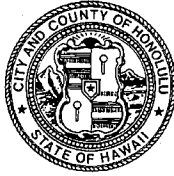


DEPARTMENT OF CUSTOMER SERVICES
CITY AND COUNTY OF HONOLULU

MISSION MEMORIAL BUILDING
550 SOUTH KING STREET, HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-3392 FAX: (808) 768-1591
<http://www.honolulu.gov>

KIRK CALDWELL
MAYOR

LATE



SHERI T. KAJIWARA
DIRECTOR

RANDY M. LEONG
DEPUTY DIRECTOR

February 4, 2020

The Honorable Lorraine R. Inouye, Chair
The Honorable Breene Harimoto, Vice 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: S.B. No. 2808
Relating to Transportation Network Companies

S.B. No. 2808, establishes rules, regulations, and permitting procedures for transportation network companies operating in the State. Makes permanent insurance requirements for transportation network companies and transportation network drivers. The Department of Customer Services (CSD) **supports S.B. 2808.**

The earlier establishment of such rules at independent county levels resulted in fractured and inconsistent operations.

The City's attempt to apply umbrella rules that cover both taxi operations and transportation network companies were challenging, 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.

S.B. 2808 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 S.B. No. 2808.

Sincerely,

-For- *Randy M. Leong*

Sheri T. Kajiwara
Director

SB 2808: WRITTEN TESTIMONY OF TRACI LEE OF LYFT
SENATE TRANSPORTATION COMMITTEE HEARING
Weds., Feb 5, 2020, 1:15 p.m. Room 225

Chair Inouye, Vice Chair Harimoto, 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 Senate Bill 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 SB 2808, 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.

In fact, at Lyft, safety is our top priority. Our goal is to make every ride safe, comfortable, and reliable. Our riders use Lyft because they feel safe with drivers, which is a product of this commitment.

Before drivers can accept rides on the Lyft platform they must undergo a mandatory local, state, and national background check conducted by Checkr, which is the leading provider of background checks across the country. Checkr is accredited by the National Association of Professional Background Screeners, which requires a rigorous audit of its procedures and policies by an independent auditor appointed by the Background Screen Credentialing Council (BSCC). Once drivers pass the initial screenings and are approved to drive on the Lyft platform, they are then subject to annual background and driving record checks. Our standards for annual checks are the same as the initial checks, and are performed at least once a year. Throughout the year, Lyft also conducts continuous criminal monitoring and continuous driving record checks that provide Lyft with immediate notification of any disqualifying criminal convictions or driving offenses. These continuous checks allow Lyft to identify unsafe drivers and remove them from the platform as soon as a violation of Lyft's safety standards is detected. Any driver who does not pass the initial, annual and continuous screenings is barred from our platform.

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 getting 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 with this bill, supporting sustainable transportation infrastructure.

Since 2018, all Lyft rides have been carbon neutral, and Lyft is now a fully carbon neutral company. We not only acknowledge the immediacy of climate change, but also embrace our role in combating climate change by accelerating the transition to a shared, multi-modal, and electric future. The largest impact we can have environmentally is to shift the cars driving on our platform to electric vehicles. In Seattle, Portland, and Atlanta, we recently launched Green Mode in our app in , which gives riders the ability to choose clean vehicles. These efforts will create financial savings opportunities for our driver community and a cleaner transportation solution for everyone on the platform. We are continuing to work with key stakeholders in cities throughout the country to break through barriers to electric vehicle adoption.

Statewide legislation is a path towards providing consumers, drivers and visitors a consistent experience with Lyft. Through SB 2808, 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 in support of SB 2808.



Testimony of Tabatha Chow, on behalf of Uber Technologies, Inc., in support of SB 2808

February 5, 2020

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

My name is Tabatha Chow and I am the Senior Operations Manager for Uber Technologies, Inc. ("Uber") in Hawaii. I am submitting this testimony on behalf of Uber in support of SB 2808 relating to Transportation Network Companies.

The Uber app facilitates Transportation Network Company (TNC) services. This provides flexible work opportunities for thousands of small business owners across Oahu, Maui, Big Island, and Kauai. Our 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.

SB 2808 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. SB 2808 would ensure TNC driver screening and other operating requirements are mandated for all islands throughout Hawaii, not just the City and County of Honolulu.

The provisions of SB 2808 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.

This 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.

We thank the Committee for the opportunity to provide this testimony and look forward to working together.

Respectfully,

A handwritten signature in black ink, appearing to read 'Tabatha Chow', with a stylized, cursive flourish at the end.

Tabatha Chow
Senior Operations Manager
Uber Hawaii

Testimony of
Hawaii Passenger and Property Carriers Association
on
S.B. No. 2808
Relating to Transportation Network Companies
Committee on Transportation
Wednesday, February 5, 2020, 1:25 p.m.
Room 225

My name is Deems Narimatsu, representing the Hawaii Passenger and Property Carriers Association, testifying in strongly opposition to S.B. No. 2808, which proposes to establish a statewide permitting process for transportation network companies (TNC).

S.B. No. 2808 discriminates in favor of transportation network company drivers and grants them special treatment or privilege, including:

- Mandating that no transportation network company driver shall be required to register a transportation network company vehicle as a commercial or for-hire vehicle, even though the definition of “transportation network company vehicle” is a vehicle used by a transportation network company driver to provide a prearranged ride for a fee;
- It declares that a transportation network company driver shall not be considered a “common carrier by motor vehicle, contract carrier by motor vehicle, or a motor carrier” but a transportation network company driver under an agreement with a TNC provides transportation for passengers for compensation; and
- Transportation network company drivers are not employees of the TNC, so are an independent business, but H.B. No. 2002 does not in the requirements for the drivers include that they have a general excise tax license.

Under the Motor Carrier Law (Chapter 271), "contract carrier by motor vehicle" means any person that engages in transportation by motor vehicle of passengers... for compensation ...under continuing contracts with one person or a limited number of persons either: for the furnishing of transportation services through the assignment of motor vehicles for a continuing period of time to the exclusive use of each person served..." A transportation network company driver is a motor carrier.

The general excise tax law defines “service business” to include “rendering of a service, including ...transportation services.” A transportation network company driver is a service business that should be licensed under the general excise tax law.

S.B. 2808 proposes a special law

S.B. No. 2808 may be considered a special law that is unconstitutional. “A law is a “special law” not a general law, if it operates upon and affects only a fraction of persons or a portion of the property encompassed by a classification, granting privileges to some and not others.” ...special legislation discriminates in favor of a person or entity by granting them a special or exclusive privilege. A statute relating to particular persons, places, or things is a special law, not a general law.” (Attorney General Op. 2007-2)

“A legislative act that applies only to particular individuals or things of a class is special legislation. Class legislation makes improper discrimination by conferring privileges on a class arbitrarily selected from a large number of persons standing in the same relation to the privileges without reasonable distinction or substantial difference. Uniformity is required in order to prevent granting to any person, or class of persons, the privileges or immunities which do not belong to all persons.” (Haman v. Marsh 237 Neb. 699 467 N.W.2d 836 (1991))

For these reasons we oppose S.B. No. 2808.

Thank you for the opportunity to submit testimony on this legislation.

LATE

SB-2808

Submitted on: 2/4/2020 5:18:18 PM

Testimony for TRS on 2/5/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Liyam Wan	Testifying for Lyft	Support	No

Comments:

My name is Liyan Wan and I am a 5-star Lyft driver with over 250 rides. I wanted to share my experience with rideshare in Hawaii. I started back in 2016 as a way to earn some extra money. I am an architect and engineer by training, and worked full time until the long hours and pressure of my career caught up to me and affected my health. On top of that, I have ADD and can't sit in an office environment for 8+ hours. I needed medication to work, and the side effects were just too much for me to handle. I have now been utilizing rideshare as a supplemental source of income for the past few months, while I grow my tutoring and design businesses. Rideshare allows me to have more control over my schedule and my life. I am able to drive when I want to, and log off when I need to. Rideshare works for me, and I am excited about the prospect of statewide regulations that would continue to grow the services of affordable and reliable transportation across the state.