

Date of Hearing: July 10, 2017

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

SB 802 (Skinner) – As Amended July 3, 2017

FOR VOTE ONLY

SENATE VOTE: 26-12

SUBJECT: Emerging vehicle technology: advisory study group

SUMMARY: Establishes the Emerging Vehicle Advisory Study Group to advise the Legislature on policies relating to certain new vehicle technologies. Specifically, **this bill:**

- 1) Requires the Office of Planning and Research (OPR) to convene an Emerging Vehicle Advisory Study Group to review and advise the Legislature on policies pertaining to new types of motor vehicles operating in California, including, but not limited to, autonomous vehicles and shared-use vehicles.
- 2) Provides that the Emerging Vehicle Advisory Study Group shall meet at least quarterly and includes the following members:
 - a) The California Air Resources Board (ARB);
 - b) OPR;
 - c) The Department of Motor Vehicles (DMV);
 - d) The State Energy Resources Conservation and Development Commission (CEC); and,
 - e) Three members appointed by the Senate Rules Committee and three members appointed by the Speaker of the Assembly meeting the following criteria:
 - i) Two members representing autonomous vehicle manufacturers;
 - ii) One member from a public health or clean air advocacy organization;
 - iii) One member from a technology industry association;
 - iv) One member from a bona fide labor organization representing workers employed as commercial drivers; and,
 - v) One member from a property casualty insurance or company or a property casualty insurance trade organization.
- 3) Requires the Emerging Vehicle Advisory Study Group to consult with universities and research institutions that have conducted research in the areas of autonomous vehicles and shared-use vehicles.

- 4) Requires the Emerging Vehicle Advisory Study Group shall offer recommendations to the Legislature regarding policies and incentives to maximize the social benefits, minimize the social costs, and encourage the electrification and hybridization of new types of motor vehicles operating in California.
- 5) Requires these recommendations to include updates to statewide infrastructure planning efforts, including recommendations to reduce traffic congestion and identification of any other state barriers to short- and long-term adoption of new types of motor vehicles by the public and private sectors.

EXISTING LAW:

- 1) Authorizes the operation of autonomous vehicles on public roads for testing and non-testing purposes under certain circumstances subject to regulations adopted by DMV, as specified.
- 2) Defines “transportation network company” (TNC) as an organization that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle, and imposes various requirements on TNCs.
- 3) Establishes the Charge Ahead Initiative administered by ARB with goals that include placing in service at least one million zero-emission (ZEV) and near-zero-emission (NZEV) vehicles by January 1, 2023, and increasing access for disadvantaged, low-income, and moderate-income communities and consumers to ZEVs and NZEVs.
- 4) Allocates \$5 million annually to the University of California (UC) for the purpose of conducting transportation research, and authorizes the Secretary of Transportation and the chairs of the Assembly Committee on Transportation and the Senate Committee on Transportation and Housing to set out a recommended priority list of research components to be addressed in the upcoming fiscal year.
- 5) Establishes, through Executive Order B-16-2012, the statewide goals of placing 1.5 million ZEVs on California’s roads and securing easy access to ZEV infrastructure for Californians by 2025.

FISCAL EFFECT: Unknown

COMMENTS: California has established ambitious goals for the amount of renewable energy available and the number of ZEVs on the state’s roads over the next decade. It has also seen the emergence of new vehicle technologies, including autonomous vehicles and app-enabled ride-sharing. Little state policy has been formed on how these topics may complement each other.

The UC Davis Institute of Transportation Studies (ITS) recently issued a series of policy briefs on what it characterizes as the three “revolutions” in transportation: automation, shared mobility, and electrification. According to ITS’s research, through the convergence of these three revolutions, “there is a potential to mitigate the negative externalities of 20th century auto-oriented sprawl, negate any additional sprawl associated with automation, and provide rapid responses to enable sharing and electrification.” Beyond the individual benefits offered by these technologies, such as enhanced safety and mobility, a unified, state-level policy on these “revolutions” could have benefits that include avoiding undesirable increases in vehicle-miles-

traveled and greenhouse gas emissions and encouraging sustainable land use decisions and adoption of ZEV technology.

This bill would direct OPR to convene an Emerging Vehicle Advisory Study Group to review and advise the Legislature on the state's policies relating to developing transportation technologies, including autonomous vehicles and shared-use vehicles. According to the author, the way that these vehicles are designed and operated will either help California meet its energy and electrification goals or stand as an obstacle. The configuration of state agencies and interest groups on the study group would provide a variety of perspectives on how best to address these topics and develop a unified strategy on autonomous vehicles, TNCs, and ZEVs. Similarly, the study group may help provide insight on how to mitigate unintended consequences of these new technologies, such as the impact on congestion, public transit services, and the labor market that are not currently well-understood.

In addition to the research UC has already performed on these topics, UC will receive an additional \$5 million annually for transportation-related research under SB 1 (Beall) Chapter 5, Statutes of 2017. This bill would require the study group to consult with universities and research institutions, such as UC, that have conducted research in the areas of autonomous vehicles and shared-use vehicles to build off existing research and avoid unnecessary redundancies.

Writing in support of this bill, the Union of Concerned Scientists suggests several topics the study group could address, including how to minimize autonomous vehicle-induced increases in vehicle travel, how to minimize "zombie miles" (i.e., vehicles operating without a passenger), and how to encourage electrification of autonomous vehicles and, in particular, how electrification of taxi and ride-hailing fleets prior to autonomous vehicle technology adoption creates a pathway to greater autonomous vehicle electrification.

Writing in opposition to this bill, the insurance industry argues that their industry should be represented on the study group, because "Insurance is the means for spreading risk of innovation while also sending important safety signals to the public [...] Any discussions that occur without the input of insurers would lead to one-sided decisions that fail to take into account necessary safety and financial responsibility considerations in this evolving mode of transportation."

Committee comment: This bill may be unnecessary; the Governor could direct the Administration to convene a study group to advise policymakers on these issues without authorizing legislation.

Reconsideration: Since this bill was heard on June 26, 2017, the author has amended the bill to remove the Department of Housing and Community Development from the study group and add one member representing the insurance industry and one member representing a labor organization.

Committee concern: According to Legislative Counsel, this bill may create a separation of powers issue. Because the study group is housed in OPR, but the majority of the study group's members are appointed by the Legislature, the Legislature's role in the operations of the study group could be considered interference with the Governor's power to oversee executive branch functions.

Double referral: This bill will be referred to the Assembly Communications and Conveyance Committee should it pass out of this committee.

Previous legislation: SB 1275 (de León), Chapter 530, Statutes of 2014, established the Charge Ahead California Initiative to provide incentives that increase the availability of ZEVs and NZEVs, particularly in disadvantaged and low-and-moderate-income communities.

SB 2293 (Bonilla), Chapter 389, Statutes of 2014, established standards for TNCs to ensure personal and financial safety of consumers.

SB 1298 (Padilla), Chapter 570, Statutes of 2012, established conditions for the operation of autonomous vehicles upon public roadways.

REGISTERED SUPPORT / OPPOSITION:

Support

American Lung Association in California
Coalition for Clean Air
Environment California
Indivisible Kensington
Union of Concerned Scientists
Voices for Progress

Opposition

American Insurance Association
Association of California Insurance Companies
National Association of Mutual Insurance Companies
Pacific Association of Domestic Insurance Companies
Personal Insurance Federation of California

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