



TESTIMONY OF ROBERT'S HAWAII

on

H.B. 2435 H.D.1

Relating to Motor Carriers

Committee on Consumer Protection & Commerce

Wednesday, February 21, 2018

2 :00 p.m., Room 329

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My name is Roy Pfund, Vice President of Robert's Hawaii, Inc., testifying in strong support of H.B. No. 2435, H.D.1, which proposes to amend the definition of "rate" for the transportation of passengers by motor vehicle to only include the charges for the provision of transportation.

robertshawaii.com

Robert's Hawaii operates under a certificate for the transportation of persons by motor vehicle and the services incidental to the "safety, comfort, or convenience of the persons transported." As one of Hawaii's largest provider of tour and transportation services, Robert's Hawaii often enters into agreements with a tour packager or event organizer, where the agreement includes the provision of things like air fare, meals, cost of attractions, and other services. The PUC is charged with regulating the transportation component of these packaged services.

H.B. No. 2435, H.D. 1, amends the definition of "rate" so, when a motor carrier of passengers enters into an agreement that includes the provision of non-transportation items, such as airfare, meals, attractions, and other non-transportation services, the rate shall only include the revenue related to the provision of transportation.

This amendment will clarify that, 1) the PUC passenger tariffs rates filed are for transportation services only, and 2) the annual fee paid to the Public Utilities based on "gross revenues," should exclude amounts received for the non-transportation items.

We request that the effective date be changed to "upon approval."

We strongly urge you to pass this measure with the recommended amendment.

Thank you for the opportunity to testify on this measure.

§271-36 Fees and charges. (a) Every common carrier by motor vehicle and every contract carrier by motor vehicle shall pay to the commission, in April of each year, a fee equal to one-fourth of one per cent of the gross revenues from the carrier's business during the preceding calendar year, or the sum of \$20, whichever is greater. Gross revenues include all revenues received from services connected with or incidental to the transportation of persons or the transportation of property, as defined under section 271-4.

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H.B. No. 2435, H.D.1

Relating to Motor Carriers

Committee on Transportation
Wednesday, February 14, 2018
10:30 a.m., Room 423

The Western Motor Tariff Bureau, Inc. publishes rates for motor carriers across the state that are already on file with the Public Utilities Commission. Our members then subscribe to those publications and tariffs which list not only the rates that they can legally charge, but also the rules that go along with them. We have nearly 400 carriers of which are made up of approximately 130 passenger carriers or approximately 30% of our membership, at any given time.

My name is Kerry Lewis, General Manager of the Western Motor Tariff Bureau, Inc., in support of Robert's Hawaii, Inc.'s testimony regarding H.B. No. 2435, H.D.1. We support this particular legislation that speaks to amend the definition of "rate" as it pertains to the transportation of passengers by motor vehicle. The legislation that would change the definition of rates makes sense as accessorial charges associated with transportation of persons, such as meals, admissions, and other non-transportation services, fall outside of the regulated rates for which the PUC is tasked with enforcing. Therefore, the amended definition of rates is better reflected in reporting revenue from the carriers that associate with the applicable PUC regulated rates. All other fees as we've mentioned are not subject to PUC regulation and should not fall under the definition of rates. We believe that it is in the best interest of all parties that this action be taken immediately upon approval.