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Sent: 6/10/2014 3:35:04 PM
To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)
Cc:
Bcc:
Subject: CPUC Issues Proposed Decision to Clarify TNC Rules: CPUC Information Alert

CPUC Information Alert: CPUC Issues Proposed Decision to Clarify TNC Rules

The California Public Utilities Commission (CPUC) today issued a Proposed Decision to clarify certain Transportation Network Company (TNC) rules it established in September 2013.

The Proposed Decision is available at
<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M094/K268/94268677.PDF>.

The Proposed Decision of CPUC President Michael R. Peevey, the Commissioner assigned to the proceeding (R.12-12-011), would clarify the CPUC's existing TNC rules as follows:

- Defines TNC services as whenever the TNC driver has the application (app) open and/or available to accept rides from a subscribing TNC passenger.
 - TNC services are provided by TNC drivers during three distinct time periods:
 - Period One: App open - waiting for a match.
 - Period Two: Match accepted - but passenger not yet picked up.
 - Period Three: Passenger in car - until passenger safely exits car.The CPUC's September decision made clear that coverage was mandatory during Periods Two and Three. The Proposed Decision clarifies that coverage is also mandatory during Period One.
- Requires that TNCs maintain a \$1 million commercial liability insurance, as well as medical payment coverage in the amount of \$5,000, comprehensive and collision coverage in the amount of \$50,000, and uninsured/underinsured motorist coverage in the amount of \$1 million per incident. A TNC's insurance, as required by these regulations, is primary and exclusive and would assume all liability during the time periods TNC services are being provided. A TNC may satisfy the

insurance requirements, prescribed by these regulations, by one of the following:

- Maintaining such insurance on its own; or,
- With any combination of a policy maintained by the TNC and a policy maintained by the TNC driver that is specifically written for the purpose of covering transportation network services, or portion thereof. Such combination of policies must meet the minimum limits required by these regulations. Unless coverage for TNC services is separately and specifically stated, a driver's personal automobile policy is in no way required to provide coverage or the duty to defend for TNC services.

The rules set in September include that TNCs must:

- Obtain a license from the CPUC to operate in California;
- Require each driver to undergo a criminal background check;
- Establish a driver training program;
- Implement a zero-tolerance policy on drugs and alcohol;
- Conduct a 19-point car inspection; and,
- Obtain authorization from airports before conducting any operations on airport property or into any airport.

Parties may file comments on the Proposed Decision, which is scheduled to appear on the CPUC's July 10, 2014, Voting Meeting agenda.

Please let me know if you have any questions.

Terrie Prosper

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California Public Utilities Commission

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