

STATE OF CALIFORNIA

Public Utilities Commission
San Francisco

M e m o r a n d u m

Date: August 9, 2013

To: The Commission
(Meeting of August 15, 2013)

From: Lynn Sadler, Director
Office of Governmental Affairs (OGA) – Sacramento

**Subject: SB 338 (Hill) – Charter-Party Carriers of Passengers: Limousines:
Fire Extinguishers.
As amended: August 5, 2013**

RECOMMENDED POSITION: SUPPORT IF AMENDED

SUMMARY OF BILL

This bill would require a limousine "...*that has been modified or extended for purposes of increasing vehicle length and passenger capacity...*" to be equipped with two (2) conspicuously placed, readily accessible, and fully charged fire extinguishers, meeting specified minimum requirements, one in the driver's compartment, and one in the passenger compartment. This bill would also grant authority to the California Highway Patrol to conduct annual safety inspections of all charter-party carriers that operate limousines. This bill also provides that the California Public Utilities Commission (CPUC) may require compliance with this provision as a condition of issuing or renewing a charter-party carrier certificate or permit.

CURRENT LAW

- "Limousine" is defined in Public Utilities Code § 5371.4(i), as any sedan or sport utility vehicle, of either standard or extended length, with a seating capacity of not more than 10 passengers including the driver, used in the transportation of passengers for hire on a prearranged basis within this state.
- Vehicle Code section 233 defines a "bus" as any vehicle used in the transportation of passengers for hire on a prearranged basis within this state seating more than 10 passengers including the driver.
- Buses are subject to a requirement to be equipped with a fire extinguisher. Limousines are not subject to this requirement.
- Vehicle Code §34501(c) requires that buses must undergo annual safety inspections by the California Highway Patrol (CHP). Limousines are not subject to this requirement.

AUTHOR'S PURPOSE

The bill is in response to two limousine fires that occurred in May and June, 2013. In the May 2013 incident, a limousine caught fire on the San Mateo-Hayward Bridge, killing five passengers who were unable to escape the vehicle. In the June 2013 incident, nine passengers were able to successfully exit a limousine after it caught fire while idling.

This bill is aimed at preventing similar incidents by providing the passengers and the driver fire extinguishers to quickly suppress a fire.

Buses are currently required to have fire extinguishers. This bill would give passengers traveling in modified limousines the same fire extinguisher provisions as bus passengers.

EXPLANATION OF BILL'S IMPACT ON CPUC PROGRAMS, PRACTICE & POLICY

This CPUC's Transportation License Section (TLS) will require applicants for new and renewed charter party authority to certify that they are in compliance with SB 338 as a condition of issuance or renewal. This would require revising informational materials and forms provided to applicants and existing carriers, revising information posted on our website, and staff time to explain the new requirement to carriers and applicants. TLS would also need to track which limousines have been modified, which could require considerable additional staff time.

The CPUC's Transportation Enforcement Section (TES) would need to verify charter party carriers' compliance as a routine part of its investigations and roadside inspections otherwise conducted into the operations of charter-party carrier limousine operators. As violations of this law are discovered, TES would spend time and resources to document such violations, require compliance, when appropriate to seek informal or formal administrative remedies, or include them in criminal or civil prosecutions. Formal administrative remedies would involve the Commission's Legal and Administrative Law Judge Divisions.

SAFETY IMPACT

This bill could enhance the safety of passengers in modified limousines by enhancing the ability of drivers and passengers to put out vehicle fires before they spread.

Enhancement of safety resulting from a new requirement for limousine operators to undergo an annual CHP safety inspection may be significant.

RELIABILITY IMPACT

To the degree that carrying fire extinguishers in limousines prevents or minimizes fire damage to limousines, reliability of charter service could be enhanced by keeping limousines in service more than they otherwise would be.

RATEPAYER IMPACT

Currently, limousines are not required to undergo CHP inspection. The effect on rates caused by the requirement for limousine operators to undergo an annual CHP safety inspection may be significant for those carriers that are accustomed to not maintaining their fleets in compliance with existing Vehicle Code and CHP standards.

Given the low cost of fire extinguishers relative to the cost of owning, maintaining, and operating limousines, we anticipate little effect on the rates assessed by carriers as a result of a mandate to equip limousines with extinguishers.

FISCAL IMPACT

As currently written, the bill would allow the CPUC to choose whether to require compliance as a condition of issuance or renewal of charter-party certificates and permits. Doing so would require some expansion of CPUC workload, however the fiscal impact will be negligible.

No new reports, or additions to existing reports, would be required.

ECONOMIC IMPACT

There may be some economic effect on the limousine industry as a result of a new requirement to undergo an annual CHP safety inspection. For those carriers already accustomed to maintaining their limousine fleets in compliance with existing Vehicle Code and CHP standards, we anticipate such effects will be minimal.

LEGAL IMPACT

No known issues.

LEGISLATIVE HISTORY

Unknown.

BACKGROUND INFORMATION ON IMPACTED PROGRAMS, PRACTICE OR POLICY

As discussed above, the CPUC has authority over charter-party carriers of passengers, including limousine operators. Pursuant to this authority, the CPUC has developed its own set of rules for limousine operations. While the CPUC verifies through its application process and regulatory oversight that “buses” comply with requirements mandating CHP vehicle inspections, this requirement does not exist for limousines. If SB 338 passes as proposed, only “modified” limousines will be subject to CHP inspections.

The CPUC is authorized to conduct investigations, and if warranted, cite charter-party carriers for violations of the California Public Utilities Code and the CPUC’s rules and regulations. SB 338, by adding a new provision to the California Public Utilities Code and Vehicle Code, would give the CPUC and CHP enforcement authority and responsibility to ensure that limousine operators comply with these new safety standards.

OTHER STATES' INFORMATION

Unknown.

SUMMARY OF SUGGESTED AMENDMENTS

This bill should be amended in the following way(s):

- (1) The requirement for annual CHP inspections should apply to all limousines, not just those "...that have been modified or extended for purposes of increasing vehicle length and passenger capacity." This could add a significant staffing burden for CHP, but it could also increase the safety for the traveling public.
- (2) We assume the author requires two fire extinguishers for only modified limousines, because there may be a barrier between the driver and passengers. We recommend that the same standards apply to all limousines.
- (3) The bill incorrectly refers to "Limousines with a seating capacity of more than 10 passengers..." Limousines are defined in Public Utilities Code section 5371.4(i), as a sedans and SUVs with 10 or fewer passengers including driver. A bus is defined in Vehicle Code section 233 as a vehicle with more than 10 passengers including the driver.
- (4) The bill should be amended to require proper restraint of any fire extinguisher in the vehicle.

SUPPORT/OPPOSITION

Support: California Professional Firefighters, California State Sheriffs' Association

Opposition: None

VOTES

Senate Floor, 7/8/13: **32 Ayes, 0 Noes**

Senate Committee on Appropriations, 7/1/13: **6 Ayes, 0 Noes**

Senate Committee on Transportation & Housing, 6/18/2013: **9 Ayes, 0 Noes**

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BILL LANGUAGE

SECTION 1.

The Legislature finds and declares all of the following:

(a) Limousines with a seating capacity of more than 10 passengers have more robust safety protections, including a requirement to be equipped with a fire extinguisher and to undergo annual safety inspections by the Department of the California Highway Patrol, than do limousines with a seating capacity of less than 10 passengers.

(b) It is the intent of the Legislature to increase the safety of passenger travel in limousines with a seating capacity of less than 10 passengers that have been modified or extended for purposes of increasing vehicle length and passenger capacity by mandating annual safety inspections and the installation of fire extinguishers in those limousines.

(c) It is the intent of the Legislature to provide authority to the Department of the California Highway Patrol to develop regulations to create an annual safety inspection program of charter-party carriers that operate limousine services.

SEC. 2.

Section 5374.3 is added to the Public Utilities Code, to read:

5374.3.

Beginning 30 days after the effective date of the act that added this section, a limousine, as defined in subdivision (i) of Section 5371.4, that has been modified or extended for purposes of increasing vehicle length and passenger capacity shall be equipped with two readily accessible and fully charged fire extinguishers having at least 2A10BC 5lb rating and maintained in efficient operating condition. One fire extinguisher shall be securely mounted in the driver's compartment and one in the passenger cabin, each in a conspicuous place or clearly marked area. The commission may require compliance with this section as a condition of issuing or renewing a certificate or permit pursuant to this chapter.

SEC. 3.

Section 34500.4 is added to the Vehicle Code, to read:

34500.4.

(a) The Department of the California Highway Patrol shall have the authority to conduct annual safety inspections of all limousines that have been modified or extended for purposes of increasing vehicle length and passenger capacity and that are operated pursuant to the Passenger Charter-party Carriers' Act (Chapter 8 (commencing with Section 5351) of Division 2 of the Public Utilities Code).

(b) Not later than January 1, 2015, the Department of the California Highway Patrol shall implement an annual safety inspection program of charter-party carriers of passengers who operate limousines as described in subdivision (a) that includes, but is not limited to, the safe operation of the vehicle, the installation of safety equipment, the retention of drivers' logs, accident reports, records of driver discipline, compliance with federal and state motor vehicle safety standards, and the examination of a preventative maintenance program. The department shall adopt regulations for this purpose and hold public hearings prior to the adoption of any rule or regulation.

(c) Regulations adopted pursuant to this section shall be consistent with the established inspection program administered by the department for buses pursuant to Division 14.8 (commencing with Section 34500), and shall require an operator or owner of a manufactured or aftermarket limousine that has been modified or extended for purposes of increasing vehicle length and passenger capacity to certify to

the Public Utilities Commission and the department that the vehicle meets all applicable federal and state motor vehicle safety standards.

(d) A charter-party carrier of passengers that operates a limousine, as defined in subdivision (i) of Section 5371.4 of the Public Utilities Code, that has been modified or extended for purposes of increasing vehicle length and passenger capacity, and that is required to undergo an annual safety inspection conducted by the department, shall pay a fee of twenty-five dollars (\$25) per limousine, or a maximum of six thousand five hundred dollars (\$6,500), to offset the cost of the inspection.

SEC. 4.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 5.

This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that limousines that have been modified or extended for purposes of increasing vehicle length and passenger capacity and that are operated in California are better equipped for passenger safety at the earliest possible time, it is necessary for this act to take effect immediately.