

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

MARCH 25, 2015
2:00 p.m.

MEASURE: S.B. No. 1280, S.D. 2, H.D. 1

TITLE: Relating to Transportation Network Companies

Chair McKelvey, Chair Rhoads, and Members of the Committees:

DESCRIPTION:

This measure would add a new chapter to Hawaii Revised Statutes (“HRS”) to require the Public Utilities Commission (“Commission”) to issue a permit to each applicant that meets the requirements for a Transportation Network Company (“TNC”) and pays an annual permit fee. This measure does not explicitly provide the PUC with any enforcement authority after the initial permit has been issued.

POSITION:

The Commission offers the following comments for the Committees’ consideration.

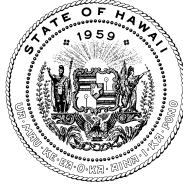
COMMENTS:

The Commission believes that it is appropriate for the counties to have authority to regulate TNCs. In Standing Committee Report No. 966 the House Committee on Transportation found that TNCs should be regulated because a TNC’s primary service is “that of transporting passengers or property for compensation which is commercial activity virtually indistinguishable from that of a traditional motor carrier.” It appears to the Commission that TNCs and their drivers engage in similar activities and provide similar services as taxicabs and taxicab drivers. The Commission notes that taxicab services are exempt from the Motor Carrier Law and Commission regulation pursuant to HRS § 271-5(3) and are presently regulated under the authority given to the counties

pursuant to HRS § 46-16.5(c). Therefore, it may be appropriate to similarly exempt TNCs and their drivers from Commission regulation and give regulatory authority to the counties.

However, if it is the will of the Legislature to place the requirements of this chapter under the Commission's jurisdiction, then the Commission raises some concerns. The new chapter only authorizes the Commission to "issue a permit to each applicant that meets the requirements for a transportation network company[.]" After the initial permit has been issued by the Commission **it is not clear how the Commission would be able to enforce this chapter**. There are no provisions authorizing the Commission to revoke the initial permit, levy fines, assess penalties, or issue citations for any violation of the requirements of this chapter. The Commission cannot comment on the Commission's capacity to actually regulate this industry, because the nature of the expected regulatory activity has yet to be specified beyond the issuance of an initial permit. This is further complicated by the fact that the TNC industry conducts much of its operations in cyberspace, unlike anything the Commission currently oversees. The nature of this regulation may require significant resources and funding to hire the personnel, develop the practices, and promulgate the rules to meaningfully regulate TNCs.

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



DAVID Y. IGE
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SHAN S. TSUTSUI
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CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEES ON CONSUMER PROTECTION & COMMERCE AND
JUDICIARY
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2015

Date: Wednesday, March 25, 2015
Time: 2:00 p.m.
Conference Room: 325

**TESTIMONY ON SENATE BILL NO. 1280, SD2, HD1
RELATING TO TRANSPORTATION NETWORK COMPANIES**

WRITTEN COMMENTS ONLY

TO THE HONORABLE ANGUS L.K. MCKELVEY AND THE HONORABLE KARL
RHOADS, CHAIRS, AND MEMBERS OF THE COMMITTEES:

Thank you for the opportunity to provide written comments on this measure. The Business Registration Division ("BREG") of the Department of Commerce and Consumer Affairs offers technical comments relating solely to the language in Section 1 of the bill on page 3 (§5 Business Registration).

§ __-5, relating to business registration, requires transportation network company ("TNC") drivers to register as a business entity with BREG. BREG, however, registers entities such as corporations and partnerships, as well as tradenames, but does not register sole proprietorships. If a large percentage of TNC drivers are sole

Business Registration Division
March 25, 2015
CPC & JUD Committees
SB 1280, SD2, HD1
Pg. 2 of 2

proprietorships, this requirement may be problematic, as sole proprietors will not be able to comply, unless they operate through a tradename.

Thank you for the opportunity to offer these comments on Senate Bill No. 1280, SD2, HD1.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2015**

ON THE FOLLOWING MEASURE:

S.B. NO. 1280, S.D. 2, H.D. 1, RELATING TO TRANSPORTATION NETWORK COMPANIES.

BEFORE THE:

HOUSE COMMITTEES ON CONSUMER PROTECTION AND COMMERCE
AND ON JUDICIARY

DATE: Wednesday, March 25, 2015 **TIME:** 2:00 p.m.
LOCATION: State Capitol, Room 325
TESTIFIER(S): Douglas S. Chin, Attorney General, or
Rodney I. Kimura, Deputy Attorney General

Chairs McKelvey and Rhoads and Members of the Committees:

The Attorney General submits comments on this bill.

The purpose of this bill is to establish a framework to regulate transportation network companies and transportation network company drivers.

Generally speaking, the regulatory framework in the bill is limited, covering matters such as a permit requirement, the dimensions of transportation network service, insurance requirements, safety mandates, etc.

It is not clear, however, what the Legislature envisions should occur where issues surface after the permit has been issued. For example, the current structure of the bill does not address the rights of the holder of a permit. More importantly, the bill does not address the duties and enforcement power of the Public Utilities Commission, including the power to: (i) suspend, change, transfer, or revoke a permit; (ii) discipline a permittee and impose fines; (iii) address unlawful operations; or (iv) hold hearings, etc.

If the legislative intent is to empower the Commission to fully regulate transportation network companies as well as impose requirements on drivers for transportation network companies, then such typical regulatory provisions need to be added. We are available to work with the Commission or the Legislature's staff on proposed language if the Legislature requests our assistance.

Thank for the opportunity to testify on this matter.



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Alison H. Ueoka
Executive Director

TESTIMONY OF MICHAEL ONOFRIETTI

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

COMMITTEE ON JUDICIARY
Representative Karl Rhoads, Chair
Representative Joy A. San Buenaventura, Vice Chair

Wednesday, March 25, 2015
2:00 p.m.

SB 1280, SD 2, HD 1

Chair McKelvey, Vice Chair Woodson, and members of the Committee on Consumer Protection & Commerce, and Chair Rhoads, Vice Chair San Buenaventura, and members of the Committee on Judiciary, my name is Michael Onofrietti, President of the Hawaii Insurers Council, 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.

The Hawaii Insurers Council **supports** SB 1280, SD 2, HD 1, which (1) requires the Public Utilities Commission to regulate “transportation network companies” and “transportation network company drivers”; (2) establishes motor vehicle insurance requirements for the transportation network company industry; (3) establishes minimum qualifications for transportation network company drivers; and (4) appropriates funds for the Public Utilities Commission to carry out the regulation of transportation network companies and their drivers.

The Hawaii Insurers Council still firmly believes that the general public would be best served, and the law would most fairly treat all carriers for hire, if SB 1280, SD 2, HD 1 were to require that transportation network company drivers maintain commercial motor vehicle insurance **at all times** and at higher mandated limits, rather than only during “transportation network company activity.” However, in the interest of moving this Bill forward, the Hawaii Insurers Council is willing to accept the two-stage insurance model set forth in § -9 of SB 1280, SD 2, HD 1, rather than no regulation at all.

Under this two-stage insurance model, SB 1280, SD 2, HD 1 requires the following insurance limits under a primary motor vehicle insurance policy during “transportation network company activity”: \$100,000 per person and \$200,000 per accident for bodily injury liability; \$50,000 per accident for property damage liability; uninsured and underinsured motorist coverages equal to the bodily injury liability limits; and other coverages comparable to the personal automobile insurance policy maintained by the vehicle’s owner.

The Hawaii Insurers Council supports § -9(c) of SB 1280, SD 2, HD 1, which provides that the insurance requirements may be satisfied by (1) a motor vehicle insurance policy maintained by the transportation network company driver, but only if the transportation network company “verifies” that the policy is in effect and “is specifically written to cover” the driver’s use of the vehicle during transportation network company activity; (2) a motor vehicle insurance policy maintained by the transportation network company; or (3) a combination of the above.

The Hawaii Insurers Council also strongly supports § -9(g) of SB 1280, SD 2, HD 1, which specifies (1) that “[n]othing in this section shall be construed to require a personal automobile insurance policy to provide primary or excess coverage during transportation network company activity”; and (2) that the personal automobile insurance policy has no obligation to provide coverage, a defense, or indemnity, unless that policy, an amendment, or an endorsement expressly provides otherwise. The Hawaii Insurers Council similarly supports § -9(h), which allows personal automobile

insurers to innovate, providing that personal automobile insurers do have the discretion, if they wish, to offer a personal automobile policy, an amendment, or an endorsement that provide coverage for accidents occurring during “transportation network company activity.”

The Hawaii Insurers Council also strongly supports § -16 of SB 1280, SD 2, HD 1, which requires transportation network companies (1) to maintain records for at least five years, and (2) to make readily available those records for purposes of a claims coverage investigation or for resolving other disputes no later than ten days after receipt of a written request for such records.

However, despite its support of SB 1280, SD 2, HD 1, the Hawaii Insurers Council shares the concerns of the Attorney General and the Public Utilities Commission, as echoed by the Committee on Transportation in Stand. Com. Rep. No. 966, that SB 1280, SD 2, HD 1 lacks a specific framework under which the Public Utilities Commission will be able to administer, regulate, and enforce the provisions of the new law.

The Committee on Transportation correctly noted, in Stand. Com. Rep. No. 966, that “although a transportation network company may operate under a different business model for connecting customers with drivers, their primary service is that of transporting passengers or property for compensation which is a commercial activity virtually indistinguishable from that of a traditional motor carrier.” Section 271-1 of the Hawaii Revised Statutes, already sets forth the Legislature’s “declaration of policy” with respect to the Motor Carrier Law, Chapter 271:

§271-1 Declaration of policy. The legislature of this State recognizes and declares that the transportation of persons and of property, for commercial purposes, over the public highways of this State constitutes a business affected with the public interest. 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 chapter shall be administered and enforced with a view to carrying out the above declaration of policy.

Accordingly, since the Motor Carrier Law, Chapter 271, already provides an existing regulatory and enforcement framework for motor carriers, and transportation network companies and their drivers engage in “a commercial activity virtually indistinguishable from that of a traditional motor carrier,” the Hawaii Insurers Council would support an amendment that inserts regulation of transportation network companies and their drivers into the Motor Carrier Law, Chapter 271.

Finally, the Hawaii Insurers Council supports the imposition of additional fees on transportation network companies to provide the Public Utilities Commission with the means by which to administer and enforce the new provisions in the law – which provide for insurance verification, driver background checks, proper recordkeeping, and access to records – all for the benefit of the consumers.

Therefore, the Hawaii Insurers Council supports the purposes, intent, and two-staged insurance system set forth in SB 1280, SD 2, HD 1, but requests that your respective Committees consider placing the administration, regulation, and enforcement of transportation network companies and transportation network company drivers under the Motor Carrier Law, Chapter 271.

Thank you for the opportunity to testify.



March 25, 2015

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE, AND ON JUDICIARY
ON SB1280 SD2 HD1 RELATING TO TRANSPORTATION NETWORK COMPANIES**

Thank you Chair McKelvey, Chair Rhoads, 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 regulation for all entities who engage in the transportation of passengers for compensation.

Common carriers must abide by the Public Utilities Commission's regulations on service and rates, and taxi operators must do the same via the County's Taxi Control.

Any entity offering the same service to the general public must comply with regulations promulgated to protect that general public.

Thank you.



Property Casualty Insurers
Association of America

Advocacy. Leadership. Results.

To: The Honorable Angus L.K. McKelvey, Chair
The Honorable Justin H. Woodson, Vice Chair
House Committee on Consumer Protection & Commerce

The Honorable Karl Rhoads, Chair
The Honorable Joy A. San Buenaventura, Vice Chair
House Committee on Judiciary

From: Mark Sektnan, Vice President

Re: **SB 1280 SD2 HD1 – Relating to Transportation Network Companies**
PCI Position: SUPPORT

Date: Wednesday, March 25, 2015
2:00 p.m., Room 325

Aloha Chairs McKelvey and Rhoads, Vice Chairs Woodson and San Buenaventura and Members of the Committees:

The Property Casualty Insurers Association of America (PCI) is pleased to support the underlying intent of SB 1280 SD2 HD1 which sets up a regulatory structure for this new type of passenger transportation. This bill seeks to close the insurance gaps for transportation network companies (TNCs), such as Uber and Lyft, which provide commercial ridesharing services. SB 1280 SD2 HD1 was significantly amended in the Senate Committee on Commerce and Consumer Protection to help ensure that TNCs and their drivers have consumer protections in place, including appropriate insurance coverage.

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 supports the provisions of SB 1280 SD2 HD1 which places the responsibility for regulating TNCs with the Public Utilities Commission. This bill also encourages development of new insurance products to meet the needs of the growing commercial ridesharing services. Insurers are responding to the new market by designing new products and making them available in the states that are enacting common sense sound regulatory structures for TNC services.

SB 1280 SD2 HD1 is a step in the right direction for drivers, passengers and the Aloha state's consumers because it protects Hawaii drivers from subsidizing the insurance costs of TNCs by clearly stating that the personal motor vehicle insurance policy does not cover this commercial activity. It also provides important protections for the passenger, the public and the driver.

For these reasons, PCI respectfully requests that the committee pass this bill.

**HOUSE COMMITTEE
ON
CONSUMER PROTECTION AND COMMERCE**

and

HOUSE COMMITTEE ON JUDICIARY

March 25, 2015

Senate Bill 1280, SD2, HD1 Relating to Transportation Network Companies

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

State Farm supports Senate Bill 1280, SD2, HD1 Relating to Transportation Network Companies in its current form. Much has been said about the transportation network companies and the regulation and rules to be applied to same. State Farm's interest on behalf of its policyholders is to assign the risks of those who engage in that profession equally. We believe that those drivers who are only using their vehicles for their own use and not for a profit, should not subsidize those who do use their vehicles for both personal use and for a business.

We would respectfully request that the measure be approved by your committees.

Thank you for the opportunity to present this testimony.

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

DATE: March 23, 2015

TO: Representative Angus L.K. McKelvey
Chair, Committee on Consumer Protection and Commerce

Representative Karl Rhoads
Chair, Committee on Judiciary
Submitted Via CPCTestimony@capitol.hawaii.gov

RE: **S.B. 1280, SD, HD1 - Relating to Transportation Network Companies**
Hearing Date: Wednesday, March 25, 2015 at 2:00 p.m.
Conference Room: 325

Dear Chair McKelvey, Chair Rhoads and Members of the Joint Committees:

We submit this testimony on behalf of USAA, a diversified financial services company. USAA is the leading provider of competitively priced financial planning, insurance, investments, and banking products to members of the U.S. military and their families. USAA has over 82,000 members in Hawaii, the vast majority of which are military-based members.

USAA **supports** S.B. 1280, SD2, HD1 which, among other things, establishes insurance requirements and qualifications for persons who operate or serve as drivers for transportation network companies (“TNCs”).

USAA supports the current insurance requirements in the H.D.1 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, 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,

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

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and preserving insurer's 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.



March 23, 2015

phone 808 523 7750
fax 808 522 7866

Representative Angus L. K. McKelvey, Chair
Committee on Consumer Protection & Commerce
House of Representatives

Representative Karl Rhoads, Chair
Committee on Judiciary
House of Representatives

Roberts Hawaii, Inc.
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817

robertshawaii.com

Re: **SB 1280, SD2, HD1 (HSCR966) Relating to Transportation Network Companies**
Committee Hearing
March 25, 2015 2:00pm
Conference Room 325

Dear Chairs McKelvey, Rhoads and Committee Members:

My name is Roy Pfund, Vice President of Roberts Hawaii, Inc., the largest tour and transportation company in Hawaii. I am submitting testimony in support of SB 1280, SD2, HD1 with recommendations to enhance consumer protection and promote fairness with existing PUC and taxi companies.

SB 1280, SD2, HD1 is seeking to regulate TNC's (Transportation Network Companies) and their drivers by setting up a new HRS chapter. We initially opposed to creating a new HRS chapter for TNC companies, in favor of regulating the TNC drivers under the existing regulations for taxis or PUC vehicles. Recognizing the critical need to establish regulation over this growing segment of transportation services, we now support the new HRS chapter with the following recommendations.

The proposed legislation should require that the PUC establish regulations over the operations and management of the TNC's that are similar to the PUC's regulations over the existing regulated motor carrier companies. The following areas should be specifically addressed within this legislation:

1. PUC should approve TNC tariff rate structure as it now does for PUC motor carriers. For the protection of consumers and to avoid the opportunity for surge pricing by the TNC's, the TNC's should be required to submit a tariff and seek approval by the PUC. If the surge pricing model is approved by the PUC, then it should be applicable to all PUC regulated motor carriers.

March 23, 2015

Page 2

2. The TNC's should be required to file annual financial reports with the PUC, the same as the regulated motor carriers do. This will allow the PUC and the Legislature to understand the impact of the TNC's on the state's economy. This filing will also allow the state tax office to determine if proper tax forms are being filed and paid.

3. The TNC's should be required to pay the Public Service Company tax of 4% and the Motor Carrier fee of ¼%, as do the regulated motor carriers. This fee is used to fund the activities of the PUC and should be used to pay for enforcement of the regulations.

4. The TNC's should be required to file its annual vehicles under contract inventory with the PUC, similar to the vehicle lists that regulated motor carriers must file.

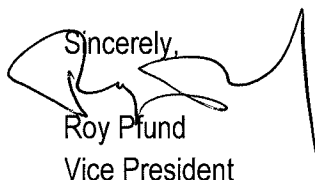
5. The TNC's should be subject to enforcement including fines and loss of certificate to operate as are the regulated motor carriers.

6. The TNC's contract drivers should be required to have vehicles identified with the TNC permit number and company name on the exterior of the vehicle so that customers and enforcement officials would know that it is a TNC vehicle. This is the same requirement for other regulated motor carriers.

There are numerous other PUC rules and regulations in place that govern the operation of motor carriers. Rather than "reinvent the wheel", a simple approach would be to insert a paragraph into the proposed legislation that would allow the PUC to develop the final regulations for the TNC's over any area not specifically covered by this legislation.

For the confidence and protection of consumers this Committee at a minimum, should insert language that will require TNC's to: 1) file a tariff and obtain PUC approval; 2) pay comparable taxes and fees as other regulated motor carriers; and 3) be subject to the same enforcement standards as are other motor carriers.

Thank you for allowing me to provide you with my testimony. If you have any comments or questions please contact me at roy.pfund@robertshawaii.com

Sincerely,

Roy Pfund
Vice President



March 23, 2015

Re: Written Testimony in Opposition of SB 1280

Chair and Committee Members:

I oppose SB1280 in its current form because it fails to adequately protect public safety and guard against potential abusive and unfair business practices. Specifically, SB1280 fails to provide the following:

A. Fails to insure equal and adequate access to transportation service to the most vulnerable members of our society (the poor, rural and elderly residents) by allowing for surge pricing (a form of price gouging) and other complicated variable pricing structures during times of peak demand, events of emergency and at any other time at their sole discretion;

B. Fails to insure fair and accurate pricing of time and distance by allowing non-certified, non-calibrated measuring and metering device to calculate fares; and

C. Fails to insure full compliance of rules, regulations and laws of Hawaii by setting minimal and inadequate fines and enforcement.

A. EQUAL AND ADEQUATE ACCESS TO TRANSPORTATION FOR ALL

No commercial transportation services in the State of Hawaii may employ what is commonly referred to by Uber and Lyft as “surge, dynamic or prime time pricing.” These pricing practices enable Uber and Lyft to set rates below the government mandated pricing for taxis, limousine, buses and shuttle services during low demand while dramatically increasing the rate to consumers during peak demand and in times of emergencies. The net effect of enabling Lyft and Uber to change its rates from minute to minute, hour to hour, or day to day is to confuse consumers and limit access to the poor and the seniors who require not just affordable but also predictable prices.

Solution

All TNC rates must be established or approved by the PUC or some other governmental agency, and prohibit surge or other variable type pricing. The Bill must not allow just 2 companies out of hundreds of existing transportation companies to freely adjust its rates to out-compete its competitors and to capitalize on the vulnerability of consumers.

B. FAIR AND ACCURATE PRICING

Related to the need for equal and adequate access to transportation for the public is the duty of the government to protect consumers by insuring fair and accurate pricing in transportation.

Currently in Hawaii, all measurement devices utilized to determine pricing (e.g. supermarkets, gasoline stations) must be certified by State’s Weights and Measures. Uber and Lyft charges by time and distance traveled in calculating the charge to its customers. Currently, the only other transportation which charges for both time and distance traveled is the taxi industry that is required to comply with the following ROH to insure the accuracy of its measurement device:

Sec. 12-1.8 Taximeters.

(a) Installation. Each taxicab shall be equipped with a digital electronic taximeter calibrated to charge the current fare established pursuant to Section 12-1.10 and which shall meet or exceed the requirements of subsection (b).

(b) **The specifications, tolerances, and other technical requirements relating thereto shall be as established by the state division of weights and measures.** The operation, visibility, lighting and inspection will conform to all applicable state laws or regulations.

(c) Inspection. **No driver, owner or operator of a taxicab or taxi stand shall use or cause to be used a taxicab for purposes of hire before the taximeter, installed therein, has been inspected for accuracy in accordance with all applicable laws and regulations.**

(d) Current Rates. **No driver, owner or operator of a taxicab or taxi stand shall use or cause to be used for purposes of hire, a taxicab installed with a taximeter not reflecting the current rates.**

(Sec. 12-1.9, R.O. 1978 (1983 Ed.); Am. Ord. 88-98, 90-84)
(emphasis added)

Solution

If Uber, Lyft or any other TNCs are authorized to charge both time and distance, then they must submit to rules and regulations similar to those governing taximeters. They SHOULD NOT be allowed to determine and regulate the accuracy of their own metering device – a benefit not extended to any other business or company in this State. Neither GPS nor Google map is currently accurate nor reliable enough to allow “self-regulation”, a term often used by Uber and Lyft. Please also note that at least in the case of Uber, Google is a substantial investor thereby resulting in a potential conflict of interest.

Alternatively (if they cannot or if they refuse to comply with this requirement), Uber, Lyft and other TNCs must be restricted to approved rates based on either distance travelled or time elapsed for the service, but not a combination of distance travelled and time elapsed.

C. COMPLIANCE AND ENFORCEMENT

Rule and regulations are only as effective as the paper it’s written on without effective enforcement mechanisms to encourage compliance and to deter non-compliance.

For effective enforcement, Uber, Lyft and other TNC vehicles must be marked for identification. This will enable law enforcement to distinguish between commercial and non-commercial vehicles and assist in the application of appropriate laws, and the issuance of citations in the event of violation. For example:

1. In Waikiki, certain traffic and parking violations by commercial drivers rise to a criminal misdemeanor. This is necessary to discourage taxis, shuttles and limousines from waiting for fares in areas that result in impeding traffic flow, congestion and nuisance for pedestrians and others on the road.
2. At the Airport, all commercial vehicles are required to be permitted by the Dept. of Transportation before conducting business at the Airport, and to assist Airport officials to manage traffic and security. Conducting business activity without the permits is also a criminal misdemeanor.

Without marking for identification, it would be difficult, if not impossible, for law enforcement to identify Uber, Lyft and other TNCs violating rules and regulations designed to protect the public from commercial transportation activity.

In addition, finer and penalties must be sufficient to deter violation by even companies like Uber who have openly expressed and demonstrated that they will not abide by laws that they don't agree with. For example, minimal fines levied by jurisdictions such as Broward County, Florida has led to Uber actively encouraging its drivers to violate the laws by vowing to pay for all driver's fines. Thus far, it's estimated that Uber has paid in excess of \$75,000 in fines on behalf of its drivers in Broward County alone. Uber has employed similar tactics in Europe and South Korea resulting, at least in South Korea, an indictment for the arrest of Uber's CEO Travis Kalanick.

Solution

1. TNCs like all commercial vehicles whether used part-time or full-time must be required to display distinctive signage or markings to assist law enforcement, inspectors and regulators to easily identify a TNC vehicle when it's in service. Not requiring such signage or markings will encourage and aid TNC and its drivers to skirt and disregard the additional rules and regulations designed to protect public safety and consumer protection from commercial activities of TNCs.

2. In order to deter the blatant disregard and flagrant violation of this Bill, if it becomes law, a combination of impoundment of vehicles and suspension of drivers' license must be considered. Fines alone for a company with valuation of \$40 Billion is unfortunately meaningless.

CONCLUSION

A smart phone app is new technology that efficiently dispatches and coordinates transportation. This is technology that all transportation providers should be encouraged to adopt. However, a smart phone app it is NOT A PANACEA to all the danger presented in the activity of driving for profit. The means of ordering a ride may be different, but the act of transporting remains the same.

B.T. Trans, LLC dba EcoCab

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 23, 2015 11:08 AM
To: CPCtestimony
Cc: Mike@GoBWI.com
Subject: Submitted testimony for SB1280 on Mar 25, 2015 14:00PM

SB1280

Submitted on: 3/23/2015

Testimony for CPC/JUD on Mar 25, 2015 14:00PM in Conference Room 325

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Michael Murray | Individual | Oppose | No |

Comments: I have had many experiences with cab companies in Hawaii having lived here and own a business in Hawaii for the last 18 years. I have called the 422-2222 advertised by Frank Delima and been left waiting at the curb. I had tickets to see Lady Antebellum wai ted at the Waikiki Yacht Club for 30 minutes for the cab I called only to end up walking to the concert and then not being able to secure a cab ride back I had to walk back in the rain. I travel to the mainland and have used UBER extensively. It is efficient, it is safe. all drivers were professional and all were insured. There were more UBER drivers than there were cabs the UBER drivers were prompt, professional, I could track them, I had to leave feedback. It is a great system that is providing jobs, additional tax revenues, is keeping people that might otherwise drive impaired off the street, it is relieving many of the congestion and parking problems. Hawaii of all states should be finding a way to embrace this phenomenal new service instead to trying to regulate or block it. We are spending billions of dollars on a rail system that some doubt will work I submit that a company like UBER would do more to reduce parking and traffic congestion and would make the state money. Please don't block it or make it difficult. Please forget about the status quo and embrace it. Mike Murray CEO Integrated Business Solutions...

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

woodson2-Rachel

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 23, 2015 12:23 PM
To: CPCtestimony
Cc: metroben@me.com
Subject: *Submitted testimony for SB1280 on Mar 25, 2015 14:00PM*

SB1280

Submitted on: 3/23/2015

Testimony for CPC/JUD on Mar 25, 2015 14:00PM in Conference Room 325

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Ben Robinson | Individual | Oppose | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 21, 2015 2:36 PM
To: CPCtestimony
Cc: macpro3000@yahoo.com
Subject: Submitted testimony for SB1280 on Mar 25, 2015 14:00PM

SB1280

Submitted on: 3/21/2015

Testimony for CPC/JUD on Mar 25, 2015 14:00PM in Conference Room 325

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Melvin Ah Ching | Individual | Oppose | No |

Comments: Dear Members of the Respective House Committees, Hawaii residents deserve access to safe, reliable transportation alternatives like Uber that make it easier to move around our islands and make a living. Thousands of us already depend on these services. Put simply, Hawaii needs Uber. If Hawaii truly intends to thrive as a state that fosters innovation and economic growth, leaders like you need to stand up for technologies like Uber. SB 1280 in its current form does not ensure safety and only serves to stifle choice. SB 1280 right now would place onerous insurance and operational requirements that are not even required of traditional transportation services in our state. Stand up for consumer choice and increased transportation options and vote 'NO' on SB 1280 SD2. This legislation would effectively end ridesharing services, like uberX, that deliver safe, reliable and affordable transportation alternatives throughout the state. Stand up for me, not the insurance and taxi special interests. Vote 'NO' on SB 1280 SD2! It has been less than a year since ridesharing arrived in Hawaii. I urge you to work with Uber to craft a regulatory framework that embraces choice, innovation and economic opportunity. Sincerely, Melvin Ah Ching 96814

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

**TESTIMONY OF BRIAN HUGHES ON BEHALF OF UBER TECHNOLOGIES
IN OPPOSITION TO S.B. No. 1280 HD1
RELATING TO TRANSPORTATION NETWORK COMPANIES**

Wednesday, March 25, 2015

To: Chairman Angus McKelvey, Chairman Karl Rhoads, and Members of the House Committee on Consumer Protection & Commerce and the House Committee on Judiciary:

Chairmen and Members of the Committee, thank you for the opportunity to give testimony. My name is Brian Hughes from Uber Technologies (Uber) and I am the General Manager here in Hawaii. I am testifying in OPPOSITION of SB1280 HD1.

Uber supports reasonable requirements for Transportation Network Companies (TNCs) that ensure rider and driver safety. This bill, however, does not accomplish that, and it does not recognize the unique model of ridesharing.

Our smartphone based application connects people – wherever, whenever -- with the nearest, most reliable ride on the road. We do not own any cars or employ any drivers. Rather, the Uber platform provides people the flexibility and freedom to start a small business, and the ability to access reliable, affordable rides at the tap of a button.

There are numerous critical areas within the bill that prevent Uber from supporting it in its current form. Due to the significant number of recommended changes, I will be submitting a separate example draft of compromise language Uber would be able to support.

Regarding definitions, we recommend replacing the language in the bill providing critical definitions such as “Transportation Network Company,” “TNC fare,” “TNC driver,” and “TNC fare” with suggested compromise language. After working closely with the insurance industry to find a middle ground, we believe these recommendations provide a framework that effectively addresses the needs and concerns of Transportation Network Companies, insurance companies, and other constituents.

Uber provides guaranteed end-to-end insurance coverage so that riders are protected from the moment an operator is available to receive a ride request until the moment they safely exit a vehicle. We offer \$1 million of commercial liability coverage from the moment the app connects a driver with a rider until they drop them off. There is also \$1,000,000 of uninsured/underinsured motorist coverage to address accidents that aren't the driver's fault but were the fault of an uninsured motorist or hit and run. Finally, there is also \$50,000 of contingent comprehensive and collision coverage to protect the driver's own vehicle.

Uninsured and underinsured motorist coverage should not be mandatory for TNC drivers as it is not required of other transportation options such as taxicabs, limousine motor carriers, buses, or personal vehicles in Hawaii. While Uber does provide a \$1MM uninsured underinsured policy for all ridesharing trips, it should not be required by law. Under the same principle, collision and comprehensive insurance should not be required. It is extremely unusual to mandate collision and comprehensive insurance, and it does not affect public safety. It only creates considerable costs for those doing business.

Ridesharing, like other industries in the Shared Economy, increases the efficiency of an underutilized resource. The Shared Economy departs from the clear-cut boundaries of personal use and commercial use. When a driver has the app on, but has not yet accepted a ride, they may be driving to the grocery store, on the way to the bank, or parked in a shopping center. There is no reason why insurance cannot be similarly scaled to make sure appropriate coverage is in effect at the appropriate time.

During the period when the driver has the app on but before they have accepted a ride request from a passenger, an insurance policy with \$50,000/\$100,000/\$25,000 coverage is in effect. This coverage is two and a half times greater than the state minimum of personal liability motor vehicle insurance. With our recommended language, this coverage provided by either the TNC or the TNC driver is also primary, still allowing the insurance industry the opportunity to provide specifically tailored ridesharing insurance policies. It's important to remember that at this time, there is no passenger in the car and no money is changing hands.

The attached recommended changes to the bill also establish compromise language around surplus lines, disclosure, and the ability of personal line insurers to exclude coverage for TNC activities. This compromise language is currently being pursued across multiple markets in the U.S. with the endorsement of leading auto insurance organizations and Uber.

Beyond the central issues of insurance and defining key terms in this new industry, there are a number of other obstacles within the bill that would preclude the state from enjoying a healthy ridesharing ecosystem.

Requiring TNC drivers to register with the Business Registration Division (BREG) of the Department of Commerce and Consumer Affairs (DCCA) is an unnecessary and cumbersome step. In the bill's current form, Section 5 of SB1280 HD1 requires all TNC drivers to independently register. Uber Technologies is already registered with the Department of Commerce and Consumer Affairs (file number: 48179 F1). It is sensible and appropriate to require TNCs to register with the DCCA; however, most drivers are sole proprietors, and sole proprietorships are not required to register with the DCCA, BREG.

The Business Registration Division (BREG) of the Department of Commerce and Consumer Affairs (DCCA) is responsible for processing and maintaining for public access, registrations of corporations, general and limited partnerships, limited liability partnerships, limited liability companies, trade names, trademarks, service marks and publicity name rights. This provision is technically incorrect and should not be applicable to drivers.

As well intentioned as it may be, a physical examination of every driver is an undue burden as only licensed drivers are able to apply as a TNC driver. Each individual who is issued a Hawaii state license is already deemed by the state to be physically capable of operating a motor vehicle. A vision test is required of every licensed driver in the state of Hawaii. Uber only allows drivers with Hawaii state licenses to drive on the Uber platform. These are all drivers who are already on the road, actively operating motor vehicles with or without an additional form. Interjecting a layer of bureaucracy simply places another obstacle upon the individual Hawaii resident that hopes to earn an income as well as the TNC. As the average TNC driver only drives part-time, this is a significant burden and will often prevent the individual from proceeding through the

application process, bringing a loss of income and fewer transportation options for riders when they need it most.

Furthermore, requiring one year of Hawaii driving experience discriminates against those who may have recently moved to Hawaii with one or several years of safe driving experience in other states. This cohort of individuals includes military spouses, veterans, students, and others who are looking for opportunities to overcome the high cost of living in the state. These are often the same people who cannot rely on a multi-generational home for housing because they have come to Hawaii for an opportunity or service obligation that is far from family. Requiring one year of driving experience is a reasonable expectation that ensures public safety; mandating that experience must be within the state of Hawaii simply goes too far.

Safety is Uber's top priority. Uber uses a third party background check investigation service that performs local county, multi-state, and federal criminal background checks going back seven years for every potential driver. Uber already practices background checks that far exceed the scope current practices of other transportation alternatives in the state. Our process examines county judicial records, the National Criminal Locator Database (NATCRIM) database, the Federal Public Access to Court Electronic Records (PACER) database, the National Sex Offender Registry, and the Global Terrorist Watch list – coupled with several layers of identity verification. Whether an individual has been arrested or has only received a notice to appear in judicial proceedings anywhere in the country, these databases allow Uber to make an informed evaluation of a potential driver's records. We also use a Social Security trace and review motor vehicle records across past and current residences.

If one were to compare TNC safety procedures with those of the Hawaii taxi industry, it becomes clear that TNC procedures are far superior. Honolulu County only conducts a local two-year background check for taxicab drivers, while Maui County does not conduct a background check for those applying for a taxicab operator permit.

Our background check process utilizes the court systems, where data flows through in real time. These systems are updated with the most recent charges - whether added or dropped, and they

are the best source of information for all violations and their outcomes. We're comparing the complete court records instead of a simple proof of arrest via fingerprints. Therefore, we ask that the fingerprint requirement be struck from SD 1280 HD1.

The requirement to “use only a hands free device” is also problematic in its phrasing though we support what we believe is its intent. As written, it could be interpreted that a TNC driver cannot use any devices that require use of their hands at any point. Hawaii law already clearly defines and outlaws the use of a mobile device while operating a motor vehicle. To repeat such language here, even if done clearly, is redundant. Driver-partners are already advised to comply with existing distracted driving laws. Drivers mount the device that runs the Uber application and provides audible directions for a hands-free experience during navigation.

It is not appropriate to have an industry-specific personally identifiable information requirement. Other companies that do web search, e-commerce, and email provision similarly collect personal information, and TNCs should be subject to the same standard set of rules as every other company.

Because driver partners can set any type of schedule they prefer, we are offering entrepreneurial opportunities for thousands of people with flexible hours: parents whose kids are in school, people in between jobs, entrepreneurs saving up while they work on their dream, as well as veterans and military spouses. We ask the legislature to consider the positive impact of this bill upon not only these individuals’ economic opportunities but also the infrastructure and economy of the state.

SB 1280 in its current form does not support consumers or innovation, and I urge a NO vote on the bill unless each of the aforementioned substantial changes can be made.

Thank you.



TheCAB
422-2222

LATE TESTIMONY

March 24, 2015

Testimony of Howard Higa, CEO , SB 1280
Signature Cab Holdings, Inc dba TheCab
738 Kaheka Street Suite 200
Honolulu, Hawaii 96814

Chair and Committee Members:

My name is Howard Higa and we are representing 875 drivers and employees operating as TheCab on Oahu. We are a legally registered company and have been abiding by the rules and regulations set forth by the State of Hawaii for over 30 years. Our drivers also are operating under the rules and regulations by the City and County of Honolulu for taxis and also under the rules and regulations for the State of Hawaii for the Public Utilities Commission.

We are requesting that the TNCs also abide by those rules and regulations of the City and County as well as the State of Hawaii.

We are requesting that the TNCs be more specific and make available their insurance policy for review. There are special requirements and prices for taxi insurances and the TNCs should abide by the same rules for insurance. Ultimately it is for the safety of the passengers.

We are requesting that the TNCs should immediately stop their fare gouging. They call it "SURGE PRICING" and in my opinion it's gouging. The Webster dictionary defines gouging as "extortion or swindling"

For example, TheCab transfers approximately 500 physically challenged residents daily to doctors and hospitals. Assuming we charge a higher fee to our kupunas during the peak travel times to the hospital, doctors or even to the grocery store ; would that be approved by the law makers? If you don't agree with this practice then you cannot allow Uber to continue to do business in this State.

We cannot allow this very sophisticated taxi system that we have in Hawaii go back to the Wild West behavior with no regards for the safety of the general public and make it a free for all.

In summary, I strongly suggest the law makers stop Uber and other TNCs from operating in this state until further notice. At present, the industry feels that the TNCs are operating illegally and until there is firm confirmation that they can abide by the laws of the industry and keep the consumers safe they should not be operating.

LATE TESTIMONY



Liberty Mutual Insurance

Public Affairs – 01A
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San Francisco, CA 94105
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(415) 516-9491 (Mobile)
(603) 334-7646 (Fax)

March 23, 2015

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

**RE: SENATE BILL 1280 SD2 HD1 : TRANSPORTATION NETWORK COMPANIES
SUPPORT**

Dear Chairman McKelvey, Chairman Rhoads, Vice Chair Woodson and Vice Chairman Buenaventura,

Liberty Mutual Insurance appreciates the opportunity to offer our support for SB 1280 SD2 HD1, a measure that seeks to establish an important statutory framework that will assure that transportation network companies, their drivers and the passengers who utilize this innovative public transportation option are meeting their responsibilities and properly protected.

"Helping people live safer, more secure lives" since 1912, Liberty Mutual Insurance is a diversified global insurer and the third largest property and casualty insurer in the U.S. based on the 2012 direct written premium as reported by the National Association of Insurance Commissioners.

There are a number of important provisions in SB 1280 SD 2 HD1 that will assure that public safety is maintained. With respect to insurance requirements, we believe the measure includes key provisions adopted in other states that provide for a clear distinction between private and commercial vehicle use, assure that a collaborative exchange of data occurs following an accident and establish clear insurance coverage responsibilities for transportation network companies and drivers. It is also important that SB 1280 SD2 HD1 allow for product flexibility for both personal and commercial auto insurance carriers. Similar statutory changes have resulted in the filing of innovative products in a number of states, including California, Colorado, Maryland and Indiana. SB 1280 SD 2 HD1 is a product of a collaborative effort between legislative leaders and stakeholders and we urge your support.

Liberty Mutual Insurance operates through 4 strategic business units: Personal Insurance, Commercial Insurance, Liberty International and Global Specialty and proudly provides products and services from 3 Hawaii based offices.

Thank you very much for the opportunity to **SUPPORT SB 1280 SD 2 HD1**. We respectfully request your aye vote at tomorrow's hearing of the Committees.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Bissell".

Kathleen G. Bissell, CPCU
Assistant Vice President &
Senior Regional Director

Cc: Gordon Ito, Commissioner of Insurance
The Honorable Senator Glenn Wakai
The Honorable Senator Will Espero
The Honorable Senator Brickwood Galuteria
The Honorable Senator Lorraine Inouye

Submitted testimony for SB1280 on Mar 25, 2015 14:00PM

mailinglist@capitol.hawaii.gov <mailinglist@capitol.hawaii.gov>

Wed, Mar 25, 2015 at 8:54 AM

To: CPCtestimony@capitol.hawaii.gov

Cc: lho@hawaiiublicpolicy.com

SB1280

Submitted on: 3/25/2015


Testimony for CPC/JUD on Mar 25, 2015 14:00PM in Conference Room 325

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------------------|--------------------|--------------------|
| Kathleen Bissell | Liberty Mutual Insurance | Support | No |

Comments:

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 **20150325 Liberty Mutual TNC SB1280 SUPPORT.pdf**
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GRASSROOT

Institute of Hawaii

March 25, 2015

2:00 PM

Conference Room 229

LATE TESTIMONY

Board of Directors

Richard Rowland
Chairman and Founder

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Robin Tijoe

To: House Committee on Consumer Protection
Rep. Angus L.K. McKelvey, Chair
Rep. Justin H. Woodson, Vice Chair

And to: House Committee on Judiciary
Rep. Karl Rhoads, Chair
Rep. Joy A. San Buenaventura, Vice Chair

From: Grassroot Institute of Hawaii
Research and Development, Joe Kent

RE: SB 1280, SD2, HD1-- RELATING TO TRANSPORTATION NETWORK COMPANIES --
Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer comment on SB 1280, SD2, HD1, which requires the public utilities commission to regulate transportation network companies and transportation network company drivers.

The Uber and Lyft ridesharing insurance model has gone far above and beyond Hawaii state minimum requirements for both personal and commercial auto insurance.

In Hawaii, the minimum requirement for personal auto insurance is \$10,000 for personal injury protection, \$40,000 for total bodily injury, and \$10,000 for property damage¹.

The Uber and Lyft insurance goes beyond this, to provide contingent liability coverage, which protects the driver in case their personal insurance is dropped. This contingent liability coverage exceeds state minimums, and provides \$50,000 for personal injury protection, \$100,000 for total injury, and \$25,000 for property damage². This is more than double the protection in all three categories³.

If the driver's personal auto insurance is dropped, the Uber or Lyft contingent liability coverage kicks in, which exceeds state minimum insurance requirements.

¹ <http://www.dmv.org/hi-hawaii/car-insurance.php>

² <http://blog.uber.com/uberXridesharinginsurance>

³ <http://cca.hawaii.gov/ins/>

In Hawaii, many personal insurance companies like All-State Insurance have openly welcomed Uber and Lyft drivers as their primary personal insurer, according to a survey done by the Grassroot Institute of Hawaii. Other insurance companies like Geico and Farmers Insurance have rolled out new ridesharing friendly insurance models in states where reasonable regulations have been adopted⁴⁵⁶.

The ridesharing insurance model also exceeds Hawaii commercial insurance minimum requirements, according to a report by the Grassroot Institute of Hawaii, which compared traditional taxi company regulations with Uber and Lyft's commercial insurance coverage⁷. The Uber and Lyft commercial insurance was more than double the minimum commercial insurance requirements in Hawaii.

Reasonable regulations such as in Illinois⁸ have created a space for ridesharing companies to exist alongside taxi companies and other transportation services, without breaking the ridesharing business model.

Regulation in Illinois' Act 098-1173 states that contingent automobile liability insurance, "shall be maintained by a transportation network company and provide coverage in the event a participating TNC driver's own automobile liability policy excludes coverage . . ."

The language in Illinois' Act 098-1173 effectively mirrors the innovative and safe business model that ridesharing companies have presented. This allows ridesharing companies and customers a safe and productive working environment.

However, the language in SB 1280 SD2 effectively breaks the business model by gutting the contingency insurance provided by Uber and Lyft.

In striving for parity in the law, creative solutions may include finding ways to reduce existing regulation on taxi companies, to allow more open competition in the new shared economy.

Thank you for the opportunity to submit our comments,

Joe Kent,
Research and Development, Grassroot Institute of Hawaii

⁴ <http://www.insurancejournal.com/news/national/2015/02/05/356682.htm>

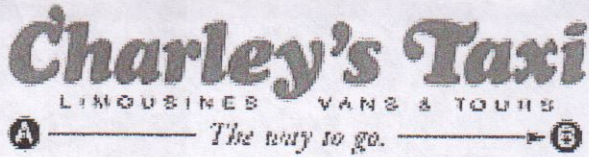
⁵ <http://www.buzzfeed.com/johanabhuiyan/in-a-significant-pivot-geico-rolls-out-commercial-ridehail-i#.ojVxnlpz3>

⁶ <http://www.farmersinsuranceopen.com/uber/>

⁷ <http://www.civilbeat.com/2015/03/uber-and-lyft-the-end-of-ride-sharing-in-hawaii/>

⁸

<http://www.ilga.gov/legislation/publicacts/fulltext.asp?name=098-1173&GA=98&SessionId=85&DocTypeld=SB&DocNum=2774&GAID=12&Session=>



LATE TESTIMONY

March 25, 2015

Additional Testimony of DALE EVANS, President, for CHARLEY'S TAXI & LIMOUSINE
In Support of SB1280 SD2 Hearing Wed Mar 25, 2015 @ 2 pm, House CfRm 325

Honorable Committee members of the Consumer Protection and Judiciary Committees:

Without repeating our prior testimony on record, we would request one more amendment in Section - 5 (a) and (b), **DURATION OF ACTIVITY; FARE CHARGED FOR ACTIVITY**

Section 5(a)

Instead of limiting to when passenger(s) are ON/OFF THE VEHICLE, must include all activity when the APP IS ON UNTIL THE APP IS OFF to address claims arising from accidents or incidents involving pedestrians and other motorists.

Crash Victim Lawsuit: App Use by Uber Drivers Is Negligent and Illegal, Streetsblog NYC, 3.20.15

The suit says Diallo was speeding and disregarded a traffic signal. It claims Diallo broke state law that prohibits using an electronic device while driving, and that Uber "knew or should have known that the use of the Uber App by Uber Drivers, including but not limited to" Diallo was a violation of state code intended "to protect individuals from injury and death due to driver distraction and driver inattentiveness."

Uber sued over girl's death in S.F. Family says firm's app violates distracted driving laws. Kale

Williams, Kurtis Alexander, SF Chronicle, 1.28..14

Because drivers must interact with the Uber app to locate and pick up riders, the app violates a California law that seeks to cut down on distracted driving, the suit says. Uber drivers "must respond quickly to a user request for service by physically interfacing with the app, thereby leading to distraction," the lawsuit states.

In closing, we offer these are 3 points that we think are very important to your decision-making.

1 - Honolulu is an open-entry city. No artificial limits on number of licenses. The taxicab and PUC license process is the easiest in the country, if not in the world.

2 - Local transportation operators uphold the transportation laws for public safety and consumer protections. We even try to exceed standards and expectations.

3 - TNCs came in several years ago, with the "I no like" attitude, operating above our local laws and regulations. They want to show how to do business better than us. And if you don't let them off on this and that regulation, their record nationwide and worldwide is "make me!" So here is a sampling of their defiance of bans and court orders.¹

1

TNC DEFY LAWS, COURT ORDERS WORLDWIDE

Uber Battles Multiply Around the World. LCT Mag, 1.09.15 (INFOGRAPHIC)

Germany, Netherlands, Thailand, India

Why are people trying to ban Uber? Jane McCallion, PC Pro, 12.17.14

Why has Uber been banned from these places? Shruti Tripathi Chopra, London Loves Business, 12.10.14

CANADA

Free Uber rides coming to an end. Kirby Bourne, 12.26.14, Edmonton News

City of Toronto seeks court injunction against Uber taxi services. Toronto argues the app-based taxi service risks public safety and violates licensing bylaws. It's asking the Superior Court to stop the San Francisco-based company. Jennifer Pagliaro, Toronto Star, 11.18.14

FRANCE

Uber Drivers Face Fines in Paris □New York Times, Feb. 22, 2015

Uber has been facing regulatory headaches as it rapidly expands around the globe, and adding to those are new fines in France for drivers viewed as being illegal chauffeurs. After protests and bans against the American ride-booking service in cities like Rome and Rio de Janeiro, Uber had decided to play nice with regulators by working with politicians to find ways for it to operate within the bounds of local laws. But Uber, which allows drivers to connect with passengers through a smartphone app, still has far to go to convince wary French lawmakers that Uber should be allowed to operate in their cities.

To read the article, [click here](#). To read the article, [click here](#).

Uber files second complaint against French law. Reuters, 2.17.15

France Plans to Block Uber 'Ride Sharing' Service. WSJ, Sam Schechner, Into Landauro, WSJ, 12.15.14

France Says It Will Ban Uber's Low-Cost Service in New Year. David Jolly, Mark Scott, NYTimes, 12.15.14

France to ban Uber's low-cost service in 2015. CBS News, 12.15.14

Uber tests French tolerance with new car share scheme. Leila Abboud, Reuters, 11.13.14

GERMANY

Uber Hits Another roadblock in Germany, As Court bans uberPOP service. German Pulse, 3.18.15

Uber Must Stop Car Services in Germany's Two Biggest Cities. Karin Matussek, Bloomberg, 9/26/14

Court Upholds Ban on Uber in Berlin. Mark Scott, NYTimes, 9/26/14.

Uber Ban in Germany Is Lifted by Court. Mark Scott, Sarah Plass, NYTimes, 9/16/14

Uber defies German court's countrywide ban. Robert Anglen, AZ Republic, 9.6.14

Huge surge in Uber sign-ups following German ban. Traffic Technology Today, 9/05/14

As It Flouts Germany-Wide Ban, Uber Touts ~30% Price Cut In Berlin And Munich. Natasha Lomas, Tech Crunch, 9/04/14

Uber in Germany Could Be Hit With Fines, Vows To Defy Ban On Its Services. Ashley Helms, HNGN, 9.3.14

Uber Continues to Operate in Germany, Despite Court Ruling. Mark Scott, Bits, 9/03/14

Germany Imposes Nationwide Ban on Uber's Car-Hailing Services. Company Could Be fined Up to \$328,225 Per Trip. Neetha Mahadevan, WSJ, 9/2/14

Uber Faces Berlin's Wrath as Car-Sharing App Flouts Ban. Stefan Nicola, Karin Matussek, Bloomberg Business, 8.14.14

HOLLAND

UberPOP set to defy Holland ban. Bangkok Post, 12.9.14

INDIA

New Delhi bans all internet taxi firms after Uber rap claim. **India orders country-wide ban on all internet taxi firms.** ABC news, 12.9.14

JAPAN

Uber Ordered to Halt Ride-Sharing Pilot Program in Japan, Jie Ma, Bloomberg Business, 3.3.15

SOUTH KOREA

Uber shuts down UberX in South Korea after talks with regulators. Circa News, 3.6.15

SPAIN

Taxi app Uber defies ban in Spain. Yahoo, 12.26.14

Uber defies Spanish ban and tells drivers it will pay to appeal all fines. David Gilbert, International Business times, 12.11.14

THAILAND

Uber's regulatory woes continue, termed "illegal" in Thailand. Deepanshu Khandelwal, 12.29.14

USA NATIONWIDE

Uber CEO tells U.S. mayors he's not waiting for regulators to catch up. Allen Young, Sacramento Business Journal, 9.28.14.

Here is Where Uber And Lyft Are Facing Regulation Battles In the United States. Uber and Lyft are fighting for the ability to operate in cities across the country. Here are some of the resulting citations, and in some cases, lawsuits the companies are embroiled in. Johana Bhulyan, BuzzFeedNews, 12.15.14

San Antonio, Los Angeles and San Francisco, Portland OR, Eugene, OR, Boston MA, Nevada, Pennsylvania (except Philadelphia), Philadelphia, Jacksonville, FL, Tampa, FL, Broward County, FL, Orlando FL, Colorado, South Carolina, New York City, Illinois, Fairfield County, Connecticut

Pimping Your Rude: Uber... Brilliant Model or Just Breaking the Law? Shari Olefson, Yahoo Finance, 1.26.15

Uber: What You Need to Know About the Car Service App, Cathy Rainone, NBC Bay Area, 7/20/14.
Banned in Omaha and Lincoln NE, Ann Arbor MI, San Antonio and Austin TX, Miami FL)

Uber Faces Down Legal Trouble Pretty Much Everywhere, 12.3.12 The Wire UK,

ALASKA

Uber Quits Anchorage, Sued in Oregon. Huffington Post, 3.06.15

CALIFORNIA

Uber Must Submit CEO Emails. 1.3.15, Slashdot

Uber has lost its bid in U.S. federal court to avoid disclosing emails from Chief Executive Travis Kalanick in a California lawsuit accusing the popular ride-booking service of deceiving customers about how it shares tips with drivers.

Uber under pressure as more bans and lawsuits loom. Uber's week of woes is continuing with authorities in San Francisco and Los Angeles taking legal action against the internet based taxi firm. BBC, 12.10.14

Lyft Defies Legal threat in Los Angeles With New Carpooling Service. Douglas MacMillan, WSJ.D, 9/29.14

The Four Things Uber and Lyft Have to Face When the Ride-Hailing Wars are Over. Scott Pham, NBC Bay Area, 9/9/14

Whoa. A LOT of armed cops just busted this Uber driver, apparently for a street-pick up. Paul Carr, Pando Daily, 8/16/14

Ride-shares warned by regulators: no airport runs. Carolyn Said, San Francisco Chronicle, 6.11.14

Ridesharing Wars: Uber, Regulators, and the "California Compromise". Mark Scribner, CEI, 6.6.14

Uber, Lyft and Sidecar Operate at SFO Illegally. Elyce Kirchner, David Paredes, Scott Pham, NBC Investigative Unit, 6.3.14

Uber Defiant in face of new legal challenge. Zach Miners, PCWorld, 2.27.14.

Lyft and UberX to keep operating in L.A. despite city orders. Salvador Rodriguez, LA Times, 6.25.13

DISTRICT OF COLUMBIA

Is fancy cab service Uber operating illegally? Yes, says D.C.'s taxicab commish., 1.11.12

FLORIDA

Hillsborough Regulators Seek Support From Courts Against Uber, Lyft. Tampa Bay Times, Feb. 11, 2015
Even with threats and fines, Hillsborough County hasn't been able to get companies Uber and Lyft off the streets so now it wants a judge to shut them down. The county on Wednesday joined cities such as Las Vegas, Miami and Portland, Ore., in calling for the court system's support in the ongoing battle between regulators and ride-share companies. Board members voted during Wednesday's Public Transportation Commission meeting to pursue injunctive relief against Uber and Lyft after both ride-share companies failed to comply with a cease-and-desist letter issued at the end of December. To read the article,

Florida County Now Regulates TNCs Like Taxis. LCT Mag, 2.10.15

Lawsuit reignites Miami-Dade policy fight over Uber, Lyft. Miami Herald, 2.10.15

Will Uber follow Broward laws? Brittany Wallman, Sun Sentinel, 2.9.15.

Palm Beach County Commission votes to shut down popular Uber. Examiner, 1.28.15

Broward County Commissioners to negotiate with Uber. Commissioners consider legal action against unregulated transportation service. Peter Burke, Local10.com, 1.13.15

Uber to customers: Keep us in Broward. Brittany Wallman, Sun Sentinel, 12.15.14

Uber challenges Hillsborough Public Transportation Commission tickets. Caitlin Johnston, Tampa Bay times, 9/08/14

Orlando ticketed Uber drivers and towed their cars.
Mark Schleub, Orlando Sentinel, 6.26.14

Miami-Dade escalates penalties against renegade Lyft drivers. Patricia Mazzei, Miami Herald, 6.6.14

Tampa Vows to Ticket Lyft, Uber Ridesharing Drivers. Insurance Journal, 4.30.14

IDAHO

Uber Suspends Boise Service; Cites Proposed City Rules. Idaho Statesman, Feb. 27, 2015
Uber announced it had suspended its app-based service in Boise as of noon on Thursday. "Uber is suspending operations in the City of Boise for the foreseeable future due to growing costs and unworkable and onerous regulations being proposed by Mayor (Dave) Bieter and city officials," the company said in a statement. The announcement comes on the heels of a Wednesday meeting in which city officials proposed rules that would regulate Uber much like the taxi industry. To read the article, [click here](#).

Uber Bows Out Of Boise After Gripping About Proposed Rules. LCT Magazine, 2.26.15

ILLINOIS

Uber blasts latest round of rules in Springfield. Chicago Business, 5.16.14

KANSAS

Lyft Finds Itself in Legal Limbo Though its Drivers Continue to Pick up Riders. **Kansas City Star, 8/8/14**

LOUISIANA

Why New Orleans doesn't have Uber. Jeanie Riess on the city's resistance to alternatives to traditional cabs – and what New Orleans taxi services have to say. Jeanie Riess, Best of New Orleans, 2.3.14

In October, Taxicab Bureau Director Malachi Hull issued a letter banning the app from coordinating any rides. "Notice to Cease Unlawful Transportation Operations in the City of New Orleans," it was titled, accusing Uber of "illegally advertising for drivers, advertising for riders, and/or facilitating for hire and courtesy transportation in the City of New Orleans.

City leader threatens transportation company with arrest, fines if it brings business to NOLA. Cease and desist letter sent to app-based company uber, 11.21.13 WDSU6

MARYLAND

Uber launches in Annapolis despite uncertain future in state. Rideshare company has threatened to leave Md. If subjected to taxi regulations. Kevin Rector. The Baltimore Sun, 5.21.14

MINNESOTA

Car-sharing service Lyft plans to defy Minneapolis ban. Julio Ojeda-Zapata, Twin Cities Pioneer Press, 2.25.14

MISSOURI

Ban Against Lyft Ride Sharing Service Extended in St. Louis. Insurance Journal.com, 7.16.14

NEVADA

Transcript Shows How Transit Officials Built Case Against Uber, Las Vegas Review-Journal □Dec. 18, 2014
A review of a 105-page transcript of the transit authority's case against contracted Uber driver Anthony Morris gives a snapshot of how regulators are building its case against Uber and how some drivers went into their roles with little idea that they would be caught, compelled to appear before a hearings officer, fined and have their vehicles taken from them.

Uber challenges court order; drivers still working. Ann Friedman, Las Vegas Review Journal, 3.22.15

Uber suspends activities in Nevada after injunction. Geoffrey Smith, Fortune, 11.28.14

Uber Suspends Operation in Nevada.Brian R. Fitzgerald, WSJ.D, 11.28.14

Judge puts the kibosh on ridesharing Uber in Nevada, for now.Michelle Rindels, Kimberly Plercell, Las Vegas Sun, 10/24/14

Four cars driven for Uber had been impounded statewide for not being licensed as of midafternoon and faced fines of up to \$10,000, said Teri Williams, a spokeswoman for the Nevada Taxicab Authority. Uber spokeswoman Eva Behrend called the impoundments "unjust" and said the company will have its drivers' backs financially and legally.

NEW JERSEY

Hoboken Cracking Down On Uber Car Servies.Tamara Laine, My9nj.com, 8/29/14

"The driver's vehicle will not be covered. The driver either has to lie to the insurance company and say they were not doing a ride-share application or take the chances and be honest and lose the coverage for that accident. They'll have no coverage and then you and I have to pay for that through the uninsured motorist fund. They are unregulated, unlicensed and they are skirting the law," he said.

NEW MEXICO

Ridesharing service defies New Mexico order to stop operating. **News Tribune, 3.23.14**

NEW YORK

More Uber Cars Than Yellow Taxis on the Road in NYC. **New York Post, March 17, 2015**

Uber has overtaken the yellow-cab industry in total cars on the streets in less than four years of operation in New York, according to new TLC data. The company has 14,088 black and luxury cars affiliated with it operating in the five boroughs, compared to 13,587 medallion cabs, according to the Taxi and Limousine Commission. Uber has been active in the city only since May 2011, but its competitive rates and higher pay have quickly lured drivers and customers away from traditional taxi service.

To read the article, [click here](#).

[Lyft hit with restraining orders from NY attorney general, Taxi Commission](#). Josh Lowensohn, 7.11.14, The Verge

OREGON

[Uber refuses to pay \\$2000 fine for operating illegally in Eugene: Uber vs. Portland roundup](#). The Oregonian, 12/11/14.

[City of Portland sues Uber in bid to shut taxi service down](#). Dominic Rushe, The Guardian, 12.9.14

PENNSYLVANIA

[Uber presents testimony before Pennsylvania PUC judges](#). Kim Lyons, Pittsburgh Post Gazette, 8/19/14
[Uber Will Continue to Operate in Pittsburgh Despite a Court Order](#). ViewFromTheWing, 7.02.14

TENNESSEE

[Memphis Creates Task Force to Arrest, Fine Uber and Lyft Drivers](#). Barry Donegan, 7.16.14

TEXAS

[Lyft pulling up stakes unless paid ride rules change](#). Dug Begley, Houston Chronicle, 10/29/14
Many of the rules duplicate what the companies already do, but the procedures are not exactly the same. While the companies use online background checks, Houston requires applicants to use the state's fingerprint-based background check company.

[Houston Sting Catches Uber Drivers Accepting Street Hails](#). Peter Fricke, Daily Caller, 7.28.14
Police nab uber drivers for cash trips

[Police: We'll Continue to Seize Cars of LYftDriver](#). WOAI, 6.13.14

[Texas police latest to crack down on Uber, Lyft cars. The impoundments Tuesday came about a month after Police Chief William McManus announced that such enforcement could occur if ride-sharing companies didn't cease operations](#). Josh Baugh, PoliceOne.com News, 6.12.14

[Uber, Lyft Rolling Forward, but Uncertainty Lingers](#). Aman Batheja, Texas Tribune, 6.10.14

VIRGINIA

[Arlington County Police Will Enforce Virginia's Uber and Lyft Ban](#). Eric Hal Schwartz, Virginia Assn of Chiefs of Police, 6.16.14

[Despite Va. Order, Car Services Uber, Lyft Refuse To Pull Over](#). Scott Neuman, The Two-Way, 6.06.14.

[Virginia DMV orders Lyft, Uber to stop operating](#). Dave Forster, The Virginian-Pilot, 6.6.14

[Uber launches public lobbying effort to keep operating in Va](#). WTOPfm, 6.6.14

[Virginia Joins the Pyrrhic War on Uber](#), e21, Jared Meyer, 6.06.14

Virginia officials order Uber, Lyft to stop operating in the state. Lori Aratani, Washington Post, 6.5.14
Earlier this year, Virginia officials slapped the app-based services with more than \$35,000 in civil penalties for operating with out proper permits. On Thursday, Richard D. Holcomb, commissioner of the Virginia Department of Motor Vehicles, sent a cease and desist letter to both companies. Officials at both companies said they will continue to operate in the state, despite Thursday's order.