
SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	AB 2716	Hearing Date:	6/14/2022
Author:	Grayson		
Version:	6/6/2022 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Katie Bonin		

SUBJECT: Transportation network companies: participating drivers: safety courses

DIGEST: This bill would require a transportation network company (TNC), on and after July 1, 2023, to require drivers to complete a safety course every two years.

ANALYSIS:

Existing law:

- 1) Establishes the California Public Utilities Commission (CPUC) to regulate privately owned public utilities and common carriers in California. Specifies that the Legislature may prescribe that additional classes of private corporations or other persons are public utilities.
- 2) Establishes the “Passenger Charter-Party Carriers Act,” which directs the CPUC to regulate, require license or permit to operate, require insurance and workers compensation, takes appropriate enforcement action and other provisions related to transportation charter-party carriers (CPCs).
- 3) Defines “charter-party carrier of passengers” as every person engaged in the transportation of persons by motor vehicle for compensation, whether in common or contract carriage, over any public highway in the state.
- 4) Defines TNC as 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.

- 5) Defines a “participating driver” as any person who uses a vehicle in connection with a transportation network company’s online-enabled application or platform to connect with passengers.

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.
 - e) Requires that the course be completed once every two years.
- 3) Requires a TNC to compensate a participating driver for completing the safety course.

COMMENTS:

- 1) *Purpose.* 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."
- 2) *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.
- 3) *Existing TNC Safety Requirements.* Pursuant to CPUC regulations, 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 3 points within the preceding 3 years, no "major violations" (reckless driving, hit and run, or driving with a suspended license conviction) within the preceding 3 years, and no driving under the influence conviction within the past 7 years. Further, TNC vehicles are also 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. 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.

- 4) *Proposed Courses.* AB 2716 proffers baselines standards for TNC driver's 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 and this is a large shift in the amount of training required for the drivers.
- 5) *Committee Concerns.* While AB 2716 attempts to make utilizing TNC's safer via mandating continuous safety courses for drivers, the bill has the unintended consequence of placing new requirements on TNC drivers without stipulating how the participating driver is to be compensated for their time needed to complete the course. TNC drivers are typically not paid by the hour so a flat rate may need to be determined. The author proposed amendments to include language that the TNC must compensate a participating driver for completing the safety course. However, negotiations with stakeholders must continue to determine how the driver will be compensated.
- 6) *Double Referral.* This bill is also referred to the Senate Energy, Utilities and Communications Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, June 8.)

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

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