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MEMORANDUM

TO: Representative Robert Herkes
Chair, House Committee on Consumer Protection & Commerce
Via e-mail: CPCtestimony@Capitol.hawaii.gov

FROM: Anne Horiuchi

DATE: February 20, 2009

RE: **H.B. 267, HD1 relating to Motor Vehicle Rental Industry
Hearing on Monday, February 23, 2009 at 2:15 p.m., Room 325**

Dear Chair Herkes and Members of the Committee:

I am Anne Horiuchi, testifying on behalf of Enterprise Rent-A-Car Company of Hawaii and Vanguard Car Rental USA, Inc., dba National Car Rental and Alamo Rent A Car (collectively referred to as "Enterprise"). Our clients are members of Catrala-Hawaii.

H.B. 267, HD1 will allow the transportation of rental cars by any water carrier authorized to transport vehicles interisland by the State Public Utilities Commission, provided that the water carrier has a written contract with the owner of the rental car.

Catrala-Hawaii is proposing an HD2 to H.B. 267, which will resolve confusion between two measures – H.B. 267, HD1 and H.B. 1386. Enterprise supports Catrala-Hawaii's proposed amendment to H.B. 267. We believe that with this proposed amendment, it will be easier for tourists and rental car companies to transport rental cars on interisland water carriers. Additionally, each rental car company will have the flexibility to streamline and work out the paper requirements with such carriers. This should assist in avoiding potential problems and unnecessary delays. We respectfully request that you pass this measure out of committee.

Thank you for the opportunity to submit testimony on this matter.

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ONLY VIA FACSIMILE NO.: 543-9458

To: Young Brothers
Attn: Roy Catalani

From: Jim Stone

Re: HB 267, HD1 – Hearing on February 23, 2009

Date: February 21, 2009

I am assisting Catrala-Hawaii with the above-mentioned bill. Please see attached testimony Catrala has forwarded to the Committee chaired by Representative Herkes. I would like to clarify matters with you prior to the hearing. Thank you.



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HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

**THE HONORABLE ROBERT N. HERKES, CHAIR
THE HONORABLE GLENN WAKAI, VICE CHAIR**

HOUSE BILL NO. 267, HD 1, scheduled for hearing on February 23, 2009

**Testimony of Roy Catalani,
Vice President of Strategic Planning and Government Affairs,
Young Brothers, Limited**

Chair Herkes, Vice Chair Wakai, and Members of the House Consumer Protection and Commerce Committee:

Thank you for the opportunity to testify on House Bill No. 267, House Draft 1 (**HB 267, HD 1**).

Young Brothers, Limited (**Young Brothers**) **strongly supports HB 267, HD 1**, the purpose of which is "to ease the interisland transportation of rental motor vehicles." As amended, the legislation proposes to accomplish this purpose by carving out interisland shipment of rental motor vehicles from certain documentation requirements. The bill adds, however, that the rental motor vehicle be transported by any water carrier authorized by the Public Utilities Commission and that the water carrier have a written agreement with the owner of the rental motor vehicle.

Young Brothers believes that the bill will ease shipment of vehicles by car rental companies, who often find the documentation requirements to be cumbersome. Likewise, verification of these documents, such as certificates of ownership or registration, is time-consuming for Young Brothers and slows the checking in of rental motor vehicles at our ports. Young Brothers' prior arrangements with car rental companies and our familiarity with car rental representatives ensure that the vehicles are properly proffered to Young Brothers for shipment—that is, the necessary safeguards are there to preclude shipment of stolen rental motor vehicles.

Thank you for the opportunity to testify.



One Waterfront Plaza
500 Ala Moana Blvd. Suite 300
Honolulu, HI 96813

February 20, 2009

Representative Robert N. Herkes
Chair, Committee on Consumer Protection and Commerce
Representative Glenn Wakai
Vice Chair, Committee on Consumer Protection and Commerce
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Re: House Bill 267, HD1 Relating to the Motor Vehicle Rental Industry

Dear Chair Herkes and Vice Chair Wakai and Members of the Committee on Consumer Protection and Commerce:

Hawaii Superferry supports House Bill 267, HD1, which simplifies the documentation requirement for all persons traveling on an interisland ferry with a rental motor vehicle.

We believe that the bill before you will alleviate the burden of additional paperwork to present upon traveling with a rental vehicle on Hawaii Superferry. Thank you for this opportunity to testify.

Respectfully submitted,

Neil Takekawa
Vice President of Sales and Marketing

Honorable Robert Herkes, Chair
Committee on Consumer Protection
And Commerce
House of Representatives
State of Hawaii

Hearing: February 23, 2009

Re: HB 267, HD1 RELATING TO MOTOR VEHICLE RENTAL INDUSTRY

Chair Herkes and Honorable Committee Members:

My name is Michael Oh and I am the chairman of Catrala-Hawaii's legislative committee. Catrala's membership consists of the major u-drive companies in Hawaii and the many businesses which support our industry.

Catrala supports this bill with amendments. The amendments seek to correct the contradiction in HB 1386 now before the Judiciary Committee and HB 267, HD1 now before this Committee. Young Brothers although proposing changes to HB 267 that were incorporated as HD1 is also supporting HB 1386 which negates some of the key changes agreed to in concept by Young Bros., Catrala and the Super Ferry as part of HD1 of HB 267. Thus, conflicting language in both bills. Catrala attempted to point out this problem to Young Bros. when it testified in support of HB 1386.

Attached proposed HD2 seeks to correct this confusion by: 1) Incorporating section 2 of HB 1386 into HB 267; 2) renumbering section 2 of HB 267 to section 3 and making certain clarifying changes as noted in handwriting on attached proposed HD2; and 3) renumbering sections 4 and 5. By these changes there should no longer be a need for HB 1381 with its conflicting language that negates various provisions in HB 267, HD1. By combining these 2 bills confusion is avoided by trying to amend the same provisions of the law in 2 different bills.

Attached proposed HB 267 HD2 will make it easier for tourists and u-drive companies to transport u-drive vehicles on interisland water carriers. Each u-drive company will have the flexibility to streamline and work out the paper requirements with such carriers. This should ease problems and avoid unnecessary delays.

We urge you to please pass this bill in the form of attached proposed HD2. For your information also attached are 2 pages of HB 1386 with its conflicting language.

Report Title:

Motor Vehicle Rental Industry; Interisland Ferry

Description:

Allows the transportation of rental cars by any water carrier authorized to transport vehicles interisland by the State PUC; provided that the water carrier has a written contract with the owner of the rental car. (HB267 HD1)

HOUSE OF REPRESENTATIVES
TWENTY-FIFTH LEGISLATURE, 2009
STATE OF HAWAII

H.B. NO.

267
H.D. 1
Proposed
HD 2

A BILL FOR AN ACT

RELATING TO THE MOTOR VEHICLE RENTAL INDUSTRY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The purpose of this Act is to ease the interisland transportation of rental motor vehicles. Tourists, from time to time, are frustrated and, on occasion, cancel their plans to take their rental vehicle to a neighbor island by interisland ferry due to lost or misplaced documents relating to their rental motor vehicle. The passage of this Act will significantly reduce these problems by reducing current restrictions for such documents as they apply to rental motor vehicles.

> (NEW SECTION 2 BELOW FROM HB 1386)

SECTION 2. Section 286-271, Hawaii Revised Statutes, is amended as follows:

1. By amending subsections (a) and (b) to read:

HB 267
PROPOSED

"(a) Except as provided in subsection (b), a legal owner ^{HB 267} of a vehicle shall not ship that vehicle interisland in this [State] state unless the legal owner first presents to the carrier the legal owner's current certificate of registration showing that the person is the registered owner of the vehicle, identification, and proof of motor vehicle insurance. If the registered owner of the vehicle is not the legal owner of the vehicle, the registered owner shall present to the carrier, the registered owner's current certificate of registration, identification, and proof of motor vehicle insurance. Duplicate copies of the current registration and proof of motor vehicle insurance shall be acceptable for commercial vehicles as defined in section 286-47(3)(C). An authorized agent of the legal or registered owner may ship the vehicle by presenting the current certificate of registration, identification, and proof of motor vehicle insurance [~~and a notarized letter from the registered or legal owner authorizing the shipment~~]. For an unrecorded owner pending a lawful transfer, a certificate of ownership signed by the previous owner may be submitted for the current certificate of registration for a vehicle purchased within thirty days of shipping. A facsimile of proof of motor vehicle insurance from an insurance company may be accepted for a vehicle purchased within thirty days of shipping. Presentation of proof of motor vehicle insurance shall not be required for:

HB 267; PROPOSED HB 2

- (1) Unlicensed propelled vehicles that are not intended for on-road use;
- (2) New unregistered vehicles shipped with a bill of lading; or
- (3) Vehicles owned by the federal, state, or county government.

(b) A legal owner of a damaged vehicle shall not ship that vehicle interisland in this [State] state for repair, disposal, or salvage unless the legal owner first presents to the carrier the legal owner's current certificate of registration showing that the person is the registered owner of the vehicle or a car dealer's license. For an unrecorded owner pending a lawful transfer, a certificate of ownership signed by the previous owner may be acceptable for a vehicle purchased within thirty days of shipping. A registered owner of the vehicle who is not the legal owner of the vehicle must present a current certificate of registration."

SECTION ³ 286-271, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

- "(e) This section shall not apply to:
- (1) Any motor vehicle rental company as defined in section 431:9A-141 that periodically ships in quantities of ten vehicles or more;

HRS 267; PROPOSED HRS 2

- (2) Licensed dealers who periodically ship in quantities of ten vehicles or more, or whose primary business is the auction of insurance salvage vehicles; ~~[or]~~
- (3) Drivers of vehicles traveling on an interisland ferry; provided that ~~[such drivers present]~~ the driver presents identification ~~[of the driver]~~, a current certificate of registration for the vehicle, and proof of motor vehicle insurance. The interisland ferry carrier shall keep a record of transporting the vehicle by recording the vehicle identification number and retaining the information for three years after the date of travel ~~[or]~~; or

(4) Drivers of rental motor vehicles as defined in section 437D-3, who shall not be required to present identification, a certificate of registration for the vehicle, or proof of rental motor vehicle insurance if the rental motor vehicle is transported by any water carrier authorized by the public utilities commission to transport vehicles interisland and the water carrier has a written agreement with the owner of the rental motor vehicle.

THE WATER CARRIER SHALL KEEP A RECORD OF TRANSPORTING

✓ SECTION ⁴ 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

✓ SECTION ⁵ 4. This Act shall take effect on July 1, 2009.

THE WATER CARRIER SHALL KEEP A RECORD OF TRANSPORTING THE VEHICLE BY RECORDING THE VEHICLE IDENTIFICATION NUMBER AND RETAINING THE INFORMATION FOR THREE YEARS AFTER DATE OF TRAVEL.

(HB 1386 CONFLICTS WITH HB 767)

that the person is the registered owner of the vehicle or a car dealer's license. For an unrecorded owner pending a lawful transfer, a certificate of ownership signed by the previous owner may be acceptable for a vehicle purchased within thirty days of shipping. A registered owner of the vehicle who is not the legal owner of the vehicle must present a current certificate of registration."

SECTION
HB 1386

2. By amending subsection (e) to read:

"(e) This section shall not apply to:

(1) Any motor vehicle rental company as defined in section 431:9A-141 that periodically ships in quantities of ten vehicles or more; or

(2) Licensed dealers who periodically ship in quantities of ten vehicles or more, or whose primary business is the auction of insurance salvage vehicles[~~or~~

~~(3) Drivers of vehicles traveling on an interisland ferry, provided that such drivers present identification of the driver, a current certificate of registration for the vehicle, and proof of motor vehicle insurance. The interisland ferry carrier shall keep a record of transporting the vehicle by recording the vehicle identification number and retaining the information for three years after the date of travel]."~~

DELETES
HB 767
LANGUAGE

(HB 1386 CONFLICTS HB 267)

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: _____