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February 6, 2013

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION
ON HB 1101 RELATING TO MOTOR CARRIERS**

Thank you Chair Yamane and committee members. I am Gareth Sakakida, Managing Director of the Hawaii Transportation Association (HTA) with over 400 transportation related members throughout the state of Hawaii.

We support this bill.

The Public Utilities Commission (PUC) regulates common carrier authority and operations since these carriers serve the general public. Enforcement against illegal motor carriers has been extremely light for at least the past 32 years, except for a couple of the years in the late 1990s.

Although we are encouraged that the PUC has reported they are close to adding staff, including enforcement officers, a similar report was made a year ago in this committee, so we understand these things take time.

In the meantime we support mechanisms to make it less desirable to operate illegally by denying rights that legal motor carriers have.

One is to deny the right to pursue undercharges for transportation services. This helps to prevent making up a low price to attract the consumer, then coming back for more money.

Second is to permit the users of illegal carriers to pursue recovery of all compensation paid to the illegal motor carrier. This is a unique measure that is gaining notice in the regulatory community. Most recently, California implemented the concept to deter illegal operations.

Third is a provision that denies the illegal motor carrier the right to place a lien on freight in its possession. Although this law is intended to allow a motor carrier to hold freight for payment of previous services, illegal carriers are reported to use the lien concept to hold current shipments hostage for more money.

We believe those who choose to operate outside the law should not have the rights and privileges afforded to legal motor carriers.

Thank you.