

Date of Hearing: April 27, 2022

ASSEMBLY COMMITTEE ON COMMUNICATIONS AND CONVEYANCE

Sharon Quirk-Silva, Chair

AB 2716 (Grayson) – As Amended April 18, 2022

SUBJECT: Transportation network companies: participating drivers: safety courses

SUMMARY: This bill would require a transportation network company (TNC), on and after July 1, 2023, to require drivers to complete a safety course every 2 years. Specifically, **this bill:**

- 1) Requires the safety course to be provided at no cost to a driver.
- 2) Requires the course to include, at a minimum, the following specified components
 - a. Road safety and defensive driving practices, such as avoiding speeding, collisions, and driving while drowsy.
 - b. Distracted driving training, including appropriate use of mobile devices.
 - c. Passenger interaction training.
 - d. Compliance with mandated vehicle inspection requirements.

EXISTING LAW:

- 1) Defines “participating driver” or “driver” to mean any person who uses a vehicle in connection with a transportation network company’s online-enabled application or platform to connect with passengers. (Public Utilities Code § 5431(a))
- 2) Defines a “Transportation network company” to mean an organization, including, but not limited to, a corporation, limited liability company, partnership, sole proprietor, or any other entity, operating in California that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle. (Public Utilities Code § 5431(c))
- 3) Requires a TNC to participate in Department of Motor Vehicles (DMV) pull-notice to regularly check the driving records of participating drivers. (Public Utilities Code § 5444)
- 4) Requires a TNC to conduct, or have a third party conduct, a local and national criminal background check for each participating driver, as specified. (Public Utilities Code § 5445.2 (a)(1))
- 5) Prohibits a TNC from contracting with, employing, or retaining a driver if he or she meets either of the following criteria:
 - a) Is currently registered on the United States Department of Justice National Sex Offender Public Web site; or,

- b) Has been convicted of specified violent felonies or acts of terrorism and offenses related to weapons of mass destruction and biological agents. (Public Utilities Code § 5445.2 (a)(2))
- 6) Prohibits a TNC from contracting with, employing, or retaining a driver if he or she has been convicted of any of the following offenses within the previous seven years:
 - a) Misdemeanor assault or battery;
 - b) A domestic violence offense;
 - c) Driving under the influence of alcohol or drugs; or,
 - d) Specified felony violations. (Public Utilities Code §5445.2 (a)(3))

FISCAL EFFECT: Unknown.

COMMENTS:

- 1) **Author's Statement:** "While TNCs and drivers provide valuable services to many Californians, some passengers have experienced riding with an unsafe or distracted driver who was using their phone, speeding, or driving erratically. While all California drivers are required to maintain an active driving license, there are currently no requirements in place to ensure that TNC drivers receive regular and recurring safety training...this measure will improve passenger and driver safety and ensure drivers stay up to date on their safe driving skills."
- 2) **Background:** Pursuant to existing law under the Passenger Charter-Party Carriers Act, the California Public Utilities Commission has regulatory and safety oversight authority over TNCs. TNCs are companies that offer patrons prearranged transportation services through an app on their smartphone or computer. Although TNC service has become widely available in metropolitan areas, the TNC industry is still fairly young compared to other forms of transportation. It was only in 2013 that the CPUC adopted its first rules and regulations for TNCs, which were referred to then as "New Online Enabled Transportation Services". Today there are currently 12 TNCs authorized to operate in the state, however over 99.9% of all TNC trips occur through the Uber and Lyft platforms.
- 3) **Existing Safety Requirements.** Pursuant to CPUC regulations, TNCs are required to obtain from the CPUC a permit to operate, criminal background checks for each driver, establish a driver training program, implement a zero-tolerance policy on drugs and alcohol, and require minimum levels of insurance coverage. Further, TNC vehicles are also required to be inspected at appropriate 12-month or 50,000 mile marks by qualified facility licensed by the California Bureau of Automotive Repair. Additionally, to ensure proper regulatory oversight of TNC operations, the CPUC also requires each TNC to annually submit comprehensive reports covering a breadth of data including accident reports, law-enforcement citations, zero-tolerance violations, and instances of assault or harassment. The training elements proposed by this bill are consistent with the CPUC's existing safety requirements.

- 4) ***Ongoing CPUC Rulemaking on Passenger Safety.*** In an active rulemaking¹ the CPUC is currently considering strengthening passenger safety requirements, particularly evaluating the need for TNCs to use uniform sexual assault and harassment taxonomies in preparing their annual reports. The need for uniform sexual assault and sexual harassment reporting requirements has become a growing concern following a realization that each TNC was categorizing instances of sexual assault and harassment different in their annual report data submitted to the Commission. Further, the categorizations did not appear to be consistent from year to year. As a result, the CPUC might not have been receiving accurate or consistent data on instances of sexual assault and harassment. Although the work on this proceeding remains ongoing, and there are other items queued up for the commission to consider within the rulemaking, implementation of this bill could likely be integrated into that existing proceeding.
- 5) ***No-cost training could still be a burden for some drivers.*** This bill explicitly states that the required biennial safety course be provided at no cost to a driver. However, the bill does not require that driver be compensated for the time it takes to complete the required training. Further, the bill does not stipulate a minimum or maximum time to complete the training. Therefore, it is difficult to judge whether a no-cost training could still present a burden to some driver's time and whether it is reasonable to require the training be paid. Staff suggests the author continue to work with stakeholders to address this issue.
- 6) ***Similar/related legislation.***
 - a) AB 660 (Cooper) restates existing law requiring charter party carriers and transportation network companies (TNCs) participate in the DMV EPN program. This bill is pending referral in Senate Rules Committee.
 - b) SB 1276 (Durazo) would authorize regulating agencies to require a shared mobility service provider over which it has jurisdiction to provide that the regulating agency share mobility service data. This bill is scheduled to be heard in Senate Judiciary Committee on April 26, 2022.

REGISTERED SUPPORT / OPPOSITION:

Support

American Property Casualty Insurance Association

Opposition

California Labor Federation, Afl-cio
 California Teamsters Public Affairs Council
 Los Angeles County Federation of Labor, Afl-cio
 Seiu California State Council
 Ufcw - Western States Council

¹ Rulemaking R.12-12-011. Order Instituting Rulemaking on Regulations Relating to Passenger Carriers, Ridesharing, and New Online-Enabled Transportation Services.
https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:R1212011

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