

## MOTION

At its meeting on November 9, 2017, the California Public Utilities Commission (CPUC) adopted a rulemaking to allow Transportation Network Company (TNC) operators to use commercial background investigations that do not include a fingerprint-based background investigation process that utilizes California DOJ and FBI criminal databases. Those commercial background investigations rely heavily on credit checks which have little to do with a prospective employee's fitness for a job, and may subject them to undue discrimination due to data found in a prospective employee's credit history or errors in credit reporting data.

In its rulemaking, the Commission deferred extensively to the accreditation standards set by the National Association of Professional Background Screeners (NAPBS), a nonprofit established only 15 years ago, and accountable to no governmental institution, law enforcement body, or entity responsible for ensuring successful public safety. NAPBS does not disclose how it receives its funding nor how it ensures continuing compliance with its accreditation standards.

Put simply, the California Public Utilities Commission has abdicated its responsibility to ensure the safety of the public in not setting a higher standard for background checks to include acceptable driver conduct. Its deference to NAPBS standards means that those standards are subject to change at any time, without review by the CPUC (barring a further lengthy rulemaking), and at the will of the very industry that it seeks to regulate. Furthermore, the rulemaking even refers to background check firms that are run by the very TNCs that the CPUC is charged with regulating, essentially granting them unchecked power to make hiring decisions without any regard for public interest. This arrangement is problematic for public safety and problematic for drivers, who may be subject to some form of unlawful discrimination on the basis of details discovered in a credit history check.

Fortunately, state law provides significant latitude to local governments that seek to adopt and enforce permit requirements, fees, rules, and regulations applicable to charter-party carriers, of which TNCs are a subset.

I THEREFORE MOVE that the Council INSTRUCT the Los Angeles Department of Transportation to develop a registration and permit program for drivers employed as Charter-Party Carriers, including TNCs, but excluding Limousine drivers, and who are doing business within the City of Los Angeles, that includes the following:

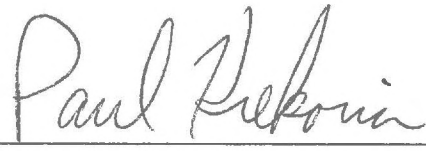
- 1) A disclosure of the driver's relationship with a company or companies that are employing the driver to perform charter-party carrier services; and
- 2) A submission of the California Department of Motor Vehicles complete driving history of the driver; and
- 3) A review of the criminal background of the driver, including a background check based on a fingerprint and utilizing national law enforcement databases; and



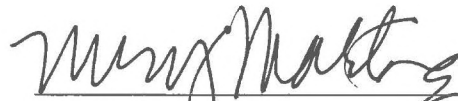
- 4) A written and/or oral examination of the driver's knowledge of Los Angeles traffic controls and their navigational abilities; and
- 5) A requirement that appropriate identification and trade dress be permanently affixed to the exterior of any vehicles engaged in ride-sharing to inform passengers whether they are getting into a permitted ride share vehicle.

I FURTHER MOVE that the Council REQUEST that the City Attorney draft an ordinance to authorize LADOT to perform such a program, under the authority of Public Utilities Code Section 5371.4, and that also allows LADOT to collect reasonable fees and charges to recover the city's costs in reviewing driver data.

Presented by:



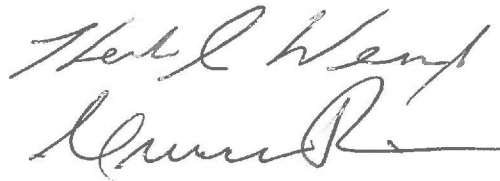
PAUL KREKORIAN  
Councilmember, 2<sup>nd</sup> District



NURY MARTINEZ  
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Seconded by:





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