

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Establish Polices, Processes, and Rules
Regarding Autonomous Vehicle
Passenger Transportation Service

Rulemaking _____

**ORDER INSTITUTING RULEMAKING TO ESTABLISH POLICES,
PROCESSES, AND RULES REGARDING AUTONOMOUS VEHICLE
PASSENGER TRANSPORTATION SERVICE**

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PASSENGER TRANSPORTATION SERVICE**

Summary

We open this rulemaking to continue the work of the Order Instituting Rulemaking (R.) 12-12-011 as to the Commission’s regulation of autonomous vehicle passenger service. R.12-12-011 is scheduled to close by the end of summer 2025. There remain many unresolved issues regarding autonomous vehicle passenger service that the Commission must investigate and settle, hence we open this successor rulemaking.

1. Background

In the predecessor Rulemaking, (R.) 12-12-011, the Commission began its regulation of autonomous vehicle (AV) manufacturers intending to provide passenger service.¹ Decision (D.) 18-05-043 (*Decision Authorizing a Pilot Test Program for Autonomous Vehicle Passenger Service*) authorized two pilot programs: (1) permitted Charter-party Carrier (TCPs) entities could provide passenger service using AVs with a driver in the vehicle; and (2) permitted TCPs could provide passenger service using AVs without a driver in the AV and in compliance with all applicable remote operator requirements promulgated by California’s Department of Motor Vehicles (DMV).² Because AV passenger

¹ AVs are generally defined to mean “any vehicle equipped with technology that is a combination of both hardware and software that has the capability of performing the dynamic driving task without the active physical control or monitoring of a natural person.” (Cal. Code Regs., tit. 13, §228.02 subd. (b).)

² Commencing in 2014, the Legislature charged the DMV with regulating the use of AVs on California roadways. Any AV manufacturer seeking to operate an AV on California public

Footnote continued on next page.

transport was a nascent industry, D.18-05-043 contemplated that there would be further investigation, workshops, and party comments so that the Commission could obtain a greater understanding of AV service that would, in turn, inform the refinement and expansion of its regulatory oversight.

That regulatory oversight continued with the issuance of D.20-11-046 (*Decision Authorizing the Deployment of Drivered and Driverless Autonomous Vehicle Passenger Service aka the Deployment Decision*) in which AV companies were ordered to submit Tier 3 Advice Letters to seek authorization for drivered and driverless AV service, which staff would analyze and prepare resolutions for Commission approval. In addition, D.20-11-046 recognized that the regulation of AVs would be an extensive and evolving regulatory undertaking and stated in Ordering Paragraph 22 that there would be a subsequent rulemaking in which the Commission would evaluate data collected from the AV companies during the pendency of the R.12-12-011 proceeding and revise its regulations given anticipated updates to the factual record and to any revisions to AV regulation by the DMV.

roads must first apply to the DMV for approval. (Vehicle Code § 38750, subd. (c).) The DMV is also charged with adopting regulatory requirements it determines “are necessary to ensure the safe operation of autonomous vehicles on public roads.” (Vehicle Code § 38750, subd. (d)(3).) In response to its statutory mandate, the DMV has adopted regulations governing the testing and deployment of AVs on public roads. (*See* Cal. Code Regs., tit. 13, §§227.00 *et seq.* & 228.00 *et seq.*) Once an AV manufacturer has received a DMV permit to operate, it must file a Charter-party Carrier permit application with the Commission if it wishes to transport passengers. (Pub. Util. Code §§5371, 5383, and 5387, subd. (a).)

On August 10, 2023, the Commission adopted Resolutions TL-19144³ and TL-19145⁴ that authorized Waymo LLC (Waymo) and Cruise LLC (Cruise), respectively, to continue with their AV services as specified in the Resolutions. The Commission's decision to authorize Waymo's AV operations by way of adopting Resolution TL-19144 has withstood legal challenge.⁵

On November 11, 2024, the Commission issued D.24-11-002 which adopted new data reporting requirements for AV deployment and pilot programs.

2. Preliminary Scoping Memo of Issues

The preliminary scope of issues in this proceeding is set forth below, in accordance with Rule 7.1(d) of the Commission's Rules of Practice and procedure.

2.1. Partnership and Emerging Business Model Configurations

2.1.1. Partnerships Between AV Operators and Other Regulated Carriers.

Several companies permitted as Transportation Network Companies (TNCs) and TCPs have announced plans to allow AVs to be dispatched by their

³ *Resolution Approving Waymo's LLC's Application for Phase I Driverless Autonomous Vehicle Passenger Service Deployment Program.*

⁴ *Resolution Approving Authorization for Cruise LLC's Expanded Service in Autonomous Vehicle Passenger Service Phase I Driverless Deployment Program.*

⁵ *See City and County of San Francisco v. Public Utilities Commission* (2025) 108 Cal.App.5th 22. While Waymo continues to operate, Cruise has withdrawn its AV service in California following the DMV's suspension of its operating permit. (DMV Statement on Cruise LLC Suspension (October 24, 2023).)

platforms.⁶ Currently, all Commission-permitted AV carriers are permitted as TCPs that manufacture, own, and operate their own fleets, and no specific regulations exist for third-party dispatching of AVs. Partnership-based business models do currently exist for other regulated carriers – for example, TCPs operating in a prime/subcarrier model, such as Uber Black. Similar models may be reasonable for AV operations, but further clarification or augmentation of rules relating to data reporting, accountability, and safety will be required before the Commission adopts final regulations.

Questions for Parties:

1. Should AV operators' Passenger Safety Plans (PSPs) account for any potential additional risks or operational complexities of being deployed through third-party platforms?
2. Should the Commission require PSPs to include additional emergency response measures to address possible scenarios where passengers rely on a partnering permit holder's existing customer support services, including complaint mechanisms, rather than direct engagement with AV operator representatives?
3. Should partnering permit holders that dispatch trip requests to a third-party AV operator be required to report data required by the AV program rules?
4. What other requirements, if any, should apply to a partnering permit holder prior to and/or during deployment of AVs via the partnering permit holder's platform?

⁶ Uber has announced partnerships with Waymo in Austin and Atlanta. *See* <https://investor.uber.com/news-events/news/press-release-details/2025/Ride-Into-the-Future-With-Waymo-on-Uber-in-Austin/default.aspx>.

2.1.2. Use of Advanced Driver Assistance Systems or “Level 2” by Regulated Carriers

Advanced Driver Assistance Systems (ADAS) provide partial vehicle automation but require continuous driver supervision and engagement. Society of Automotive Engineers’ (SAE International’s or SAE’s) levels of driving automation taxonomy,⁷ which has been widely adopted by the AV industry, classifies ADAS as SAE Level 2. Level 2 vehicles are not considered autonomous in this taxonomy, and DMV regulations similarly consider only vehicles Level 3 or above to be autonomous.⁸ Level 2 vehicles are therefore not eligible for or required to seek a DMV AV permit and, because the Commission’s AV permits are conditioned upon holding the relevant DMV AV permit,⁹ would not be part of the Commission’s AV permitting program.

Level 2 ADAS is increasingly common in consumer vehicles on the road today.¹⁰ Existing Commission regulations do not explicitly prohibit the use of ADAS by TNC or TCP drivers, nor are there specific rules regarding their proper use. The Commission should evaluate if additional regulations are needed to support safe and transparent use of ADAS in passenger service.

⁷ See https://www.sae.org/standards/content/j3016_202104/.

⁸ California Vehicle Code § 38750(a)(2)(A).

⁹ D.20-11-046 (as modified by D.21-05-017), Ordering Paragraphs 5(b) and 7(b); D.18-05-043, Ordering Paragraphs 4 and 7.

¹⁰ Examples of Level 2 ADAS available in consumer vehicles today include Ford BlueCruise and General Motors (Chevrolet, Cadillac, GMC) SuperCruise, among similar systems from other automakers.

Questions for Parties:

1. To what extent should TNCs and/or TCPs allow the use of Level 2 ADAS in passenger service?
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?
3. Should TNC and TCP holders be required to provide driver training on ADAS-equipped vehicles?
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?
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?
6. Should the Commission require TNCs and TCPs to carry additional insurance for vehicles using ADAS?
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?

2.1.3. Use of Personally Owned AVs by Regulated Carriers—SAE Level 3

In SAE International's levels of driving automation taxonomy, a vehicle is considered autonomous starting at Level 3. In a Level 3 AV, the driver is no longer actively controlling the vehicle but must remain in the driver's seat and be prepared to take over if prompted.¹¹ Manufacturers of Level 3 AVs are required

¹¹ See https://www.sae.org/standards/content/j3016_202104/.

to seek an AV permit from the DMV.¹² While most Level 3 AVs are owned and operated as fleets, the DMV has approved Mercedes-Benz's Drive Pilot for sale to individual consumers. To-date, a small number of these vehicles have been sold in California.¹³ Other manufacturers have indicated to the Commission their plans to offer similar Level 3 consumer vehicles soon.¹⁴

The Commission's Drivered AV Pilot and Deployment programs permit the use of Level 3 AVs in passenger service. These permits are designed for carriers that own and operate their own fleets; permittees must hold the relevant AV manufacturer's permit from the DMV. Currently there are no Commission regulations specific to the use of Level 3 AVs outside of this model, such as dispatching personally-owned Level 3 AVs by TNCs. This type of service, where neither the vehicles nor the drivers are centrally controlled, may introduce new risks to passenger and public safety.

Questions for Parties:

1. To what extent should personally owned vehicles equipped with Level 3 technology be permitted to provide passenger service?
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

¹² California Vehicle Code 38750(c).

¹³ See <https://www.dmv.ca.gov/portal/vehicle-industry-services/autonomous-vehicles/autonomous-vehicle-testing-permit-holders/> for a list of the California DMV's approved AV deployment permit holders.

¹⁴ See, e.g., Ford's plans to offer Level 3 autonomy in its vehicles in 2026: <https://www.bloomberg.com/news/articles/2024-06-03/ford-ceo-in-two-years-drivers-won-t-have-to-watch-the-road>.

- context of an existing TNC platform or as part of a new transportation business, separate from the existing AV pilot or deployment authorization framework?
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?
 4. If both, should AV operators and TNCs be required to submit separate reports, or should there be a consolidated reporting framework to track the combined impact of AV deployments through TNCs?
 5. What driver training and certification should be required before a driver can operate a Level 3 vehicle in commercial passenger service?
 6. Should there be a maximum driving duration for TNC and TCP operators using Level 3 automation to prevent driver fatigue from long hours of driving using driver-assist technology?
 7. What incident reporting requirements beyond existing AV, TNC, and TCP reporting requirements should be imposed on TNCs and TCPs using Level 3 automation, if any?
 8. What safety information should TNCs and TCPs be required to provide to drivers who use Level 3 technology in the course of providing regulated service? How should it be provided to drivers?
 9. What safety information should TNCs and TCPs be required to provide to passengers of vehicles with Level 3 technology? How should the safety information be provided to passengers?
 10. Should drivers, TNCs, or TCPs be required to solicit and receive passenger consent prior to engaging Level 3 technology? If so, what requirements should be in place?

11. Should expanded maintenance or inspection protocols be imposed on personally owned Level 4 or 5 AVs to address AV-specific components such as sensors or software?

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

In SAE International's levels of driving automation taxonomy, Level 4 and 5 vehicles are those capable of driving fully autonomously in a specified Operational Design Domain (ODD) (Level 4) or in all conditions (Level 5).¹⁵ The theoretical deployment of Level 4 and Level 5 autonomous vehicles presents new challenges, as these vehicles are capable of operating without a driver in the vehicle. Potential integration into TNC platforms (*e.g.*, elements of Tesla's proposed "Robotaxi" model) creates complexities regarding TNC regulations, fare structures, equity considerations, and data reporting obligations. While Level 4 fleets currently operate (*e.g.*, Waymo), no vehicles currently equipped with Level 4 or 5 technology are available in California for personal use.¹⁶ These vehicles would also require permits from the DMV before deployment on public roads.

The Commission's Driverless AV Pilot and Deployment programs permit the use of Level 4 or 5 AVs in passenger service. These permits are designed for carriers that own and operate their own fleets, and permittees must hold the

¹⁵ See https://www.sae.org/standards/content/j3016_202104/.

¹⁶ The California DMV has approved only 3 AV manufacturers for commercial deployment: Waymo, which operates its own fleet of Level 4 AVs; Nuro, which operates a fleet of Level 4 delivery vehicles; and Mercedes-Benz, which offers a limited Level 3 system for consumer use. See DMV's permit holders here: <https://www.dmv.ca.gov/portal/vehicle-industry-services/autonomous-vehicles/autonomous-vehicle-testing-permit-holders/>.

relevant AV manufacturer permit from the DMV. Of note is that the DMV permits AV *manufacturers* specifically. At present, all Level 4 autonomous vehicles are owned and operated by their manufacturers, but ownership and operating models may evolve. Currently there are no Commission regulations specific to the use of Level 4 or 5 AVs outside of this fleet model, such as dispatching personally owned Level 4 or 5 AVs by TNCs. This type of service may introduce new challenges to passenger and public safety.

Questions for Parties:

1. To what extent should personally owned vehicles equipped with Level 4 or 5 technology be permitted to provide passenger service?
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?
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?
4. If both, should AV operators and TNCs be required to submit separate reports, or should there be a consolidated reporting framework to track the combined impact of AV deployments through TNCs?

2.2. Operations

2.2.1. Unaccompanied Minors in AVs

News reports have indicated some parents have put their unaccompanied minor children in AVs.¹⁷ This is explicitly disallowed by existing Commission regulations and carrier terms of service, and carriers have protocols to act against this practice. CPED understands AV operators may wish to offer service to unaccompanied minors soon, but AV regulations would need to be modified if the current restriction is to be lifted.

The Commission has acted recently to set new rules for the transport of unaccompanied minors by TNCs. For example, D.24-12-004 sets new requirements relating to background checks, data reporting, and safety procedures including live trip tracking by parents/guardians, pickup and drop-off safety, and driver training. Many of these regulations could be adopted for the AV program, with modifications to address AV-specific concerns as needed.

Questions for Parties:

1. Should the Commission modify its prohibition on the transportation of unaccompanied minors in AVs? If so, should transportation of minors be allowed in the Drivered and/or Driverless AV Pilot programs, and/or the Drivered and/or Driverless AV Deployment programs?
2. Should the requirements adopted in D.24-12-004 be applied to AV carriers that wish to transport unaccompanied minors? What augmentations or modifications, if any, should be made to the requirements and protocols adopted in D.24-12-004?

¹⁷ See, e.g., <https://www.ktvu.com/news/waymo-kids-some-sf-parents-sending-kids-school-driverless-vehicles>.

- a. Should there be support staff specifically dedicated to unaccompanied minors' rides?
 - b. Should AV operators be required to conduct background checks on any remote operators or customer service personnel interacting with minors?
3. Should participants in the Driverless AV Deployment program that wish to transport unaccompanied minors be required to describe their safety protocols and policies for transport of unaccompanied minors in their Passenger Safety Plan?
 - a. What specific topics should carriers be required to address, such as pickup and drop-off, real-time location tracking and sharing with parents/guardians, interactions with and training for carrier staff such as customer or roadside support, or protocols for crashes or other unexpected scenarios?
 - b. If a carrier holding an existing Driverless AV Deployment permit wishes to expand its services to include unaccompanied minors, should the carrier be required to submit an updated Passenger Safety Plan as a Tier 2 advice letter?
4. Should participants in the Driverless AV Pilot program that wish to transport unaccompanied minors be required to submit a Tier 2 advice letter describing their protocols and policies for protecting the safety of unaccompanied minors in driverless rides?
5. Should participants in the Drivered AV Pilot or Drivered AV Deployment programs that wish to transport unaccompanied minors be required to submit a Tier 2 advice letter describing their protocols and policies for protecting the safety of unaccompanied minors? How should the requirements differ for AVs operating with a driver, as opposed to driverless?

6. How should the data reporting requirements for the AV programs be modified or expanded to allow for monitoring of rides involving unaccompanied minors, including tracking of incidents?

2.2.2. Shared Rides

“Shared rides” refers to a ride provided by a regulated carrier in which individuals from more than one chartering party are present.¹⁸ The Deployment Decision authorized AV operators to apply to the Commission to provide shared rides in fared passenger service. As part of the Driverless Deployment permitting process, applicants must include a description in the PSP of their policies and procedures to minimize safety risks for passengers traveling in a shared, driverless ride. This discussion must also include prevention and response to assaults and harassment. Operators must submit a Tier 3 Advice Letter revising their PSP to include the required content for shared rides in advance of offering shared ride service.

Questions for Parties:

1. What, if any, additional processes should be in place to review and approve providing shared rides under a deployment permit?
2. Should shared rides be allowed under a pilot permit? If so, what passenger safety requirements, if any, should be established, and what, if any, additional review and approval processes are needed?
3. Should the Commission impose additional passenger safety requirements specific to shared rides? What, if any,

¹⁸ D.20-11-046 (as modified by D.21-05-017), Conclusion of Law 4.

passenger safety protocols should the Commission prescribe?

4. What additional rules should be established, if any, to ensure that AV operators prevent gender-based harassment and assault in shared rides?

2.2.3. Customer Support in Driverless Vehicles

The lack of a human operator in driverless AV passenger service presents unique challenges for customers who need support, in both routine and unexpected situations. The Deployment Decision requires carriers participating in the Driverless Deployment program to describe, among other requirements, how they will enable passengers to contact the AV service provider during the ride and ensure the passengers receive a timely and complete response.

Customer assistance during driverless AV rides is typically provided remotely by agents who speak directly with passengers through in-vehicle speakers or the passenger's phone.¹⁹ These rider support agents are not necessarily "remote operators,"²⁰ who may be capable of performing the dynamic driving task or otherwise providing technical assistance to the vehicle in navigating unexpected situations. Remote operators capable of performing the dynamic driving task must comply with all Commission regulations applicable to drivers. There are currently no Commission regulations specific to remote customer support agents.

¹⁹ See, e.g., Waymo's discussion of Waymo Rider Support in its Passenger Safety Plan, page 18. Waymo's most recent Passenger Safety Plan (March 2025) is available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/consumer-protection-and-enforcement-division/documents/tlab/av-programs/tcp0038152a-waymo-al-0003_a1b.pdf.

²⁰ 13 CCR § 227.02(n).

Questions for Parties:

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?
2. Should the Commission require mandatory training for all remote agents who assist AV passengers?
 - a. What technical and situational training should be required for remote agents, ensuring they can handle diverse real-world incidents, including system failures, passenger disputes, and emergencies?
 - b. How frequently should remote agents be required to undergo retraining and performance evaluations?
3. Should the Commission set minimum staffing levels, response times, or other standards for remote agents to ensure adequate coverage and access?

2.2.4. Purpose-Built AVs

Some AV manufacturers are producing and deploying vehicles that are “purpose built” for AV passenger service, and that lack certain safety equipment designed for human-driven vehicles such as steering wheels.²¹ The novel designs of these vehicles may have impacts on passenger and public safety. While the vehicle and its driving abilities are regulated by the federal

²¹ See, *e.g.*, Zoox’s robotaxi. <https://zoox.com/>.

government²² and the DMV,²³ there may be impacts on the passenger experience and safety. At present, purpose-built vehicles cannot comply with certain provisions of General Order (GO) 157-E that are designed for typical human-operated vehicles (*e.g.*, a vehicle without a steering wheel cannot meet the 19-point inspection requirement) so carriers must seek an exemption.

There are no purpose-built vehicles currently providing fared rides in the Driverless Deployment program. However, Zoox has authority to transport passengers in its purpose-built AVs in the Driverless Pilot program and has done so on a limited basis.

Questions for Parties:

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?
 - a. What specific topics should carriers be required to address, such as pickup and drop-off, protocols for crashes or other unexpected scenarios, accessibility, or others?
 - b. If a carrier holding an existing Driverless AV Deployment permit wishes to expand its services to utilize purpose-built vehicles, should the carrier be required to submit an updated Passenger Safety Plan as a Tier 2 advice letter?

²² The National Highway Traffic Safety Administration regulates the safety of motor vehicles, including setting vehicle safety standards. See <https://www.nhtsa.gov/laws-regulations>.

²³ California Vehicle Code 38750.

2. Which provisions of GO 157-E are incompatible with purpose-built AVs?
3. What, if any, changes should be made to the GO 157-E exemption process specifically for purpose-built AVs?
4. What safety information should carriers be required to provide to passengers of purpose-built AVs? How should it be provided to passengers?
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?

2.2.5. Airports

The AV Pilot program prohibits driverless AV passenger service at airports. The Deployment Decision provides that driverless AVs may operate in passenger service at airports but must obtain permission of the airport before commencing operations. This aligns with the requirements for TNCs and TCPs as described in GO 157-E. Current regulations and GO 157-E do not otherwise provide a process for regulating AV activities at airports.

Questions for Parties:

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

2.3. Program Requirements and Administration

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

Per the Deployment Decision, any changes to AV operations that would “materially affect the approaches outlined in its Passenger Safety Plan” require approval via Tier 2 advice letter. However, the Deployment Decision does not define “material.”

Resolution TL-19137, which approved Cruise’s initial driverless deployment application, called attention to the “material affect” language from the Deployment Decision. The Commission stated, “We will require that Cruise submit an updated PSP to CPED in the form of a Tier 2 advice letter²⁴ should it wish to modify the hours, geography, roadway type, speed range, or weather conditions in which it may operate. This clarification is not intended to represent an exhaustive list of all changes that would ‘materially affect’ the PSP.”

Since then, staff have observed that geographic ODD changes do not necessarily result in significant modifications to passenger safety protocols as described in the PSP, indicating that such changes may not, in fact, materially

²⁴ Tier 2 advice letters may be disposed of by staff. The first Tier 2 advice letter requesting ODD expansion, which was submitted by Cruise in December 2022, was elevated to the Commission for disposition via resolution due to the significant expansion in geographic ODD (including to more complex driving environments) and hours of operation, as well as the level of controversy associated with Cruise’s request. The second Tier 2 advice letter requesting ODD expansion, which was submitted by Waymo in January 2024, was disposed of ministerially by staff. However, the advice letter and disposition generated stakeholder opposition including a request for review that ultimately required a Commission resolution to uphold the disposition. On March 26, 2025, CPED has received another Tier 2 advice letter from Waymo requesting further geographic expansion.

affect the PSP.²⁵ Other types of ODD changes similarly may not require material modifications to passenger safety protocols.

Questions for Parties:

1. How should the Commission determine if a change in AV operations materially impacts the strategies in a carrier's PSP, and therefore requires the submission of a Tier 2 advice letter?
2. What specific operational changes should trigger submission of an updated PSP?
3. If the Commission establishes a materiality threshold or otherwise specifies what types of changes it considers material, how should the Commission ensure sufficient flexibility to account for emerging issues in the future?
4. Should the Commission provide staff the authority to provide guidance to AV operators for other types of operational changes that "materially affect" their PSP?
5. Should the Commission modify the guidance set in TL-19137 that any changes to operational design domain (including hours of operation, geography, roadway type, speed range, or weather conditions) materially impact the strategies in the PSP and therefore require submission of an updated PSP as a Tier 2 advice letter?

²⁵ Waymo submitted Waymo Advice Letter (AL) 2 requesting approval of its updated Passenger Safety Plan in connection with its expanded DMV-approved ODD that included new portions of the San Francisco Bay Area and Los Angeles. Comparison of this updated Passenger Safety Plan with Waymo's original Passenger Safety Plan (submitted in Waymo AL 1) indicates changes between the two versions were small and not reflective of significant modifications to passenger safety strategy. Waymo's Advice Letters are available here:

<https://www.cpuc.ca.gov/regulatory-services/licensing/transportation-licensing-and-analysis-branch/autonomous-vehicle-programs/phase-i-driverless-autonomous-vehicle-deployment-program-advice-letter-status>.

6. What criteria should the Commission use to determine if an operational design domain change materially impacts the strategies in the PSP?

2.3.2. Exemptions to GO 157-E and Other Rules

GO 157-E provides a mechanism for AV operators to request exemptions from its requirements under specific conditions, including demonstrating that operations will be functionally equivalent to operations otherwise required by the GO.

The Deployment Decision specifically allows carriers to seek exemptions to use third-party contractors as safety drivers and allows such exemptions to last for the duration of the Deployment permit. The Commission declined to expand this policy to include all types of exemptions, so other exemptions must be approved by the Commission via resolution. Typically exemptions are requested as part of a carrier's Tier 3 advice letter applying for Driverless Deployment authorization, and can be addressed as part of the resolution disposing of the advice letter.

Pilot program exemptions are submitted to and reviewed and approved by Commission staff. These exemptions are valid for one year and may be renewed by staff for an additional year. AVs are regulated by the Commission as TCPs. TCP permits are granted for 3 years, which exceeds staff's ability to grant and renew Pilot exemptions. If further renewal is needed, a Commission resolution is required (except for exemptions allowing for the use of third-party contractors as safety drivers in the Drivered Pilot, which may be granted for the duration of the carrier's permit per resolution TL-19136). To date, exemptions have primarily

been for issues such as third-party safety drivers or vehicles owned by a carrier's parent company and have not been controversial.

Questions for Parties:

1. Should Part 8.02 of GO 157-E be modified to allow exemptions to GO 157-E to be granted by Commission staff to participants in the AV Pilot program to last for the duration of the carrier's Pilot permit?
2. Should Part 8.02 of GO 157-E be modified to require participants in the AV Pilot program that have been granted an exemption to attest to the functional equivalence of their operations to those otherwise required by GO 157-E on an annual basis?

2.3.3. Operational Design Domain Disclosure

An AV's operational design domain (ODD) describes the conditions under which the AV can operate, including geography, time of day, roadway type, and weather conditions.²⁶ ODDs are reviewed and approved by the DMV.²⁷ This DMV-approved ODD is submitted to the Commission as part of a carrier's application to offer passenger service. ODDs for carriers participating in the Driverless Deployment program are currently public as they are submitted to the Commission through the public advice letter process. ODDs for carriers participating in other programs are not generally made public, but staff have observed significant interest from stakeholders in ready access to ODDs for active carriers.

²⁶ 13 CCR § 227.02(j).

²⁷ 13 CCR § 228.06(a)(1).

Carriers occasionally modify their ODDs with approval from the DMV. In the AV Deployment program, modifications to operations that materially affect the strategies in the carrier's Passenger Safety Plan, including ODD changes, require submission of an updated PSP to Commission staff. In contrast, there are no notice or approval requirements for ODD modifications in the AV Pilot program, however carriers have generally provided informal notice of modifications to Commission staff.

Questions for Parties:

1. Should the Commission require public disclosure of ODDs, and if so, should this requirement apply to both pilot and deployment ODDs?
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?
3. Should Commission require public disclosure of all ODD modifications to ensure transparency for regulators, local governments, and the public regarding changes in AV operations?

2.3.4. Permit Reinstatement

The Commission's AV programs require participants to hold the relevant DMV AV permit – *i.e.*, a DMV AV testing permit for the AV Pilot and a DMV AV deployment permit for AV Deployment. Carriers holding the appropriate DMV AV permit may then apply for a TCP permit that allows for use of AVs in passenger service. In both the AV Pilot and AV Deployment programs, suspension or revocation of a carrier's DMV AV permit triggers automatic suspension of the carrier's Commission AV authorization.

Commission regulations do not prescribe a clear process for reinstatement of suspended AV passenger service authorizations following DMV reinstatement of a suspended AV permit.

Questions for Parties:

1. Should Commission staff have the authority to reinstate an AV Pilot permit following the DMV's reinstatement of that carrier's DMV AV testing permit?
2. In what situations should the Commission, rather than staff, determine if a suspended AV Pilot permit should be reinstated?
3. What information should a carrier be required to submit when requesting reinstatement of a suspended AV Pilot permit?
4. Should reinstatement of a carrier's suspended AV Deployment permit require approval of the Commission?
5. Should the Commission require carriers seeking reinstatement of a suspended Driverless AV Deployment permit to submit an updated Passenger Safety Plan for approval, using the existing process for updating the PSP via advice letters?

3. Categorization, Ex parte Communication, and Need for Hearing

The Commission's Rules require that an OIR preliminarily determine the category of the proceeding and the need for a hearing. As a preliminary matter, we determine that this proceeding is quasi-legislative because our consideration and approval of this matter would establish policy or rules affecting a class of regulated entities. Accordingly, *ex parte* communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Commission's Rules of Practice and Procedure.

We preliminarily determine that evidentiary hearings are not necessary. However, the assigned Commissioner may re-evaluate the need for evidentiary hearings when issuing the scoping memo for this proceeding.

4. Preliminary Schedule

The preliminary schedule is set forth below. The assigned Commissioner and Administrative Law Judge (ALJ) have the authority to set other dates in the proceeding or modify those below as necessary.

Event	Date
OIR issuance date	Day 1
Deadline to file and serve initial comments on OIR and response to questions	Day 40
Deadline to file and serve reply comments	Day 55
Prehearing conference	Day 60
Scoping Memo and Ruling	Day 90
Workshops	TBD

The schedule for the remainder of the proceeding will be adopted in the assigned Commissioner's Scoping Memo.

It is the Commission's intent to complete this proceeding within 18 months of the date this decision is adopted. (Public Utilities (Pub. Util.) Code § 1701.5(b).)

If there are any workshops in this proceeding, notice of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

5. Respondents

Waymo, LLC, Zoox, Inc., Aurora Operations, Inc., AutoX Technologies, Inc., Nuro, Inc., WeRide Corp., Tesla, Inc., Volkswagen Group of America, Pony.ai, Motional, Uber Technologies, Inc., and Lyft, Inc. are named as respondents to this proceeding.

6. Service of OIR

We provide service to the Service Lists of R.12-12-011 and R.19-02-012.

7. Filing and Service of Comments

Filing and service of comments and other documents in the proceeding are governed by the Commission's Rules. Parties are instructed to only serve documents on the assigned Commissioner, advisors to the assigned Commissioner, and the assigned ALJ(s) by electronic copy and not by paper copy, unless specifically instructed to do otherwise.

8. Addition to Official Service List

Addition to the official service list is governed by Rule 1.9(f).

Any person will be added to the "Information Only" category of the official service list upon request, for electronic service of all documents in the proceeding, and should do so promptly in order to ensure timely service of comments and other documents and correspondence in the proceeding. (*See* Rule 1.9(f).) The request must be sent to the Process Office by e-mail (process_office@cpuc.ca.gov) or letter (Process Office, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, California 94102). Please include the Docket Number of this rulemaking in the request.

Persons who file responsive comments thereby become parties to the proceeding (*see* Rule 1.4(a)(2)) and will be added to the "Parties" category of the

official service list upon such filing. In order to assure service of comments and other documents and correspondence in advance of obtaining party status, persons should promptly request addition to the “Information Only” category as described above; they will be removed from that category upon obtaining party status.

9. **Subscription Service**

Persons may monitor the proceeding by subscribing to receive electronic copies of documents in this proceeding that are published on the Commission’s website. There is no need to be on the official service list in order to use the subscription service. Instructions for enrolling in the subscription service are available on the Commission’s website at <http://subscribecpuc.cpuc.ca.gov/>.

10. **No Intervenor Compensation**

Pub. Util. Code Section 1801.3(a) restricts intervenor compensation to formal proceedings involving electrical, gas, water, and telephone utilities. As this is a transportation matter and the Legislature has not declared otherwise, intervenor compensation is not permitted in this proceeding.

11. **Public Advisor**

Any person or entity interested in participating in this rulemaking who is unfamiliar with the Commission’s procedures should contact the Commission’s Public Advisor in San Francisco at 1-415-703-2074 or 1-866-849-8390 or e-mail public.advisor@cpuc.ca.gov. The TTY number is 1-866-836-7825.

12. **Public Outreach**

Pub. Util. Code §1711(a) states:

Where feasible and appropriate, except for adjudication cases, before determining the scope of the proceeding, the Commission shall seek

the participation of those who are likely to be affected, including those who are likely to benefit from, and those who are potentially subject to, a decision in that proceeding. The Commission shall demonstrate its efforts to comply with this section in the text of the initial scoping memo of the proceeding.

Public outreach will be described in the scoping memo of the assigned Commissioner.

O R D E R

IT IS ORDERED that:

1. This Order Instituting Rulemaking is adopted pursuant to Rule 6.1 of the California Public Utilities Commission's Rules of Practice and Procedure.
2. The preliminary categorization is quasi-legislative.
3. The preliminary determination is that an evidentiary hearing is not needed.
4. The preliminary scope of issues is as set forth above in Section 2.
5. The preliminary schedule for this proceeding is as set forth above in Section 4.
6. The Executive Director will cause this Order Instituting Rulemaking to be served on all listed on the service list for Rulemaking 12-12-011 and Rulemaking 19-02-012, along with the Respondents listed above in Section 5.
7. The statutory deadline for this proceeding is 18 months after this Order Instituting Rulemaking is opened.

This order is effective today.

Dated _____, at San Francisco, California

