

## Prepared for OCTAP Law Enforcement Partners

### How might enforcement partners consider enforcing TNC regulations? (Check with your legal counsel first)

(1a) If a vehicle containing TNC trade dress is observed staging in a taxi line or other location where they are likely to pick up a flag passenger, you may consider enforcement under your local municipal codes covering OCTAP and taxi permitting requirements (operating as a taxicab without a taxicab permit). If the driver does not have a waybill to pick up a passenger at the location, there is no immediate need for the driver to be staged at the location. Examples would include vehicles staging in taxi lines, staging at hotel entrances or concierge desks, or staging at restaurant and bar entrances.

(1b) If observing a TNC vehicle picking up a customer, ask to see the waybill. Officers may consider citing under PUC regulations or local municipal code (acting as a bandit cab/unlicensed taxi if picking up a flag passenger) if there is no waybill (proof that the trip was arranged beforehand).

(1c) If observed picking up a customer while not displaying required trade dress, officers may consider citing under PUC regulations or local municipal code (acting as a bandit cab/unlicensed taxi if not displaying required trade dress).

(2) Verify evidence of valid commercial registration, required for vehicles used to transport persons for hire (CVC 260).

(3) Verify evidence of valid commercial and personal liability insurance. TNC drivers are required to carry commercial excess liability insurance that covers at least one million dollars per incident.

Also recommended is forwarding a complaint to the PUC Complaint Intake Unit. To file a complaint with the PUC Compliant Intake Unit, provide the vehicle license plate number, the details of the issue, if the vehicle displayed the required trade dress, and if the driver had a waybill for a trip (electronic or otherwise). The advantage of enforcing through the PUC is that the PUC has much broader enforcement authority, can verify that the provider has insurance on file, and confirm that the provider meets other requirements.

Additional information is available from the PUC website at <http://www.cpuc.ca.gov/PUC/Enforcement/TNC/>



## Transportation Network Company (TNC) Service Operating Guidelines

**OCTAP Office Location and Hours:**  
11903 Woodbury Rd., Garden Grove  
(949) 654-8294  
8:00 am – 4:30 pm  
[OCTAP@octa.net](mailto:OCTAP@octa.net)

OCTAP Regulations are available at [www.OCTAP.net](http://www.OCTAP.net) or by contacting OCTAP.

# 2014

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



**UBER**  
Windshield Decal



**TICKENGO**  
Wings on Doors



**SIDECAR**  
Mirror Covers



**LYFT**  
Mustache on Grill



**RIDECCELL**  
Lightning Bolt on Hood

A **Transportation Network Company (TNC)** is a company that uses a web-enabled platform (smartphone) to connect passengers with drivers. Examples include Lyft, Uber X, and Sidecar.

The definition of a TNC was created by the California Public Utilities Commission in 2013, as a result of a rulemaking process around new and previously unregulated forms of transportation. The regulations for TNC include driver background checks, training, drug and alcohol policies, minimum insurance coverage of \$1 million, and company licensing through the Public Utilities Commission. Some of the regulatory requirements are as follows:

**All TNC vehicles must be identified with Trade Dress**

**PUC Language:** When providing TNC services, TNC vehicles must display consistent trade dress (i.e., distinctive signage or identifier) that is sufficiently sized and color-contrasted 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 photos to the left are examples of required trade dress.



### **\*Waybills Required**

All TNCs must have a waybill for the trip prior to arriving and boarding the customer. \*Effective January 1, 2014, all PUC permitted providers may utilize an electronic waybill (paper waybill no longer required). This would be a passenger waybill presented through a smart phone application developed by the TNC.

**PUC Language:** TNC permits will only be granted to companies utilizing smart phone technology applications to facilitate transportation of passengers in the driver's personal vehicle.

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.

### **All TNC providers must carry commercial liability insurance of at least one million dollars per incident**

**PUC Language:** TNCs must maintain commercial liability insurance policies providing a minimum of \$1,000,000 per-incident coverage for incidents involving TNC vehicles that seat seven (7) or fewer passengers, including the driver, or \$1,500,000 per-incident coverage for those TNCs that elect to utilize vehicles that seat ten (10) or fewer passenger, including the driver. The insurance provides coverage when the TNC driver is transporting a passenger as well as drivers in transit to (after being matched through a TNC's platform) picking up a passenger. No vehicle designed, used, or maintained for carrying more than 10 persons, including the driver, may be operated by a TNC. **TNC drivers are required to provide proof of both their personal insurance and the commercial excess liability insurance in the case of an accident.**

### **TCPs/TNCs and Taxicabs Distinguished**

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.**