
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**
Senator Ben Hueso, Chair
2021 - 2022 Regular

Bill No: AB 2716 **Hearing Date:** 6/27/2022
Author: Grayson
Version: 6/6/2022 Amended
Urgency: No **Fiscal:** Yes
Consultant: Sarah Smith

SUBJECT: Transportation network companies: participating drivers: safety courses

DIGEST: This bill establishes minimum training requirements for transportation network company (TNC) drivers.

ANALYSIS:

Existing law:

- 1) Authorizes the California Public Utilities Commission (CPUC) to supervise and regulate every charter-party carrier of passengers. (Public Utilities Code §5381)
- 2) Defines a charter-party carrier of passengers as every person engaged in the transportation of persons by motor vehicle for compensation over any public highway in this state. A charter-party carrier of passengers includes any person, corporation, or other entity engaged in the provision of a hired driver service when a rented motor vehicle is being operated by a hired driver. (Public Utilities Code §5360)
- 3) Requires each charter party carrier of passengers to demonstrate its ability and financial capacity to provide transportation services before the CPUC can issue or renew a license to operate. Existing law prohibits the CPUC from issuing a license to any entity that fails to demonstrate that it meets licensure requirements. Existing law also specifies various criteria companies meet prior to licensure, including, but not limited to, providing a safety education and training program for all employees or contractors operating vehicles for hired transportation services. (Public Utilities Code §5372)
- 4) Defines a 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. (Public Utilities Code §5431)

- 5) Establishes various requirements for TNC driver insurance requirements, background checks, and prohibitions on contracting with a driver convicted of certain crimes within the prior seven years, including, but not limited to domestic violence, assault, and driving under the influence of alcohol or drugs. (Public Utilities Code §5342 et. seq.)

This bill:

- 1) Directs TNCs to require their drivers to complete a safety course once every two years as a condition of using a TNC's online-enabled application. This course must be provided at no cost to the driver.
- 2) Specifies that TNC safety training courses must include at least the following components:
 - a) Training regarding road safety and safe driving practices, including avoiding speeding, collisions, and driving while drowsy.
 - b) Distracted driving, including the correct use, mounting and viewing of mobile devices.
 - c) Training regarding safe interactions with passengers, including de-escalation, management of intoxicated or unruly passengers, and driving unaccompanied minors.
 - d) Training on how to comply with CPUC vehicle inspection requirements.
- 3) Requires a TNC to compensate drivers for completing required safety courses.

Background

Broadening safety considerations for TNCs. Existing law requires the CPUC to regulate charter-party carriers of passengers, which include certain classes of transportation for hire services. Existing law also requires the CPUC to license charter-party carriers of passengers and specifies licensing requirements for these service providers, including employee safety-training requirements. In 2013, the CPUC issued a decision (D. 13-09-045) classifying TNCs as charter-party passenger carriers and establishing minimum safety, regulatory, and background check requirements for TNCs. Since the licensure of TNCs under the CPUC's

authority, the Legislature has passed several bills aimed at addressing safety concerns regarding TNCs, including establishing insurance requirements for TNC drivers, background checks, and prohibitions on hiring drivers with certain offenses. These initial safety measures focused on passenger safety. This bill establishes requirements for driver safety training. These requirements may enhance safety for both TNC riders and drivers.

Bill may help standardize contents of TNC safety training. The CPUC has an open rulemaking proceeding (R. 12-12-011) to adopt rules for TNCs in multiple phases. CPUC requirements for licensure in rulemaking proceeding over several phases. In its decision setting several licensure requirements for TNCs (D. 13-09-045), the CPUC required TNCs to establish driver safety training programs. The decision also required TNCs to report the number of drivers that complete this course annually. While the CPUC requires TNCs to provide driver safety training, the CPUC has declined to specify the contents that must be included in the training courses. Instead, the CPUC required TNCs to base their safety training on best practices and file a statement with the CPUC regarding the offering of safety training. Regardless of the contents of each TNC's driver safety training, the depth of the companies' filings with the CPUC vary widely across TNCs. While some companies enumerate specific contents included and already indicate that they provide training regarding interactions with hostile passengers and unaccompanied minors, other companies simply note that they offer driver safety training.

This bill requires TNC drivers to complete a safety-training course once every two years and it specifies the minimum contents that must be included in TNCs' driver safety training. Due to the lack of specificity in TNC filings regarding driver safety training, it is difficult to assess the extent to which TNCs may already comply with this bill's training requirements. To the extent that TNC training best practices do not consistently include this bill's training requirements, this bill could help standardize the content of TNC driver safety training.

Bill requires unspecified compensation for drivers attending safety courses. This bill requires TNCs to compensate drivers for completing required safety courses; however, this bill does not specify the terms of that compensation. For example, it is unclear if drivers will be offered a flat rate or hourly rate for attending a training course. Proposition 22 sought to limit the extent to which TNC drivers and other contracted workers could be considered employees entitled to certain protections and benefits, including certain wage requirements. However, the Alameda Superior Court ruled that Proposition 22 was unconstitutional in August 2021. Proposition 22 supporters have appealed the Superior Court's ruling. Proposition 22 remains in effect while litigation continues. It is unclear whether specifying the

terms or amounts of compensation for training completion under this bill would violate the provisions of Proposition 22.

Need for Amendments. As currently written, this bill codifies driver safety-training requirements; however, CPUC requirements (D. 16-04-041) also specify vehicle safety inspections for transportation-for-hire licensees. These rules require vehicles to be inspected by a facility licensed by the California Bureau of Automotive Repair before the vehicle starts providing services and every 12 months or 50,000 miles thereafter – whichever occurs first. *To ensure alignment between driver and passenger safety requirements in this bill and those in existing regulatory requirements, the author and committee may wish to consider amending this bill to codify the requirement for vehicle inspection every year or every 50,000 miles, depending on which occurs earlier.*

Double Referral. This bill was heard by the Senate Committee on Transportation on June 14, 2022 and passed 13-0.

Prior/Related Legislation

AB 880 (Oberholte, Chapter 618, Statutes of 2019) added human trafficking convictions to the list of felonies that disqualify a person from driving for a TNC and deleted outdated code.

AB 2986 (Cunningham, Chapter 286, Statutes of 2018) required TNCs to provide passengers with a driver's first name and picture, an image of the make and model of the vehicle, and the license plate number on its app.

AB 1289 (Cooper, Chapter 740, Statutes of 2016) required TNCs to conduct background checks for drivers and codified specific offenses that disqualify an individual from driving for a TNC, if the driver is convicted.

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

SUPPORT:

None received

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the author:

While Transportation Network Companies (TNCs) and their 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 driver's license,

The CPUC currently requires TNCs to administer a safety-training course to their drivers, but does not specify what that training must include. AB 2716 simply modernizes this requirement by establishing baseline-training standards covering distracted driving, passenger de-escalation, and rules of the road, and ensures drivers stay up to date on their safe driving skills by requiring training to be completed every two years. This measure will improve passenger and driver safety and ensure drivers stay up to date on their safe driving skills.

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