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TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2016

Monday, January 25, 2016  
2:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 1463, H.D.1, PROPOSED H.D. 2– RELATING TO  
TRANSPORTATION.**

TO THE HONORABLE ANGUS L.K. MCKELVEY, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department provides the following comments.

The purpose of this bill is to regulate transportation network companies and their drivers. Clarification is needed on page 4, line 13 regarding "department". Page 4, line 6 of the bill proposes that transportation network companies be issued a permit from the Public Utilities Commission prior to operating, however line 13 refers to "the department" issuing a permit to a transportation network company. Referring to different entities issuing permits may cause confusion.

There is a potential problem on page 10, lines 15 to 20. The bill, as drafted, allows insurance to be placed through the surplus lines market. Article 8 of chapter 431, Hawaii Revised Statutes ("HRS"), allows for surplus lines insurance to be purchased provided that no other insurers in the state offer coverage for a type or class of insurance. Allowing unadmitted automobile carriers into the marketplace may be problematic. Adding language where a diligent search for insurance covering

**House Bill No. 1463, H.D. 1, Proposed H.D. 2**  
**DCCA Testimony of Gordon Ito**  
**Page 2**

transportation network activity is necessary prior to placing insurance with a surplus lines insurer would reconcile the proposed bill with Article 8, chapter 431, HRS.

We thank this Committee for the opportunity to present testimony on this matter.

TESTIMONY OF RANDY IWASE  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEE ON  
CONSUMER PROTECTION AND COMMERCE

JANUARY 25, 2016  
2:00 p.m.

**MEASURE:** H.B. No. 1463, H.D. 1, Proposed H.D. 2  
**TITLE:** Relating to Transportation

Chair McKelvey and Members of the Committee:

**DESCRIPTION:**

This measure would create a new chapter to 1) require the Public Utilities Commission (“Commission”) to issue yearly operating permits to any Transportation Network Company (“TNC”) that meets certain requirements and 2) establish the financial responsibility and insurance requirements for TNCs and TNC drivers.

**POSITION:**

The Commission opposes vesting regulatory oversight of TNCs with the Commission and offers the following comments for the Committee’s consideration.

**COMMENTS:**

It appears that TNCs and their drivers provide identical services as “taxicabs” as currently defined under 271-5(3)(A), Hawaii Revised Statutes (“HRS”)<sup>1</sup> and 12-1.1, Revised Ordinances of Honolulu (“ROH”)<sup>2</sup>. The Commission notes that taxicab services are

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<sup>1</sup> Under HRS § 271-5(3)(A) a taxicab includes “[a]ny motor vehicle used in the movement of passengers on the public highways under the following circumstances, namely the passenger hires the vehicle on call or at a fixed stand, with or without baggage for transportation, and controls the vehicle to the passenger’s destination.”

<sup>2</sup> Under ROH § 12-1.1 taxicab means “a vehicle, operated by a taxicab driver, which is used in the movement of passengers on public highways and which is directed

exempt from Commission regulation pursuant to HRS § 271-5(3) and are presently under the authority of the counties. Therefore, the Commission believes that oversight of TNCs more appropriately lies with the counties.

Thank you for the opportunity to provide comments on this measure.

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to a destination by the passenger for hire or on the passenger's behalf and which operates on call or demand.”



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January 24, 2016

To: Hon. Angus McKelvey, Chair  
Members  
House Committee on Consumer Protection and Commerce

From: Steven Suchil, Assistant Vice President/Counsel  
Western Region  
American Insurance Association

Subject: HB 1463, HD 2 Proposed, Relating to Transportation Network Companies  
Hearing Monday, January 25, 2016 at 2:00 PM  
Conference Room 325

The American Insurance Association (AIA) supports the amendments to HB 1463 HD2 Proposed and requests that the measure pass the Committee with those amendments.

AIA is the leading property-casualty insurance trade organization, representing approximately 325 insurers that write more than \$127 billion in premiums each year. AIA member companies offer all types of property-casualty insurance, including personal and commercial auto insurance, commercial property and liability coverage for small businesses, workers' compensation, homeowners' insurance, medical malpractice coverage, and product liability insurance.

The HD2 Proposed amendments to HB 1463 are reflective of the NCOIL Model Act to Regulate Insurance Requirements for Transportation Network Companies and Transportation Network Drivers. This Model Act was adopted with the input and recommendations of insurers and transportation network companies, among others. It is intended to protect passengers, the public and drivers through provisions for insurance coverage.

We respectfully request your Aye vote for HB 1463 HD2.

Thank you for considering AIA's comments.

## **TESTIMONY OF MICHAEL ONOFRIETTI**

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HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
Representative Angus L.K. McKelvey, Chair  
Representative Justin Woodson, Vice Chair

Monday, January 25, 2016  
2:00 p.m.

### **HB 1463, HD1, PROPOSED HD2**

Chair McKelvey, Vice Chair Woodson, and members of the Committee on Consumer Protection & Commerce, my name is Michael Onofrietti, Chairman of the Board of the Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately thirty-six percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council offers comments on the sections of this bill pertaining to insurance coverage for Transportation Network Companies (TNCs). This bill includes many, but not all, parts of the NCOIL model bill for TNCs. It includes a state regulatory framework including permitting requirements, driver requirements, vehicle requirements and insurance requirements.

#### **Overview**

The legislature considered several insurance structures for Transportation Network Companies during the 2015 session and settled upon the language in SB1280, SD2, HD2. While we were not the drafters of the insurance provisions, HIC supported the insurance structure in that bill due to its simplicity relative to the other more complicated coverage schemes proposed.

Between roughly March 2015 and today, two other general “models” have been making the rounds across the country, the NCOIL model and the so-called industry compromise. Simplistically, the NCOIL model includes a regulatory framework while the industry compromise does not. The compromise model does not establish a minimum rating for surplus lines insurers that may provide coverage to TNCs.

The compromise does not include lienholder disclosure requirements from TNCs to TNC drivers. The NCOIL model includes a drafting note stating, “A state should consider appropriate lienholder language to coordinate with the state’s existing law.” These lienholder disclosures are not included in HB1463, HD1, Proposed HD2.

### **Bill Specifics**

Hawaii Insurers Council takes no position on whether the state or the counties should regulate the TNC companies and drivers. We note that extensive discussion during the 2015 session revealed that regulation by the PUC will be problematic. HB1463, HD1, Proposed HD2 contains no fee for the regulated entities nor general fund appropriation, so it is unclear how regulation can occur in practice.

HB1463, HD1, Proposed HD2 is intended to be the NCOIL model; however, it omits some key provisions from that model. The model provides that state-specific coverages should be provided during “prearranged rides.” This bill does not mandate Personal Injury Protection coverage nor does it mandate at least an offer of un- and underinsured motorist coverage during this phase. These coverages are both applicable to Hawaii and need to be addressed. The NCOIL model also allows the TNC driver’s insurer to exclude Comprehensive coverage and that has also been omitted from this bill.

The lienholder disclosure to TNC drivers noted above is not included in HB1463, HD1, Proposed HD2. Other states have considered, discussed and/or enacted lienholder-related disclosures to TNC drivers with respect to obligations they may have in the event their vehicles are financed or leased. Because TNCs typically mandate that TNC

drivers operate newer vehicles, we believe that this is a consideration for the legislature. The state of Utah went beyond disclosure and required that TNCs or TNC drivers provide comprehensive and collision coverages, which is similar to the coverage provisions in SB1280,SD2, HD2. Many states have no such lienholder disclosures, so the legislative landscape is very broad.

As noted earlier, Hawaii is a Personal Injury Protection (PIP) state. Payments for claims under PIP coverage must be paid within a proscribed period of time. Claims for Bodily Injury Liability and Underinsured Motorist can be presented many years after an auto accident. Therefore, Hawaii Insurers Council supports a provision for the TNC to turn over driver or other records within 10 days of request and to keep records for a period of 5 years. These provisions are not in the models nor are they in HB1463, HD1, Proposed HD2; they are in SB1280, SD2, HD2.

### **Summary**

There will likely be several proposals to address insurance and regulatory requirements for TNCs during the 2016 session. Many HIC members believe that the complete NCOIL model is a reasonable approach to ensuring that appropriate insurance coverages are available to protect TNC drivers, their passengers and the public. Other HIC members prefer a more simplistic approach such as the structure in SB1280, SD2, HD2.

We have met with representatives of Uber and our discussions continue as we participate in this process. As always, HIC is committed to working with the Legislature and all interested parties to craft a bill that is appropriate for the unique elements of Hawaii statutes, and the interpretation by our courts of those statutes.

Thank you for the opportunity to testify.



TESTIMONY OF HAWAII ASSOCIATION FOR JUSTICE (HAJ)  
IN OPPOSITION TO H.B. NO. 1463, HD1, PROPOSED HD2

January 25, 2016

2:00 pm

Conf. Rm. 325

TO: Chairman Angus McKelvey and Members of the House Committee on Consumer Protection & Commerce

This OPPOSITION is focused on the INSURANCE provisions of this measure that permit exclusions from required and optional coverages in motor vehicle insurance policies; and suggests technical changes to conform to Hawaii's motor vehicle insurance laws.

Substantive Change to the Insurance Law

Hawaii's motor vehicle insurance law currently provides a seamless safety net of basic benefits for medical expense, property damage and personal injury for all accidents involving the lawful use of motor vehicles. There are no exceptions. This measure would change that by permitting a car's insurance policy to exclude coverage when the driver is logged on to a Transportation Network Company (TNC) digital network or providing a ride to a TNC passenger.

There are no statutory exclusions for pizza delivery, sales persons, moving trucks and vans, newspaper delivery, or other commercial uses of motor vehicles. Coverage is based on whether the vehicle is being used lawfully or not (a car thief is not entitled to benefits from insurance on the car they are stealing), not on the type of use (personal, commercial or a combination of both).

This measure makes TNC insurance primary when a TNC driver is "logged on" or driving a TNC passenger. When insurance should apply in a particular order, this has been expressed by stating which insurance policy applies first (Primary) and which applies next (Secondary). The rental car insurance situation, for example, is similar to the TNC situation addressed in this measure. Rental car coverage is addressed in section 431:10C-303.5 which provides that insurance on the rental car is PRIMARY (applies first), unless the driver/renter has their own motor vehicle insurance. If the driver/renter has applicable insurance then that insurance pays first (is PRIMARY) and the rental car's insurance applies second (is SECONDARY) for liability coverages. The statutory language is as follows:

- (a) U-drive motor vehicle insurance policy shall be primary; provided that its bodily injury and property damage liability coverages shall be secondary to the operator's or renter's motor vehicle insurance policy if:

There are no exclusions permitted for either the rental car policy or the driver/renter's policy. Instead, the order in which they should apply is mandated by the statute.

Loaner cars are treated similarly. When your car is being repaired and you are given a loaner, your insurance on your car is PRIMARY (pays first) even though you are driving a different loaner car that has its own insurance. 431:10C-305((c)(1) provides in part: "the motor vehicle insurance policy of the customer's insured motor vehicle shall be primary over the policy on the temporary substitute (loaner) vehicle." There is no exclusion for the insurance on the car, instead that insurance is secondary to the primary insurance on your car.

In contrast, when the repair shop drives your car and gets into an accident, the insurance on the repair shop is PRIMARY and applies first while your insurance on your car is secondary. 431:10C-305(c)(2) states: In the event that a customer's insured motor vehicle is operated by a registered repair shop . . . insurance policy of the repair shop shall be primary over the policy on the customer's insured motor vehicle." There is no exclusion for the insurance on your car – it is secondary to the primary insurance on the repair shop.

In this measure, the TNC insurance policy is mandated to be PRIMARY as it should be. However, section 5, on pages 12-14, then provides that an insurance policy on the car driven by a TNC driver "may exclude any and all coverage afforded under the policy." That exclusion conflicts with the current structure of the insurance code to provide for Primary and Secondary coverage, and not allow exclusions from liability coverage. Allowing the exclusions requested in this measure would be bad public policy because it would create gaps in coverage where none currently exist. For example, if the TNC company or driver fails to provide the required primary coverage (whether by oversight, deliberate nonpayment or denial of coverage) and if the policy on the car is allowed to exclude coverage, there would be no insurance whatsoever available to cover the TNC car.

That is why our motor vehicle insurance laws specify Primary and Secondary coverages, rather than permit exclusions – so there will always be protection available in the event that there is no coverage under one policy or the other. By keeping the TNC policy primary and the motor vehicle insurance on the car secondary the TNC policy would pay first, as contemplated in this measure, and motor vehicle insurance would be available to pay secondarily if, and only if, the primary TNC policy has lapsed, exhausted or denied coverage. This way, there will be no pukas or gaps in coverage, and thereby preserve the comprehensive seamless safety net of coverage currently in place.

We think of Uber and Lyft, two multi-billion dollar operations, when think of Transportation Network Companies. But this statute applies generically to all TNCs whether existing now or to be created in the future. Enterprising individuals may start their own TNC operations – and fail. And who knows what will happen to Uber and Lyft five or ten years from now. Many companies worth up to \$100 billion have perished in the past ten years or so (Tower Records, Lehman Brothers, Circuit City, ENRON,

Blockbuster, Compaq, Saab, etc.). If Uber or Lyft are unable to pay their insurance premiums, there could be an uninsured gap of many months before that is discovered in the licensing renewal process. So, the prospect of failure must be considered in the crafting of this measure; with the prudent course being to maintain motor vehicle insurance as a secondary coverage instead of excluding it entirely.

Other situations where there may be no coverage if an exclusion for motor vehicle insurance is permitted is where the primary TNC insurer denies coverage. What happens if, for example, a TNC driver forgot they had a family function to attend and asks a friend to cover and drive you on your “prearranged ride”? The TNC insurer may deny coverage because you were not being driven by an authorized TNC driver who passed the screening and qualifications required to be an authorized TNC driver under the provisions of this measure. If the motor vehicle insurer is permitted to exclude coverage, as proposed in this measure, you would have no insurance benefits available from either policy.

There are other possibilities. What if the driver’s authorized vehicle broke and the driver used an unauthorized vehicle for the prearranged ride in violation of section 1 of this measure? What if the driver passes the screening and qualification procedure but thereafter has their license revoked or suspended for DUI; but continues to drive without the TNC or insurance company’s knowledge? What happens if there’s a malfunction with the TNC network so it is not clear if a driver was logged on or had picked up a ride through the network? The potential situations where there may be denials of primary TNC insurance are varied and unpredictable, therefore, prudence requires that motor vehicle insurance remain secondary and no exclusion be allowed in order to avoid having no insurance available in case of an accident.

Motor vehicle insurers want to exclude coverage when drivers are engaged in TNC related activities because they want TNC companies to provide the insurance for their operations. Viewed in isolation that is not unreasonable. But in the context of the entire motor vehicle insurance system there are several factors that counsel against taking that approach. First, as discussed above, it would create gaps in coverage that currently do not exist in the insurance code.

Second, the impact is minimal. There were 1,312,445 registered vehicles in Hawaii in 2014 (the most current year for which data is available). Even if 1,000 people decided to use their cars for TNC rides this would represent less than .001 (one-tenth of one percent) of vehicles. Oahu has only 1,814 taxis, as of the July 2013 to June 2014 fiscal year, so it seems doubtful that demand could support an increase of more than one or two thousand additional vehicles. Even if all taxis converted to TNC rides plus another two thousand cars joined the TNC fleet, those 3,800 cars would still be less than four-tenths of one percent.

Third, TNC rides are required to have \$1 million in primary coverage which makes any risk to secondary motor vehicle insurance extremely low.

Fourth, people use their cars for all kinds of business related activities, whether driving to see customers, delivering pizza or newspapers, giving their fellow employees a ride, picking up supplies for the office, using their truck for yard services, etc. There are no exclusions permitted for these activities yet this has not made auto insurance unaffordable or unprofitable in Hawaii. Hawaii has been among the most profitable insurance markets in the nation – the most profitable in more years than any other state for the past 15 years. There is no reason to believe that TNC cars, with the strict driver qualifications in this measure, will alter the overall availability or profitability of Hawaii’s insurance market to any significant extent. And if there arises a need in the future to re-visit this subject it can be done at that time.

Fourth, what would be the rationale for allowing exclusions for TNC activities but not other business activities? Once exclusions for this or that activity or business use is permitted the seamless comprehensive safety net of the current law will be riddled with pukas and gaps in coverage – an unintended but certainly foreseeable outcome.

#### Technical and Other Issues

Page 2, lines 5-9: Dictates that a TNC “shall not be deemed to control, direct, or manage” the TNC cars or drivers, unless “agreed by written contract.” This is an issue that should be determined by the factual circumstances of each TNC operation. Indeed, there have been rulings on this issue against TNC operations on the mainland. This should be left to the appropriate regulatory agency or court to determine based on the way each TNC operates. The outcome can affect the rights of passengers against TNC companies for injuries or the entitlement of TNC drivers to the protection of state employment laws. This provision should be deleted.

Page 4, line 3: “A regional transportation” is excluded from the requirements of this measure. What is “a regional transportation”? This term is not defined and has no plain language definition that makes sense in this context. This provision should be clarified or deleted.

Page 8, line 20: This measure uses the phrase “death and bodily injury.” The insurance code uses the defined term “accidental harm” which means “bodily injury, death, sickness, or disease.” The phrase “death and bodily injury” should be replaced by “accidental harm” in order to maintain consistency and take advantage of case law construing that term; as well as to avoid the question of whether the use of the different terms was deliberately used to indicate that they should have different meanings.

Page 9, line 15: Replace “death, bodily injury” with “accidental harm.”

Page 9, line 16: Add “per accident” at the end of the sentence to make clear that the insurance requirement is per accident and not an annual aggregate of all claims. Some policies have a limit for the entire year; some for each accident. So a \$1 million policy might provide \$100,000 for each of ten deaths if the \$1 million policy limit is for all accidents that happen in that year; or it could be \$1 million for each death in ten separate

accidents if the limit is per accident. It is possible with an annual limit to “run out” of or exhaust benefits part way during the year if claims reach \$1 million and leave all others later in the year with no benefits. Annual limits are often found in surplus lines policies. Because surplus lines policies are permitted on page 10 at line 17 this should be clarified to avoid confusion.

Page 10, line 9: Add “in addition to the coverage required in this chapter” to the end of the sentence. It is common for surplus lines policies to deduct defense costs from the policy coverage. This is called “burning” or “cannibalizing” limits in the insurance industry. So, if the coverage is \$1 million and the defense attorneys and expert witnesses charge \$1 million there is no benefit left. If they charge \$500,000 then there is \$500,000 left for benefits. Motor vehicle insurance policies do not do this. They pay the full policy limit for benefits; and pay all legal, expert witness, court costs and other defense expenses separately in addition to the benefits. This potential ambiguity should be eliminated since the use of surplus lines policies is allowed by this measure.

Page 12, line 16 through Page 14, line 20: Delete this exclusion as discussed above.

Page 13, lines 15-17: This permits motor vehicle insurance to exclude coverage for TNC rides and also “while the driver otherwise uses a vehicle to transport riders for compensation.” This means that if grandma gives her grandson \$20 to take her to the airport there is no insurance coverage for him, her, or anyone else the grandson might injure while driving grandma to the airport.

Page 14, lines 13-14: This also permits the exclusion of coverage for “vehicles used to carry persons or property for charge,” not just TNC vehicles. So, there would be no coverage if grandma gave grandson \$20 to take her to the airport; and there would be no coverage if grandma gave grandson \$20 to pick-up groceries for her from the supermarket (since her would be carrying property for \$20).

In addition, if a yardman used his truck to haul rubbish there would be no coverage as long as he was “available for hire” even if he wasn’t actually hauling anything at the time. If applied literally, this provision could be used to exclude coverage almost entirely.

Thank you for considering our testimony. Any questions can be directed to Bert Sakuda or Shawn Ching, attorney members of the Hawaii Association for Justice.

January 25, 2016

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON  
CONSUMER PROTECTION & COMMERCE  
ON HB 1463 HD1 RELATING TO TRANSPORTATION**

Thank you Chair McKelvey 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.

HTA supports this bill.

An entity that chooses to offer transportation services to the public must be regulated in the interest of that public. Currently, an entity is regulated by the State Public Utilities Commission (PUC) or by the counties' taxi administrators.

These agencies protect the public by ensuring that reasonable levels of commercial liability insurance is in place for passengers, property and other vehicles. This also ensures a fair and reliable level of rates and fees will be charged for services. The registration of service providers facilitates the ability to locate them should the need arise.

Thank you.

Hawaii State Legislature  
House Committee on Consumer Protection and Commerce  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

January 22, 2016

*Filed via electronic testimony submission system*

**RE: HB 1463, HD2, TNC bill - NAMIC's Written Testimony in Support of Legislation for Committee Hearing**

Dear Representative Angus L.K. McKelvey, Chair; Representative Justin H. Woodson, Vice Chair; and honorable members of the House Committee on Consumer Protection and Commerce:

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the January 25, 2016, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation.

NAMIC is the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

The 1,300 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$208 billion in annual premiums, accounting for 48 percent of the automobile/homeowners market and 33 percent of the business insurance market. NAMIC has 69 members who write property/casualty and workers' compensation insurance in the State of Hawaii, which represents 30% of the insurance marketplace.

Through our advocacy programs we promote public policy solutions that benefit NAMIC companies and the consumers we serve. Our educational programs enable us to become better leaders in our companies and the insurance industry for the benefit of our policyholders.

NAMIC's members appreciate the importance of business innovation and we support the development and growth of transportation network companies (TNCs) and other "sharing-economy" business endeavors.

NAMIC believes that TNCs, like all other business operations, need to take full responsibility for the legal liability exposure and public safety risks posed by their business activities. Since the TNCs are engaged in a new form of commercial transportation, it is reasonable and appropriate

for them to be required by state law to be responsible for all the commercial transportation liability issues created by their business activities.

The TNC commercial transportation model requires TNC drivers to transport TNC passengers for hire in the TNC driver's private vehicle. Since the TNC driver's activities are clearly commercial in nature, the TNC driver's private passenger automobile insurance policy is most likely not going to provide a duty to defend or any insurance coverage for the commercial transportation use of the TNC driver's personal automobile. Consequently, the TNC commercial transportation model creates an "insurance coverage gap" which poses a legal liability exposure problem and public safety risk for the TNC service driver, TNC passengers, and the general public.

State Legislatures throughout the nation have been passing pro-consumer protection legislation to address this "insurance coverage gap", in a way that is pro-business innovation, pro-consumer-protection, and pro-business responsibility. State elected officials have focused their attention upon making sure that there is a clear demarcation between commercial auto activities and private passenger auto activities, so that TNC activities don't become an unnecessary insurance rate cost-driver for private passenger auto insurance consumers.

NAMIC appreciates the fact that there are presently a number of TNC bills pending before the Hawaii State Legislature, and that these proposed bills offer different legislative and regulatory approaches to address the "insurance coverage gap" issue. NAMIC supports HB 1463, HD2 because it is modeled after the National Conference of Insurance Legislators' (NCOIL's) Model Act, which was created after extensive evaluation, thoughtful debate, and reasoned compromise by a broad cross-section of interested stakeholders, including representatives of the national insurance trades associations, multi-state insurance companies, the TNC industry, and consumer protection groups. NAMIC believes that this proposed legislation best promotes "responsible" transportation business development, preserves the availability and affordability of private passenger auto insurance coverage, and facilitates motor vehicle consumer safety.

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at [crataj@namic.org](mailto:crataj@namic.org), if you would like to discuss NAMIC's written testimony.

Respectfully,



Christian John Rataj, Esq.  
NAMIC Senior Director – State Affairs, Western Region



**Testimony of  
Gary M. Slovin / Mihoko E. Ito  
on behalf of  
USAA**

DATE: January 23, 2016

TO: Representative Angus McKelvey  
Chair, Committee on Consumer Protection & Commerce  
*Submitted Via [CPCtestimony@capitol.hawaii.gov](mailto:CPCtestimony@capitol.hawaii.gov)*

RE: **H.B. 1463, HD1, Proposed HD2 – Relating to Transportation  
Hearing Date: Monday, January 25, 2016 at 2:00 p.m.  
Conference Room: 325**

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Dear Chair McKelvey and Members of the Committee:

USAA **supports H.B. 1463, proposed HD2**, which adopts the NCOIL model act to, among other things, establish insurance requirements and qualifications for persons who operate or serve as drivers for transportation network companies (“TNCs”).

USAA supports the insurance requirements in the proposed H.D.2 version of this bill because they reflect key principles that should regulate TNCs, including: 1) requiring TNCs to have primary insurance coverage that specifically covers TNC activity, 2) providing clear guidelines for TNC activity and 3) requiring claims cooperation by TNCs.

We believe that the current language in the bill strikes the balance between allowing innovation in the marketplace, while still providing clear guidelines to regulate TNCs, and preserving insurers’ ability to take rating and underwriting actions for specific populations of insureds.

Thank you very much for the opportunity to provide testimony in support of this bill.

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Gary M. Slovin  
Mihoko E. Ito  
C. Mike Kido  
Tiffany N. Yajima

999 Bishop Street, Suite 1400  
Honolulu, HI 96813  
(808) 539-0840



January 23, 2016

Re: Written Testimony in Opposition of HB 1463 HD2

Chair and Committee Members:

WHAT THE HELL HAPPENED!?!?!?

In 2015, **H.B. No. 1463 H.D. 1** was the most substantive of all the numerous bills related to TNC not only in terms of volume (36 pages), but also in terms of its careful deliberation prioritizing public safety over covering to big money from Wall Street. An example of such careful deliberation can be found in Section 1 of H.D. 1 which read in part:

“.... Transportation network companies have expanded transportation options for the benefit of society. They have also inspired persons providing more traditional modes of public transportation [i.e. traditional taxis] to modernize and enhance their delivery of transportation services to the public..... **Although transportation network companies may operate under a different business model for connecting customers with drivers, their primary service is that of a motor carrier; to transport passengers or property for compensation .** Accordingly, transportation network companies **must** be subject to the **same regulations and governmental oversight applicable to other traditional motor carriers.**” (emphasis added)

So I say again, WHAT THE HELL HAPPENED in the course of a year for **H.B. No. 1463** to be transformed from a fair, thoughtful and deliberate approach to what is now, at best, intellectual dishonesty or, at worst, blatant corruption.

Sorry to be blunt, but this grossly unfair version of the Bill affects the livelihood of over 2,000 full-time drivers who have invested countless hours into complying with regulatory mandates aimed at public safety and consumer protection just so they can put food on the table for their family. This perverse and unfair Bill will displace and decimate the lives of thousands of hard working, full-time drivers by enabling tens of thousands of part-time drivers to “supplement” their income for a fancy dinner out-in-the-town, or to prey on passed out female passengers on weekend nights, by spending literally an unconscionable 20 minutes on the computer to sign up to be TNC driver. **DO NOT TREAT OUR PROFESSION OF FOR-HIRE DRIVERS AS COMMON AND UNSKILLED LABOR.**

### CONCLUSION

I agree with the recitals and premise of the 2015 H.D. 1 version of H.B. 1463. A smart phone app is new technology that efficiently dispatches and coordinates transportation, and technology that all transportation providers should be encouraged to adopt. However, as H.D. 1 correctly recognized, a smart phone app it is NOT A PANACEA to all the danger presented in the

inherently dangerous activity of driving for profit. The means of ordering a ride may be different, but the act of transporting remains the same.

Unfortunately, Uber has not just grown its valuation from \$50 Billion last year to \$60 Billion on the backs of its naïve amateur part-time drivers, but it seems it's also grown its influence over the authors of H.D. 2.

B.T. Trans, LLC dba EcoCab

By:     /s/ David Jung      
David H. Jung  
Its General Manager



Lyft Testimony in Support of HB 1463  
House Committee on Consumer Protection & Commerce | Hawaii State Legislature  
Monday 1/25/2016, 2PM | HCR 325

Chairman McKelvey, and Members of the House Committee on Consumer Protection & Commerce.

My name is Annabel Chang, and I am the Director of Public Policy for Lyft. Thank you for this opportunity to share Lyft's strong support for HB 1463 and the benefits of peer-to-peer ridesharing.

Lyft is an online ride-sharing application that connects people with efficient, friendly and safe drivers in their community. To use, simply download and register the application on your smartphone. From then on, requesting a ride happens with just the push of a button. This innovative model of ridesharing enhances access to alternative forms of transportation for Hawaii locals and tourists alike--and acts as a compliment to the existing transportation infrastructure in the state. More than anything, Lyft is about giving people choices.

Lyft's number one priority is the safety of its users. Lyft drivers are extensively pre-screened and have passed a thorough driver record review and in-person evaluations, in addition to having their vehicle pass a comprehensive nineteen-point vehicle inspection. To do the background checks, Lyft contracts with a company called SterlingBackcheck, an international provider used by 25% of Fortune 100 companies. That focus on safety and security continues throughout the Lyft experience-- every ride is protected by Lyft's \$1 million commercial automobile liability coverage, which protects riders and drivers throughout the ride.

What really distinguishes Lyft from traditional for-hire services is how we utilize technology to ensure a safe riding experience. Every Lyft ride is tracked via GPS. When a rider is matched with a driver via Lyft, the rider receives a picture and the user rating of the driver and the make and model of the vehicle coming to pick them up. Lyft's user rating system allows a rider to provide instant feedback on safety, navigation, and overall ride experience. Any driver who maintains a rating of less than 4.6 out of 5 stars is removed from the Lyft platform. Drivers are also able to rate riders and flag abusive or dangerous situations. That is real time feedback that you won't find with legacy services.

We are proud that Lyft is more than just a ridesharing application-it is your friend with a car. Lyft is bringing communities together through the medium of ridesharing. Lyft is allowing residents the opportunity to earn flexible, supplemental income by using their private vehicle to rideshare with their neighbors. 2/3's of Lyft drivers drive less than 15 hours a week--they're casual drivers who don't fall within the traditional livery or taxi framework. The Lyft community is made up of retirees, single moms, graduate students, folks trying to get around and families simply trying to make ends meet.

Along with these community benefits, we believe that Lyft is contributing to a more sustainable environment. Over 80% of the cars on the road have only one occupant. By getting a Lyft instead of driving, both residents and visitors are saving time, reducing their carbon footprint and lowering greenhouse gas emissions, an environmental priority of Lyft.

The proposed legislation will create a regulatory framework that will allow Lyft to continue to utilize leading background check experts and the latest technology to connect users to safe, affordable and friendly transportation options.

Thank you for your consideration of HB 1463.

**HOUSE COMMITTEE  
ON  
CONSUMER PROTECTION AND COMMERCE**

January 25, 2016

House Bill 1463, HD1, PROPOSED HD2 Relating to Transportation

Chair McKelvey, Vice Chair Woodson, and members of the House Committee on Consumer Protection and Commerce, I am Rick Tsujimura, representing State Farm Mutual Automobile Insurance Company (State Farm).

State Farm offers the following comments about House Bill 1463, HD1, PROPOSED HD2 Relating to Transportation. We believe that transportation network companies (TNCs) should be subject to certain basic principles.

- TNCs must carry insurance coverage to protect the public, passengers, and their drivers.
- This is a commercial activity that should not be covered by the private passenger auto policy (PPAP), because that would affect the rates of all purchasers of individual personal auto policies to subsidize the cost of doing business for TNCs. This would be unfair to all other PPAP insureds.

State Farm supports House Bill 1463, HD1, PROPOSED HD2, in its current form. We respectfully request that the committee pass the bill to ensure that the public is served with appropriate rules and statutes to protect the driving public, pedestrians and others, as well as to properly assign the risks of transportation network drivers. We ask that the measure be passed as is.

From: Eitan Cohen <eitanc@hawaii.edu>  
Sent: Friday, January 22, 2016 1:57 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

Driving for uber and lyft is my only job, and I would have no livelihood without it. The rideshare platform itself is a beautiful update to the traditional form of taxi hailing/dispatching that provides superior service and reliability to passengers (many of whom are drunk and I am taking them home safely, you're welcome). The only reason the legality of this platform is being discussed is because it is threatening the monopoly of the metered taxi industry. In a free market such as this one, how can we let large industries bully startup services trying to improve upon transportation systems. I take pride in being better and cheaper than a cab, yet being able to make the same amount of earnings personally. This system is better for the people, and better for me. If the taxi industry feels threatened it should seek to improve, perhaps emulating the popular features of ridesharing platforms, not seek to shut them down because they are losing customers to them. The people have spoken, but will you listen to them, or to the lobbyists on the taxi industry payroll?

Sent from iPhone

woodson2-Shingai

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From: anna lee <purpleanna75@gmail.com>  
Sent: Friday, January 22, 2016 2:10 PM  
To: CPCtestimony  
Subject: I am uber driver

Hello,

I drive uber part time and probably I have to drive full time due to expensive living cost in Hawaii...

Uber gives me freedom financially and I completely depend on Uber for my income.

Please let Uber continue in Hawaii.

woodson2-Shingai

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From: Rah Dney <rodnevroq007@gmail.com>  
Sent: Friday, January 22, 2016 2:20 PM  
To: CPCtestimony  
Subject: Uber

Uber has helped spur the states economy in the short time it's been here. Customers feel safe with the service and provides a much needed alternative to the current options.



woodson2-Shingai

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From: Tate Matthews <tate.h.matthews@gmail.com>  
Sent: Friday, January 22, 2016 2:25 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

Uber provides a service that the consumer prefers over the alternative.  
Let the free market make the determination, not legislation.

Sent from my iPhone

From: shnl417@aol.com  
Sent: Friday, January 22, 2016 2:26 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

My name is Sue , and I am an Uber driver. By driving Uber giving me to generate extra income for the household. Before driving for Uber no one would hire me as I only able to work at certain hours at certain time as I am also mom. So while my child is at school I am able to drive Uber to generate income. With this extra income does help out a lot. With the increase on rent and everything else seem to be expensive, with this Uber income gives me less worry about money, then living from pay check to pay check.

With Uber I also be able to provide for my daughter at school and supplies and field trips so she be able to attend. I don't have to worry as much.

Thank you

Sue

woodson2-Shingai

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From: Ai Saysamone <ai.saysamone@icloud.com>  
Sent: Friday, January 22, 2016 2:28 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

Dear Uber Corp.,  
Before I send my testimony, to

"What we are isn't always what we planned for ourselves, GOD has a plan for us."

-Saysamone

From: Kent Coules <kcoules@gmail.com>  
Sent: Friday, January 22, 2016 2:53 PM  
To: CPCtestimony  
Cc: Ruth Coules; Alexa Coules; scoules@hawaii.edu  
Subject: Ride Sharing Service Benefits to Hawaii and its residents

As you review legislative restrictions on ride sharing service companies in Hawaii consider this:

I have been driving for Uber for less than a month. By far the most important reason to protect these cost effective services is that it makes for safer road conditions. At least one quarter of my passengers are people (mostly young) who use Uber and Lyft to avoid drinking and driving. I'm willing to bet that if you look at drunk driving arrests, accidents and fatalities before and after Uber and Lyft launched in Hawaii, you will see a marked decline in all three categories.

These passengers have almost unanimously stated to me that they would not use cab services when going out drinking because they are too expensive and unreliable.

Safety should be your primary concern when reviewing the impact that ride sharing services have had on the state. It would be a travesty for you to choose financial interests and lobbying concerns over the safety of the citizens you are elected to protect.

Face it. Uber built a better mouse trap. That's what happens in America. If you're going to legislate against these incredibly beneficial services, maybe you should legislate against cars for the horse and buggy industry while you're at it.

Respectfully,

**Kent Coules**

Coul Productions

908.268.4420 - West Coast Office

808.260.9064 - Hawai'i Office

908.797.7079 - Cell

[www.coulproductionsllc.com](http://www.coulproductionsllc.com)



From: Dianne Morrison <dianne.morrison89@gmail.com>  
Sent: Friday, January 22, 2016 3:06 PM  
To: CPCtestimony  
Subject: uber testimony

To whom it may concern,

Uber has become an instrumental part of our families income. With recent cuts from the military to COLA and BAH in hawaii. uber has allowed my family with a flexible way to bring in income so we aren't strapped each pay period. Both my husband and I drive uber in our free. over and over again I hear riders express how instrumental is in their daily commute and allows them to be able to go out and enjoy time with friends and family while having a safe affordable way to get to and from those locations. Uber is instrumnetal , I believe, in offering an affordable alternative to encourage citizens not drive themself and not put the rest of public affordable risk. my customers often express how they feel safer too because Uber drivers are in their personal vehicles they don't take unneeded risk when driving. this is what I do know. uber provides me an opportunity to make much needed extra income and it allows customers to have access to affordable travel options in hawaii. to me overall Uber seems win win for everyone invovled in the process directly. Without Uber my family would have less money to put back into the Hawaii economy. I think the same goes for uber customers. less spent on the ride equals more money to be spent directly into the community.

thanks

Dianne Morrison

From: Michael Rosenberg (Uber Support) <support@uber.com>  
Sent: Friday, January 22, 2016 3:20 PM  
Cc: CPCtestimony  
Subject: [Uber] Update: Proposed HB1463 HD2



##- Please type your reply above this line -##

You are registered as a cc on this help desk request and are thus receiving email notifications on all updates to the request.

To review the status of the ticket and add updates, follow the link below:

<http://ubercab.zendesk.com/hc/requests/104217844>

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Michael Rosenberg

Jan 22, 17:19

UBER helps me to keep my head (barely) above water as a much needed additional source of income. My wife and I work hard to pay our bills but it is always 2 steps forward, 3 steps back as the cost of living continually increases. If I loose this opportunity, it could tip the scales in the wrong direction and my financial situation will be devastating. I do not want to have to depend on the system to support me if I fail, I want to contribute to our system by providing a much needed service and paying my fare share. Please don't take away something that benefits many of us in our society. We need UBER.

From: Nico (Uber Support) <[support@uber.com](mailto:support@uber.com)>  
To: Michael Rosenberg <[mrosenberg808@yahoo.com](mailto:mrosenberg808@yahoo.com)>  
Sent: Friday, January 22, 2016 2:50 PM  
Subject: [Uber] Re: Proposed HB1463 HD2

#yiv7270222589 table td {border-collapse:collapse;}#yiv7270222589  
| |

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Nico (Uber)

Jan 22, 16:50

Hello Michael,

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Thanks for writing in.

I appreciate that you sent a message to us but I'm having a hard time understanding your concern. Do you mind explaining it clearer and with more details? Once I have a better view of the issue, I'll be glad to assist you further.

I'll look forward on your response.

All the best,

Nico

[help.uber.com](http://help.uber.com)

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Michael Rosenberg

Jan 22, 15:56

UBER helps me to keep my head (barely) above water. My wife and I work hard but it is always 2 steps forward, 3 steps back. If I loose this opportunity, it could tip the scales in the wrong direction. I do not want to depend on the system, I want to contribute. Please don't take away something that benefits many of us in our society. We need UBER.

Michael Rosenberg 808-223-7822

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This email is a service from Uber.

woodson2-Shingai

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From: Andrew Foster <atfcreative@gmail.com>  
Sent: Friday, January 22, 2016 3:41 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

To whom it may concern,  
I feel strongly that the forces working in opposition on ride sharing on Oahu are entirely special interest. It is in my opinion that the large taxi companies whom have had a monopoly on the ride market are rallying to keep a monopoly in their favor.

What do these companies really fear?

Regardless, please consider this a vote in favor to pass any legislation that supports the on going legality of ride sharing by uber on Oahu.

Sincerely,  
Andrew Foster

Sent from my iPhone



woodson2-Shingai

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From: Jessica Kim <hahoki75@gmail.com>  
Sent: Friday, January 22, 2016 4:50 PM  
To: CPCtestimony  
Subject: Why do I work for Uber

**I'm single mom and the Uber is my second job.**

My daughter is still young and I can't have full time job cause I have to take care of my daughter. It is hard to pay for baby sitter. So I need flexible time job and it is the Uber.

From: Greg Andermann <a2media@me.com>  
Sent: Friday, January 22, 2016 5:14 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

Dear Hawaii Legislators:

I wanted to take this opportunity to address you on the subject of Uber in Hawaii.

I have resided in Hawaii since I was 12 years old. Hawaii is home. I raised my children here. I have been driving as an Uber Partner since about June of 2015.

At the time, I was having a hard time trying to find a regular job. Being in my 60s, no one wanted to employ me because I was frankly too old and “over qualified”. I have a strong background in advertising and television production and had spent the past 15 years making successful independent films in Hawaii and all over Asia.

I made some risky moves in business and hit a deep financial hole. I had over borrowed and needed to work for someone else. If it had not been for Uber, I would have gone under and been on the street!

Uber has allowed me the financial freedom I need to make ends meet in Hawaii. Uber is a wonderful opportunity not only for the driver/partner as an interdependent contractor but even more so for the passengers consisting of locals and visitors alike. My passengers all tell me how much they appreciate Uber in comparison to taxis. Many of Hawaii’s taxi drivers are rude, speak little to no English and don’t know the islands very well as they mostly are immigrants themselves. I take pride in providing a first class lower cost service to my passengers and engage them in wonderful stimulating conversations and serve as a positive and relevant ambassador of Aloha to them.

The Uber experience far exceeds riding in a taxi. It’s much more personable and reliable. If you are thinking of outlawing it or somehow over regulating it, I implore you to reconsider your motivation. Taxi companies exploit their drivers and the riders and overcharge with exorbitant fares. My passengers tell me that a taxi from the airport to Waikiki cost close to \$60. My average Uber fare from Waikiki to the Airport is about \$15. Uber is more cost effective, safer and more reliable than a taxi. Please don’t let the Taxi companies threaten the livelihood of Hawaii’s Uber drivers. The Service we provide is well liked and has become an accepted and valuable resource to the people in Hawaii. To cancel it or over regulate it would be a disservice to the passengers, the drivers and to small business in Hawaii.

Sincerely

Gregory Andermann

A2RideShare (Independent Uber Driver)  
(808) 927-7850



From: Stephen Curty <stevecurty@gmail.com>  
Sent: Friday, January 22, 2016 5:39 PM  
To: CPCtestimony  
Subject: Working For Uber

I worked for Uber for 6 days .  
I worked about 8 hours a day  
I drove all over town  
I made 50 a day  
I have to pay taxes ,gas, maintence , expenses  
Uber makes all the money.  
This service s great for the rider but really bad for the driver .  
Uber is worth 60 billion , what about the driver  
Uber is a rip off company.  
They can always get a sucker driver

never do it again

steve curty  
808-3978748

From: Luika Novoa <myyasmine01@yahoo.com>  
Sent: Friday, January 22, 2016 6:08 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

Personally, I find Uber to be a really great way to make income. It gives the freedom to make your own schedule and make money. This is very important to me. I plan on going to school and I am a full time single mother of two children. The only childcare that i have and trust is my parents and siblings who are only able to watch my children at night. I have one child in school and a four year old not eligible for elementary school until 2017. My four year old is on the waiting list for a free preschool that i trust. I am very cautious of who cares for my children. I could work a regular FT or PT job and give half my paycheck to a preschool/caretaker. Probably being left with what i make for Uber and not being happy. I would be working hard not keeping my whole paycheck and still taking care of two children alone. We are not on Welfare or living in low income housing and I would like to keep it this way. Also I take pride in whatever job i do, i want to do great. As far as it being safe I care about the lives in my car including myself and i also care about my car. I do not want anything to happen to any of those things and i am very cautious. Also driving mostly at night, i pick up a lot of people who have been drinking alcohol. Using an Uber driver from this reason especially keeps our roads and people safe. Even though an Uber driver works for their self, the rider (customer) is able to rate them from a 1-5 star level. I personally care about this rating very much. I would be embarrassed to have a low rating, I want that 5 stars because i take pride in my work. So, if a rider feels unsafe or is not happy it will show in the drivers ratings. Uber provides income for the right type of person. If people in Hawaii are making money, Hawaii is making money. Especiall y on a self employed level with General Excise Tax.

Thank you,  
Shanelle Novoa

From: james keifer <james.keifer98@gmail.com>  
Sent: Friday, January 22, 2016 6:15 PM  
To: CPCtestimony  
Subject: Driving for Uber

To whom it may concern in hawaii government,

Hello, My name is James I work in the Navy and as well drive for Uber as a UberX partner. Contrary to popular belief the US military personnel do not get paid enough to live here in hawaii. With the high cost of living here ie food almost double the price of mainland and daycare is outrageous your lucky to find one that accommodate our ever changing schedules. Along with are pay decreases of the last few months of 300 or more a month. We have to find another way to make ends meet. I was extremely great full and lucky to find the extra income needed to survive with Uber. Without Uber i wouldn't be able to pay for basics such as daycare and the co-pays for my daughters medical and dental. If you take this program away then you take away jobs for locals and an a great opportunity for tourists to see more of the island. Why if you lose Uber then the tourist have to really on taxi 3 to 4 times the cost of uber. Tourist get more out of there vacation using us because we are knowable on the area ie shops and local areas to swim fish hike. Ok now for some disadvantages to ride share. It has cost the taxi companies alot of income and business, but along that same subject they have taken advantage of the island aspect that they are only option for a long time. We still are not allowed to do airport pick ups witch runs 50 to Waikiki more to other sides of island. Thus the advantages of ride share out way the disadvantages. It's time that the island stops monopolizing everything and driving the price up on basic needs. KEEP US DRIVING

woodson2-Shingai

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From: SCOTT KNIGHT <k.night2700@gmail.com>  
Sent: Friday, January 22, 2016 7:26 PM  
To: CPCtestimony  
Subject: Testimony

Driving for Uber is a great source of extra income for the active duty military member. I thoroughly enjoy meeting the local community while providing an affordable service to them. Keep uber in Hawaii!

From: vahineatua <vahineatua@gmail.com>  
Sent: Friday, January 22, 2016 9:23 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

Uber is extremely important in Hawaii because it gives us a chance to earn more money and be our own Boss. I work as a Caregiver and only make \$10.00 an hour and work 12 hours a day to be able to live here.

You already know, that we live in a very beautiful and expensive state.

Don't take away a fabulous opportunity to care for myself and my family just because the Taxicab companies are panicking over our excellent service and competition. Isn't this what America is all about...Free Enterprise and competition? Tell that to McDonald's and Burger King, they're still in business, right!

We provide an affordable way of transportation for everyone in Hawaii!!

I'm proud to work for such an Awesome company!! They need to "Get Over" it! 😊😊

Aloha,

Ijeva Bambridge

Sent from my T-Mobile 4G LTE Device



From: Ed Nix <uber@nixpac.com>  
Sent: Friday, January 22, 2016 11:53 PM  
To: CPCtestimony  
Subject: Ride Sharing

Aloha,

With all do respect for reading and giving any consideration to this letter and my opinion.

Thank you.

Ride Sharing, to be or not to be is not the question.

I believe it is a constitutional issue of freedom of enterprise. What product or service is withheld from a community that provides what the community wants as long as it is not harmful to society. People want ride sharing. Not just a few people. Voters want ride sharing. Other businesses it can be argued are more health harmful for example but, government does not stop the sale of ammonia washed hamburger meat.

The money, control and politics of transportation do not level the playing field of equal opportunity that gives rise to competitive services. I own a performing Arts School Struggling from the fair competition of free enterprise, new schools and a changing Economy. I drive to add income to my struggling school. We have had to change to survive in a changing world. I think stopping Ride sharing is like me preventing you from going to school xyz to learn new modern dance steps because I'm the king of dance schools. Let's keep business competitive, less controlled and unencumbered so it continues to grow, prosper, and provide the best community and social services it can.

I recommend unregulated open markets to open doors to more competition for ride sharing . Let the job and services markets compete for drivers and services. They will

Improve and ballance the needs of all.

It's about more jobs, more taxes, more income, flexible revenue opportunity for struggling employment and a damn good idea and service. A monopoly of any kind, almost always lessens quality and fairness of service .When you have seen the people it helps in infinite situations you realize the people your helping get home safe, buy and help deliver their groceries, deliver people to emergency, help with limiting more cars on the road and traffic.

This is not just about Uber. It's about jobs, fair and competitive markets.

It's about just, and equal commerce.

Mahalo

Ed Nix

Via InoMail on Android

From: CBW <roxy.creative.body.works@gmail.com>  
Sent: Saturday, January 23, 2016 7:29 AM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

Dear Legislative Body,

Uber has become a valuable means to create some additional income for my family. It allows us to work in the small pockets of time, allow us to put our families first and still be able to create some extra funding for our family, which a regular job does not. We are still able to drop off and pick up our children from school, get our errands done and do some other work in between our uber trips. As a rider, uber has been so helpful in providing door to door service for many individuals without the the ridiculous prices of a taxi cab. Drivers are so much nicer, knowledgeable and accommodating than taxi cabs and more efficient that then bus system.

We, are Therefore, in favor of keeping rise sharing as part of a way to increase Hawaii's local economy.

Respectfully,

Roxanne Young

Sent from my iPhone

woodson2-Shingai

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From: Pimpo 2004 <manguelimpo@yahoo.com.br>  
Sent: Saturday, January 23, 2016 8:38 AM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

Yes I testimony

Sent from my iPhone

From: Oran Spotts <ospotts@hawaii.rr.com>  
Sent: Saturday, January 23, 2016 9:45 AM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

January 23, 2016

Dear Legislators;

Regarding the House Bill 1463 HD2

Consider the facts of this bill rather than here say. Please speak with actual riders for their input rather than Cab drivers. I have an average of 12 – 15 riders daily and nobody has indicated a negative ride. The people who use our service are made up of primarily University students who cannot afford an automobile, parking fees and time wasted waiting for a bus or taxi which can take 30 to 45 minutes. It is a real financial struggle to take a cab from the airport as well due the exorbitant cost. Many foreign and domestic tourists are also using our Uber services as it is fast and reasonable, many have mentioned they feel safe in our vehicles as opposed to taxi's where the driver in most cases does not speak or understand English and does not know the Hawaiian road names. Please consider making Hawaii a model for the ride sharing industry as it is now worldwide. I have riders from China, Japan, Australia, New Zealand, Europe, France, Italy, Sweden as well as Canada and the United States. I have also been told that LAX has recently approved pickup by Uber drivers.

Oran Spotts

Retired Uber Driver

From: brilynych77@gmail.com on behalf of brian lynch <Brian.Lynch@coloniallife.com>  
Sent: Saturday, January 23, 2016 10:36 AM  
To: CPCtestimony  
Subject: Uber Testimony

To Whom It May Concern:

I am not 100% certain of what the legislative process or concerns are regarding Uber and its presence in Hawaii. However, I know what it means to me and my family. For myself, and most likely all other Uber drivers this opportunity provides needed income for us to try and live above the rampant poverty level in Hawaii. I am sure that you are all aware of the cost of living in this state, and its effect on the well-being of the Americans citizens that live here. With the extra income that Uber provides, us citizens of America, it allows us to provide better nutritional foods for our children, better education, much needed clothing, as well as, regular sanitary needs for showering and laundry.

With this extra income that you (legislature) are trying to take away or dip in to, you must understand that we the American citizens are trying to better ourselves, and not rely on welfare or state funding to live each and every day. Would not you, the Legislative Representatives for the people, want to see all American people succeed. Is not that why, You took and were elected to office? Is it not your job to enhance and protect us.

I do understand the the "Union Taxi" organization has pressure on this, and that they are losing money. Maybe you should talk to the average citizens in Hawaii that use Uber and have, like I said HAVE used taxis. You will learn that the "Union Taxi" service is too expensive and that gratuity is automatically included in the fair. If anything it is a monopoly and needs to be busted. I hear rumors of Uber going away or metering devices being installed in the vehicles. In either situation, you the Legislative Branch will take away from Americans again. So before you make your decision -- think about who elected you, think of your family, think morally. Maybe your pockets are being lined by the "Union Taxi Organization." If anything changes, that effects my income, my family: I will be filing a class action lawsuit.

Times have changed, people have changed, You need to change as well.

Respectfully,  
Uber Driver

From: Landis Lum <landisl005@icloud.com>  
Sent: Saturday, January 23, 2016 11:29 AM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

I am a Hawaii resident 60 year of age, & am puzzled as to the rationale behind regulating UBER like taxi's. Is there any evidence that regulation is in the public interest, would improve public safety, or is unfair from a business standpoint?

The requirements (instigated by the taxi Industry, who have a vested interest in protecting their profits) to have meters inside cars and a "cab sign" on car roof's ignores the fact that UBER is taking advantage of new technology utilizing GPS as a means of determining distance driven, thus making physical meters inside of vehicles extraneous. There is no evidence that external "cab signs" would enhance public safety or serve the public interest in any significant way. Uber does background checks utilizing prospective driver Social Security numbers, and there is no evidence that these checks are in any way inferior to those done by a taxi companies, or have resulted in any increases in criminal actions on the part of Uber drivers. There is no evidence that the methodology Uber drivers use to find clients has resulted in more accidents.

Uber is based upon a new business model, and to exclude them from entering the public transportation business reduces competition and may be detrimental to the public interest in terms of not allowing the public to take advantage of resultant reduced transportation costs, and also unfair to unemployed or underemployed individuals who wish to become uber employees (& become productive members of society, even reducing homelessness if they can make enough money to pay the rent) to provide income for their families. Yes, it is unfortunate that taxi drivers have lost business because of uber, but should this be cause for excluding Uber or for putting up artificial barriers & increase Uber's costs? When BlackBerry was going out of the cell phone business because of innovative technologies that Samsung and Apple discovered, should we have created protectionist policies for BlackBerry?

Many people use Uber because they feel they get superior service at a lower cost than taxis. Uber customers rate the drivers, and drivers with bad ratings soon find they no longer have Uber clients. People say Uber drivers are friendlier, and their cars are cleaner and nicer than taxis (only late- model cars that have passed safety inspections can qualify to be Uber cars, and cars in poor condition or with bad odors will not get good customer ratings). They also like the online pre-paid convenience of Uber.

As Uber does not require cars to be hailed, this means that it can more easily pick up customers in less built up neighbourhoods, eg, rural areas. For this reason, Bloomberg Review said that Uber helps the poor by making it easier for them to get a taxi. (Megan McArdle (July 20, 2015). "[Uber Serves the Poor by Going Where Taxis Don't](#)". [BloombergView.com](#).) It also helps reduce congestion as "because Ubers can't accept street hails, they do much less unnecessary driving-around than either yellow cabs (who are cruising for hails) or individuals (who are looking for a parking spot)." Finally, having Uber in a city reduces drunk driving rates -- if people are comfortable with a low-cost & convenient transportation alternative, then they can plan to go to a party, have a few drinks, and plan to have Uber drive them home afterwards (see <http://lyftubernewsletter.com/uber-advantage-over-taxis/>)

Putting up artificial barriers for Uber will not make Hawaii a safer place to live, and may actually be counter to the public interest based upon the above arguments.

Sent from my iPad

From: sasoripower11 <sasoripower11@gmail.com>  
Sent: Saturday, January 23, 2016 11:32 AM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

I am a mother of 4. I just started to do uber driver in December 2015. I really enjoy being driver and also a uber user as a rider. .

Uber is helping me increase my income. Since Hawaii's cost of living is too high and I have 4children uber is working out for me very much. I will probably not making any extra income if there was no uber. Uber is very helpful for me since I have 4children and be able to work on flexible time.

Also as a rider, I am very happy with uber. Because I can save a lots of money.!

Sent via the Samsung Galaxy Note5, an AT&T 4G LTE smartphone



From: Chriss Angelle <chrissjalavaz.centauri@gmail.com>  
Sent: Saturday, January 23, 2016 12:48 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

I just got fired from my job last week, not because I did a major violation, but because the job I had was too much for me to handle. I have been telling them long time ago that the job they gave me is not for me, but they ended up telling me back the words I told them. So, I lost my job. Losing someone's job is a disaster. We all have monthly dues and responsibilities. Debilitating bills are keep coming every month, and everyone needs jobs to satisfy monthly responsibilities. Luckily, I am a partner of Uber. Although the money I get from giving passengers a ride to their destinations is not as big as the real job I had, Uber helps me to pay my bills. It is better to have something than to have nothing. I feel like somebody caught me when I fell down. While I look for another job, I do Uber to earn money. Uber also keeps me credit worthy. I have loans and debts to different financial institutions, so I have to keep paying them to remain credit worthy. Uber helps a lot of people like me, and I would say I'd be totally broke without Uber. People here in Hawaii need Uber.

Best wishes,  
Chris.

From: Kayla Rosenfeld <krose@hawaiiantel.net>  
Sent: Saturday, January 23, 2016 1:47 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

Dear Committee Members:

Everyone wants/needs access to quick cash at some point in life. I am a communications profession who supplements my income by driving for Uber in my free time. The ride sharing program provides a (mostly) safe service for customers and a weekly income for drivers.

I also appreciate the company's quality control program. Before driving, I had to prove that I'm appropriately licensed and insured, and have my car inspected by an Uber mechanic. A former BMW mechanic and vintage car dealer, he was interesting and pleasant to deal with.

It was less than 24 hours between the time I applied online for clearance and the time I picked up my first customer.

I understand that ride sharing policy still needs to be fine tuned. However, I urge you not to remove an easily accessible income generating option for those who can meet reasonable requirements.

Thank you for the opportunity to testify on this issue.

\*\*\*\*\*

Kayla Rosenfeld, Communications Consultant  
808-230-5960 text/mobile

From: Surinder Matharu <snailmail1914@gmail.com>  
Sent: Saturday, January 23, 2016 8:42 PM  
To: CPCtestimony  
Subject: Uber

Dear Sir or Madam,

It has come to my attention that your office is contemplating taking UBER away from residents. I would like to ask that you do not do that, UBER drivers provide an important service to Hawaii residents and tourists. It provides safe transportation and reliable data regarding the car, driver and his/her location. Because many tourists take advantage of the night life which includes drinking, an uber driver will prevent the possibility of people getting in their cars and taking the chance on crashing and kill ing themselves and it others. Please do not take UBER away, it's safe, affordable and reliable!

Thank you for your time,

respectfully,  
Sonia Matharu

From: Freddy Castro <fcnc4ever@hotmail.com>  
Sent: Saturday, January 23, 2016 11:23 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

It pains me to think that ridesharing will be restricted in Hawaii because lawmakers are working with taxi companies to do so. I can tell you that as a consumer, I would never ride a taxi because of a myriad of reasons. I would however consider using ridesharing for several reasons. Let me elaborate on my statements.

First of all, I would never ride taxis because they're notoriously expensive. The passenger is never informed of how they are being billed for the ride. It is a complete mystery to most riders of taxis. Ridesharing companies like Uber on the otherhand, give riders details of how the ride is being billed, and ridesharing is always much much cheaper! Even with the vilified surge pricing in ridesharing it is still cheaper than a taxi to get to your destination. It provides the average person an affordable alternative to riding the overpriced taxis and notoriously late buses. Also, cash is never part of the equation with ridesharing. It's all done online.

Second, taxis drivers can often take the longer more time consuming route to get from point A to point B just to make the fare more expensive. I can tell you from personal experience, this has happened to me several times. With ridesharing, it's impossible because the routes taken are often dictated by a GPS application that all drivers must use in conjunction with their ridesharing application which is essential to driving for a rideshare company like Uber. Technology takes the guesswork and monkey business out of selecting a route to take the rider to their destination.

Thirdly, another reason why I might not ride a taxi is because of the driver. It is very difficult to generalize and say all taxi drivers are no good, because they're not. Most taxi drivers are fairly nice and great human beings but we all hear the horror stories of rude drivers or drivers who can hardly communicate with riders either because of limited English ability or bad social skills. Again, from personal experience I can say I have come across these types of taxi drivers.

To add to that, when a rider makes a complaint about a taxi driver, how is it handled? Are they held accountable for their actions? Are there repercussions to being a bad driver? As a consumer, how do we know the answers to these questions? With ridesharing the rider/consumer can have a direct and immediate impact on the rating of the rideshare driver because of the cell phone based application that is used to call/hire the driver. At the end of every ride, the rider can give the driver a rating based on their ride experience. For example, each rideshare driver can get a rating of one to five stars. Five stars is the best rating and one star is the worst. The rider can also leave comments about their experience by using the cell phone application which is a basic and essential part of ridesharing. With enough bad ratings, the rideshare driver loses the privilege to drive almost immediately, because the phone application on which the ridesharing platform is based will prevent the bad driver from continuing to drive. Because of technology, the rideshare driver is always held accountable! What of the taxi driver?

My question to lawmakers is, who are you representing? The average voter or the taxi companies you seem to be in cahoots with? The taxi companies would have you believe that the average rider who uses ridesharing is a visitor or tourist. That is completely false! As a ridesharing driver, I can tell you that ninety percent of my fares are Hawaii residents. Many of these same people would never ride a taxi because of the same reasons I have presented above. These people are your so called constituents that you represent!

This is just another way for the taxi industry to keep going without fixing the inherent problems that are part of its existence. Instead of making a change for the better and changing to meet the competition head on, the taxi industry has enlisted YOU the lawmakers to legislate its bad business strategy. The use of technology in ridesharing is part of its appeal, and is the reason why it's part of the future of transportation. Don't drag us back to "the good old days" when

the only alternative to getting home on late nights was the expensive taxi. I implore you! Don't restrict ridesharing! Too much regulation will only make it equivalent to the old taxi industry. You should try ridesharing first before you restrict or over-regulate it. Then you will see why it is so popular and a much better alternative than the taxi.

Throughout history, businesses and industries come, go, and change with the economic or business climate. It's called survival of the fittest. Please don't stand in the way of this natural process. I believe that the taxi industry can benefit from the "threat" of ridesharing. It can change with the times.

Sincerely,  
Voter  
Freddy G. Castro

From: Doniell Askew <doniellaskew@gmail.com>  
Sent: Sunday, January 24, 2016 12:26 AM  
To: CPCtestimony  
Subject: Ridesharing in Hawaii

To whom it may concern,

My name is Doniell and I am an Uber driver here in Hawaii. I have been driving since August and cannot begin to rave about how much I enjoy what I do and the freedom it gives me as well as the convenience and safety it gives to my customers. Tourists and locals alike speak with me daily of how Uber has made it so much easier to get around whether it be a ride to the store, work, bar or tourist attraction. They all seem to love what we provide for the. With that being said, I ask as a driver and customer of Uber and as a taxpayer of this beautiful state that you at the very least do some research on what the pros and cons are and not just get rid of such an important and innovative program just because of competition. See for yourself what Uber has done to lower drunk driving. Ask the local MADD chapter about their feelings of what Uber provides. Ask the many tourists that come here and ask what they prefer to use as transportation. Survey the locals here to see how they like to get around town. You can also check the Yelp reviews and see how many people enjoy our service. I simply ask that you do your job and thoroughly analyze what ridesharing has to offer rather than just toss it so the side for no reason. There are way too many positives and to terminate it without a proper probe is lazy, unfair and frankly thoughtless. It's all about moving with the times. The regressive frame of mind has to stop now! Thank you for your time!

Doniell Askew

From: dkkanda@live.com  
Sent: Sunday, January 24, 2016 1:33 AM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2 - Comments - Devin Kanda  
Attachments: House Bill 1463 HD2.docx

Hi,

Regarding House Bill 1463 HD2. I am a current Uber driver and have been driving for around a month. I have a Management Information Systems degree from the University of Hawaii, Manoa and currently drive for Uber to support my entrepreneurial endeavors and also to continue my education in getting certifications for the Information Technology field. I do not support House Bill 1463 HD2 because I do not agree that transportation network companies and their drivers/riders operate in the same manner as a traditional taxi business, and therefore do not need overextending regulations as proposed in this bill.

Transportation network companies are more similar to carpooling services than hired taxi. The difference lies in the way in which the drivers and riders are matched. Since transportation network companies are community driven, drivers are matched with the closest possible rider through matching GPS signals given off of the mobile application together. This is different from a taxi where a request is collected and dispatched to a specific driver to the rider, thus not using the most efficient delivery system of using the closest driver available. In my experience the furthest rider I picked up was at most 10 minutes away. The system is so efficient that it is hypothetically just like seeing a friend or family member on the side of the road, just minutes away, and dropping them off as you are on your way back home from work. There is no backtracking or wasted resources and time as in a traditional dispatched hired taxi.

Another difference is that transportation network companies takes care of all of the fees and charges unlike a taxi. As a driver I do not handle any cash or collect fees at all, my sole responsibility is to pick a rider up and drop them off. This is a benefit on the riders end as the rider cannot get ripped off by the driver, as the driver has no part at all on the financial transaction. Just as in carpooling, both drivers do not handle money transactions whereas a traditional hired taxi does.

Regarding other proposed measures in the bill; a transportation network company already has policies in place to ensure that drivers are not criminals, will not use drugs or alcohol, and not be a threat to riders. I had a multi-state background check done on me along with a check on my driving history. If policies are broken the driver is immediately revoked from the system. Companies also ensure the vehicle is safe for being driven. Safety checks are required along with a more comprehensive car inspection performed by an employee of the transportation network company at their local office. There are also a policies in which companies such as Uber only allow a 2004 or newer car to be used.

Regarding insurance, transportation network companies already check drivers to ensure that they have adequate car insurance. Transportation network companies have policies to cover drivers for damage or loss during rides, for example Uber has a 1,000,000 dollar insurance policy for drivers, while that driver has a rider in transit. The only problem is that personal car insurance policies may not cover a driver who has no rider if they are logged onto the transportation network system. In this case however it is not the driver's fault for perhaps not being covered as they are technically just driving for personal use. A driver could be driving home from work and be logged onto the transportation network system, but may not encounter a rider request on the way, resulting in no use of the transportation network company insurance and rather falling into personal use category. The problem lies not on the transportation network company's insurance policy but on the personal car insurance provider not willing to perhaps cover a driver while driving for personal use but also having the transportation network system logged on at the same time.

Uber, Lyft, and companies of the like are what the people want. I have only been driving as a Uber driver for a month and I keep hearing riders tell me how much they like it. Riders save a lot more money, can get rides easily and reliably, don't have to hold onto cash, and are provided with a safe alternative when intoxicated. Transportation network companies have created a new market segment for those who don't want to pay high taxi prices yet want a personal driver to avoid parking in places like Waikiki or getting a ride from their place to the airport, yet would otherwise drive themselves or take the bus to those places if transportation network companies had not exist. House Bill 1463 HD2 would be a detriment to this new market segment and those people who rely on these services for convenience and costs purposes. House Bill 1463 HD2 does not also categorize transportation networking companies fairly and therefore should not be passed.

Thank you for your time,

Devin Kanda



woodson2-Shingai

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From: Shane Erickson <slerickson1000@icloud.com>  
Sent: Sunday, January 24, 2016 1:45 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

I really enjoy driving with Uber. My customers are awesome & I love showing off my beautiful island when asked to. As a part time driver the flexibility to work when it's convenient lets me make the most of my free time while making extra money to help make ends meet. I also ride the service & love it as a customer.

Sincerely,  
Shane L. Erickson

Sent from my iPad



TESTIMONY OF BRIAN HUGHES ON BEHALF OF UBER TECHNOLOGIES  
IN SUPPORT OF H.B. 1463, HD 2 PROPOSED, RELATING TO TRANSPORTATION

January 25, 2015

Chair McKelvey and Members of the Committee, thank you for the opportunity to give testimony on behalf of Uber Technologies. As General Manager for Uber Hawaii, I am testifying in support of this proposed draft of HB 1463.

We are pleased to see language that reflects the latest NCOIL compromise supported by the major insurance trade associations, insurance carriers, and transportation network companies (TNCs). While this solution is not a “dream bill” for any one party, it is a true compromise that can further all industries involved to benefit Hawaii residents.

Since the committee last considered the regulation of TNCs and related insurance, much has changed. Nearly thirty states have passed regulation that allows for insurance structures like the one outlined in this proposed draft while allowing TNCs to operate an innovative model that provides greater consumer access to reliable, safe, and affordable transportation options. Locally, over 3,000 Hawaii residents have elected to use the Uber platform as a flexible income opportunity. We believe this bill would preserve that opportunity for Hawaii constituents and further our state’s competitive position as a tourism destination.

Thank you for the opportunity to offer these comments.

**LATE**

Darci Evans  
VP, Charley's Taxi  
1451 S. King Street, Ste 300  
Honolulu, HI 96814

January 24, 2016

Committee on Consumer Protection & Commerce  
Hawaii State Legislature  
415 South Beretania Street  
Honolulu, HI 96813

Re: Submitting testimony OPPOSED to HB 1463 HD1, Proposed HD2

Dear Legislators:

It's been said before, but it needs to be said again, so here we go: If it looks like a duck and it quacks like a duck THEN IT IS A DUCK!

Transportation Network Companies are nothing more than a digital dispatching service for gypsy cabs. Quack, quack. Therefore, they should be regulated the same way. So, if you're going to regulate taxis via the Department of Customer Services of the City & County of Honolulu, then TNCs operating in Honolulu should also be regulated as such and NOT via the PUC.

HB 1463 HD 2 as proposed gives Transportation Network Companies an unfair advantage over taxi companies, so much so it might cause a major shakeup of taxi practices and services in Honolulu.

Honolulu's taxi industry, since the 1950s, has been an OPEN MARKET. There are NO medallions. IT IS OPEN COMPETITION!

The majority of taxi drivers in Honolulu are in fact, independent contractors (i.e. self-employed), meaning the majority of them are by the most basic terms, in and of themselves a small business.

For the owners of the taxi vehicles (often the taxi driver him/herself), they must put up their own capital for investing in the cars, not to mention the high cost of commercial insurance.

Again, these are extraordinarily small business people...meeting extraordinary costs.

The great majority of Honolulu's taxi companies as you recognize them are basically dispatch service providers, who match drivers with customers. Several of the larger taxi companies in Honolulu are now able to match customers digitally with drivers.

Most of Honolulu's taxi dispatch companies are also by definition small businesses, as they

usually just employ a small office staff and dispatchers.

TNCs, in contrast, are not small business. They are mega-mega-businesses, valued in the BILLIONS of dollars, even in the 50-plus BILLIONS of dollars.

If these Big Business TNCs are given this unfair advantage over the Small Business Honolulu Taxi Industry, why should Honolulu's taxi companies and its drivers have to jump through hoops (i.e. licensing and expenses) to get the short end of the stick (i.e. more work, more regulation, for less money)? Meaning, why wouldn't the taxi industry NOT chose to operate as TNCs (as defined in this bill) as well?

Think what that would mean to the Hawaii's (of which Honolulu is the largest beneficiary of) number one industry, i.e. tourism?

There might not be taximeters (a means of accurately measuring time and distance) as we now know them vs. an algorithm TNCs do not share with the regulators or the public.

There wouldn't be a requirement of shortest, most economical route. TNCs are famous and infamous (i.e. notorious) for surge pricing (i.e. gauging).

TNCs allow for trip refusals, however, taxi companies are required to provide services to customers within a certain radius.

Any sort of measurable vehicle and driver standards would be thrown out the door.

Wild, wild west, here we come.

TNCs ONLY service customers who have the economic means of a credit card. They don't work for cash. That alone illustrates they are discriminatory to the underprivileged.

TNCs ONLY provide service to customers who are tech savvy and have the means to own and operate expensive mobile devices. Our elderly are generally not tech savvy, thus they are virtually an entire portion of the population to be left floundering for service. Thus another example of discriminatory practices.

Now TNCs are asking you, the Legislature, to discriminate against the taxi industry in their favor.

Again, call a duck a duck or a spade a spade. A TNC vehicle is a automobile that transports passengers in exchange for a fare (i.e. a TAXI).

Sincerely,  
Darci Evans  
VP, Charley's Taxi

From: Kalei <aseakane@gmail.com>  
Sent: Sunday, January 24, 2016 10:25 PM  
To: CPCtestimony  
Subject: Proposed HB1463 HD2

**LATE**

Thank you for this opportunity to provide my story for the Uber ride sharing service I have the privilege of driving for. My story begins with a cut in pay at my job. With a mortgage, car payments and bills to cover, I needed to make up that loss. I began looking for part time work. I thought about returning to my part time job at a retail store and did get a nod from a supervisor there. But due to the sometimes unpredictable work hours at my full time job I needed to find a job with flexible hours. Very flexible hours, where I could pick and choose my own hours. After searching for weeks I found an advertisement for Uber offering good earnings and set your own hours. I did my due diligence and decided to give this a try. I began the process of becoming an Uber Partner and was approved after a couple of months. Since I began driving in September of 2015, I not only have the flexible hours I needed, but I have some pretty good earning potential. My Uber income helps make my car payment, buys food and helps with bills. Without my Uber income and the flexible hours, things would be a whole lot different. I've also found that I really love this job and am appreciated by Uber and the people I get to serve. Taking Uber away would be a disservice to not only the drivers, but to the community as well.

Sincerely,  
Wayne Haia  
Driver - Uber-X / XL / Assist

Sent from my iPad

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Advocacy. Leadership. Results.

**LATE TESTIMONY**

**LATE TESTIMONY**

To: The Honorable Angus L.K. McKelvey, Chair  
House Committee on Consumer Protection and Commerce

From: Mark Sektnan, Vice President

Re: HB 1463 Proposed HD2 – Relating to Transportation  
**PCI Position: Support with Amendments**

Date: Monday, January 25, 2016  
2:00 p.m., Room 325

Aloha Chair McKelvey and Members of the Committee:

The Property Casualty Insurers Association of America (PCI) is pleased to support HB 1463 Proposed HD2 which adopts the National Conference of Insurance Legislators (NCOIL) model act for regulating transportation network companies (TNCs). Our testimony refers to only the insurance provisions of the proposed bill.

In Hawaii, PCI member companies write approximately 42.2 percent of all property casualty insurance written in Hawaii. PCI member companies write 43.2 percent of all personal automobile insurance, 65.2 percent of all commercial automobile insurance and 75 percent of the workers' compensation insurance in Hawaii.

- **PCI Has Supported Innovation in the Market Place for Transportation & Insurance in the 29 States that have Passed TNC Laws**

PCI supports innovation in the market place, for transportation and insurance. We have been active nationally on insurance issues involving TNCs with both states and municipalities beginning with the passage of the seminal California law and continuing through today as Ohio recently became the 29th state to approve legislation closing the insurance coverage gaps associated with TNCs.

- **TNC Insurance Issues**

In Hawaii, as in all other states, there is virtually no coverage under a private passenger auto insurance policy if you use your vehicle to provide rides to strangers for compensation.

There are three phases of TNC Activity: Period 1, when the driver has the app on, but is not matched with a rider; Period 2, when the driver and rider are matched via the app and the driver is going to pick the passenger up; Period 3, when the passenger is actually in the vehicle. Without statutes to clarify insurance coverage there may be coverage gaps for TNC drivers and passengers. TNC drivers are particularly at risk of coverage disputes while the app is on and they are available for hire, but do not yet

have a passenger in their vehicle (Period 1). They may find there is no coverage for their injuries or getting their vehicle repaired if there was an accident.

Insurers are in the business of selling insurance. TNC drivers and passengers need insurance, but a regulatory and statutory framework is needed. In the spring of 2015, the insurance industry and the TNCs, after many months of disagreement, mutually developed and supported model legislation establishing TNC insurance requirements from the time the ridesharing app is turned on until it is turned off. PCI supports this national insurance compromise it protects not only drivers, but their passengers and the public by closing the insurance gaps that left drivers and the public vulnerable in an accident.

The NCOIL model act contains the national insurance compromise and comports with the recommendations contained in the National Association of Insurance Commissioners (NAIC) Sharing Economy Working group white paper on TNC issues ("Transportation Network Company Insurance Principles for Legislators and Regulators").

The NCOIL model act, as does the national compromise, understands that state law varies and therefore expects that individual state law reflect the state mandated coverages. **HB 1463 Proposed HD2 should be further amended to ensure that PIP insurance is provided which is a required coverage in Hawaii. The bill should also reference the uninsured motorist statute which is required to be offered in Hawaii.**

- **Conclusion**

PCI supports innovation that brings new products into the marketplace. The 29 states with TNC laws or regulations include: Arizona, Arkansas, California, Colorado, District of Columbia, Georgia, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Utah, Virginia, Wisconsin and Washington.

These laws put an end to consumer confusion regarding insurance coverage, while also allowing for continued marketplace innovation. As new transportation ideas evolve to meet consumers' needs and demands, insurers are developing new products to cover those ideas and provide peace of mind.

HB 1463 Proposed HD2 is a good first step. It will provide a framework for companies to use in delivering needed and innovative insurance products to cover the unique risks associated with TNC operations. In the states where such legislation has become law, an insurance marketplace catering to TNC risks has begun to develop. This can happen in Hawaii too with the passage of appropriate legislation.



**TheCAB**  
**422-2222**

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January 25, 2016

**Reference: Written Testimony in Opposition of HB 1463 HD2**

Chair, Vice-Chair, and Committee Members:

We have reviewed the proposed bill HB1463 HD2 carefully and are in opposition. It's confusing to us that the TNC dispatching of cars may be different from conventional taxi dispatching but a vehicle going from pick up to destination for a fare is still a definition of a taxi. There is no need to re-create rules and regulations that the City already has in place and being enforced. We would like to know how the process of the TNC is different from taxis and come under PUC rules. Ultimately, the PUC does not have the infrastructure to enforce the "new" rules for the TNC and probably has no funding.

We believe that the politicians are voted into office to protect Hawaii residents and provide a safe future and not to take chances with the public funds as well as trust. Therefore, the question is ; why are you endangering the livelihood of over 2,000 Hawaii resident taxi drivers who have abided by the rules and regulations of the city ? Don't you believe in an even playing field in business? Frankly said, Uber and any other TNC who would like to do business in Hawaii should abide by the same laws as taxis in Hawaii have imposed on them.

Thanking you in advance for your cooperation on the above matters.

Signature Cab Holdings, dba TheCab

President and CEO

**Signature Cab Holdings, Inc.** • 738 Kaheka Street, Suite 201 • Honolulu, Hawaii 96814  
Telephone (808) 943-0000 • Fax (808) 955-3094 • 24-hour Dispatch (808) 422-2222 • Website: [www.thecabhawaii.com](http://www.thecabhawaii.com)





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Shigemasa & Company

**LATE TESTIMONY**

**LATE TESTIMONY**

Honorable Chair Rep. Angus McKelvey  
Committee on Consumer Protection  
& Commerce  
State House of Representatives  
28<sup>th</sup> Legislature of the State of Hawaii

Aloha Chair Rep. McKelvey and members of the committee:

Thank you for the opportunity to submit my testimony.

I am writing in opposition of HB1463 HD1 Proposed HD2. I am an independent contractor of Uber Hawaii, working as a driver partner. I use my own vehicle to transport Hawaii residents with the help of Uber Technologies ridesharing platform.

If this measure passes it will force rider fares to increase and discourage drivers like myself out of the industry. Uber drivers and riders appreciate the platform that Uber provides as a leading Transportation Network Company. Uber allows drivers to work on their own flexible schedule, whether it is once a month or daily; it also provides an alternative method for supplemental income in an already high cost of living state. Most drivers like me are students, working middle class, veterans, and retirees. Uber Hawaii is a great benefit to riders as well; it provides an alternative ridesharing program to that of high taxi cab fees and rates.

How you vote today and in the coming months could affect the industry as we know it. Technology is always advancing in today's world. Will Hawaii welcome Technology and embrace our adaptableness or rule it out with regulations which cause added cost to an alternative mode of transportation for Hawaii residents.

Thank you for this opportunity. It is my hope that you review this measure thoroughly accessing the indirect and direct impacts. I believe that HB1463 does not provide the solution for regulating ridesharing and transportation network companies.

Lastly, I would like to extend an invitation to use Uber's ridesharing program via the App.

With warm aloha,

Chace K. M. Shigemasa  
President



233-3333

January 25, 2016

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Testimony of Dale Evans, President Charley's Taxi & Limousine Company

In Strong Opposition to HB1463 HD2
Hearing: Monday, 25 January 2016, 2 pm
State Capitol Room 325

HB 1463: Double Standards & Favoritism

During WWII, taxicabs on Oahu had metal medallions affixed to the front hood of the vehicle, licenses were limited. HPD was in charge of regulating taxis. When the war was over, my father Charles Morita led the industry to reform, relax the stringent taxicab licensing process.

Honolulu is one of the few places in the entire world to have an "Open Entry", No Medallion system, no artificial limits on the number of taxi licenses. The license system is simple, setting service standards on Vehicle and Driver qualifications and conduct. There are a few rules of the trade: no trip refusal, taking the shortest most economical route and the city sets maximum rates, operators are permitted to charge below the approved maximums.

Not having Medallions is the big difference between us and how the rest of the taxi world operates elsewhere. TNCs don't contend with \$500,000 to \$1 Million investments per Medallion license.

Taxicab services are regulated by municipalities in cities throughout the world. Can you imagine if these small business independent taxi drivers have to come to the legislature every time they want to change something in the taxi law ... and more worse for neighbor island drivers who would have to catch a plane every time there is a hearing?

Uber is a 60-Billion international company, with an army of high-paid lawyers, lobbyists, public relations consultants and political elites to mow down small businesses taxi operators.

Uber uses lobbying to drive expansion, Politico, September 2013.

Uber has an army of at least 161 lobbyists and they're crushing regulators. T.C. Sottek, The Verge, 12.14.14

Just four years after launching in San Francisco, Uber has propagated across the world and could be worth as much as \$40 billion. Part of that success — and what Uber makes headlines for — comes from its ruthless playbook to frustrate the competition and to invade any market it wants, even if it's facing a government-protected taxi monopoly. Less glamorous but no less important: Uber appears to be completely dominating local politicians who get in its way.

A report from The Washington Post sheds some light on the scope of Uber's political advocacy wing. According to the Post, local lobbying registration records indicate the company hired private lobbyists in at least 50 US cities and states and has hired at least 161 people to lobby for its interests. In Sacramento alone, Uber spent \$475,000 over five months to influence California lawmakers, the Post reports. Uber Shut Down One State Regulator Within 48 Hours.

Uber, Lyft, Airbnb harness users to lobby lawmakers for them. Carolyn Said, SF Chronicle, 1.11.15

As Uber, Lyft and Airbnb battle regulators worldwide, they can summon a powerful weapon: battalions of loyal users — drivers, passengers, hosts and guests — who swarm lawmakers with e-mails, petitions, rallies, testimony and tweets supporting the companies.

Why are the TNCs having such an easy time to crush the competition? Because taxicab operators are predominantly small independent businesses. Only 6% of all taxicab operators are fleets over 100 vehicles.

**Taxicab, Limousine & Paratransit Association, Taxicab Industry**

*There are approximately 6,300 companies operating 171,000 taxicabs in the US. More than 80% of these companies operate less than 50 vehicles, while 6% of taxicab operators have more than 100 vehicles in service.*

Please notice this bill does not ask to put the UberTaxis under PUC. The purpose of Bill 1463 is to give the UberX platform “a most favored business” treatment – to let TNCs corner the market, discounting during slow times, offset by raising rates through surge pricing at busy times and places, lowering the UberX driver’s insurance costs through a convoluted on/off, high/low insurance coverage. TNCs oppose fingerprinting and health fitness exams because it is easy to sign up drivers when they don’t have to go for fingerprinting and get health and fitness exams.

The objective is to lower costs and avoid taxation.

**Uber’s tax-avoidance strategy costs government millions.** How’s that for “sharing?” Tim Redmond, 48 Hills, Tim Redmond, 7.10.14

**Uber’s Elaborate Tax Scheme Explained – Fortune.** Brian O’Keefe, Marty Jones, Fortune, 10.22.15

*Hawaii’s taxi operators expect to be treated fairly, to have a level playing field. Small businesses should not be duped into silent acquiescence, when legislation creates double standards that seriously impact Small Businesses and Consumers.*

Following are some of many questions we have about Bill 1463 HD2.

**HOME RULE: PUC or TAXI**

Bill preempts HOME RULE, allowing TNCs to avoid regulations on same services as taxicabs. TNC drivers do what taxi drivers do. TNCs match riders with drivers, just as taxicab companies do, some using Web and Phone Apps similar to TNC Apps.

Q. Some regulations are needed to deal with people who purposely disobey the rules of society at the risk of serious consequences. Having TNCs regulated by the PUC puts taxicabs at a great disadvantage. Resolving consumer and operator disputes become more complicated and time consuming.

If PUC is going to regulate TNCs who do the same thing as taxicabs, should taxicabs become TNCs and be regulated by the PUC? No!

***TNCs’ Discriminatory Practices***

**DISCRIMINATORY CONCESSIONS FOR TNC INSURANCE**

Q. Private and commercial insurance provide uniform coverage – Why are TNC’s being allowed the advantage of paying lower or higher coverage insurance / premiums, depending on rider occupancy?

Q. The predominant majority of taxicab operators own their cars – same like the TNC drivers. So if TNCs are allowed to have lower/higher coverage and premiums, why not taxi operators?

Q. Is the intent to have pedestrians and other motorists claims be paid less (\$50k/\$100k/\$25k, if the driver is “on the App but not occupied by the passenger”) vs. being paid more (\$1m) when that car is occupied by the rider? Why discriminate when the drivers are using the APP, occupied or not?

Q. When a driver accepts a trip, it is committed, engaged in that prearranged ride even though the passenger isn't in the car yet. That's why the APP automatically charges the customer a \$5 no-show charge. Shouldn't the higher insurance apply?

#### Re DISTRACTED DRIVING: USAGE OF MULTIPLE APPS

Limit the number of APPs used by TNC drivers to discourage distracted driving. Insurance companies may be unaware that TNC drivers are using multiple APPs: Uber, Lyft, Curb, in addition to GPS routing devices Tom Tom, Garmin, MapQuest. The drivers are distracted from safe driving because they are comparing Surge Pricing among the several APPs. SEE ATTACHED ARTICLE re Multiple App Usage.

#### TRIP REFUSAL

Q. Why allow TNCs to refuse service? Taxi operators are prohibited from refusing service to customers within 2 miles of the taxi's location, unless the customer is disorderly. Recently, an Uber driver refused service to a woman who was on the verge of having a baby. Taxi drivers are prohibited from telling a customer to “Walk!” because the ride is going a short distance.

**Uber driver refuses to drive woman in labor to hospital, still charges her.** Amy Graff, SF Chronicle, 1.14.16

#### CUSTOMER RATINGS

Customer Ratings encourage drivers to pick and choose certain riders, to reject “undesirables” – low tippers, short trips, people with special needs, pets. Customers are intimidated to give drivers higher rating than deserved in order not to receive a low rating from a driver. There seems to be no recourse for customers who get lower ranks from drivers.

**Uber Anxiety: When Your Car Service Is Judging You Back.** Kevin Roose, NY Magazine, 6.4.14

#### AUTOMATIC CREDIT CARD PAYMENT / NO CASH

Q. Uber requires riders to sign a written agreement before they can order service – should taxi operators make customers sign agreements.

Q. Taxi drivers take several forms of payment: cash, credit cards, coupons, charge accounts – why are TNCs allowed to refuse taking cash payment? Many customers don't have or can't afford a cellphone, and/or credit cards, and simply wish to pay by cash. NOTE: At least twice a week, our drivers are

stuffed by riders who runaway and don't pay. Even when we call them to pay up, they don't. TNC drivers are paid for all of their fares because of the credit card requirement.

Q. Uber charges the rider's credit card automatically, even when the customer take the taxi (\$5 no-show fee) – why shouldn't taxi drivers be allowed to charge a no-show fee? Uber also charges a \$2 credit card fee, a \$2 safe-ride fee, and a cleaning fee of \$50 to \$200. Why shouldn't taxicabs be permitted to charge similarly?

## **SURGE PRICING: HIGH TECH GOUGING**

Uber and Uber drivers are reported to suppress supply to drive up surge pricing.

**Uber Forced Driver Shortage to Boost Surge Pricing.** Sam Biddle, Valley Wag, 2.26.14

Q. Do you condone discrimination against people who won't or can't pay higher rates just because the company is short of drivers? Is it fair for riders to get slow or no service because wealthier customers can jump the queue simply by paying a multiplier over the regular fare?

## **TAXI MODEL VS. TNC MODEL**

Some taxi companies here use more and better technologies than TNCs. Don't presume that TNC's technology is superior. We invite all of you to come see our high tech infrastructure – not just Phone APPs and Web APPs.

Q. Shall Taxicab Operators Become TNCs? Some of us may be forced to adopt the TNC model, and get out of the taxi business – to survive unfair competition from TNCs. If the taxi companies go TNC, won't the taxi drivers follow, become TNC drivers? How many companies and drivers will stay with the Taxi Model?

This bill will encourage more taxi operators to leave the Taxi Model, to adopt the TNC Model simply in order to survive. Already, some taxi fleet owners are leasing their cars to unlicensed UberX drivers. Rather than let their cars sit idle, at least they will get some income because it is quicker not to have prospective drivers go through the city's license and testing process.

Q. With TNCs doing the same kind of business as taxi operators, what's the compelling reason to exempt TNCs from County Regulations vs PUC Regulations?

Q. What is the impact on the Visitor Industry? Who will explain the regulatory changes to visitors if the TNC model takes over – no phone dispatchers? How many complaints will arise because visitors have to use an app, can't pay cash, to ride a taxi?

Q. How will this bill impact consumers? What happens to the standards missing in this bill compared to Taxicab standards?

If through HB 1463, you are going to do away with a level playing field, you need to rewrite the intent of Chapter 271. But for now, **Hawaii's Motor Carrier Act** is governed by this public policy:

*"It is intended by this chapter to provide for fair and impartial regulation of such transportation in the interest of preserving for the public the full benefit and use of the highways consistent with the public safety and the needs of commerce; **to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers, to encourage the establishment and maintenance of reasonable rates and charges for transportation and related accessorial service, without unjust discrimination, undue preference or advantage, or unfair or destructive competitive practices.**"*

This fight not only affects taxi operators. Think about the unintended consequences of this legislation:

- Passengers who unknowingly ride with people who have not been thoroughly vetted;
- Riders who are charged exorbitant "Surge Pricing" rates;
- Visitors who don't know the difference between a taxi who takes the shortest, most economical route and the Uber driver who doesn't know how and where to take them.
- The low-income or people with special needs who may not have a cellphone or credit card.
- Uber's own drivers are finding out how they are being taken advantage of

**Life as an Uber Driver: It's Just Not Fare.** David Fagin, Huffington Post, 2.03.14

### ***Uber's History of Noncompliance and Scandals***

Q. "Why should this legislature condone on-going TNC operations in defiance of the Hawaii Motor Carrier Law? Is it ok to operate against the law, before you change the law?"

TNC Uber in particular is notorious in for using 'controversial' tactics, flaunting laws and court orders in USA and worldwide, even when legislators cave to their demands.

In many jurisdictions, TNCs are widely known to disobey laws and pay for the fines, impound fees, court costs imposed on TNC drivers. For TNCs, money is no deterrent.

Uber's CEO Travis Kalanick freely admits to flaunting prevailing laws, as stated on the UBER website investor blog:

*"We will begin operations in any city where we perceive there to be little or no enforcement of transportation law".*

*"If they don't enforce, they must endorse" (Our behavior)*

*"A Cease and Desist letter only means "You shouldn't be doing that", but we say, oh yes we should".<sup>1</sup>*

*"We've now launched in 130 cities, and there's only one product in one city that we ever backed out of: Vancouver...There are flare-ups, the taxi industry will put pressure on a city government to stifle competition and then that's when Nairi [an Uber spokeswoman] and I are up late...In the win column we have 130 and in the loss column we have one. So yes, these are battles but we've lost one battle out of many.*

### **IN CONCLUSION**

HB 1463 HD2 bill creates double standards to put Big Business interests over Small Businesses. TNCs belong under local county regulations, same as taxis.

TNCs should not be given special treatment to avoid costs and safety clearances and taxation. This bill lowers consumer protections, jeopardizes public safety and security.

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[Are you %&# \\$ serious? lyft, mrjhnsn .wordpress.com/tag/lyft, 6.05.14](#)