**BEFORE THE PUBLIC UTILITIES COMMISSION**
**OF THE STATE OF CALIFORNIA**

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| Order Instituting Rulemaking to Establish Policies, Processes, and Rules Regarding Autonomous Vehicle Passenger Transportation Service | Rulemaking 25-08-013<br>(Filed August 28, 2025) |
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# REPLY 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 reply 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. Use of Advanced Driver Assistance Systems or "Level 2" by Regulated Carriers

Tesla strongly agrees with other commenters, like Lyft,[1] the Alliance for Automotive Innovation,[2] and San Francisco International Airport,[3] that vehicles equipped with Level 2 ADAS should be permitted to operate in passenger service. As we noted in our opening comments, Level 2 ADAS provide valuable roadway safety benefits that help reduce collisions;[4] indeed, when Tesla's ADAS – FSD (Supervised) – is engaged, a driver is seven times less likely to be involved in an accident.[5] As evidenced by Tesla's opening comments, Tesla is not opposed to Waymo[6] and Uber's[7] general

[1] Lyft Opening Comments, p. 4.
[2] Alliance for Automotive Innovation Opening Comments, p. 5.
[3] San Francisco International Airport Opening Comments, p. 5.
[4] Tesla, Inc. Opening Comments, pp. 3-4.
[5] Tesla Vehicle Safety Report, *available at* https://www.tesla.com/fsd/safety.
[6] Waymo Opening Comments, p. 9.
[7] Uber Opening Comments, p. 8.

suggestion that the Commission adopt reasonable regulations governing the use of Level 2 ADAS in TCP/TNC vehicles, including requiring training for drivers, providing safety information to drivers and customers, and providing customers with advance notice that a Level 2 technology may be utilized during a passenger ride.[8] Tesla already requires its TCP drivers to complete rigorous classroom and behind-the-wheel training before they are permitted to operate a TCP vehicle and to undergo routine post-training audits to ensure their compliance with Tesla's robust driving standards.[9] Moreover, Tesla's TCP customers must consent to Tesla's rideshare Terms of Service prior to arranging a ride, are alerted that their ride will be conducted using Tesla's Level 2 ADAS, FSD (Supervised), and receive clear directions before, during, and after a ride, as well as instructions on how to contact Tesla to provide feedback.[10] However, Tesla respectfully disagrees with two specific regulatory proposals from Uber and Waymo.

First, Uber recommends that the CPUC "craft a regulatory approach that clearly delineates between ADAS vehicles and fully autonomous AVs."[11] In particular, Uber suggests that the Commission issue regulations governing how Level 2 passenger carriers market or otherwise describe their ADAS-equipped vehicles in order to "protect[] passengers from misleading claims" that such vehicles are autonomous.[12] This proposal is unnecessary, as the State's existing statutory framework already addresses misleading advertisements, including those relating to vehicles and vehicle technology. For example, the DMV has a regulation[13] governing statements about autonomous technology and also administers a section of the California Vehicle Code that prohibits making false or misleading statements in vehicle advertisements.[14] The DMV is empowered to bring an enforcement action for any violation of these laws. More broadly, the California Civil

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[8] Tesla Opening Comments, pp. 6-7.
[9] *Id.* at p. 6.
[10] *Id.* at pp. 6-7.
[11] Uber Opening Comments, p. 8.
[12] *Id*. at p. 9. Importantly, California law excludes vehicles equipped with Level 2 ADAS from the definition of "autonomous vehicles." Cal. Veh. Code § 38750(a)(1) ("An autonomous vehicle *does not include* a vehicle that is equipped with one or more collision avoidance systems, including, but not limited to, electronic blind spot assistance, automated emergency braking systems, park assist, adaptive cruise control, lane keep assist, lane departure warning, traffic jam and queuing assist, or other similar systems that enhance safety or provide driver assistance, *but are not capable, collectively or singularly, of driving the vehicle without the active control or monitoring of a human operator*.") (emphasis added).
[13] 13 CCR § 228.28.
[14] Cal. Veh. Code § 11713.

Code prohibits "[r]epresenting that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have,"[15] and the California Business and Professions Code makes it unlawful for any entity, with the direct or indirect intent to perform services, to disseminate before the public any statement that is untrue or misleading.[16] Violations of these provisions may result in civil and/or criminal penalties.[17]

As these laws demonstrate, comprehensive enforcement mechanisms are already in place to adequately protect California consumers against false or deceptive advertising by TNCs and TCPs operating Level 2 ADAS-equipped vehicles. Additional rulemaking in this area by the Commission would be redundant; therefore, Tesla urges the Commission to reject Uber's proposal.

Second, Waymo suggests that the CPUC impose the quarterly reporting requirement applicable to AV Drivered Deployment participants on TCPs and TNCs operating Level 2 ADAS-equipped vehicles.[18] The quarterly reports must include, among other things, information related to passenger trip time, location, vehicle miles traveled, and vehicle information such as VIN (vehicle identification number), environmental impact, and wheelchair accessibility. Additionally, pursuant to CPUC Decision 24-11-002, AV Deployment participants must also provide disaggregated incident information, such as: date, time, and location of incident; collision type; and citation type and issuing entity.

As Waymo concedes, ADAS-equipped vehicles are wholly distinct from autonomous vehicles because "a human driver is still required to supervise and stand ready to take control of the vehicle at all times."[19] Subjecting TNCs/TCPs who operate ADAS-equipped vehicles to the same heightened reporting requirements as AVs would conflate distinct technologies, confuse

[15] Cal. Civ. Code § 1770(a)(5).
[16] Cal. Bus. and Prof. Code § 17500.
[17] A violation of § 17500 is a misdemeanor, punishable by up to six months in jail and/or by a fine of up to $2,500.00. A violation of § 1770 can be brought as an individual or class action and make the following relief available: actual damages (no less than a total of $1,000 if a class action); injunctive relief; restitution; punitive damages; and attorney fees. *See* Cal. Civ. Code § 1780(a) and (e).
[18] Waymo Opening Comments, p. 10.
[19] *Id.* at p. 9.

consumers, and burden CPUC with voluminous data of little value. The requirement would also exceed the scope of the Commission's AV regulatory jurisdiction.

Further, existing federal and state requirements governing TNCs and TCPs, as well as their attendant reporting obligations, are sufficient to assure the Commission that a carrier is operating safely and thus render Waymo's proposal unnecessary. If the Commission requires additional information from a TNC/TCP regarding a specific trip or incident, they possess the requisite authority to request additional data on an *ad hoc* basis. Moreover, should the Commission seek information on crashes involving Level 2 vehicles that result in fatalities, hospital-treated injuries, airbag deployments, or impacts of vulnerable road users, it may reference the reports collected by the National Highway Traffic Safety Administration under its Standing General Order 2021-01.[20]

Finally, extending the AV Drivered Deployment reporting requirement to driver-supervised Level 2 systems could potentially deter TNCs/TCPs from equipping their vehicles with, or otherwise utilizing, lifesaving Level 2 ADAS, which would run counter to roadway safety. This decision would also position California as an outlier in the market, as Tesla is unaware of any other state that applies its AV reporting rules to ADAS-equipped passenger vehicles. For these reasons, Tesla urges the Commission to reject Waymo's proposal.

## II. Conclusion

Level 2 ADAS and autonomous vehicles hold enormous promise for ensuring that Californians have access to safe, reliable, and affordable passenger-carrying transportation. Tesla commends the Commission for its initiative and leadership in promoting the advancement of these technologies on California roadways, and we respectfully request that the OIR be approved with the modifications described in our opening comments and with consideration for the comments set forth above.

Respectfully submitted on this 17th day of November 2025.

[20] National Highway Traffic Safety Administration, Standing General Order on Crash Reporting, *available at* https://www.nhtsa.gov/laws-regulations/standing-general-order-crash-reporting.

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