

Honolulu, Hawaii
February 19, 2016

RE: H.B. No. 1828
H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1828, H.D. 1, 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:

- (1) Establishing motor vehicle insurance requirements for the transportation network company industry and for persons who operate or serve as drivers for transportation network companies;
- (2) Providing express authority for counties to regulate transportation network companies; and
- (3) Exempting transportation network companies from oversight under the motor carrier law.

The National Association of Mutual Insurance Companies; Hawaii Insurers Council; United Services Automobiles Association; and GEICO supported this measure. UBER Technologies; Lyft; and Hawaii Association for Justice opposed this measure. The Department of Commerce and Consumer Affairs and Property Casualty Insurers Association of America provided comments.



Your Committee has amended this measure by:

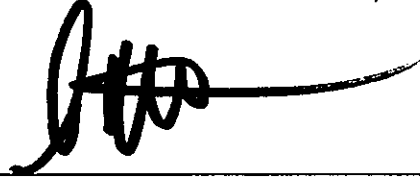
- (1) Clarifying that transportation network companies and transportation network company drivers must have a primary insurance policy subject to the mandatory coverage limits and other insurance requirements set forth in chapter 431:10C, Hawaii Revised Statutes;
- (2) Requiring that insurers, prior to the initial offer to transportation network companies or transportation network company drivers, submit policies to the Insurance Division of the Department of Commerce and Consumer Affairs for review with approval from the Insurance Division subject to a mandatory delay period before coverage becomes effective;
- (3) Removing the provisions that provided express authority for counties to regulate transportation network companies; and
- (4) Changing the effective date to July 1, 2112, to encourage further discussion.

Your Committee notes that it removed the provisions that provided express authority for counties to regulate transportation network companies because the issue is currently being examined by the Honolulu City Council. Your Committee respectfully requests that your Committee on Finance examine reinserting the provision if the Honolulu City Council does not resolve the issues regarding transportation network companies.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1828, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1828, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1628 HD1	Committee Referral: TRU, CPC, FIN	Date: Feb 17, 2016		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. WOODSON, Justin H. (VC)	/			
3. BELATTI, Della Au	/			
4. BROWER, Tom	/			
5. CREAGAN, Richard P.	/			
6. HAR, Sharon E.	/			
7. HASHEM, Mark J.	/			
8. KAWAKAMI, Derek S.K.	/			
9. LEE, Chris	/			
10. NAKASHIMA, Mark M.	/			
11. OSHIRO, Marcus R.	/			
12. SAN BUENAVENTURA, Joy A.	/			
13. TAKAYAMA, Gregg	/			
14. YAMANE, Ryan I.	/			
15. FUKUMOTO CHANG, Beth	/			
16. McDERMOTT, Bob	/			
TOTAL (16)	16	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				