

STAND. COM. REP. NO. 2459

Honolulu, Hawaii

FEB 19 2016

RE: S.B. No. 2777
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Transportation and Energy, Public Safety, Intergovernmental, and Military Affairs, and Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2777 entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the counties to regulate transportation network companies and transportation network company drivers and issue permits to transportation network companies;
- (2) Require transportation network companies to pay an annual airport permit to the Department of Transportation, for purposes of authorizing transportation network drivers to pick up and discharge riders at airports in the State;
- (3) Establish insurance, qualifications, and other requirements for transportation network company drivers; and
- (4) Establish minimum standards for driver qualifications, drug and alcohol policies, and antidiscrimination and accessibility policies for taxicab companies and taxicab drivers operating within each county.



Your Committees received testimony in support of this measure from USAA, National Association of Mutual Insurance Companies, Hawaii Insurers Council, and Government Employees Insurance Company. Your Committees received testimony in opposition to this measure from UBER Technologies, Lyft, Hawaii Association for Justice, and one individual. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Public Utilities Commission, and Property Casualty Insurers Association of America.

Your Committees find that transportation network companies are entities that use a digital network to connect riders with a transportation network company driver who is offering services using the driver's personal vehicle. Transportation network companies have become increasingly popular throughout the country, including in Hawaii, and have expanded transportation options for the benefit of the public. Although the public has been receptive to this innovation in transportation services, transportation network companies are not currently regulated in Hawaii and therefore, there are no consumer protections in place for members of the public who use the services of transportation network companies. In addition, there are concerns about potential gaps in motor vehicle insurance coverage associated with transportation network companies.

Your Committees have amended this measure upon the recommendation of the Department of Commerce and Consumer Affairs' Insurance Division by:

- (1) Clarifying that the primary insurance requirements for uninsured and underinsured motorist coverage shall meet the requirements of section 431:10C-301, Hawaii Revised Statutes; provided that the stacking of uninsured and underinsured motorist coverages may be rejected in writing; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy, Public Safety, Intergovernmental, and Military Affairs, and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2777, as amended herein, and recommend that it pass Second



Reading in the form attached hereto as S.B. No. 2777, S.D. 1, and
be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Energy, Public Safety,
Intergovernmental, and Military
Affairs, and Commerce, Consumer
Protection, and Health,



CLARENCE K. NISHIHARA, Chair



LORRAINE R. INOUE, Chair




ROSALYN H. BAKER, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2777	TRE/PSM/CPH, WAM	2-11-16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will				/
IHARA, Jr., Les				/
NISHIHARA, Clarence K.	/			
RUDERMAN, Russell E.				/
SLOM, Sam	/			
TOTAL	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes