

**TRANSPORTATION LICENSE SECTION  
STATE OF CALIFORNIA PUBLIC UTILITIES COMMISSION**



**BASIC INFORMATION FOR TRANSPORTATION NETWORK  
COMPANIES AND APPLICANTS**

**Who should read this information?**

If you will transport passengers over California public streets and highways as a company using an online-enabled platform to connect passengers with drivers using their personal vehicles, you will find important information here on how to apply and how to keep your authority in good standing. Also, keep it for your reference after you have your authority, as there is information to help you. Thank you!

**CONTENTS**

Transportation Network Companies (TNCs) .....	2
What is a Transportation Network Company (TNC)?.....	2
What kind of authority is required to operate as a TNC?.....	2
How much does it cost to apply? .....	2
What are the insurance requirements? .....	3
Do drivers have to be licensed and trained? .....	3
Are drivers required to be drug tested? .....	3
Are drivers required to be background checked? .....	4
What are the requirements for vehicles operating under a TNC's permit? .....	4
Where can TNCs provide service? .....	5
Are you a Transportation Network Company? .....	5
TCP/TNCs and Taxicabs Distinguished .....	5
Expiration and Renewal .....	5
You've decided to apply. Now what? .....	6
Your responsibilities after authority is issued .....	8
"Access for All" Fee .....	9
Obey All Laws.....	9

**Abbreviations**

<b>CPUC</b>	California Public Utilities Commission
<b>DMV</b>	California Department of Motor Vehicles
<b>TCP</b>	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.
<b>TNC</b>	Transportation Network Company. A sub-type of charter-party carrier providing transportation services using an online-enabled platform to connect passengers with drivers using their personal vehicles.
<b>LLC</b>	Limited Liability Company
<b>LP</b>	Limited Partnership

# Transportation Network Companies (TNCs)

## What is a Transportation Network Company (TNC)?

A Transportation Network Company (TNC) is a company or organization operating in California that provides transportation services using an online-enabled platform to connect passengers with drivers using their personal vehicles.

This new classification of passenger carrier was established through CPUC Decision 13-09-045.

## What kind of authority is required to operate as a TNC?

For an overview of the types of for-hire passenger carriers regulated by the CPUC, see the publication “Basic Information for Passenger Carriers and Applicants”. A company or individual wishing to operate as a TNC must apply for the TNC subclass of a TCP-P permit. If the type of vehicle used is not a personal, non-commercial vehicle that is owned by the driver, please see the guide Basic Information for Passenger Carriers and Applicants for the definitions of other types of TCP authorities.

Permits for TNCs will only be granted to companies utilizing smart phone technology applications (app) to facilitate transportation of passengers in the driver’s personal vehicle.

TNCs are not permitted to themselves own vehicles used in their operation or own fleets of vehicles. However, there is no limit to the number of drivers that utilize the app under one permit.

TNC drivers shall only transport passengers on a prearranged basis. For the purpose of TNC services, a ride is considered prearranged if the ride is solicited and accepted via a TNC digital platform before the ride commences. TNC drivers are strictly prohibited from accepting street hails.

## How much does it cost to apply?

The fee for filing a new application or refiling a previously denied or expired application for a TNC Permit is \$1,000. The permit is valid for three years.

The fee to renew an existing TNC Permit is \$100.

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, that is not “collected in error,” and you will not receive a refund.

Carriers are required to report revenue information and pay quarterly or annual fees to the Public Utilities Commission Transportation Reimbursement Account (PUCTRA). For more information, please visit: <https://www.cpuc.ca.gov/puctra/>

### **What are the insurance requirements?**

Each TNC must file its insurance policies under seal with the Safety and Enforcement Division as part of applying for a license. TNCs must also file an insurance certificate to be posted on the Commission website.

New insurance requirements came into effect on July 1, 2015. It defined TNC services as having three periods, with each period having its own insurance level.

**Period One** is when the app is on but the driver has not yet accepted a ride request. For Period One, TNC shall have primary insurance of at least \$50,000 for death and personal injury per person, \$100,000 for death and personal injury per incident, and \$30,000 for property damage. The TNC shall also have \$200,000 in excess coverage (per occurrence).

**Periods Two and Three** are when the driver has accepted a ride but has not yet picked up a passenger, and when the driver is transporting the passenger, respectively. During these two periods, primary commercial insurance of \$1,000,000 for death, personal injury, and property damage is required. In addition, TNCs shall maintain \$1,000,000 of uninsured motorist insurance from the moment the passenger enters the vehicle until the passenger exits the vehicle.

TNCs must obtain proof of insurance from each TNC driver before the driver begins providing service and for as long as the driver remains available to provide service. TNC drivers are required to provide proof of both their personal insurance and the commercial excess liability insurance in the case of an accident.

### **Do drivers have to be licensed and trained?**

TNCs must establish a driver training program to ensure that all drivers are safely operating the vehicle prior to the driver being able to offer service.

TNC drivers must possess a valid California driver's license, be at least 21 years of age, and must provide at least one year of driving history before providing TNC services. TNCs must obtain each TNC driver's driving record before the driver begins providing service and annually thereafter.

### **Are drivers required to be drug tested?**

TNCs must institute a policy of zero tolerance for intoxicating substances with respect to drivers in accordance with Decision 13-09-045.

Each TNC is required to include on its website, mobile application and riders' receipts, notice and information on the TNC's zero-tolerance policy and the methods for reporting a driver whom the rider reasonably suspects was under the influence of drugs or alcohol during the course of the ride. Also, the TNC's website and mobile application must include a phone number or in-app call function and email address to contact to report the zero-tolerance complaint. Promptly after a zero-tolerance complaint is filed, the TNC is required to suspend the driver pending further investigation.

A TNC's website and mobile application must also include the phone number and email address of the Commission's Consumer Intake Unit that handles passenger carrier complaints: 1-800-894-9444 and CIU\_intake@cpuc.ca.gov.

**Are drivers required to be background checked?**

TNCs must perform national criminal background check including the national sex offender database on drivers utilizing their app. The criminal background check must be based on the applicant's social security number and not just the applicant's name.

In order to protect public safety, any person who has been convicted, within the past seven years, of driving under the influence of drugs or alcohol, fraud, sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage and/or theft, acts of violence, or acts of terror shall not be permitted to provide TNC services.

Drivers with convictions for reckless driving, driving under the influence, hit and run, or driving with a suspended or revoked license shall not be permitted to be a TNC driver. Drivers may have a maximum of three points on their driving records for lesser offenses (e.g., equipment problems, speeding, or child safety seat violations).

**What are the requirements for vehicles operating under a TNC's permit?**

TNCs may only use street-legal coupes, sedans, or light-duty vehicles including vans, minivans, sport utility vehicles (SUVs) and pickup trucks. Hatchbacks and convertibles are also acceptable. The maximum seating capacity is seven passengers, including the driver. TNC vehicles must not be significantly modified from factory specifications, (e.g., no "stretch" vehicles).

The app used by a TNC to connect drivers and passengers must display for the passenger: 1) a picture of the driver, and 2) a picture of the vehicle the driver is approved to use.

TNCs must allow passengers to indicate whether they require a wheelchair-accessible vehicle or a vehicle otherwise accessible to individuals with disabilities.

TNC vehicles must display consistent trade dress in the front and the rear of the vehicle (i.e., distinctive signage or display on the vehicle) when providing TNC services that is sufficiently large and color0contrasted as to be readable during daylight hours at a distance of 50 feet. The trade dress must be sufficient to allow a passenger, government official, or member of the public to associate a vehicle with a particular TNC (or licensed transportation provider). Acceptable forms of trade dress include, but are not limited to, symbols or signs on vehicle doors, roofs, or grills. Magnetic or removable trade dress is acceptable.

The TNC include photograph of their trade dress with its application for TNC authority.

All TNC vehicles must be inspected by a facility licensed by the California Bureau of Automotive Repair (a) before the vehicle is first introduced into services as a TNC vehicle; and (b) every 12 months or 50,000 miles thereafter, whichever occurs first. TNCs shall maintain records for at least three years demonstrating compliance with this requirement.

The required 19-point vehicle inspection includes:

1. Foot brakes (check stopping: at 20 mph, a vehicle must be capable of stopping within 25 ft)	11. Front seat adjustment mechanism
2. Emergency brakes (engine stall test)	12. Doors (open, close, lock)
3. Steering mechanism	13. Horn
4. Windshield	14. Speedometer
5. Rear window and other glass	15. Bumpers
6. Windshield wipers	16. Muffler and exhaust system
7. Headlights	17. Condition of tires, inc. tread depth
8. Tail lights	18. Interior and exterior rear view mirrors
9. Turn indicator lights	19. Safety belts for driver and passenger(s)
10. Brake lights	

**Where can TNCs provide service?**

TNCs may operate from any point to any point within California.

**Are you a Transportation Network Company?**

After reading all of this information, if you’ve decided to apply for a TNC permit, you may obtain a Transportation Network Company Application Packet in any of the following ways:

**Download it from the CPUC web site:**

<http://www.cpuc.ca.gov/tncinfo/>

**Request by email:**     [Licensing\\_TNC@cpuc.ca.gov](mailto:Licensing_TNC@cpuc.ca.gov)

**TCP/TNCs and Taxicabs Distinguished**

Based on the information above, it may seem that there is little or no difference between a charter-party carrier/TNC and a taxicab. In fact, the two are separate and distinct types of transportation. A charter-party carrier/TNC 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/TNCs operate under authority from the CPUC, subject to the Public Utilities Code and CPUC regulations. Taxis have meters and top lights; charter-party/TNC vehicles do not have either one. The most important operational difference is that TCP/TNC 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/TNC must be arranged beforehand, and the driver must have a completed waybill in his or her possession at all times during the trip.

**Expiration and Renewal**

All TNC permits expire after 3 years. If the carrier completes and submits a renewal application with enough time for the License Section to process its application, 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 itself. We will send you a renewal application approximately 120 days prior to your expiration date. You are required by Commission General Order 157-E 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. General Orders are available on line at [www.cpuc.ca.gov/PUC/documents/go.htm](http://www.cpuc.ca.gov/PUC/documents/go.htm).

## You've decided to apply. Now what?

### 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 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.

**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](http://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<sup>1</sup>. 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.

---

<sup>1</sup> 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.

## **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 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 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 holder, and not “Acme Limousine Service”.

If you are a TNC, 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, 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.

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 passenger carriers, this begins with “PSG” followed by some numbers, for example, “PSG0012345”.

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, for example, “TCP 12345-P”. Whenever you contact the License Section, you may refer to that number by any of the prefixes, (i.e., “PSG” or “TCP”).

## **Insurance**

All TNC carriers must file under seal their commercial liability insurance with the CPUC before we will issue an operating authority to them. All TNC carriers must also file an un-redacted copy of their insurance certificate to be posted on the Commission’s website.

In addition, TNC carriers who have employees (e.g., administrative assistants, engineers, sales associates) must have their insurance company file a certificate of workers’ compensation insurance with the Commission’s License Section. The License Section is now accepting only insurance that is e-filed with the Commission. The License Section will not communicate with your insurer on your behalf. It is your responsibility to select an insurer that is able to e-file your insurance.

## **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.

**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. However, we recommend that you include as many of the required attachments as possible, as this will greatly expedite the process. Applications without the correct filing fee will be rejected.

For TNC 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 re-file and pay the application fee again.

**How long will it take to get my permit issued?**

That will depend largely upon how complete and accurate your application is when you submit it *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!

TNC applicants who are attentive to these details can typically have their authority issued within about 3-6 weeks, sometimes less. Remember, however, that we have no control over certain factors, such as how quickly your insurer e-files the necessary workers' compensation insurance to us. (See discussion above, under "Insurance".)

**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. The License Section may also be contacted by email at [Licensing\\_TNC@cpuc.ca.gov](mailto:Licensing_TNC@cpuc.ca.gov).

- 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.
- Paying your quarterly fees on time (you will receive notification in the mail when these are due, and all necessary forms and instructions).
- TNCs must apply for renewal no less than 3 months prior to expiration, as required by Commission regulation.
- Provide a copy of any new and/or updated insurance policies. If we find out your insurance was cancelled and you have not provided us with a copy of any new insurance, you permit is liable to be suspended.

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.

### **"Access for All" Fee**

Beginning on July 1, 2019, pursuant to Commission Decision 19-06-033, TNCs are required to collect a ten-cent (\$0.10) fee, called the "Access for All Fee," on each TNC trip completed. On a quarterly basis, TNCs are required to remit the collected fee moneys to the Commission's "TNC Access for All Fund" on the same schedule as the requirements for the Public Utilities Commission Transportation Reimbursement Account (PUCTRA), as provided in California Public Utilities Code Sections 405 and 423(b).

The "Access for All Fee" is required to be collected on each "TNC trip" only. A "TNC trip" refers to a trip completed 1) under a TNC's operating authority 2) using a TNC's online-enabled application or platform to connect passengers with drivers using their personal vehicles. The fee is **not** required to be collected on trips provided by TCP carriers (rather than drivers using their personal vehicles) that may be available for chartering on a TNC's app.

For more information, see Decision 19-06-033 and visit: <https://www.cpuc.ca.gov/tncaccess/>

### **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. 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](http://www.leginfo.ca.gov/calaw.html).

Commission General Orders. Commission General Order (GO) 157 Series contains rules and regulations governing charter-party 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](http://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\\_TNC@cpuc.ca.gov](mailto:Licensing_TNC@cpuc.ca.gov)**

**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\\_TNC@cpuc.ca.gov](mailto:Licensing_TNC@cpuc.ca.gov).**

**THANK YOU from the License Section!**