

Decision 21-05-017

May 6, 2021

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
(Filed December 20, 2012)

**ORDER MODIFYING CERTAIN HOLDINGS OF DECISION 20-11-046 AND
DENYING REHEARING OF THE DECISION, AS MODIFIED**

I. INTRODUCTION

On December 23, 2020, the San Francisco Municipal Transportation Agency (“SFMTA”) and San Francisco County Transportation Authority (“SFCTA”) filed a timely joint application for rehearing of Decision (D.) 20-11-046 (“Decision”). In the Decision, we built on a framework and two pilot testing programs established by D.18-05-043, and authorized fare collection (“Deployment Programs”) by drivered and driverless autonomous vehicles (“AVs”). We declined to create a new regulatory category for the deployment of AVs in passenger service and, instead, found that “many of the requirements of the TCP framework applied to the Commission’s AV Pilot Programs by D.18-05-043 are reasonable or necessary to extend into deployment.” (Decision, p. 79.) Moreover, we required an appropriate deployment permit from the Department of Motor Vehicles (“DMV”) as a prerequisite for participation in the Deployment Programs. (Decision, pp. 79-80.)

In their application for rehearing, SFMTA and SFCTA allege that the Decision “is a ‘project’ for purposes of [California Environmental Quality Act (“CEQA”)] that may have significant environmental impacts, and, as a result, environmental review is required.” (SFMTA/SFCTA Reh. App., p. 1.) SFMTA and SFCTA argue that the Deployment Programs “may have environmental impacts—among

others, in the areas of Green House Gases (‘GHG’), air quality and transportation....” (SFMTA/SFCTA Rehg. App., p. 6.) SFMTA and SFCTA also argue that “increased congestion from AVs may cause substantial delays to public transit and conflicts with other modes of transportation, ... and increases in regional and localized pollutants [which] ... in turn, may lead to significant environmental impacts.” (SFMTA/SFCTA Rehg. App., p. 9.)

We have carefully considered all arguments presented by rehearing applicants and are of the opinion that modifications of certain issues in the Decision are appropriate, including a phased approach to commercial deployment of AVs and a supplemental explanation of our holdings and rationale, as explained below. After making certain modifications of the Decision, rehearing is denied.

II. DISCUSSION

SFMTA and SFCTA argue that the Decision violates CEQA, Public Resources Code section 21000 *et seq.* According to SFMTA and SFCTA, the Decision “authorizes commercial passenger services business models that may produce unintended negative effects that may harm the environment and worsen congestion” and “generate a significant increase in greenhouse gas emissions and a deterioration of air quality.” (SFMTA/SFCTA Rehg. App., p. 1.) Because of these purported effects, SFMTA and SFCTA assert that environmental review pursuant to CEQA is warranted. (*Ibid.*) Furthermore, SFMTA and SFCTA argue that we created statewide commercial deployment programs that are distinct from the pilot Test AVs programs enabled by D.18-05-043 and from the DMV’s testing and deployment regulations, and therefore CEQA compliance remains necessary. (SFMTA/SFCTA Rehg. App., pp. 10-11.)

SFMTA and SFCTA conclude that, in their view of CEQA’s applicability, we should have prepared an Environmental Impact Report (“EIR”) prior to approving the Deployment Programs. (SFMTA/SFCTA Rehg. App., p. 11.) Alternatively, SFMTA and SFCTA propose that we modify the Decision “to clarify that it adopts a first phase of AV Passenger Services Deployment for information collection purposes”—thereby qualifying for a CEQA exemption—to be used later “in the context of full CEQA

compliance ... [and] approval of future phases of the programs.” (SFMTA/SFCTA Reh. App., p. 12.) We reject SFMTA and SFCTA’s argument that an EIR was required because the Decision is not a CEQA project, and therefore, the Commission was not required to fulfill any CEQA requirements. We will, however, modify the Decision to adopt a phased approach to the Deployment Programs and clarify our reasoning as to CEQA.

The California Legislature enacted CEQA in 1970 with the intent of requiring public agencies to consider the environmental implications of their actions when they carry out projects or approve private projects. (Pub. Resources Code, §§ 21000, 21001.1.) “Governmental action” under CEQA involves, inter alia, “[a]ctivities directly undertaken by a governmental agency.” (Cal. Code Regs. tit. 14, § 15000 (“CEQA Guidelines”), § 15002, subd. (b).) A discretionary governmental action is only a CEQA project if the “activity ... may cause either a direct physical change in the environment, or a reasonably foreseeable indirect change....” (Pub. Resources Code, § 21065.)

“Project” refers to “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change” and, as relevant here, is “directly undertaken by any public agency[.]” (CEQA Guidelines, § 15378, subd. (a)). If an activity is not a CEQA project, CEQA does not require any environmental review. (Pub. Resources Code, § 21080.)

In this case, no CEQA review was required because the regulations the Commission adopted do not constitute a CEQA project. Although a Rulemaking and the adoption of a rule or regulation can be a project subject to CEQA (see *Wildlife Alive v. Chickering* (1976) 18 Cal.3d 190, 206; *Plastic Pipe & Fittings Assn. v. California Building Standards Com.* (2004) 124 Cal.App.4th 1390, 1412), such regulations would only be a CEQA project if there is a direct physical impact or a reasonably foreseeable indirect change resulting from the regulations only. (Pub. Resources Code, § 21065.) A direct physical change caused by the proposed activity is one “which is caused by and

immediately related to the project,” such as “dust, noise, and traffic of heavy equipment” from construction of a sewage treatment plant or “possible odors from operation of the plant.” (CEQA Guidelines, § 15064(d)(1).) An indirect physical change, on the other hand, is not “immediately related to the project, but which is caused indirectly by the project” or is caused by a direct physical change, such as population growth due to the increased sewage treatment capacity resulting from the construction of a new sewage treatment plant which may lead to an increase in air pollution. (CEQA Guidelines, § 15064(d)(2).) Even so, an indirect physical change is only consequential for CEQA purposes if it is a “reasonably foreseeable” impact of the project, i.e., where “the activity is capable, at least in theory, of causing” the change, but is not reasonably foreseeable “if the postulated causal mechanism connecting the activity and the effect is so attenuated as to be ‘speculative.’” (*Union of Medical Marijuana Patients, Inc. v. City of San Diego* (2019) 7 Cal.5th 1171, 1197.)

Here, we expanded on the two pilot programs established in D.18-05-043 to create a regulatory scheme for the commercial deployment of AVs, as well as permitting share-splitting. (Decision, pp. 13-15, 18-20.) Additionally, we levied various reporting requirements and set goals related to safety, accessibility, equity and environmental justice, city planning, congestion, as well as climate and environment. (Decision, pp. 23-74, 120-139.) Notably, we declined to create a new regulatory category for the deployment of AVs in passenger service and, instead, found that “many of the requirements of the TCP framework applied to the Commission’s AV Pilot Programs by D.18-05-043 are reasonable or necessary to extend into deployment.” (Decision, p. 79.) The adoption of an expanded regulatory scheme, by itself, does not directly and immediately cause an increase in the vehicles on the road. Thus, the Decision’s requirements are merely an expanded regulatory scheme that do not have any direct physical impacts on the environment.

In addition to the fact that there is no direct physical impact, there also is no “reasonably foreseeable indirect change” caused by the Decision. The Decision explicitly does not create new categories of operations or seek to encourage or discourage

TCP AV operations. Instead, the discretionary activity undertaken by the Commission is the creation of the deployment program as an extension of the existing AV pilot programs. To the extent the Decision may result in AV utilization by TCPs, the creation of a regulatory scheme, by itself, is far too speculative to undertake environmental review of any such resulting effects.

However, SFMTA and SFCTA's argument that a phased approach to commercial deployment of AVs in tandem with the data and information required under the Decision would allow "[a]ny future Commission Decisions [to] be informed by the data collected, as well as further developments in the industry" is well taken. (SFMTA/SFCTA Rehg. App., pp. 12-13.) Accordingly, we will modify the Decision to create a Phase I of the Deployment Programs, during which the data we have already required to be collected will be used to evaluate the Deployment Programs. We intend to initiate Phase II of the Deployment Programs no later than three years from the date of initiation of Phase I, which will occur upon approval of the first amended drivered AV deployment permit or approval of the first advice letter authorizing driverless AV deployment, whichever is first. Parties may raise the applicability of CEQA at that time.

III. CONCLUSION

For the above reasons, we will modify some of the language in the Decision to create Phase I Deployment Programs and to better explain and clarify our reasoning. With these modifications, rehearing is denied. For convenience, we are also attaching to this Decision, Attachments A and B, a redlined and clean copy of the Decision, containing the modifications.

THEREFORE, IT IS ORDERED THAT:

1. The first sentence on page 2 of the Decision is modified to read:
This decision creates Phase I of two new autonomous vehicle programs that authorize fare collections (deployment programs), one for drivered autonomous vehicles and the other for driverless autonomous vehicles.
2. The first sentence in paragraph two on page 2 of the Decision is modified to read:

In addition, the decision establishes four goals that apply to both the existing pilot programs and to Phase I of the new deployment programs...

3. The following sentence is added after the last sentence in paragraph two on page 2 of the Decision:

The Commission will initiate Phase II in a subsequent proceeding or stage to evaluate the data collected in Phase I of the deployment programs no later than three years from the initiation of Phase I. The Phase I deployment programs will initiate upon approval of the first amended drivered AV deployment permit or approval of the first advice letter authorizing driverless AV deployment, whichever is first.

4. The first sentence in paragraph three on page 2 of the Decision is modified to read:

Permit holders in both Phase I drivered and driverless deployment programs will be required to submit detailed quarterly program reports.

5. The first two sentences in paragraph one of Section 4.1.2 on page 13 continuing onto page 14 of the Decision are modified to read:

In this Decision, the Commission creates two new deployment programs: the Phase I Drivered Autonomous Vehicle Deployment Program and the Phase I Driverless Autonomous Vehicle Deployment Program. Both Phase I deployment programs would allow participants to charge fares for AV passenger service.

6. The first full paragraph on page 15 of the Decision is modified to read:

Accordingly, building on the frameworks for the Drivered Autonomous Vehicle Pilot Program and the Driverless Autonomous Vehicle Pilot Program, the Commission concludes that it is appropriate to authorize fare collection for both drivered and driverless passenger service and creates two new deployment programs: the Phase I Drivered Autonomous Vehicle Deployment Program and the Phase I Driverless Autonomous Vehicle Deployment Program.

7. The first two sentences in the first paragraph of Section 4.2.2 on page 18 of the Decision are modified to read:

The Commission authorizes shared rides for its Phase I driverless deployment program. Applicants to the Phase I driverless deployment program must include a Passenger Safety Plan that, among other things, describes the technologies, procedures and protocols, and redundancies that the applicant will implement to minimize safety risks to passengers traveling in a shared, driverless ride.

8. The first sentence in paragraph two on page 19 of the Decision is modified to read:

To understand the impacts of fare-splitting on passenger safety, permit holders for both the Phase I driverless and driverless AV deployment programs must submit data quarterly that reports the quarterly totals of complaints, incidents, the causes of those incidents, and the amount paid to any party in aggregate (if the amount is known by the permit holder).

9. The first paragraph on page 26 of the Decision is modified to read:

The Commission agrees with establishing goals for Phase I of the AV deployment programs that reflect the Commission's priorities. The Commission, however, declines at this time to prescribe targets and, instead, establishes reporting requirements that will allow the public to track the maturity of the industry; evaluate the permit holders' progress toward each of the goals; and, to understand the permit holders' plans for the future.

10. The second full paragraph on page 27 of the Decision is modified to read:

Third, the Commission will hold workshops to review the state of the Phase I AV deployment programs. These workshops will include discussion about whether and when to set prescriptive targets, rules, or measures for Phase II or subsequent permanent phases of the AV deployment programs in connection with each of the goals below.

11. The first sentence in Section 4.6.2 on page 29 of the Decision is modified to read:

The Commission declines to adopt a "Street Safety" goal for Phase I that exclusively addresses the vehicle's automated driving system and its ability to perform the dynamic driving task.

12. The first sentence in paragraph two of Section 4.7.2 on page 34 and continuing onto page 35 of the Decision is modified to read:

Each applicant for a Phase I Drivered Deployment Permit or a Phase I Driverless Deployment Program must submit a Passenger Safety Plan that describes their policies and procedures to minimize risk for all passengers in their driverless vehicles.

13. The last sentence of the second full paragraph on page 41 of the Decision is modified to read:

These data are discussed in more depth in Section 4.12 of this Decision.

14. The first paragraph in Section 4.11.2 on page 47 and continuing onto page 48 of the Decision is modified to read:

The Commission will not adopt goals related to city operations and planning or congestion, traffic, curb use, and public transit at this time but will collect data that could inform those operations for Phase II or subsequent phases of the AV deployment programs. This Decision focuses on broader-scale questions around commercial deployment of AVs, and city operations and planning require granular knowledge of a specific city. In Phase II or subsequent phases of the AV deployment programs, as AV companies begin further deployment, the Commission and local governments will have more visibility into the impacts of AVs on local streets based on the data collected in Phase I.

15. The first sentence of the second paragraph in Section 4.11.2 on page 48 of the Decision is modified to read:

The Commission will collect data in Phase I to help public stakeholders evaluate the impact of AVs on their streets including the census tract in which trips begin and end, vehicle miles traveled, and passenger miles traveled.

16. Section 4.15.2 on page 66 of the Decision is modified to read:

As discussed in 4.12, the Commission requires companies to include in their quarterly program reports information about the pick-up and drop-off locations of each trip, and the fuel type of the vehicle for each trip. This will enable stakeholders to compare service to neighborhoods in

disadvantaged communities versus neighborhoods outside disadvantaged communities. This will provide information about the equity of service as well as the trips' environmental impacts.

17. The first sentence of Section 4.17.2 on page 71 of the Decision is modified to read:

The Commission will require Phase I deployment program permit holders to demonstrate that all customers—including those who request a ride but were unable to obtain a ride, or unable or unwilling to enter the vehicle—are able to submit feedback to the permit holder.

18. The first sentence of Section 4.20 on page 74 of the Decision is modified to read:

CPED will plan to hold a workshop to evaluate the status of the Phase I AV deployment operations in passenger service within a year of the issuance of this Decision.

19. The last sentence of the first paragraph of Section 4.20 on page 74 of the Decision is modified to read:

The objectives of the workshop will include but are not limited to: the quality and quantity of data gathered to date; progress toward the Commission's goals for AV operations in passenger service; whether and how to revise the data collection requirements; whether to revise the program goals and establish targets; and whether there is need for any other changes for the AV pilot and the Phase I deployment programs.

20. The first sentence of the first paragraph of Section 4.21.2 on page 77 of the Decision is modified to read:

The Commission will allow participants in the Phase I deployment programs to seek exemptions for the use of third-party contractors as AV operators.

21. Section 4.23 heading on page 80 of the Decision is modified to read:

Converting Drivered Pilot Permits to Phase I Drivered Deployment Permits

22. The first sentence of Section 4.23 on page 80 of the Decision is modified to read:

AV companies currently participating in the Commission's Drivered AV Pilot Program may apply to convert their pilot permit into a Phase I deployment permit.

23. Section 4.24 heading on page 80 of the Decision is modified to read:

Applying for Phase I Driverless Deployment Permits

24. The last sentence of the first paragraph of Section 4.24 on page 80 continuing to page 82 of the Decision is modified to read:

Pursuant to GO 96-B, entities seeking to participate in Phase I of the driverless deployment program shall follow the requirements under 7.2 for Serving Advice Letters and Related Documents using the service list for the open Transportation Network Company rulemakings and any forthcoming rulemakings to ensure that all parties participating in open proceedings related to Transportation Network Companies and Autonomous Vehicles are served.

25. The first sentence of the first full paragraph on page 81 of the Decision is modified to read:

Entities seeking to appeal the resolution of an advice letter to participate in Phase I of the driverless deployment program shall follow the requirements under section 8 of the GO 96-B Application for Rehearing and Petition for Modification of Resolution; Request for extension.

26. The first sentence of the third full paragraph on page 81 of the Decision is modified to read:

If an entity authorized to participate in Phase I of the driverless deployment program subsequently wishes to provide shares rides using driverless AVs, the request shall be made in the form of a Tier 3 Advice Letter that revises the carrier's Passenger Safety Plan to include the required content related to shared rides.

27. The last sentence of the third full paragraph on page 81 continuing onto page 82 of the Decision is modified to read:

Relatedly, if an entity authorized to participate in Phase I of the driverless deployment program intends to change its operations in a way that would materially affect the approaches outlined in its Passenger Safety Plan, that entity should provide the Commission's Director of Consumer Protection and Enforcement Division with an updated Passenger Safety Plan by way of Tier 2 Advice Letter.

28. The last sentence of the first full paragraph on page 84 of the Decision is modified to read:

Since the Phase I AV deployment programs are transitioning from a pilot AV testing program to deployment programs, it is important that each party's right to due process (i.e., notice and the opportunity to be heard) is protected.

29. The first sentence of the first paragraph of Section "Access to Airports" on page 90 of the Decision is modified to read:

Waymo states that the decision would prohibit AV companies participating in the Commission's Phase I AV deployment programs from operating at airports without the permission of the Commission and the airport authority itself.

30. The second paragraph on page 95 of the Decision is modified to read:

The Commission has authorized deployment on a phased basis in order to gather information about various aspects of the deployment programs during Phase I and to use that information to shape future phases. Parties may raise the application of CEQA, in future phases.

31. The following paragraph is added after the end of the second paragraph on page 95 of the Decision:

There is no direct physical impact nor reasonably foreseeable indirect change caused by this regulatory scheme at this time. To the extent the Decision may result in AV utilization by TCPs, it is far too speculative to undertake environmental review of any such possible effects. At this stage, it is unclear what effects, if any, AVs will have on subsequent TCP operations and it is not at all foreseeable that there will be adverse environmental impacts or that any impacts would worsen. We explicitly do not create new categories of operations or seek to encourage or discourage TCP AV operations.

32. The third paragraph on page 95 of the Decision is stricken.
33. Finding of Fact 24 is modified to read as follows:

Data about the operation of Drivered AV Passenger Service in Phase I of the AV Passenger Services deployment programs will be important to consider as AVs begin operation in California and can be used for analysis in future phases.
34. Finding of Fact 25 is modified to read as follows:

Data about the operation of Driverless AV Passenger Service in Phase I of the AV Passenger Services deployment programs will be important to consider as AVs begin operation in California and can be used for analysis in future phases.
35. Finding of Fact 26 is added to the Decision to read as follows:

Today's order and the modified AV regulations do not have any direct physical impact on the environment and will not result in any reasonably foreseeable indirect change.
36. Conclusion of Law 1 is modified to read as follows:

It is reasonable for the Commission to create Phase I of a drivered deployment program under which the Commission authorizes entities that hold a Charter-Party Carrier Class "P" permit or a Charter-Party Carrier Class "A" certificate to add of autonomous vehicles to their passenger carrier equipment statement, where that permit-holder also holds a California Department of Motor Vehicles AV Deployment Permit and wishes to offer Drivered AV Passenger Service in California.
37. Conclusion of Law 2 is modified to read as follows:

It is reasonable for the Commission to create Phase I of a driverless deployment program under which the Commission authorizes entities that hold a Charter-Party Carrier Class "P" permit or a Charter-Party Carrier Class "A" certificate to add of autonomous vehicles to their passenger carrier equipment statement, where that permit-holder also holds a California Department of Motor Vehicles AV Deployment Permit and wishes to offer Drivered AV Passenger Service in California.
38. Conclusion of Law 3 is modified to read as follows:

It is reasonable for the Commission to authorize participants in Phase I of the drivered and driverless AV deployment programs to accept monetary compensation for rides in autonomous vehicles.

39. Conclusion of Law 4 is modified to read as follows:

It is reasonable for the Commission to authorize participants in Phase I of the drivered and driverless AV deployment programs to accept rides from more than one chartering party (i.e., fare-splitting or “shared rides” are permitted).

40. Conclusion of Law 5 is modified to read as follows:

It is reasonable for the Commission to order that the requirements applicable to Transportation Charter-Party Carrier permit-holders participating in Phase I of the deployment program for Drivered Autonomous Vehicle Passenger Service shall include....

41. Conclusion of Law 7 is modified to read as follows:

It is reasonable for the Commission to require that permit-holders participating in Phase I of the Driverless AV Deployment program shall....

42. Conclusion of Law 8 is modified to read as follows:

It is reasonable for the Commission to require Transportation Charter-Party Carrier permit-holder that wish to participate in Phase I of the deployment program for Driverless Autonomous Vehicle Passenger Service to transmit a Passenger Safety Plan that describes their policies and procedures to minimize risk for all passengers in their driverless vehicles.

43. Conclusion of Law 17 is modified to read as follows:

It is reasonable for the Commission to require that an entity seeking to participate in Phase I of the driverless deployment program shall submit to the Director of CPED an application for a permit in the form of a Tier 3 Advice Letter.

44. Conclusion of Law 19 is modified to read as follows:

It is reasonable for the Commission to require that an entity authorized to participate in Phase I of the driverless deployment program subsequently wishes to provide shared rides using driverless AVs, the request shall be made in the

form of an Advice Letter that revises the carrier's Passenger Safety Plan to include the required content related to shared rides. CPED staff will review each Advice Letter and prepare a draft resolution recommending appropriate disposition on the revised Passenger Safety Plan to provide shared rides for a Commission decision. Relatedly, if an entity authorized to participate in Phase I of the driverless deployment program to change its operations in a way that would materially affect the approaches outlined in its Passenger Safety Plan, that entity should provide the Commission's Director of Consumer Protection and Enforcement Division with an updated Passenger Safety Plan by way of Tier 2 Advice Letter.

45. Conclusion of Law 21 is added to read as follows:

It is reasonable for the Commission to initiate Phase II in a subsequent proceeding or stage to evaluate the data collected in Phase I no later than three years from the initiation of Phase I. The Phase I deployment programs will initiate upon approval of the first amended drivered AV deployment permit or approval of the first advice letter authorizing driverless AV deployment, whichever is first.

46. Conclusion of Law 22 is added to the Decision to read as follows:

Because today's order and the modified AV regulations do not have any direct physical impact on the environment and will not result in any reasonably foreseeable indirect change the decision and regulations do not constitute a CEQA project.

47. Conclusion of Law 23 is added to the Decision to read as follows:

The Commission has no obligation pursuant to CEQA to review the environmental impact of today's order and the modified AV regulations because they do not constitute a CEQA project.

48. Ordering Paragraph 1 is modified to read as follows:

The Commission creates Phase I of a drivered Autonomous Vehicle (AV) deployment program under which the Commission authorizes entities that hold a Charter-Party Class "P" permit or "A" certificate to add of autonomous vehicles to their passenger carrier equipment statement, where that permit-holder also holds a California Department

of Motor Vehicles AV Deployment Permit and wishes to offer Drivered AV Passenger Service in California.

49. Ordering Paragraph 2 is modified to read as follows:

The Commission creates Phase I of a driverless AV deployment program under which the Commission authorizes entities that hold a Charter-Party Class “P” permit or “A” certificate to add of autonomous vehicles to their passenger carrier equipment statement, where that permit-holder also holds a California Department of Motor Vehicles AV Deployment Permit and wishes to offer Driverless AV Passenger Service in California.

50. Ordering Paragraph 3 is modified to read as follows:

Participants in Phase I of the Drivered and Driverless Autonomous Vehicles Deployment Programs may accept monetary compensation for rides in autonomous vehicles.

51. Ordering Paragraph 4 is modified to read as follows:

Participants in Phase I of the Drivered and Driverless Autonomous Vehicles Deployment Programs may accept rides from more than one chartering party (i.e., fare-splitting and “shared rides” are permitted.)

52. Ordering Paragraph 5 is modified to read as follows:

The requirements applicable to Transportation Charter-Party Carrier permit-holders participating in Phase I of the deployment program for Drivered Autonomous Vehicle Passenger Service shall include but are not limited to:...

53. Ordering Paragraph 6 is modified to read as follows:

A Transportation Charter-Party Carrier permit holder offering Drivered Autonomous Vehicle Passenger Service shall be suspended immediately from the Phase I deployment program upon suspension or revocation of their deployment permit by the California Department of Motor Vehicles and not reinstated until the Department of Motor Vehicles has reinstated the deployment permit.

54. Ordering Paragraph 7 is modified to read as follows:

Permit-holders participating in Phase I of the driverless AV deployment program shall....

55. Ordering Paragraph 8 is modified to read as follows:

Transportation Charter-Party Carrier permit-holders that wish to participate in Phase I of the deployment program for Driverless Autonomous Vehicle Passenger Service must transmit a Passenger Safety Plan that describes their policies and procedures to minimize risk for all passengers in their driverless vehicles.

56. Ordering Paragraph 11 is modified to read as follows:

An entity seeking to participate in Phase I of the driverless deployment program shall submit to the Director of the Consumer Protection and Enforcement Division an application in the form of a Tier 3 Advice Letter for a permit to operate a driverless AV (Permit Application) in the manner set forth in Ordering Paragraph 18.

57. Ordering Paragraph 18 is modified to read as follows:

An entity seeking to participate in Phase I of the driverless deployment program shall submit to the Director of Consumer Protection and Enforcement Division (CPED) an application for a permit in the form of a Tier 3 Advice Letter.

58. Ordering Paragraph 19 is modified to read as follows:

Entities may apply to offer driverless service in Phase I of the driverless deployment program with or without shared rides. If an entity applies to offer driverless service in Phase I without shared rides, its Passenger Safety Plan need not describe how it will minimize safety risks to passengers traveling in shared, driverless rides.

59. Ordering Paragraph 20 is modified to read as follows:

If an entity authorized to participate in Phase I of the driverless deployment program subsequently wishes to provide shares rides using driverless autonomous vehicles, the request shall be made in the form of a Tier 3 Advice Letter that revises the carrier's Passenger Safety Plan to include the required content related to shared rides.

60. Ordering Paragraph 22 is added to read as follows:

No later than three years from initiation of Phase I, the Commission will initiate Phase II in subsequent proceeding or stage to evaluate the data collected in Phase I. The Phase I deployment programs will initiate upon approval of the first amended drivered AV deployment permit or approval of the

first advice letter authorizing driverless AV deployment,
whichever is first.

61. To the extent any holdings in today's order are inconsistent with any statements in D.20-11-046, those earlier statements are superseded.

62. Rehearing of the remaining portions of D.20-11-046, as modified herein, is denied.

63. This proceeding remains open.

This order is effective today.

Dated May 6, 2021, at San Francisco, California.

MARYBEL BATJER

President

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

DARCIE L. HOUCK

Commissioners