

GENERAL ORDER NO. 130

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

RULES AND REGULATIONS TO GOVERN THE LEASING OF MOTOR VEHICLES

Adopted April 14, 1970, Decision No. 77072, Case No. 8481.
Effective January 1, 1971, Decision No. 77483, Case No. 8481.

General Provisions

- A. **CARRIER** means every carrier described in Section 3511 of the Public Utilities Code.
- B. **LEASE** means any contract or arrangement, other than a sale, a conditional sales contract, a chattel mortgage or statutory lien, whereby any person, firm, or corporation (herein called the lessor) who or which owns, controls, or is entitled to the possession of any motor vehicle, transfers to any other person, firm, or corporation (herein called the lessee) the right to possession and control of such motor vehicle. (LEASE does not include a sub-haul agreement or a transaction subject to transportation rates based on vehicle units as prescribed by the Commission in any minimum rate tariff or published in any common carrier tariff.)
- C. **MOTOR VEHICLE** means every motor truck, tractor, other self-propelled vehicle, trailer, semi-trailer, or dolly used for transportation of property over the public highways.
- D. **NONCARRIER** means every person, firm, or corporation engaged in any business enterprise except for-hire transportation of property.
- E. No carrier shall enter into or make any lease of a motor vehicle which constitutes a rebate, allowance, refund, remittance, or any other evasion of regulation in violation of the Public Utilities Code.
- F. A carrier which enters into a lease of a motor vehicle shall:
 - 1. Keep a copy of the lease and complete records of such transaction available for inspection by the Commission staff for a period of not less than three years from the termination of the lease.
 - 2. File a copy thereof with the Commission within five days thereafter. Any amendment or modification shall be in writing and a copy thereof filed with the Commission within five days after execution.
- G. When the term of the lease is thirty days or more:
 - 1. A carrier-lessor shall delete the leased motor vehicle from its equipment list on file with the Commission for the duration of the term of the lease;
 - 2. A carrier-lessee shall add such leased motor vehicle to its equipment list on file with the Commission for the duration of the term of the lease.

- H. A carrier-lessee shall place its identifying symbols as required by Public Utilities Code Section 3543 on the leased motor vehicle for the duration of the term of the lease.
- I. The provisions of this general order shall not apply to:
 - 1. The leasing of motor vehicles without drivers from any person, firm, or corporation whose principal business is the leasing of motor vehicles without drivers;
 - 2. The interchange of equipment between carriers for the purpose of facilitating through movements of lading;
 - 3. The temporary loan of trailing equipment by one carrier to another carrier to meet any temporary equipment demands of the latter;
 - 4. The employment of drivers without motor vehicles from any person, firm, or corporation whose principal business is the provision of temporary employees;
 - 5. The leasing of motor vehicles to the Federal Government, the State, a county, a city, or a city and county.
- J. In any proceeding before the Commission the burden of proof of the fact that the compensation stated in the lease is reasonable shall be upon the respondent or proponent of the lease.
- K. This general order establishes minimum leasing regulations only and in case of conflict between this general order and the provisions of a minimum rate tariff of this Commission, the minimum rate tariff shall prevail.
- L. Upon prior application and a showing of good cause, the Commission may, with or without a hearing, authorize deviations from any or all of the provisions of this general order.

PART I
REGULATION OF LEASING BETWEEN CARRIERS

- A. No carrier shall enter into or make any lease of any motor vehicle to any other carrier except in accordance with the general provisions of this general order and the provisions of this part.
- B. Every lease between carriers shall conform to the following requirements:
 - 1. Shall be in writing, contain all of the terms and conditions of the agreement, and be executed and signed by the parties thereto, or their regular employees or agents;
 - 2. Shall provide for the exclusive possession, use, supervision, direction, and control of the motor vehicle, and for the complete assumption of responsibility in respect thereto, by the lessee for the duration of the lease; except that if the lessor or an employee of the lessor does not operate the leased motor vehicle then the lease may provide that maintenance of the motor vehicle shall be the lessor's obligation;
 - 3. Shall specifically identify the motor vehicle or vehicles;

4. Shall specify the term of the lease;
 5. Shall specify the reasonable compensation to be paid by the lessee for the rental of the motor vehicle.
- C. A bona fide employer-employee relationship shall exist between the lessee and the driver or drivers of any leased motor vehicle.

PART II

REGULATION OF LEASING BY CARRIERS TO NONCARRIERS

- A. No carrier shall enter into or make any lease of any motor vehicle to any noncarrier except in accordance with the general provisions of this general order and the provisions of this part.
- B. Every carrier who enters into a lease of a motor vehicle to a noncarrier shall require the lessee to perform the terms and conditions thereof, without deviation.
- C. Every lease from a carrier to a noncarrier shall conform to the following requirements:
 1. Shall be in writing, contain all of the terms and conditions of the agreement, and be executed and signed by the parties thereto, or their regular employees or agents, prior to the beginning of the lease term;
 2. Shall provide for the exclusive possession, use, supervision, direction, and control of the motor vehicle, and for the complete assumption of responsibility in respect thereto, by the lessee for the duration of the lease; except that the lease may provide that maintenance of the motor vehicle shall be the lessor's obligation;
 3. Shall specifically identify the motor vehicle or vehicles;
 4. Shall specify the term of the lease;
 5. Shall specify the reasonable compensation to be paid by the lessee for the rental of the motor vehicle;
 6. Shall provide that the motor vehicle shall be operated by the lessee or an employee thereof.
- D. The lessor or any employee of the lessor shall not qualify as an employee of the lessee for the purposes of this part.
- E. The motor vehicle leased shall not display the symbols required by Public Utilities Code Section 3543 on such motor vehicle for the duration of the term of the lease.

PART III
REGULATION OF LEASING TO CARRIERS
FROM NONCARRIERS

- A. No carrier shall enter into or make any lease of any motor vehicle from any noncarrier except in accordance with the general provisions of this general order and the provisions of this part.
- B. Every lease from a noncarrier to a carrier shall conform to the following requirements:
 - 1. Shall be in writing, contain all of the terms and conditions of the agreement, and be executed and signed by the parties thereto, or their regular employees or agents, prior to the beginning of the lease term;
 - 2. Shall provide for the exclusive possession, use, supervision, direction, and control of the motor vehicle, and for the complete assumption of responsibility in respect thereto, by the lessee for the duration of the lease; except that the lease may provide that maintenance of the motor vehicle shall be the lessor's obligation;
 - 3. Shall specifically identify the motor vehicle or vehicles;
 - 4. Shall specify the term of the lease;
 - 5. Shall specify the reasonable compensation to be paid by the lessee for the rental of the motor vehicle.

Severability

The Commission intends PART III of this general order to be severable from Parts I and II. If Part III is declared invalid, such invalidity shall not affect the other parts of this general order.

The effective date of this General Order shall be January 1, 1971.*
Issued at San Francisco, California, the 14th day of April, 1970.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

By **WILLIAM W. DUNLOP**
Secretary

* Decision No. 77072 established effective date of General Order No. 130 at September 1, 1970.
Decision No. 77483 extended the effective date of General Order No. 130 to January 1, 1971.