TRANSPORATION LICENSE SECTION
STATE OF CALIFORNIA PUBLIC UTILITIES COMMISSION

BASIC INFORMATION FOR PASSENGER CARRIERS AND APPLICANTS

Who should read this information?

If you will transport passengers over California public streets and highways, and are not sure if you need any kind of permit or certificate (authority) from the CPUC, or *what kind* you need, the answers to your questions are probably here. You will also find information to get you off to a good start if you do decide to apply. Also, keep it for your reference after you have your authority, as there is information to help you *keep* your authority in good standing. Please read all of this information before you begin filling out an application, and before you contact the CPUC License Section with questions. Thank you!

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Abbreviations

CPUC	California Public Utilities Commission
DMV	California Department of Motor Vehicles
PSC	Passenger Stage Corporation
TCP	Transportation Charter Party. This can refer to a charter-party carrier, a charter-party permit or certificate, or a charter-party carrier number—the number assigned to a TCP carrier by the License Section.
LLC	Limited Liability Company
LP	Limited Partnership

Will you perform California intrastate transportation?

California intrastate transportation is transportation that begins and ends in California, and does not cross any state line in between. Note that the CPUC has jurisdiction only over transportation that moves over *public* highways and streets. If transportation is conducted only on private property, then no CPUC authority is required.

If you will perform *any* California intrastate transportation, even occasionally, then you *may* be one (or more) of the types of passenger carriers regulated by the CPUC, described below. The following information is designed to help you determine whether you need CPUC authority, and if so, what kind you need.

If you will not perform any California intrastate transportation, then you do not need CPUC authority. Read the section immediately below about interstate transportation. The rest will not apply to you.

Will you perform interstate transportation?

Interstate transportation is transportation that crosses a state line, even if the trip begins and ends in one state, like California. Interstate transportation is *not* under the jurisdiction of the California Public Utilities Commission (CPUC) but may require authority from the federal government. If you will perform *any* interstate transportation, ask the Federal Motor Carrier Safety Administration (FMCSA—part of the U.S. Department of Transportation) whether you will need federal authority:

Mailing Address:	FMCSA 1200 New Jersey Avenue SE Washington, DC 20590
Phone:	(800) 832-5660 TTY: (800) 877-8339
Web site:	www.fmcsa.dot.gov

Will you perform both interstate and intrastate transportation?

If you will perform both interstate and intrastate transportation, you may need both federal and CPUC authority. Ask the FMCSA whether you require federal authority, and read the information below to determine whether your intrastate transportation requires CPUC authority.

Everything that follows assumes that you will perform at least some California intrastate transportation of passengers. In doing so, you may be one (or more) of the following types of carriers, requiring CPUC authority:

1. A **passenger stage corporation (PSC).** These require a "certificate of public convenience and necessity" (certificate)
2. A **charter-party carrier of passengers (TCP).** There are several types of charter-party certificates and permits, described in detail below.
3. A **private carrier.** These are required to register with the CPUC.

The information on the following pages will help you determine which of these three types of passenger carriers you will be, if any. As you will see, this can be a complicated question, so please read all of the information. Also, you may intend to perform more than one type of transportation that may require more than one type of authority. IMPORTANT NOTE: Certain types of transportation are specifically exempt from regulation as passenger stage or charter-party transportation, even though they may otherwise fit the definition. If you think you may be a PSC or TCP carrier, don't make up your mind until you read everything below.

General Information About Vehicles

As part of the application process, charter-party and passenger stage carriers must provide the License Section with a list of all vehicles to be operated, including their license plate numbers, VIN numbers, and seating capacities. Thereafter, they must report to the License Section within 10 days of adding or deleting any vehicle from their fleet. The form for this purpose (PL 664) is included in the application packet, and may be downloaded from our web site.

Will I need separate authorities for each vehicle I will operate?
No. Whether you are a passenger stage corporation, a charter-party carrier, or a private carrier, you may operate any number of vehicles under one certificate, permit, or registration. If you have more than one type of authority, you may also use the same vehicle to operate under all authorities you have (except that a vehicle seating 16 or more, including the driver, may not be operated under a charter-party "P" permit). For example, you could operate as a passenger stage corporation on one trip, and use the same vehicle on another trip as a charter-party carrier.

Do I need to have a vehicle before I apply?
No, but unless you plan to contract with other charter-party subcarriers to provide all of your transportation services, you'll need to have a vehicle before we'll issue your authority. You should not apply for a charter-party authority until you're absolutely sure you'll have a vehicle and will be ready to operate within 3 months. You'll have somewhat more time if you apply for a passenger stage corporation certificate.

Seating Capacity
With the exception of a charter-party "P" permit, all the authorities below allow you to operate a vehicle of any seating capacity. Under a "P" permit, you may not operate a vehicle seating 16 or more, including the driver. Other things to be aware of:

1. If you operate a "bus" (a vehicle seating 11 or more, including the driver) you must undergo and pass a CHP bus safety inspection before your authority is issued, and every year thereafter (Vehicle Code Section 34505.1). As part of your application, you will fill out a "Terminal Inspection Fee Statement" and pay an additional $15 per bus. We will forward this to the CHP, along with other information you provide. The CHP will contact you to schedule an inspection. If you fail your CHP inspection, the CHP may recommend denial of your application to the Commission. The License Section is required by law to deny your application upon receiving such a recommendation from the CHP. This would require you to refile and pay the application fee again.

2. The seating capacity of your largest vehicle will determine the level of public liability and property damage insurance you will be required to maintain on file with the CPUC, through your insurer. Refer to Commission General Order 101 Series (passenger stage), 115 Series (charter-party), or 160 Series (private carriers) for these limits. General Orders are available on line at www.cpuc.ca.gov/PUC/documents/go.htm.

General Information About Drivers

Drivers of passenger stage and charter-party vehicles must be licensed as required under the California Vehicle Code, and must comply with the driver provisions of Title 13, California Code of Regulations. They must also be the permit or certificate (CPUC authority) holder or under the complete supervision, direction and control of the operating carrier, and must be (A) an employee of the authority holder, or (B) an employee of a sub-carrier, or (C) an independent owner-driver who holds charter-party carrier authority and is operating as a sub-carrier.

DMV Pull Notice

All applicants for charter-party carrier and passenger stage corporation authority must enroll in the DMV Employer Pull Notice Program (EPN). The EPN provides employers and regulatory agencies with a means of promoting driver safety through the ongoing review of driver records. Through EPN, employers of drivers are notified of any of the following on the driving record of any employee driver: convictions, failures to appear, accidents, driver license suspensions or revocations, and any other actions taken against the driving privilege. Even if you are an owner operator (a sole proprietor with no employee drivers) you must enroll. As part of your application, you will be required to provide the License Section with a copy of your EPN contract with the DMV, which will include your Requester Code, assigned by the DMV. You should apply to the DMV for a Requester Code Number immediately. Your certificate/permit will not be approved without this number, and it may take DMV several weeks to issue it to you, so we recommend that you enroll as soon as you decide to apply for CPUC authority. To enroll in EPN, contact the DMV at (916) 657-6346 or visit this web page, which contains links to forms and frequently asked questions: www.dmv.ca.gov/vehindustry/epn/epngeninfo.htm.

Controlled Substance and Alcohol Testing Certification Requirements

All applicants for charter-party carrier and passenger stage corporation authority must provide for a drug testing program which includes educational materials for their drivers, training for supervisors and specified testing of drivers for use of controlled substances and alcohol, in accordance with General Order 157 Series (TCP) and General Order 158 Series (PSC). If you will employ only drivers who will operate vehicles with a seating capacity of 16 persons or more, including the driver, you will be exempt from this requirement if you certify to this effect, and comply with federal drug testing regulations. In selecting a drug and alcohol consultant to establish a drug and alcohol testing program for your company, you must select one that has been accepted and approved by the License Section. You will find a list of approved drug and alcohol consultants on our website, and this will also be included in your application packet.

Public Utilities Commission Transportation Reimbursement Account (PUCTRA) Fees

Charter-party carriers and passenger stage corporations are required to file either annual or quarterly revenue reports (depending on revenues) and to pay a $25 annual or $10 quarterly administrative fee plus a percentage of their gross operating revenues. Once your authority is issued, you will receive the necessary forms and instructions by mail. Failure to file these

reports by the deadlines shown on them will result in penalties, and suspension and revocation of authorities.

TYPES OF PASSENGER AUTHORITY ISSUED BY THE CPUC

The Commission issues two basic types of for-hire passenger carrier authorities, passenger stage corporation (PSC) and charter-party carrier of passengers (TCP), both of which are described in detail below. (A third type of carrier discussed below, private carriers, must register with the Commission. This is not referred to as an "authority".) The application filing fees for these types of carriers are shown in the table below. No application will be accepted or processed without the correct filing fee. **FILING FEES ARE NOT REFUNDABLE**. Public Utilities Code §407 allows refunds of fees paid by charter-party carriers only where the fee was collected in error. If you file an application, then later change your mind about whether you want authority, or which kind, or which type of legal entity to apply as (see pp. 15-16), that is not "collected in error". You will not receive a refund.

FILING FEES

	New/Refile*	Renewal
passenger stage corporation	$500	N/A
charter-party "A" certificate	$1,500	$100
All other charter-party authorities	$1,000	$100

*The term "**refile**" refers to an application, where an earlier application from the same legal entity was denied for any reason, or where the operating authority has expired before the renewal application was received. Refile fees are the same as New Application fees.

I. Passenger Stage Corporations (PSC) (The primary PUC sections governing PSC's are §226, and §1031 through §1045.)

"Classic" PSC

Carriers charging individual fares are presumed to be PSC's, except for round-trip sightseeing services, a type of charter-party carrier, discussed below. PSC's provide *scheduled* service, over *fixed routes*, between *fixed termini* (points), such as regularly scheduled bus service. However, regularly scheduled bus service operated by a *publicly owned transit system* is not "passenger stage" service, and is not under CPUC jurisdiction.

Door-to-door Shuttle Service

Another type of PSC provides on-call service, for example, door-to-door airport shuttle service where all transportation begins or ends at a single terminus, such as an airport. Many vehicles used in the airport shuttle industry are not owned or operated by a PSC, but are charter-party carriers working as *subcarriers* (subcontractors) for a PSC. If you intend to operate as a subcarrier for a PSC, apply for a charter-party carrier permit or certificate, choosing from the list below (most airport shuttle subcarriers have a "P" permit). If you are not a subcarrier, you will need your own PSC certificate. IMPORTANT: having a valid PSC certificate does not guarantee that you will be allowed to pick up passengers at a given airport. Many airports have restrictions against admitting new carriers due to high traffic volume and limited curb space. Before you apply, check with the airport(s) at which you intend to operate to be sure you know what they will and won't allow you to do there.

Note that a passenger stage corporation does not have to be a "corporation". Just as with charter-party authority, or private carrier registration, you may apply for PSC authority as an individual, a general partnership, a limited liability company, or a limited partnership.

Rates and Tariffs
Passenger stage corporations must file tariffs containing rates to be assessed to the public, and all scheduled carriers must file timetables, in accordance with General Order 158-A, Part 8. The tariff is for the information and use of the general public; as such, they are available to any member of the public upon request.

Vanpooling
If you will provide transportation of persons between home and work locations, or of persons having a common work-related trip purpose, when the ridesharing is incidental to another purpose of the driver, you may or may not be a PSC. Read Part III below entitled, "Rideshare Registration".

Are you a Passenger Stage Corporation?
If, after reading all of this information, including the section on "Charter-party Carriers", below, you decide to apply for a PSC certificate, you may obtain a sample application packet in any of the following ways:

Download it from the CPUC web site:
www.cpuc.ca.gov/static/transportation/carrierforms.htm

Request by email: licensing@cpuc.ca.gov

Request by mail: CPUC License Section
505 Van Ness Ave.
San Francisco, CA 94102

You should also read the information in the section below, entitled, "You've decided to apply. Now what?"

II. Charter-party Carriers (TCP)

As you read the following, you will find that there are many exceptions and conditions involved in determining whether a particular type of transportation is "charter-party carrier" transportation, and which type. Do not conclude that you are or are not a charter-party carrier, or which type you are, until you've read and understand this entire section.

Generally, charter-party transportation is *chartered* by a party (person or group) called the "chartering party". Usually, the chartering party is also taking the transportation, but the chartering party may also arrange the transportation on behalf of another person or group, such as an employee or client, or parents chartering a limousine for a minor son or daughter's prom night. With the exception noted below in the Section, "Round-trip Sightseeing", the chartering party has control over the transportation, that is, when and where the trip originates and ends, and the itinerary in between. Also with the exception noted in "Round-trip Sightseeing" below, TCP carriers must charge fares based on vehicle mileage, or time of use, or a combination of the two, and may *not* charge individual fares.

TCP and Taxicabs Distinguished

Based on the information above, it may seem that there is little or no difference between a charter-party carrier and a taxicab. In fact, the two are separate and distinct types of transportation. A charter-party carrier may not operate as a taxi, *or advertise* as to indicate that it provides taxicab service. Taxis are licensed and regulated by cities and counties, while charter-party carriers operate under authority from the CPUC, subject to the Public Utilities Code and CPUC regulations. Taxis have meters and top lights; charter-party vehicles do not have either one. The most important operational difference is that TCP transportation must be prearranged. Taxis may provide transportation "at the curb", that is, a customer may "arrange" taxi transportation by simply hailing a cab from the sidewalk. All transportation performed by charter-party carriers must be arranged beforehand, and the driver must have a *completed waybill* in his or her possession at all times during the trip, showing, among other things, the name and address of the person requesting or arranging the transportation (the chartering party), the time and date when the charter was arranged, and whether it was arranged by telephone or written contract, the number of persons in the charter group, the name of at least one passenger, and the points of origin and destination.

Expiration and Renewal

All charter-party permits and certificates expire after 3 years. If the carrier completes and submits a renewal application with enough time for the License Section to process its application, and for the CHP to inspect any buses the carrier operates, the authority will be renewed for another 3 years and there will be no lapse in authority. The expiration date of your authority will appear on the permit or certificate itself. We will send you a renewal application approximately 120 days prior to your expiration date. You are required (by Commission General Order 157-D) to complete and return this to us no less than 3 months prior to expiration. The filing fee for renewal applications is $100 for all types of permits and certificates. General Orders are available on line at www.cpuc.ca.gov/PUC/documents/go.htm.

Applying late for renewal can have severe consequences, starting with the fact that your authority may expire before the renewal process is completed, forcing you to cease operations until your authority is renewed. This is especially common if you operate a bus (see p. 16). Every bus operator must undergo a CHP inspection in order to renew, which can take many weeks. If we receive your renewal application even 2 months or more before expiration, your authority may expire before it is renewed. If the License Section receives your renewal application after your authority has already expired, *even if you mailed it before expiration*, your renewal application will not be accepted, and you must submit a "refile" application. As the table on page 4 shows, the fee for a refile is the same as for a new application: $1,000, or $1,500 for an "A" certificate. **Filing too close to your expiration date can cost you an additional expense of $900 or $1,400, in addition to loss of revenue as a result of the expiration of your operating authority.**

Transferring authorities

The charter-party A, B, and C *certificates* described below may be transferred from one carrier (legal entity) to another for a fee of $300. If, for example, your certificate is issued to you as an individual and you later decide to form a corporation, you may transfer the certificate to your corporation. Also, if you decide to sell your business to another party, your certificate can be transferred to that party. The transferee (the legal entity to which the certificate is transferred) will have a new TCP number. Charter-party *permits* (P, S, and Z) cannot be transferred. For example, if you are an individual permit holder and decide to form a corporation, you would

have to apply for a new permit under the corporation and pay the new application filing fee of $1,000.

The types of charter-party carrier authority

There are six types of TCP authority, described below. And again, even if you read one of these descriptions and think it fits the transportation you plan to perform, don't conclude that you are a charter-party carrier until you've read the section below entitled, "Charter-party Exemptions". (The "PUC §" numbers below are the sections of the California Public Utilities Code that define and describe the various types of TCP authority.)

"A" Certificate: PUC §§5371.1 and 5383.

What an "A" certificate allows:

- Chartered service
- May operate vehicles of any seating capacity
- May operate from any point to any point within California
- May also conduct round-trip sightseeing (like an "S" permit) and may charge individual fares in doing so. See section below on "Round-trip Sightseeing".
- Except for round-trip sightseeing, charges must be based on vehicle mileage, time of use, or combination.
- May be transferred (fee: $300)

"B" Certificate: PUC §§5371.2 and 5383.

What a "B" certificate allows:

- Chartered service
- May operate vehicles of any seating capacity
- May not pick up passengers more than 125 air miles from the carrier's home terminal. This mileage restriction applies only to vehicles seating fewer than 32 passengers.
- Charges based on vehicle mileage, time of use, or combination.
- May be transferred (fee: $300)

"C" Certificate: PUC §§5371.3 and 5383.

What a "C" certificate allows:

- Provide transportation services incidental to **commercial balloon operations, commercial river rafting, or skiing** where no additional compensation is provided for the transportation. (If you will perform transportation that is incidental to a business *other than* these three, a "Z" permit, below, is the appropriate authority.)
- Commercial balloon operators: see exemption (m) under the "Charter-party Exemptions" section, below.
- May operate from any point to any point within California
- May be transferred (fee: $300)

"P" Permit: PUC §5384(b).

What a "P" permit allows:

- Chartered service
- May operate only vehicles seating fewer than 16, including the driver. If you will operate even one vehicle 16 or more, even occasionally, you may not do so with a "P" permit.

- May operate from any point to any point within California
- Charges based on vehicle mileage, time of use, or combination.
- May not be transferred.
- NOTE: Even if you do not intend to operate any vehicle seating 16 or more in the near future, if you think you may do so later, consider applying for a "B" certificate. This would save you having to apply again, and paying the filing fee, if you later decide to operate a vehicle seating 16 or more. Read the description of "B" certificates, above. If the mileage restriction on "B" certificates for vehicles seating fewer than 32 is not a concern to you, think about applying for a "B".

"S" Permit: PUC §5384(c).

What an "S" permit allows:

- This is for carriers conducting "round-trip sightseeing service." See section below on "Round-trip Sightseeing".
- May operate vehicles of any seating capacity
- May operate from any point to any point within California
- May charge individual fares. May also base charges on vehicle mileage, time of use, or combination. (The "A" certificate is the only other type of TCP authority that allows individual charges, only when conducting round-trip sightseeing service.)
- May not be transferred.

"Z" Permit: PUC §5384(a)

What a "Z" permit allows:

- These are "specialized carriers", who do not hold themselves out to serve the general public, but only:
  a) provide service under contract with industrial and business firms, governmental agencies, and private schools OR
  b) transport agricultural workers to and from farms for compensation OR
  c) conduct transportation services, which are incidental to another business. (However, note that if the transportation is incidental to either commercial balloon operations, commercial river rafting, or skiing, the appropriate authority is a "C" certificate, above.)
- May operate vehicles of any seating capacity
- May operate from any point to any point within California
- May not be transferred.

Round-trip Sightseeing

Round-trip sightseeing operations may be conducted under either a charter-party "S" permit or "A" certificate. This is where the carrier itself provides a vehicle, driver, and tour guide (who may also be the driver) to take a group of passengers from a point of origin to one or more other points within California to see a sight or sights, and return to the point of origin. This is the only type of transportation that may be conducted by a charter-party carrier in which the *carrier,* not the chartering party, has control over the transportation, that is, when and where the trip originates and ends, and the itinerary in between. This type of operation is also the exception to the general rule about fares. Charter-party carriers conducting round-trip sightseeing operations under an "S" permit or "A" certificate may (but are not required to) charge individual fares.

If a tour operator not affiliated with the charter-party carrier charters the trip, and directs the itinerary, and the carrier only provides the vehicle and driver to go where the tour operator directs, then the charter-party carrier would not specifically require "A" or "S" authority (but would require either "A", "B" or "P"). But if the *carrier itself* directs the tour and provides a tour guide (who could also be the driver) this would specifically require "A" or "S" authority.

Livery License Plates

Any "limousine" operated by a charter-party carrier must be equipped with special license plates issued by the DMV, known as "livery plates". A "limousine" is defined as any sedan or sport utility vehicle, of either standard or extended length, with a seating capacity of fewer than 11 passengers including the driver, used in the transportation of passengers for hire on a prearranged basis within California.

When you apply for a charter-party authority you will include a list of vehicles you will operate under the authority. If any of those vehicles is a limousine, as defined above, you must provide a copy of the vehicle registration, showing that the applicant is the registered owner or lessee. When the License Section issues your authority, it will send you two letters for each limousine you will operate:

1. A **"Temporary Special 'Livery' Plate Authorization"**, displaying the heading, "DO NOT TAKE TO DMV --- KEEP IN VEHICLE". That letter should be kept in the limousine at all times, until you have your livery plates, to present to any peace officer, airport official, etc., who asks for it, or asks why your limousine does not have livery plates. The letter has an expiration date, which should allow plenty of time for DMV to issue your livery plates, IF YOU DO NOT DELAY in applying to DMV.
2. A **"Livery Plate Authorization Letter"**, displaying the heading, "TAKE TO DMV". This is the letter DMV needs in order to issue a livery plate to you. At your earliest opportunity, you should present that letter to any DMV office and apply for livery plates for that limousine. The letter has an expiration date, which you should not take to mean that you have that much time to apply for livery plates. It could take several months for DMV to issue livery plates, so if you delay, you may not have your plates before your Temporary Special "Livery" Plate Authorization letter expires.

Vehicle Registration

Before the License Section will issue these letters, you must provide us with a copy of the vehicle's registration, which must show that the vehicle is registered "commercial" or "limousine". In addition, the registration must show the registered owner or lessee to be the following:

For this type of entity	the registered owner or lessee must be
Individual	the individual
General Partnership	one or more of the partners
Corporation	the corporation
LLC	the LLC
LP	the LP or a general partner

Charter-party Exemptions

As provided in PUC §5353, the following specific types of transportation are outside the definition of a charter-party carrier. To meet one of these exemptions, all (100%) of the transportation you provide must meet that exemption, as described below. Otherwise, you will require authority to perform the portion of transportation you perform that does not meet any

exemption. If you do meet one (or more) of these exemptions, you are not a charter-party carrier. See Part IV on "Private Carriers", below. If you need further clarification of any of the following exemptions, contact the License Section.

(a) Transportation service rendered wholly within the corporate limits of a **single city** or **city and county** and licensed or regulated by ordinance ("city and county" here specifically refers to the city and county of San Francisco).
(b) Transportation of **school pupils** conducted by or under contract with the governing board of any school district entered into pursuant to the Education Code.
(c) Common carrier transportation services between fixed points or over a regular route which requires a **passenger stage** certificate.
(d) Transportation services occasionally afforded for **farm employees** moving to and from farms on which employed when the transportation is performed by the employer in an owned or leased vehicle, or by a nonprofit agricultural cooperative association organized and acting within the scope of its powers under Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code, and without any requirement for the payment of compensation therefor by the employees.
(e) Transportation service rendered by a **publicly owned transit system**.
(f) Passenger vehicles carrying passengers on a **noncommercial enterprise basis.**
(g) **Taxicab** transportation service licensed and regulated by a city or county, by ordinance or resolution, rendered in vehicles designed for carrying not more than eight persons excluding the driver.
(h) **Rideshare** exemption—See Part III below entitled, "Rideshare Registration".)
(i) Vehicles used *exclusively* to provide **medical transportation**, including vehicles employed to transport developmentally disabled persons for regional centers established pursuant to Chapter 5 (commencing with Section 4620) of Division 4.5 of the Welfare and Institutions Code. (**NOTE:** this has been interpreted to include visits to a doctor or dentist, or transportation of persons to or from hospitals, clinics or doctors' offices for medical care, treatment or diagnosis, even when they do not have ambulatory problems and are physically capable of using other means of transportation, and also to include transportation of persons in wheelchairs or gurneys and those accompanying them, even if the transportation has no apparent medical connection, provided the vehicle is being used *solely* for this purpose.)
(j) Transportation services rendered **solely within the Lake Tahoe Basin**, comprising that area included within the Tahoe Regional Planning Compact as set forth in Section 66801 of the Government Code, when the operator of the services has obtained any permit required from the Tahoe Basin Transportation Authority or the City of South Lake Tahoe, or both.
(k) Subject to Section 34507.6 of the Vehicle Code, transportation service provided by the operator of an **automobile rental business** in vehicles owned or leased by that operator, without charge other than as may be included in the automobile rental charges, to carry its customers to or from its office or facility where rental vehicles are furnished or returned after the rental period.
(l) Subject to Section 34507.6 of the Vehicle Code, transportation service provided by the operator of a **hotel, motel, or other place of temporary lodging** in vehicles owned or leased by that operator, without charge other than as may be included in the charges for lodging, between the lodging facility and an air, rail, water, or bus passenger terminal or between the lodging facility and any place of entertainment or commercial attraction, including, but not limited to, facilities providing snow skiing. Nothing in this subdivision authorizes the operator of a hotel, motel, or other place of temporary lodging to provide

any round-trip sightseeing service without a permit, as required by subdivision (c) of Section 5384.

(m) Transportation of **hot air balloon ride passengers** in a balloon chase vehicle from the balloon landing site back to the original take-off site, provided that the balloon ride was conducted by a balloonist who meets all of the following conditions:

(A) Does not fly more than a total of 30 passenger rides for compensation annually.

(B) Does not provide any preflight ground transportation services in their vehicles.

(C) In providing return transportation to the launch site from landing does not drive more than 300 miles annually.

(D) Files with the commission an exemption declaration and proof of vehicle insurance, as prescribed by the commission, certifying that the operator qualifies for the exemption and will maintain minimum insurance on each vehicle of one hundred thousand dollars ($100,000) for injury or death of one person, three hundred thousand dollars ($300,000) for injury or death of two or more persons and one hundred thousand dollars ($100,000) for damage to property.

(NOTE: Commercial balloon operators may not provide any round-trip sightseeing service without a TCP "S" permit or "A" certificate.)

(n) Transportation services incidental to operation of a **youth camp** that are provided by either a nonprofit organization that qualifies for tax exemption under Section 501(c)(3) of the Internal Revenue Code or an organization that operates an organized camp, as defined in Section 18897 of the Health and Safety Code, serving youth 18 years of age or younger. To meet this exemption, you must comply with all of the following requirements:

(A) Register as a private carrier with the commission pursuant to Section 4005. (See Part IV, below.)

(B) Participate in a pull notice system for employers of drivers as prescribed in Section 1808.1 of the Vehicle Code.

(C) Ensure compliance with the annual bus terminal inspection required by subdivision (c) of Section 34501 of the Vehicle Code.

(D) Obtain the following minimum amounts of general liability insurance coverage for vehicles that are used to transport youth:

(i) A minimum of five hundred thousand dollars ($500,000) general liability insurance coverage for passenger vehicles designed to carry up to eight passengers. For organized camps, as defined in Section 18897 of the Health and Safety Code, an additional two hundred fifty thousand dollars ($250,000) general umbrella policy that covers vehicles.

(ii) A minimum of one million dollars ($1,000,000) general liability insurance coverage for vehicles designed to carry up to 15 passengers. For organized camps, as defined in Section 18897 of the Health and Safety Code, an additional five hundred thousand dollars ($500,000) general umbrella policy that covers vehicles.

(iii) A minimum of one million five hundred thousand dollars ($1,500,000) general liability insurance coverage for vehicles designed to carry more than 15 passengers, and an additional three million five hundred thousand dollars ($3,500,000) general umbrella liability insurance policy that covers vehicles.

Are you a charter-party carrier?

After reading all of this information, if you've decided to apply for a TCP certificate or permit, you may obtain a Charter-party Carrier Information and Application Packet in any of the following ways:

Download it from the CPUC web site:
www.cpuc.ca.gov/static/transportation/carrierforms.htm

Request by email: licensing@cpuc.ca.gov

Request by mail: CPUC License Section
505 Van Ness Ave.
San Francisco, CA 94102

You should also read the information in the section below, entitled, "You've decided to apply. Now what?"

III. Rideshare Registration

If you will provide transportation of persons between home and work locations, or of persons having a common work-related trip purpose, when the ridesharing is incidental to another purpose of the driver, read the exemption in Public Utilities Code §5353(h) immediately below. Note that one condition of the exemption is that *your primary purpose can not be to make a profit* (although you are allowed to recover actual costs incurred in owning and operating the vehicle). If you do not meet the exemption for that reason, or any other reason, then you must obtain PSC authority.

(h): transportation of persons **between home and work** locations or of persons having a common work-related trip purpose in a vehicle having a seating capacity of 15 passengers or less, including the driver, which are used for the purpose of **ridesharing**, as defined in Section 522[1] of the Vehicle Code, when the ridesharing is incidental to another purpose of the driver. This exemption also applies to a vehicle having a seating capacity of more than 15 passengers if the driver files with the commission evidence of liability insurance protection in the same amount and in the same manner as required for a passenger stage corporation, and the vehicle undergoes and passes an annual safety inspection by the Department of the California Highway Patrol. The insurance filing shall be accompanied by a one-time filing fee of seventy-five dollars ($75). This exemption does not apply if the primary purpose for the transportation of those persons is to make a profit. "Profit," as used in this subdivision, does not include the recovery of the actual costs incurred in owning and operating a vanpool vehicle, as defined in Section 668[2] of the Vehicle Code.

If you do meet this exemption, you will not require PSC or TCP authority (but you may require private carrier registration—see Part IV, below).

Note that if you will use a vehicle seating fewer than 16 passengers, including the driver, in performing this type of service, then you meet the exemption, meaning you are not a charter-party carrier. If you operate a larger vehicle, you can *also* meet the exemption if you do all of the following:

1. Register for the exemption with the CPUC, certifying that you meet the conditions of exemption (h), above.

[1] VC §522: "Ridesharing" means two or more persons traveling by any mode, including, but not limited to, carpooling, vanpooling, buspooling, taxipooling, jitney, and public transit.
[2] VC §668: A "vanpool vehicle" is any motor vehicle, other than a motortruck or truck tractor, designed for carrying more than 10 but not more than 15 persons including the driver, which is maintained and used primarily for the nonprofit work-related transportation of adults for the purposes of ridesharing.

2. File evidence of liability insurance protection with the CPUC in the amount and manner required by Commission General Order 101. General Orders are available on line at www.cpuc.ca.gov/PUC/documents/go.htm.
3. Pay a one-time filing fee of $75.
4. Submit to and pass a vehicle safety inspection by the California Highway Patrol, initially and annually.

Features of Rideshare Registration

- Allows transportation ridesharing between home and work locations, or of persons having a common work-related trip purpose, in vehicles seating 16 or more, including the driver, when the ridesharing is incidental to another purpose of the driver.
- May operate from any point to any point within California
- These are not charter-party carriers (even though they are assigned a "TCP" number for our record-keeping purposes).
- Registration does not expire. It remains active as long as insurance is maintained on file, and vehicle(s) is/are inspected annually by the CHP.
- Not for profit. You may recover from passengers the actual costs incurred in owning and operating the vehicle.
- Fee for filing insurance is $75 (one time).

IV. Private Carriers

A non-profit organization that operates as a not-for-hire (not-for-compensation) carrier using a vehicle that seats 11 or more, including the driver, is required to register with the CPUC as a private carrier. Any other legal entity that operates as a not-for-hire (not-for-compensation) carrier must register if the vehicle seats 16 or more, including the driver.

Registration as a private carrier requires payment of a fee (specified below) and the filing of an insurance certificate (TL-1000) by your insurer. Private carriers register to operate over an entire *calendar year*. They may operate only during a calendar year for which they have registered. To operate during any part of a calendar year, they must register (and pay the fee) for the *entire* calendar year. Private carriers who are registered for the current calendar year will receive renewal applications for the upcoming calendar year from the License Section in early October. Most private carriers register for the upcoming calendar year between October and mid-December, so they are ready to begin or continue operations in January. They are advised to apply as early as possible.

To initially register as a private carrier, you must do the following:

1. Obtain a "CA" number from the California Highway Patrol. Contact the CHP at (916) 445-1865. They will schedule a vehicle inspection, if required.
2. After you have your CA number, register with the CPUC as a private carrier. The filing fee is $35. After the first year of registration, the filing fee for all annual renewals of registration is $30.
3. Have your insurer send a TL-1000 insurance certificate to the License Section at the address below. This may be sent in advance of the effective date of the policy so that coverage does not begin until the registration period begins, or until you plan to begin operations.
4. You may obtain a private carrier information and registration packet in any of the following ways:

Download it from the CPUC web site:
www.cpuc.ca.gov/static/transportation/carrierforms.htm

Request by email: licensing@cpuc.ca.gov

Request by mail: CPUC License Section
ATTN: Private Carrier Registration
505 Van Ness Ave.
San Francisco, CA 94102

Be sure to put your CA number on all documents you send to the License Section, including your check.

If you are transporting passengers, but are not a passenger stage corporation, or a charter-party carrier of passengers, or a private carrier, then you do not require any operating authority or registration from the CPUC.

You've decided to apply. Now what?

First, get the appropriate application packet, as described above. Read all of the information in the packet carefully before you begin completing the forms. KEEP A COPY OF EVERYTHING YOU SEND US for your own records.

If you are applying for passenger stage authority, or registering as a private carrier, your application packets will contain information specific to filing those applications. Much of the information below is primarily for charter-party applicants and carriers. However, all applicants and carriers should read the sections below marked "ALL".

ALL: Think about who or what will apply (and have CPUC authority)
This is your first major decision after (or even before) deciding to apply. Several types of legal entities may apply for authority. If you are applying for charter-party authority, on the first page of your application, you will check a box indicating whether you are applying as an Individual, a General Partnership, a Corporation, an LLC (limited liability company) or LP (Limited Partnership). All applicants will indicate the *name of the applicant*. That name will be your CARRIER NAME, the *legal entity* to which your permit or certificate will be issued. If you apply as a corporation, LLC or LP, the License Section will verify that the entity is in good standing with the California Secretary of State. You may want to consult with an attorney about the liability and other legal implications of operating under each of these types of entities. **Think carefully! If you apply and later change your mind about which type of entity you wish to operate as, you will not receive a refund. You will have to file another application and pay the fee again.**

Here are a few things to consider:

1. You can look at all carriers in our database by going to the CPUC's home page (www.cpuc.ca.gov), clicking on the "Transportation" tab, then the link, "Search our List of Companies to find out if a company is licensed". Click on any carrier's File Number ("PSG" or "CA" Number). Unless the carrier is revoked or expired, you will see that carrier's name, mailing address, physical address, and phone number. Keep in mind that

whatever address and phone number you place on your application—including your home address and phone number—they are **public information**, posted on our web site, and available to any member of the public. *We will not accept a P.O. Box or mail drop* for a physical address. If you apply as an individual, your name will be part of that public information. If you apply as a general partnership, the names of all partners are public information. Of course, if you are an officer of a corporation, your name is also public information, though it may not be quite as visible as though you were to apply as an individual. Many carriers choose to have a separate business address and phone number.

2. If you apply as a general partnership, be aware that a general partnership consists of the *specific* individuals or entities named as part of that general partnership[3]. If *any partner* leaves the business (including by death) or if another partner is added to the business, then the general partnership which applied for or holds authority no longer exists. The remaining partners(s) must apply for new authority as a new general partnership, or as individual(s), a corporation, etc. The new entity will have a new TCP or PSC number. By contrast, a corporation, LLC, or LP has the advantage that it can change officers, managing members, partners, even owners, and continue as the same legal entity, without the need to apply for new authority.

ALL: The difference between "Carrier Name" and "DBA"

Again, the name under which you apply (individual, partnership, corporation, etc.) will be your "carrier name", the name (the legal entity) to which your permit or certificate will be issued, and which must appear *exactly* on all your insurance certificates. This is not to be confused with any *fictitious business name or "DBA"* (Doing Business As) you may choose to use.

Example 1: John Doe applied as an individual, doing business as "Acme Limousine Service". In that case, *"John Doe"* is the carrier name and the permit or certificate holder, and not "Acme Limousine Service".

Example 2: Mr. Doe forms a corporation, "Doe Transportation, Inc." doing business as "Acme Limousine Service". "Doe Transportation, Inc." is the carrier name and the permit or certificate holder, and not "Acme Limousine Service".

If you are a charter-party carrier, before you use any fictitious business name, you must inform the License Section in writing of your intent to use it (General Order 157-D, Section 3.06). If you show a DBA on your application, we will print that DBA on your permit or certificate, and will post it on our web site. Otherwise, it is not necessary to state your DBA on any document you or your insurer sends us, and may cause confusion, or worse. For more on insurance certificates and DBA's, see the discussion below under "Insurance".

Financial Responsibility

Charter-party carrier applicants must complete Form TL-706-F3, a Projected Profit and Loss Statement. This 1-page form requires you to project (estimate) your revenue and expenses over a stated initial period of operations, which may be 90, 120, 180 days, or one year. Your revenue must be greater than expenses over this period. Use this as an opportunity to think about expenses that may not have occurred to you, and about whether you will have enough capital and revenue to cover all your operating costs during your startup phase.

[3] Other types of legal entities, such as corporations, may also form general partnerships. For example, a general partnership may consist of an individual and an LLC.

ALL: Your File Number
The License Section tracks the records of well over 9,000 carriers, not counting the thousands of revoked and expired carriers who sometimes apply to have their authorities re-activated. The only way we can do that is with File Numbers. Within a few weeks after applying, you will receive a letter from the License Section. On that letter (and every letter you ever receive from us) you will see a File Number. For TCP and PSC carriers, this begins with "PSG" followed by some numbers, for example, "PSG0012345". If you're a private carrier, your File Number is the "CA Number" you'll get from the CHP before you send us your registration application. Please keep that number handy and refer to it whenever you call, write, or email the License Section! Ideally, it should be prominently displayed on every page of every document you send us. (You can ignore the leading "0's", so in the above example, all we need is "PSG12345".) When your authority is issued, the numbers of your File Number will also be the numbers of your permit or certificate, for example, "PSC 12345" or "TCP 12345-B". Whenever you contact the License Section, you may refer to that number by any of the prefixes, i.e., "PSG", "TCP" or "PSC".

ALL: Insurance
All carriers (TCP, PSC, and private carriers) must have public liability and property damage insurance on file with the CPUC before we will issue operating authority to them. The certificate required for TCP and PSC carriers is a "PL 914". For private carriers, it is a "TL-1000". In addition, TCP and PSC carriers who have employees must have a certificate of workers' compensation insurance on file with us—a "TL-938", or certificate from State Compensation Insurance Fund. The levels of insurance required are contained in Commission General Order (GO) 115 Series for charter-party carriers, in GO 101 Series for passenger stage corporations, and in GO 160 Series for private carriers. You may view or download all Commission General Orders at www.cpuc.ca.gov/PUC/documents/go.htm. The License Section will not communicate with your insurer on your behalf. It is your responsibility to select an insurer, and to ensure that they send us the necessary certificate(s).

The cost of insurance is a very important part of your business plan, so it's something you should consider carefully before deciding to apply. *Before you apply*, you should shop and compare the rates and service provided by various insurers. One way to find insurers who make filings with the CPUC is to look at the carriers on our web site at http://docs.cpuc.ca.gov/tmis. Click on the File Number of any carrier, and you'll see detailed information about that carrier, including the name and address of its insurance company. Of course, you can also ask people you know in the industry.

The most common cause of delays in issuing operating authorities may be that the carrier name of the applicant (the name of the individual, partnership, corporation, etc.) does not exactly match the "name of insured" on the insurance certificate(s). This is sometimes a result of confusing the "carrier name" with a "DBA" (see the discussion on that, above). If you apply as a general partnership, the names of all partners must appear on the insurance certificate. If you apply as a corporation, LLC, or LP, the full and correct name of that entity must appear, *exactly* as it appears in the records of the Secretary of State.

When communicating with your insurer(s), it is best to tell them not to refer at all to your DBA on any insurance certificate(s) they file on your behalf. The insured party must be the *carrier name*, the legal entity to which the authority is, or will be, issued. Using Example 2 from the above discussion on "The difference between 'Carrier Name' and 'DBA'", the following table shows what we would, and would not accept as the name of the insured on an insurance

certificate, whether for a charter-party carrier, a passenger stage corporation, or a private carrier:

Acceptable	Not Acceptable
Doe Transportation, Inc.	Doe Transportation
Doe Transportation, Inc., DBA: Acme Limousine Service	Acme Limousine Service

ALL: When should I have insurance sent to the License Section?
To TCP and PSC applicants, we suggest the following. When you select your insurer(s), be sure they are ready to send the necessary certificate(s) to us promptly, upon your request. As soon as you know that your application is otherwise complete, contact your insurer(s) and have them send us the appropriate certificate(s). We suggest that you do not have your insurance filed with us before you have met all other requirements, or are very close to doing so. Keep in mind that there may be additional requirements you must complete through the DMV or CHP, and you may experience delays with those agencies that are beyond your control and ours. The risk in having your insurance filed too soon is that you will find yourself paying for insurance before you are able to operate and bring in revenue.

Since private carriers register to operate over a calendar year, they may have their insurers send the TL-1000 insurance certificate to the License Section as soon as possible after filing their registration. The certificate may be sent in advance of the effective date of the policy so that coverage does not begin until the registration period begins, or until you plan to begin operations.

ALL: Sign all forms
It is your responsibility to ensure that your application and all attachments are signed. If you are a partnership, all partners must sign; if a corporation, an officer of the corporation; if an LLC, a managing member.

ALL: Once I apply for my authority or send my registration, may I start operating?
No. Submitting an application and getting a file number does not give you authority to operate. Only "active" authority allows you to operate. You may operate when you receive a permit or certificate from the License Section, and not until then. Private carriers may operate only during a calendar year for which they have registered.

ALL: If my application is not 100% complete and error-free, will it be denied?
No (at least not right away). We will accept your application and begin processing it, even if you submit only the Application Form and the correct filing fee. However, we recommend that you include as many of the required attachments as possible, as this will greatly expedite the process.

For charter-party applicants, typically, within 1 - 3 weeks after we receive your application, it will be reviewed by a technician who will determine what information and documents are lacking or incomplete. You will receive a letter telling you anything and everything you need to do before your authority can be issued. Thirty days later, if those items have not been completed, you will receive a second letter telling you what remains to be done. Thirty days after that, you will receive a "Final Notice", advising you that if the remaining items are not completed within 20 days, we may deny your application. We will wait at least those 20 days before denying your application, and will be somewhat more flexible if you communicate, and we can see that you are making a good faith effort. You will have plenty of opportunities to get everything done before we will deny your application. HOWEVER, there is a limit to how long

we will keep an application pending before we deny it. Do not send us an application if you're not absolutely sure you'll be ready to start operating within 3 months. Once again, filing fees are not refundable, so if your application is denied, you must refile and pay the application fee again.

ALL: How long will it take to get my permit or certificate issued?
That will depend largely upon how complete and accurate your application is when you submit it, whether you operate a "bus" (requiring CHP inspection) *and* how responsive you are to our requests for additional information or documents. So pay careful attention to these instructions, and those in the application packet, and to your mail from the License Section! Charter-party applicants who are attentive to these details can typically have their authority issued within about 3-6 weeks, sometimes less. Private carriers will usually have their registrations activated within just a few business days of when we receive all necessary documents. Remember, however, that we have no control over certain factors, such as CHP bus inspections and how quickly your insurer gets the necessary certificate to us, or whether it is correctly filled out. (See discussion above, under "Insurance".)

ALL: Your responsibilities after authority is issued

Keep your Authority Active
Once you have your authority, you must keep it active in order to continue operating. Your responsibilities include:

- Generally paying prompt and careful attention to all mail you receive from the CPUC. Under normal circumstances, we will notify you of any impending suspension, and tell you what you must do to prevent it, in plenty of time for you to do so.
- Being sure the CPUC knows of any change in your mailing address. You'll find a form on our web site for that purpose.
- Addressing all correspondence to "CPUC License Section" as shown throughout this document. The CPUC has many divisions, branches, etc., so it isn't obvious where your mail should go unless you specify. Include your File Number on all documents, including checks.
- Keeping copies of all forms and correspondence with the License Section. We handle many thousands of documents every month, and occasionally a document is misplaced or misdirected. This will be far less inconvenient for you if you have backup copies.
- Passing your CHP inspections (required if you operate buses). If you fail an inspection, the CHP may recommend to the License Section that your authority be suspended, which we are then *required* to do by law. You may not operate again until: (1) you submit a "Request for Reinspection" form to the License Section with a $1,000 fee, (2) the CHP reinspects and sends its recommendation to reinstate to the License Section, and (3) *we notify you* that your authority is reinstated.
- Working with your insurer(s) to keep your insurance active and on file with us at all times. (**NOTE:** Insurers notify us in writing when a carrier's policy is to be cancelled, which may mean only that the policy's term is about to expire. When we receive such a notice, we send a "Notice of Impending Suspension" to the carrier stating that its authority will be suspended on a specific date—in about 30 days—unless the *carrier* acts to have the policy continued, or to have a replacement policy filed with us. If you receive such a Notice from us, it will not help you to call us. You must contact your insurer to have the necessary certificate sent to us.)

- Paying your quarterly or annual fees on time (you will receive notification in the mail when these are due, and all necessary forms and instructions). (This does not apply to private carriers.)
- Charter-party carriers must apply for renewal no less than 3 months prior to expiration, as required by Commission regulation. Private carriers must renew their registrations annually, and should act as soon as they receive notice from the License Section.

We will notify you by mail any time your authority is suspended, revoked, expired, or reinstated. If you have any doubts about your authority status, you may verify it on the Commission's web site, which is updated several times daily, or contact the License Section. If your authority is suspended, revoked, or expired you may not operate. Only "active" authority allows you to operate.

Obey All Laws

Your authority may be suspended or revoked for violations of laws and regulations governing your business. You are responsible for knowing and following these requirements, including the following:

The Public Utilities Code. Sections pertaining specifically to charter-party carriers are §5351 through §5420. Those pertaining specifically to Passenger Stage Corporations are §1031 through §1045. Private carriers are governed by §4000 through §4022. Many of these sections contain references to other California codes, such as the Vehicle Code. Carriers are also responsible for obeying those laws as well. All California codes are on line at www.leginfo.ca.gov/calaw.html.

Commission General Orders. Commission General Order (GO) 157 Series contains rules and regulations governing charter-party carriers. GO 158 Series contains rules and regulations governing passenger stage corporations, and GO 160 Series contains insurance requirements for private carriers. You are responsible for knowing and following all applicable regulations in these General Orders, which you may view or download at www.cpuc.ca.gov/PUC/documents/go.htm.

If you have thoroughly read the preceding material and are still not sure whether you need CPUC authority, or which type, or if you have other questions, you may contact the License Section for assistance.

Email: licensing@cpuc.ca.gov

Mail: CPUC License Section
505 Van Ness Ave.
San Francisco, CA 94102

Phone: (800) 877-8867

Your input telling us how we can make the information above more clear or useful to our customers in the future is welcome! Address input to: licensing@cpuc.ca.gov.

THANK YOU from the License Section!