers be required to provide to passengers of purpose-built AVs? How should it be provided to passengers?

As a general matter, Tesla supports providing passengers of purpose-built AVs with safety information, such as an overview of the vehicle; what to expect before, during, and after a ride; how to engage with remote support staff; and instructions on how to respond during an emergency or unexpected service interruption. However, the precise content, format, and delivery method of that safety information should not be prescribed by the Commission, but rather left to the discretion of the carrier and tailored to their specific business model and technology.

5. Should carriers be required to solicit and receive passenger consent prior to providing service in a purpose-built AV? If so, what requirements should be in place?

Tesla supports carriers providing customers with advance notice that a purpose-built AV may be used to provide passenger service. However, the decision to obtain a passenger's affirmative consent to ride in a purpose-built AV should be left to the discretion of the carrier.

2.2.5 Airports

1. *Should the Commission require AV carriers who wish to offer airport service to provide documentation of the airport's permission for such operations to Commission staff, including*

> *any conditions or limitations imposed by the airport, prior to commencing service? a. Should this information be posted publicly on the Commission website?*

Tesla supports providing the Commission with a courtesy copy of the airport's official authorization to provide AV passenger service on airport property, on the condition that the Commission protect any marked confidential business information contained therein from public release. To that end, Tesla opposes the official authorization being posted on the Commission's website, particularly since the CPUC is not a party to the airport's operating agreement with a carrier.

2. What, if any, additional data should the Commission collect from AV carriers operating at airports?

Because an AV carrier's airport operation is subject to the relevant airport's independent rules and oversight, no additional data should be collected by the Commission from these carriers.

3. Should AV operators be able to provide passenger service using the AV Pilot authority if the DMV has authorized the ODD and the airport has granted permission?

CPUC Decision 18-05-043 and Part 3.02 of GO 157-E make clear that the relevant airport authority has ultimate decision-making authority over whether to allow a carrier participating in the Commission's AV Pilot and Deployment programs to operate AVs on airport property. This approach to airport access continues to be a rational one and grants appropriate deference to airport authorities in determining the means of transportation that will best serve their visitors.

Therefore, Tesla believes it is neither appropriate nor necessary for the Commission to impose additional restrictions on airport operations by AV Pilot participants. If the governing board of any State airport grants an AV carrier permission to operate on its grounds, and the DMV has approved the carrier's ODD, operation should be allowed under the AV Pilot.

<u>2.3. Program Requirements and Administration</u>

2.3.1. Clarification of "Materially Affect" to the PSP and Update Requirements

Tesla believes it is unreasonable for the Commission to establish a materiality threshold given the variability amongst carriers' business models and technologies. It would be impossible to do so while allowing for sufficient flexibility to account for emerging issues and future applications. A materiality threshold would be inherently subjective given the numerous factors that could be argued as impacting safety. Resultingly, it would encourage an applicant to apply for as broad a PSP as possible to avoid incessant regulatory reviews and additional approvals for each narrow expansion. Further, while we appreciate staff direction and discretion on regulatory requirements, providing staff the authority to provide guidance on what materially affects a PSP could result in unequal interpretation over time.

2.3.3. Operational Design Domain Disclosure

1. Should the Commission require public disclosure of ODDs, and if so, should this requirement apply to both pilot and deployment ODDs?

An AV carrier's Operational Design Domain (ODD) may contain sensitive trade secret information and proprietary data, such as details revealing how the AV will react when it exits its ODD or confronts edge cases and how it will achieve a minimal risk condition. Generally speaking, carriers take extensive measures to guard and protect details about their respective ODDs. Mandating blanket public disclosure of ODDs, without recourse to request confidential treatment of proprietary or other sensitive information, could provide a carrier's competitors with unique insight into critical engineering and business strategies relating to the carrier's AVs that may not otherwise be available to the public or other market participants. In turn, such disclosure could irreparably harm a carrier's investment and expenditure of time and resources in its business, and disincentivize carriers from entering or remaining in the California market.

2. Should the Commission require carriers participating in the AV Pilot to provide notice of ODD modifications to Commission staff prior to commencing operations in the modified ODD?

CPUC Decision 18-05-043 requires that carriers participating in the Driverless AV Pilot Program inform the Commission within one business day of an update to the ODD that is approved by the DMV. Accordingly, no further notice to the Commission is necessary.

III. CONCLUSION

Tesla appreciates the opportunity to submit comments on the Commission's OIR, and we look forward to continued engagement as we work toward a common vision for the safe and responsible advancement of AV technology in passenger transportation service. We respectfully request that the OIR be modified as described above and reissued for further comment.

Respectfully submitted on this 31st day of October, 2025.

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