



SENATOR BEN HUESO, 40TH DISTRICT

SB 1035 – Regulation of Ride-hailing Services

Summary

SB 1035 is a bill to strengthen regulatory oversight of ride-hailing services, which are technology-enabled transportation services.

Background

The recent growth and popularity of technology-enabled transportation ride-hailing services from companies like Lyft and Uber have disrupted the existing transportation-for-hire market and raised questions about whether these services are adequately regulated. While the growth of these new technology-enabled services is proving wildly popular among consumers, there are a number of areas that merit further regulatory review to ensure adequate safety and consumer protections. Additionally, the current limited regulations of ride-hailing services raise questions about whether the companies that provide these services are unfairly advantaged over others that provide similar services, including taxis, livery and airport shuttles.

SB 1035 is a bill to address some of the existing shortcomings of the regulatory oversight of these technology-enabled transportation services. The bill requires the California Public Utilities Commission (CPUC), the agency currently tasked with licensing ride-hailing services in the state, to assess and determine additional public safety and consumer protections that may be necessary for ride-hailing services. The bill also helps to address a major gap in the current regulatory scheme – enforcement. Although the CPUC has historically had over one hundred road inspectors, the majority of that capacity was lost after trucking was federally de-regulated. Today, the CPUC has 22 staff inspectors for all the transportation-for-hire services they license, including livery, tour buses, and others. It's clear that short of a significant budget augmentation, the CPUC is very unlikely to have

adequate capacity to properly enforce its regulations. Additionally, much of the ride-hailing activities are occurring on local streets, yet local law enforcement is limited in their ability to enforce the CPUC regulations and rules.

Specifically, the bill addresses the following areas:

Enforcement – extends enforcement of CPUC charter-party carrier licensing requirements to local law enforcement by building off legislation from last year that extended this authority to local peace officer for buses and limousines. Requires the CPUC to establish general orders of its regulations of ride-hailing services in order to facilitate local law enforcement actions. Provides local law enforcement the ability to impound vehicles in violation of CPUC regulations.

Background Checks – requires the CPUC to work with law enforcement agencies, including the California Highway Patrol, Department of Justice and local law enforcement to assess the rigor of the various criminal background checks and make a determination based on that review as to what background checks should be required of the ride-hailing services.

Insurance – requires specific data to be included in the joint study by the CPUC and Department of Insurance that is already required in statute, including available insurance products, subscription levels, disputes of claims, etc.

Data Access – requires the CPUC to initiate a proceeding to address how data from the ride-hailing services can be best shared with local planning agencies for purposes of transportation and environmental planning.



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Accessibility – requires the CPUC to address to study issues related to accessibility of services for disabled population and report findings to the legislature.

Rates – restates the CPUC’s constitutional authority to fix rates.

Why This Bill is Needed

This bill is an effort to address some of the existing shortcomings of the regulations for ride-hailing services.

Support

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