

GOVERNOR'S VETO
AB 2716 (Grayson)
As Enrolled August 26, 2022
2/3 vote

SUMMARY

This bill establishes minimum training requirements for transportation network company (TNC) drivers in state law.

Senate Amendments:

- 1) Require that a TNC shall compensate a driver for completing the required safety course.
- 2) Requires a TNC to ensure a vehicle satisfies the vehicle inspection requirements established by the California Public Utilities Commission (CPUC).

Governor's Veto Message

This bill codifies minimum driver safety training and specific vehicle inspection requirements on transportation network companies (TNCs).

While I appreciate the intent of the author to strengthen the standards for TNC driver training and vehicle inspections, this bill is redundant of existing safety requirements and may have the unintended consequence of restricting the authority of the California Public Utilities Commission (CPUC) to expeditiously adjust and modify these requirements, as needed, to protect public, driver and passenger safety.

I encourage the author to work with the CPUC to clearly identify and address any issues or safety improvements through its public decision-making processes.

COMMENTS

What is a TNC? Transportation Network Companies (TNCs) provide prearranged transportation services for compensation using an online-enabled application or platform (such as smart phone apps) to connect drivers using their personal vehicles with passengers. Common examples are Uber and Lyft, who deliver over 99% of all TNC rides in the state.

- 1) *TNC safety requirements already exist in state regulations.* This bill would have codified a requirement in state law that TNCs ensure a vehicle used on a TNC platform meet the vehicle inspection requirements established by the CPUC. Under CPUC regulations, TNC vehicles are required to be inspected at appropriate 12-month or 50,000 mile marks by a qualified facility licensed by the California Bureau of Automotive Repair. The bill also authorizes the CPUC to change the frequency of required inspections based on trip data, an authority that already exists.

In addition to vehicle inspection requirements, the CPUC has other safety requirements. For example, TNCs are required to obtain from the CPUC a permit to operate, perform 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. Likewise, TNCs must ensure that their drivers' Department of Motor Vehicles (DMV)

records have no more than three points within the preceding 3 years, no "major violations" (reckless driving, hit and run, or driving with a suspended license conviction) within the preceding three years, and no driving under the influence conviction within the past seven years. 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.

- 2) *Proposed Safety Course.* Existing CPUC regulations require a TNC to establish a driver training program, but there are otherwise little standards for the program. In practice, the driver training programs established by the TNCs require a driver to watch a safety video overviews safety consideration. AB 2716 would codified baseline standards for TNC driver training courses, including instructions on distracted driving, passenger de-escalation, rules of the road training, and a mandate that drivers stay up to date on their safe driving skills by requiring them to take the course every two years. Although the training elements proposed by this bill are consistent with the CPUC's existing safety requirements for TNCs, the bill would have placed more requirements on drivers which will likely increase the amount of time drivers spend completing required trainings.
- 3) *The bill would have required drivers be compensated for taking the safety course.* Currently, TNCs drivers are not typically compensated for satisfying existing training requirements and courses. This bill would have required a TNC to compensate a driver for completing the safety course required by this bill. However, the bill provided no requirements on how compensation would be determined and whether the CPUC would have the authority to set the rate. Establishing a rate of compensation is potentially an issue, especially one that is fair to the drivers, as TNC drivers typically are not paid hourly and do not otherwise have minimum wage protections. Without clear guidance on the rate of compensation, a TNC would seemingly have unilateral authority to set the compensation rate with no minimum requirement.

According to the Author

According to the author, "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."

Arguments in Support

While the CPUC requires TNCs to administer a safety training course to their drivers, existing regulations do not provide adequate specificity on what must be included in the training. Likewise, there is no requirement that training be ongoing. This bill would address both issues.

Arguments in Opposition

A coalition of organized labor organizations oppose the bill because of concerns about fair pay for drivers taking the required training. They write: "...as written [the bill] would violate the fundamental right of a worker to be paid fairly for time spent receiving legally mandated safety training."

FISCAL COMMENTS

According to the Senate Appropriations Committee, minor additional costs, if any, to the CPUC.

VOTES**ASM COMMUNICATIONS AND CONVEYANCE: 13-0-0**

YES: Quirk-Silva, Patterson, Boerner Horvath, Mia Bonta, Cervantes, Davies, Eduardo Garcia, Holden, Low, Maienschein, Rodriguez, Valladares, Akilah Weber

ASM APPROPRIATIONS: 16-0-0

YES: Holden, Bigelow, Bryan, Calderon, Carrillo, Megan Dahle, Davies, Mike Fong, Fong, Gabriel, Eduardo Garcia, Jones-Sawyer, Quirk, Robert Rivas, Akilah Weber, Wilson

ASSEMBLY FLOOR: 70-0-8

YES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Bigelow, Bloom, Boerner Horvath, Mia Bonta, Bryan, Calderon, Carrillo, Cervantes, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Mike Fong, Fong, Friedman, Gabriel, Cristina Garcia, Eduardo Garcia, Gray, Grayson, Haney, Holden, Irwin, Jones-Sawyer, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Muratsuchi, Nazarian, Nguyen, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Seyarto, Smith, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wilson, Wood, Rendon

ABS, ABST OR NV: Berman, Chen, Gallagher, Gipson, Kalra, Kiley, Mullin, O'Donnell

SENATE FLOOR: 28-1-11

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Dahle, Dodd, Eggman, Glazer, Grove, Hertzberg, Hueso, Hurtado, Kamlager, Laird, Limón, McGuire, Melendez, Min, Newman, Nielsen, Ochoa Bogh, Portantino, Roth, Rubio, Umberg, Wilk

NO: Jones

ABS, ABST OR NV: Bates, Borgeas, Cortese, Durazo, Gonzalez, Leyva, Pan, Skinner, Stern, Wieckowski, Wiener

ASSEMBLY FLOOR: 59-2-19

YES: Alvarez, Arambula, Bauer-Kahan, Bennett, Berman, Bloom, Boerner Horvath, Carrillo, Cervantes, Chen, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Mike Fong, Fong, Gabriel, Cristina Garcia, Eduardo Garcia, Gipson, Grayson, Haney, Holden, Jones Sawyer, Lackey, Levine, Low, Mathis, Mayes, McKinnor, Medina, Mullin, Muratsuchi, Nazarian, Nguyen, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Robert Rivas, Blanca Rubio, Salas, Santiago, Seyarto, Smith, Valladares, Villapudua, Voepel, Waldron, Akilah Weber, Wicks, Wilson, Wood, Rendon

NO: Stone, Ward

ABS, ABST OR NV: Aguiar-Curry, Bigelow, Mia Bonta, Bryan, Calderon, Friedman, Gallagher, Gray, Irwin, Kalra, Kiley, Lee, Maienschein, McCarty, O'Donnell, Reyes, Luz Rivas, Rodriguez, Ting

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