

Honolulu, Hawaii  
February 12, 2016

RE: H.B. No. 1828  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 1828 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION NETWORK COMPANIES,"

begs leave to report as follows:

The purpose of this measure is to preserve alternative forms of transportation services available to consumers while affording consumers the protection of law by establishing motor vehicle insurance requirements for the transportation network company industry as well as for persons who operate or serve as drivers for transportation network companies.

The Hawaii Insurers Council, National Association of Mutual Insurance Companies, and GEICO testified in support of this measure. USAA testified in support of the intent of this measure. The Hawaii Association for Justice, Charley's Taxi, Lyft, Uber Technologies, TheCAB, EcoCab, and several concerned individuals testified in opposition to this measure. The Department of Commerce and Consumer Affairs and Property Casualty Insurers Association of America provided comments.

Transportation network companies are operating across the country, including in Hawaii, and have expanded transportation options for the benefit of the public. A transportation network company uses a digital network or software application service to connect passengers to drivers. While the public is receptive to this innovation in transportation services, insurance requirements



for transportation network companies are not regulated in Hawaii and therefore, the public is not afforded the full and necessary protection of law when doing business with a transportation network company.

While your Committee finds that this measure works to address insurance concerns regarding transportation network companies, your Committee finds that further regulation of the overall operations of transportation network companies, transportation network activities, and transportation network drivers may be necessary. However, your Committee finds that this is better accomplished on the county level. Accordingly, your Committee has amended this measure by:

- (1) Providing counties with the explicit authority to regulate transportation network companies, transportation network company activities, and transportation network company drivers; and
- (2) Exempting transportation network companies from regulation under Hawaii's motor carrier law.

Your Committee has also amended this measure by:

- (1) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1828, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,



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HENRY J.C. AQUINO, Chair



