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STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

June 24, 2020
1:30 p.m.
State Capitol, Room 225

**H.B. 2002, H.D. 2
RELATING TO TRANSPORTATION NETWORK COMPANIES.**

Senate Committee on Transportation

The Department of Transportation (DOT) **supports** H.B. 2002, H.D. 2 which establishes requirements and permitting procedures for transportation network companies operating in the State.

The DOT believes transportation options are a good thing for the communities we serve, and that the demand is apparent. The DOT also believes the regulations the bill provides will ensure the public is safe using these options.

The DOT currently runs statewide motor vehicle enforcement programs and is confident it can manage an oversight program on transportation network companies, which is similar to other State's that issue permits and conduct audits that ensure proper documentation and passenger safety.

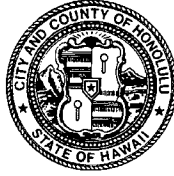
An annual permit fee of up to \$25,000 would be needed to regulate the safety of transportation network companies.

Thank you for the opportunity to provide testimony.

DEPARTMENT OF CUSTOMER SERVICES
CITY AND COUNTY OF HONOLULU

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June 22, 2020

LATE

The Honorable Lorraine R. Inouye, Chair
and Members of the Committee on Transportation
The State Senate
State Capitol, Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Inouye and Members of the Committee on Transportation:

SUBJECT: H.B. No. 2002, H.D. 2
Relating to Transportation Network Companies

The City Department of Customer Services **SUPPORTS H. B. 2002, H.D. 2**. As the entity that currently has operational oversight of both Taxicab and Transportation Network Companies on Oahu only, we recognize the need for more cohesive and consistent governance through statewide regulation.


The City's attempt to apply umbrella rules that cover both taxi operations and transportation network companies were challenging, and resulted in fractured and inconsistent operations, especially in the areas of insurance requirements, fee transparency and applicable caps, trade dress, and digital vs metered operations.

Taxi companies operate locally and the application of individual county rules are clear. TNCs operate with the same system on all islands, yet the rules on each island differ, which is confusing for the public as they traverse from island to island.

H.B. No. 2002, H.D. 2 attempts to address these major concerns, creates uniform rules, and strengthens the management of the industry.

Thank you for this opportunity to provide testimony in support of the intent of H.B. No. 2002, H.D. 2.

Sincerely,


Sheri T. Kajiwara
Director

**Testimony of Robert Toyofuku, on behalf of Uber Technologies, Inc., regarding HB 2002,
HD 2**

June 24, 2020

To: Chairperson Lorraine Inouye and Members of the Senate Committee on Transportation:

My name is Bob Toyofuku and I am the Government Affairs Consultant for Uber Technologies, Inc. (“Uber”) in Hawaii. I am submitting this testimony on behalf of Uber regarding HB 2002 HD 2 relating to Transportation Network Companies. Uber supports the original HB 2002 and the SD 1 of SB 2808 which contain the basic and necessary provisions for Uber and other TNCs to operate statewide.

The Uber app facilitates Transportation Network Company (TNC) services. This provides flexible earnings opportunities for thousands of small business owners across Oahu, Maui, Big Island, and Kauai. Uber’s technology platform connects local, independent drivers, with Hawaii residents and visitors. These independent drivers complete millions of trips every year throughout Hawaii, via the Uber platform. The original provisions of HB 2002 would provide uniform regulations for TNC operations throughout all of Hawaii. TNC driver screening and other operating requirements are currently only mandated for Honolulu County, under ROH Chapter 12. TNC insurance regulations are mandated by HRS 431:10C-703 and TNC airport operations are subject to HAR Title 19, Chapter 20.1.

The original HB 2002 would ensure TNC driver screening and other operating requirements are mandated for all islands throughout Hawaii and not only the City and County of Honolulu. The provisions of the original HB 2002 are very similar to the current requirements of Honolulu ROH Chapter 12 and mandate background screenings for all drivers. These screenings include criminal background checks on all potential drivers. These checks must search federal,

state, and local databases as well as the Sex Offender Public Registry Website. Driver Motor Vehicle Record (MVR) checks are also included. Various other TNC operating requirements are also addressed, including operating permits, fare transparency, driver and vehicle identification, receipt requirements, non-discrimination and accessibility policies, record retention, and audit provisions. The original version of the bill is very similar to the bill that is currently in conference committee; namely, HB 1093, HD 2, SD 1. However, this bill also contains some changes that were discussed during the interim last year with both TNCs and the Department of Transportation (DOT). The primary roles of the DOT are to issue permits and to do an annual audit.

The HD 1 and the HD 2 included the following subsections which Uber feels are not necessary and were introduced in testimony by Hawaii Passenger and Property Carriers Association.

Subsection – 2 on pages 3 and 4 provides the DOT with specific authority to enforce the regulations and rules if promulgated. Uber feels that this is superfluous and not necessary. It is understood that the DOT and its director has the authority to enforce the regulations. Further, subsection – 14 on pages 13 and 14 provides for an audit and inspection of records and allows the DOT to respond to specific complaints.

Subsection – 12 on pages 11 and 12 attempts to include a provision regarding unfair trade and deceptive Acts and law into this regulation bill. The Hawaii Revised Statutes already provides for this in Chapter 480 and the DOT should not be the agency which is responsible to decide if there is this type of violation. It should remain with the courts and the Judiciary if there is any violation and a citizen or the State decides to bring an action for a violation of this law. Uber requests that this subsection be deleted as inappropriate in this regulation bill.

Subsection – 15 on pages 14 – 16 also appears to be an attempt by opponents to create added responsibilities similar to a court proceeding when any person has reason to believe that the regulation or rules have been violated. Uber feels this is not necessary as the DOT primarily has the right to audit and oversee the provisions of his chapter. It is the prerogative of the legislature to recognize the different model that the TNCs utilize and the fact that this basic oversight has worked well in the city and county of Honolulu does not necessitate this particular subsection. Uber requests that this subsection be deleted as well.

In summary, Uber requests that the provisions of SB 2808 SD 1 be inserted into HB 2002 HD 2 as the basis for the regulation of TNCs in Hawaii. This is similar in scope to the original HB 2002 provisions and Uber is in support of this version.

I thank the Committee for the opportunity to provide this testimony.

LATE

HB 2002 HD2: WRITTEN TESTIMONY OF TRACI LEE OF LYFT
H.B. No. 2002, HD2 Relating to Transportation Network Companies
SENATE TRANSPORTATION COMMITTEE HEARING
Weds., June 24, 2020, 1:30 p.m. Room 225

Dear Chair Inouye and Committee Members,

My name is Traci Lee, and I am a Senior Public Policy Manager for Lyft, responsible for Lyft's policy and government relations in Hawai'i. This testimony is to express Lyft's **support for House Bill 2002 HD2, if amended to reflect the language of SB 2808**, which creates a statewide regulatory structure for ridesharing that will allow Lyft to expand throughout Hawai'i.

Lyft was founded in 2012 with the mission of reconnecting communities through better transportation and making our cities more livable. Lyft is an online ride-sharing application that connects people with efficient, friendly and safe drivers in their community. At a basic level, Lyft was created as an alternative to personal car ownership, and we make it easier for people to offer their neighbors a ride and help people carpool more efficiently.

In Hawai'i, Lyft has been a transportation option on Oahu since June 2014, and available on Big Island, Maui, and Kauai since March 2017. We currently operate at six airports across the four islands, as well as at Honolulu Harbor. Lyft service enhances transportation options for locals and tourists alike provides people another transportation choice. As of this year, 46 states across the country have passed statewide rideshare legislation, like HB 2002 HD2, that regulates Lyft in a safe and comprehensive manner. Most recently, Vermont and Louisiana were the 45th and 46th states, respectively, to pass such legislation regulating transportation network companies ("TNCs"). We hope that Hawai'i can join other states in allowing consumers to have the ability of choosing Lyft across the islands.

We believe it is valuable that students at UH Manoa or Kapiolani Community College, or any of the many universities on the islands can get safe rides home, that seniors can continue to have the freedom that they once had when they were able to drive themselves around, with the same level of service and regulatory requirements from Waikiki to Kapolei, from Hilo to Kona, or any of the more than 350 major cities across the nation where they can open the app and request a ride. Lyft provides a transportation option for communities that are traditionally underserved by other forms of transit, as demonstrated by the fact that 51% of rides in Hawai'i start in low-income areas. People like the service because they know they are going to get seamless, affordable, and reliable transportation.

Lyft also contributes to safer streets by significantly reducing the instances of impaired driving. In Hawai'i, 56% of Lyft passengers are less likely to drive substance impaired to the availability of Lyft.

But what really distinguishes Lyft is how we utilize technology to serve as a transportation planning partner. Across North America, we recognize that first- and last-mile connections to transit, late-night service and suburban circulator services are among the most challenging services for agencies to efficiently operate. To help address these needs, Lyft has partnered with 70+ cities and transit agencies to deliver innovative on-demand mobility programs that are

closing first/last-mile gaps to regional transit, extending transit coverage, and improving access. From late-night jobs access service in Washington, DC to suburban transit connection services in Monrovia, CA, Lyft has worked with civic partners to build programs that improve access to transit and tackle transportation equity barriers head-on.

We are proud that Lyft is more than just a ridesharing application-- it is also a unique and flexible economic opportunity that allows anyone with a car to be an entrepreneur who can set a schedule according to their terms. In fact, almost 94% percent of Lyft drivers in Hawai'i drive less than 20 hours per week. The Lyft driver community is made up of retirees, single parents, students, folks trying to get around, and families looking to earn extra income. In Hawai'i, Lyft drivers span a diverse cross-section of the community-- 21% of drivers are veterans, 26% are over the age of 50, 22% are female, and 13% are students.

Along with these community and economic benefits, we believe that Lyft is contributing to a more sustainable Hawai'i. Indeed, over 80% of cars on the road have only one occupant. 25% of Lyft take public transit at least once a week, and 66% of non-car owners say that Lyft has impacted their decision not to own or lease a personal vehicle. By taking a Lyft instead of driving their cars, Hawaiians are not just saving time, they are reducing congestion, freeing up parking, making more efficient use of existing roads, and supporting sustainable transportation infrastructure.

And just last week, Lyft took a major step in the fight against climate change by committing to reach 100% electric vehicles (EVs) on the Lyft platform by 2030, in collaboration with the Environmental Defense Fund. Lyft's transition to zero emissions on the platform is expected to result in:

- 16 million metric tons of GHG emission reductions;
- 60 billion electric vehicle miles traveled over the next decade; and
- Up to \$10 billion in savings for drivers from reduced vehicle operating expenses.

Switching to electric vehicles is not just good for the planet; it's good for riders, drivers, and the communities we serve. By helping to eliminate one of the biggest contributors to climate change, we can help improve communities most heavily impacted by smog and asthma. Rideshare drivers directly benefit from choosing EVs, which have lower vehicle operating and maintenance costs, so this change will put more money in their pockets.

Statewide legislation is a path towards providing consumers, drivers and visitors a consistent experience with Lyft. Through HB 2002 HD2, we urge this committee to support establishing the clear, workable regulatory framework that can be applied to all ridesharing companies regardless of size and cities of operation to ensure that safe, reliable and affordable rides are available for all in Hawai'i.

Thank you for your consideration of Lyft's testimony.

LATE



June 23, 2020

**TESTIMONY BEFORE THE SENATE COMMITTEE ON TRANSPORTATION
ON HB 2002 HD2 RELATING TO TRANSPORTATION NETWORK COMPANIES**

Aloha Chair Inouye, and committee members. I am Gareth Sakakida Managing Director of the Hawaii Transportation Association (HTA) with 400 members involved with the commercial ground transportation industry.

HTA can support this bill, and has a few recommended items to add to a TNC driver's application process.

A traffic abstract is a good indicator of one's driving ability and attitude. The importance of those characteristics is compounded in a scenario where driving time is far greater than the average motorist, and where passenger transport is involved.

A medical clearance is the foundation of ensuring one's physical ability to handle the rigors of driving as a profession.

Possession of a general excise tax license is critical in dealing with independent contractors.

Therefore, on Page 8 line 11 we recommend the following amendment (underscored):

(E) A copy of the applicable motor vehicle insurance;

(F) A copy of a current traffic abstract;

(G) A copy of a medical clearance by a licensed physician certifying the individual is in proper condition for driving a motor vehicle;

(H) A copy of a current general excise tax license; and

(I) Other information deemed necessary by the transportation network company;

Mahalo.

Testimony of
Roberts Hawaii, Inc
on
H.B. No. 2002, H.D.2
Relating to Transportation Network Companies
Committee on Transportation
Wednesday, June 24, 2020, 1:30 p.m.
Room 225

My name is Roy Pfund, President of Roberts Hawaii and I am testifying in strong opposition to H.B. No. 2002, H.D.2, which is special legislation proposing to establish a statewide permitting process especially for transportation network companies.

The coronavirus pandemic that has caused the shutdown of Hawaii's tour industry with the implementation of the 14 day mandatory quarantine, combined with the stay at home mandates has effectively crippled Hawaii's existing PUC passenger carriers and taxis operators with most companies generating zero revenues for 3 months and counting. We should be working to help the existing local regulated companies rather than proposing legislation to help foreign companies who do not contribute anything to help Hawaii residents or economy. The TNC's would rather evade the regulatory process that other Hawaii companies abide by and introduce many more vehicles on to Hawaii's roads causing more traffic congestion and pollution.

We need to step back and take a comprehensive look at what this legislation is attempting to create for the TNC companies, namely Uber and Lyft. These two TNC companies want to monopolize the taxi and ride sharing transportation market in Hawaii by passing legislation that effectively provides them with privileged operating advantages that the taxis and PUC regulated passenger carriers do not have.

What are these privileged operating advantages?

1. The ability to operate outside of existing Motor Carrier Act definition of a contract carrier. The TNC drivers fall squarely under the legal definition of a contract carrier thus should be regulated by the PUC. The Motor Carrier Act defines a "contract carrier by motor vehicle" as any person that **engages in transportation by motor vehicle of passengers or property for compensation**. A transportation network company driver operates a personal vehicle for the transportation of a passenger for a fee.
2. The ability to operate with insurance coverage standards that are less than comparable public liability coverage for taxis and PUC regulated operators
3. The ability to charge the public any fare amount that can be extracted based on passenger demand at time of day or location. Rates and fares can fluctuate greatly within a given day, as opposed to the set fare structures that taxi and PUC regulated operators must follow and must seek approval to increase. **Motor carriers are required to file rate changes with the PUC and are required to give 30-day notice of any proposed change in rate.**

4. The ability to operate outside of the scope authority of the Consumer Advocate, the State Tax Office and the Department of Transportation regulatory bodies that would help to ensure that the TNC contract drivers are paying comparable fees and taxes that the taxi and PUC companies must pay.

Uber and Lyft's IPO's have provided them with billions of dollars to further expand their hold on Hawaii's transportation market. This money will be used to continual squeeze the local taxi and PUC companies out of business with the proposed unfair privileged operating advantages. How will Uber and Lyft pay back their investors? Clearly, this will come from the monopoly pricing and profits that they will be able to derive from markets like Hawaii once they have driven the local companies out of business. We need to prevent TNC's from gaining privileged operating advantages by killing this bill.

Thank you for allowing me to submit testimony on this proposed legislation.

LATE

Kathleen Sicard (Maui)

Aloha to the members of the committee addressing HB2002 on regulating Transportation Network Companies. I am happy to see that this legislation is being picked back up during this session, as rideshare will continue to be a main way for me to earn -- and now more than ever that we are facing such a challenging economic environment. That is why I am supporting this bill if amended to the Senate version - SB 2808. As a 60-year-old entrepreneur, I value the ability to maintain a flexible and independent schedule, while making this my own. I am going to continue my studies at the University of Hawaii as a proud student of Interdisciplinary Studies, yes, as an older student -- all the while, I can balance my life and drive around competing priorities. I plan to create my own programs and write books about this great Hawaiian language and culture to bring understanding to this paradise and beautiful people; rideshare allows me to chase that dream. Also, six years ago I was severely injured in an accident. I went from a wheelchair, to a walker, to a cane and now can walk again. However, for six years I was unable to do business or office work given certain manual labor aspects. This has been a wonderful transition for me and I will continue to be an advocate within the community for how this can positively impact our lives. From a resident of Maui, please consider my story when making this policy and legislating rideshare. I would encourage the committee to ensure that the regulations are uniform across the islands so that all drivers and passengers can have the same efficient experience.

LATE

Aloha to the representatives of the Transportation Committee. My name is John Phillips and I am a resident of Honolulu, Oahu. I hope you and your families are well during this challenging time we are facing. I wanted to add my testimony to the record in addressing this piece of legislation and ensuring that the driver community has a voice in the policies addressing it. I would like to support this measure if amended to the Senate version - SB 2808. This beautiful state we live in is worth exploring and sharing, and with rideshare, I have had the opportunity to do that every day by ensuring that residents and tourists alike get to their destinations safely. I feel that I am supporting the community by offering a great service. As an Air Force veteran and someone who currently works for the government as my primary job, I am a public servant through and through. Granted, the current situation has changed the landscape for Hawaii economically, and soon enough there will be a vast need for individuals to get back out there and earn additional income for their family; rideshare will be a great way to do so. To that end, ensuring ubiquitous regulations across the state will be critical to extend the opportunity to all potential drivers that want to contribute to their family and community. I know this has worked for me and thank you for picking up this discussion to ensure that it works for others as well. Mahalo!

LATE

HB-2002-HD-2

Submitted on: 6/24/2020 1:30:51 PM

Testimony for TRS on 6/24/2020 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Anderson	Individual	Support	No

Comments:

As a rideshare driver, I support your bill HB2002 HD-2.

I especially appreciate your settling that drivers are considered independent contractors and NOT employees. I wish this could be the case today for those of us stuck between PUA and UI.