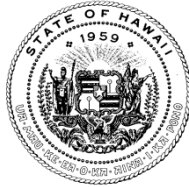


DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

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

March 23, 2021
2:00 P.M.
State Capitol, Teleconference

S.B. 251, S.D. 2
RELATING TO TRANSPORTATION NETWORK COMPANIES

House Committee on Consumer Protection and Commerce

The Department of Transportation (DOT) **supports** S.B. 251, S.D. 2, which establishes requirements and permitting procedures for transportation network companies operating in the State. The proposed legislation makes permanent insurance requirements for transportation network companies and transportation network drivers.

We believe the permitting program will increase public safety by ensuring the companies and employees are properly regulated. The DOT is requesting that the permit fees go to the Highways Special Fund to support program operations.

Thank you for the opportunity to provide testimony.

**Testimony of Bob Toyofuku, on behalf of Uber Technologies, Inc., in support of
SB 251, SD 2 Relating to Transportation Network Companies**

March 23, 2021

To: Chairman Aaron Johanson and Members of the House Committee on Consumer Protection and Commerce:

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 in support of SB 251, SD 2, 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. Uber’s technology platform connects local drivers with Hawaii residents and visitors. Before the pandemic began in early 2020 these drivers completed millions of trips every year throughout Hawaii via the Uber platform. This bill would provide uniform regulations for TNC operations throughout all of Hawaii. TNC driver screening and other operating requirements are currently only mandated for the City and County of Honolulu 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 251, SD1 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 this bill 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 bill also contains some suggested changes which were discussed with key staff persons at the Department of Transportation (DOT) during the past two years. The primary role of the DOT is to issue permits and to do an annual audit and it has said that they are capable of doing so.

At the hearing before the Senate Transportation Committee on the initial regulation bill, SB 770, the Office of the Attorney General and the Department of Labor and Industrial Relations (DLIR) raised concerns about the independent contractor provisions in SB 770. The committee voted to delete those provisions and they are not included in SB 251, SD 1 after the provisions of SB 770 were inserted into SB 251.

Further, the insurance provisions for TNCs which were mandated by the legislature in 2016 are made permanent by this bill and Uber supports this.

Lastly, Uber is of the opinion that a statewide regulatory framework as set forth in this bill will benefit all of our residents and provide uniformity throughout the state.

Thank you for the opportunity to present this testimony and I am available for any questions that you may have.

SB-251-SD-2

Submitted on: 3/22/2021 7:49:27 AM

Testimony for CPC on 3/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
DAle Evans	Charley's Taxi	Oppose	No

Comments:

Honorable CPC House members:

Instead of allowing TNC to circumvent HRS271 through this bill's special legislation for DOT's statewide licensing of Uber & Lyft, we urge instead the following amendments to SB251 SD2:

- Amend HRS 271.5 to create TNC classification and exempt TNCs from PUC licenses to be regulated by counties.
- Require DOT to amend HAR 19-20.1 Admin Rules for TNCs to incorporate SFO's TNC permit procedures and rules. [\[1\]](#)

NOTE: SFO was first US airport to issue TNC permit. SFO licensed other airports to use its TNC permit model. SFO first worked with CPUC to create TNC classification; SFO then issued TNC permits to CPUC authorized TNCs. SFO issues TNC vehicles dashboard placards which must be displayed at all times including at staging lot; Electronic waybill must be presented upon request. Real-time vehicle activity to be visible to enforcement officers via an Airport mobile app; SFO requires commercial liability insurance on each TNC vehicle consistent with CPUC requirements. Enforcement & Auditing: real-time data must corroborate self-reported trip fees; company records relating to Airport operations are subject to SFO audit. SFO's first 9-month audit found 39,000 under-reported TNC trips resulting in additional fee payments of over \$150,000. [\[2\]](#)

We also question the necessity of # -3 through 11 provisions coping from ROH 12-6 that will necessitate state legislation to make changes, when these rules can be covered by HPUC or county ordinances or administrative rules. All these provisions should be deleted.

SB251 SD2 creates more Conflicting Laws and Rules that do not protect the state on liability, fees, taxes, by:

1. **Jeopardizing Public Safety & Security,**
2. **Gouging consumers and**

3. **Treating local carriers unfairly with economic requirements that provide competitive advantages to Uber & Lyft who are exempted from such requirements.**

SAFETY & SECURITY JEOPARDIZED AT HNL

HDOT does not/should require Certificate of Insurance on each TNC vehicle naming the state as additional insured with 30-day cancellation notice as required from all other permittees vehicles.

For the past 7 years, including the 3 years since the TNC “pilot project”, HDOT doesn’t know what cars and drivers picking up at HNL are actually affiliated with Uber & Lyft. DOT does not require Uber & Lyft drivers and vehicles to have any airport identification, or to provide a list of their drivers and vehicles. DOT is allowing rogues without criminal background checks, insurance and paying fees to pick-up anywhere on airport property.

HDOT requires taxi drivers (Ampco walk-up system) GETax license and annual tax clearances that are not required from Uber & Lyft drivers. Charley’s drivers display GETax license and have annual tax clearances.)

ANTI CONSUMER PRACTICES

As to Sec.___-4, Fare Transparency, this bill allows discriminatory price gouging against consumers to profit TNCs, whereas taxicabs are restricted to fixed mileage and time rates and drivers are required to take the “shortest most economical route” and prohibited from charging above approved rate ceilings: [\[3\]](#)

Upfront Pricing [\[4\]](#) cheats passengers because the algorithm calculates either the longest and slowest route or by the “riders’ propensity for paying a higher price for a particular route at a certain time of day.” The driver is paid by set miles, the TNC pockets the difference. [\[5\]](#)

Surge Pricing [\[6\]](#) is a similar scam, cheating passengers when demand exceeds supply. Typical surge prices range from 1.75 to 3x the normal fare. Media reports Uber drivers across the U.S. manipulate fares to create artificial price surges. [\[7\]](#)

As for SECTION 3 in SD251, SD2, the lower coverage for Level 1 unfairly discriminates against claimants:

50% lower insurance coverage to profit Uber, Lyft and their insurers to save money on claims during Level 1 (App-On, no passenger on board) as this legislature reduced their required coverage to be only half of insurance coverage required from other G.T. airport permittees. Taxicabs and PUC operators. Taxis and PUC operators are required to provide end-to-end primary insurance coverage, no ‘gap’ insurance.

UNFAIR UNEQUAL DOUBLE STANDARDS

Without amending to incorporate meaningful TNC controls, SB251 SD2 establishes more unfair practices against local transportation operators as Uber & Lyft are exempt from:

- HRS 271.8 PUC regulations and ROH 12-6 Honolulu County TNC ordinance.
- HDOT's ground transportation permittee requirements for insurance, permittee decals, identification of their vehicles and drivers, airport transponders
- No certificate of insurance on each vehicle naming HDOT as additional insured with 30-day notice of cancellation.
- Excess insurance from non-Hawaii licensed insurance carrier
- Audit of trip fee records to verify accuracy of trip fee reports.
- Uber & Lyft's drivers are exempt from GETax licenses and annual tax clearances required from the airport taxi drivers and other G.T. permittees
- Uber & Lyft's rates are unregulated, free to charge whatever the market bears. Whereas all other G.T. permittees' prices are regulated by PUC tariffs or Taxi Ordinance.
- HDOT's consultation with the ground transportation industry has been after — not before — implementation, depriving the local industry of meaningful input.

SB251 SD2 is special legislation to purposely circumvent HRS 271 Motor Carrier Act and other constitutional and antitrust laws:

- SB251 does not include HRS271 policy [\[8\]](#) and evades the purpose and intent of HRS 271.8. There is no exemption for TNCs in HRS 271.
 - Hawaii Constitution Section 5 requires Due Process and Equal Protections that are not being afforded to local transportation operators [\[9\]](#)
 - Hawaii Constitution Section 21 limits Special Privileges that are being granted to TNCs under SB251. [\[10\]](#)
 - US Constitution Fourteenth Amendment guarantees equal rights be afforded also to competitors of TNCs. [\[11\]](#)
-

[1] Transportation Network Companies at San Francisco International Airport, white paper, see pp 1-2.

[2] Ibid, pp3-4

[3] ROH 12-1.21 Trip Route;
https://www.honolulu.gov/rep/site/ocs/roh/ROH_Chapter_12.pdf

[4] <https://therideshareguy.com/the-case-against-upfront-pricing/>

[5] <https://finance.yahoo.com/news/uber-practicing-price-discrimination-economists-110232004.html>

[6] <https://www.dailymail.co.uk/news/article-7051735/amp/Uber-Lyft-drivers-DC-airport-trigger-surge-pricing-turning-apps-time.htm>

[7] <https://wjla.com/features/7-on-your-side/uber-drivers-nationwide-manipulating-fares-artificial-surges>

[8] https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii_statutes_271-1

[9] **Section 5.** No person shall be deprived of life, liberty or property without due process of law, nor be denied the equal protection of the laws, nor be denied the enjoyment of the person's civil rights or be discriminated against in the exercise thereof because of race, religion, sex or ancestry. [Ren and am Const Con 1978 and election Nov 7, 1978]

[10] **Section 21.** The power of the State to act in the general welfare shall never be impaired by the making of any irrevocable grant of special privileges or immunities. [Ren and am Const Con 1978 and election Nov 7, 1978]

[11] Equal Protection of the Laws under US Constitution 14th Amendment.
<https://constitution.congress.gov/constitution/amendment-14/>

TESTIMONY OF ALISON UEOKA

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair

Tuesday, March 23, 2021
2:00 p.m.

SB 251, SD2

Chair Johanson, Vice Chair Kitagawa, and members of the Committee on Consumer Protection & Commerce, my name is Alison Ueoka, President of the Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council supports Part II, Sections 4 and 6 of the bill (Page 12, lines 10-15), which makes existing insurance provisions permanent. We take no position on other provisions in this measure.

Thank you for the opportunity to testify.

Testimony of
Robert's Hawaii, Inc.

on

S.B. NO. 251

**Relating to Regulating Transportation Network Companies
Committee on Consumer Protection & Commerce
Tuesday, March 23, 2021, 2:00pm, Room 329**

phone 808.523.7750
fax 808.522.7866

Roberts Hawaii, Inc.
444 Niu Street, Suite 300
Honolulu, HI 96815

Chair Johanson, Vice Chair Kitagawa and Members of the Committee on Consumer Protection & Commerce,

My name is Roy Pfund, President, CEO of Robert's Hawaii, Inc., and I am testifying in strong opposition to S.B. No. 251 which proposes to establish a statewide system of regulation of Transportation Network Companies (TNC).

For the past few years, the TNC's have introduced bills to establish an independent class of commercial vehicle service that falls outside of the current regulations that cover Public Utility Commission (PUC) vehicles and County Taxis. The true intent of this effort is to create a façade of regulation that will allow the TNC's to bypass all the current rules, regulations and taxes that Hawaii based operators must comply with.

Who are these TNC's? Both are public companies, Uber with a market capitalization of \$100 billion and Lyft with \$15 billion are the two undisputed leaders in the industry. These two TNC companies want to monopolize the taxi and ride sharing transportation and now even the food and package delivery market in Hawaii by promoting legislation that discriminates against locally based regulated transportation companies their workforces.

How does the proposed regulation discriminate against local transportation companies and their workforces?

1. TNC's use their software to connect the customer and the service provider (independent driver under TNC contract) to provide a service of either moving passengers or goods from point A to point B. TNC service is no different from the service provided by PUC regulated companies and taxis. So why the big push to classify TNC's separately? It's because TNC's do not want to comply with the PUC and Taxi rules and regulations that local companies must follow. They want to operate in a discriminatory self-regulated environment, meaning operating under little to no regulations as compared to other regulated transportation providers.
2. How do the TNC's treat our local workforce? Local drivers are "hired" as independent contractors. As independent contractors, do our local residents have the ability to receive medical insurance if they work over 20 hours per week? Do they have a set minimum wage? Are they reimbursed for costs of

www.robertshawaii.com

their vehicle? Are they covered by workers compensation if they get injured while working? The answer is no in all instances.

3. Do the TNC's pay their fair share of state taxes and fees? The answer is no one would know unless the TNC's were regulated by the PUC or Counties, then they would be required to file annual financial reports and pay GET on the gross revenues generated. Additionally, they should be paying Hawaii Income tax on their Hawaii based TNC operations. If the TNC's want a separate regulation, lets make sure that they report and pay GET and income taxes on the hundreds of millions in fare revenue that they take in annually.
4. An additional point that supports the TNC's disregard for paying their fair share of costs to operate in Hawaii is that the bill proposes the Department of Transportation to undertake handling the permit process for an annual fee of up to \$25,000. This is an insignificant amount to manage, audit and follow up on the thousands of independent contractor drivers and their complaints that the TNC's would be generating on an annual basis.

Recommendation:

Rather than approving special interest and discriminatory legislation, we should be requiring that all TNC activity be regulated under the existing laws, specifically HRS 271. The Declaration of Policy for chapter 271 calls for the regulation of all transportation within Hawaii, TNC are not exempted as either the TNC is the provider of the service or the independent contractor is the provider of their commercial service. The TNC and their special interest advocates cannot dispute that they are providing a commercial transportation service. Declaration of Policy is exerted below:

[HRS §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. [L 1961, c 121, pt of §2; Supp, §106C-1; HRS §271-1]

If we take into consideration Hawaii's pandemic ravaged economy, it is very bold for the TNC's to be proposing legislation that discriminates against local companies that have been enduring the loss in revenues while maintaining regulatory compliance. Isn't Hawaii's goal to support local business? We should not be supporting multibillion companies headquartered elsewhere that show little concern for Hawaii's workers and for paying their fair share to operate in and support Hawaii's economy. Thank you for allowing me to submit testimony on this proposed legislation.

Testimony of
Hawaii Passenger and Property Carrier Association
on
S.B. NO. 251
Relating to Regulating Transportation Network Companies
Committee on Consumer Protection & Commerce
Tuesday, March 23, 2021, 2:00pm, Room 329

My name is Deems Narimatsu, Executive Director of Hawaii Passenger and Property Carrier Association (HPPCA) and I am in strong opposition to S.B. No. 251 which proposes to establish a statewide system of regulation of Transportation Network Companies (TNC).

I am opposed to the proposed bill because it is unreasonable that the TNC's (Uber and Lyft) are allowed to bypass all the current rules, regulations and taxes that Hawaii based transportation operators must comply with. It makes absolutely no sense that these TNC's (that are not even headquartered in Hawaii) are not regulated like other locally based transportation companies, as they are providing the same types of services, however they are allowed to operate in a self-regulated environment.

I believe it would be in the State's best interest to regulate the TNC's under the Public Utility Commission (PUC) or as Taxis. Continuing to allow them to be an independent class of commercial vehicle service that falls outside of the current regulations is unfair and allows them an undue advantage, resulting in destructive competitive practices.

Our recommendation would be rather than crafting special legislation for TNC's, they should be fall under HRS §271-1 Declaration of policy, per below:

[HRS §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. [L 1961, c 121, pt of §2; Supp, §106C-1; HRS §271-1]

By requiring the TNC's to abide by the above HRS §271-1, it would ensure that fair and impartial regulations are enforced and unfair competitive practices that the HRS directly addresses are not practiced. There was a reason for establishing this HRS and this is exactly why it should be enforced for TNC's.

Given Hawaii's current economy, we should be supporting local transportation companies and not enabling multibillion dollar TNC's headquartered elsewhere unfair advantages over our locally based companies who are maintaining regulatory compliance.

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



To: The Honorable Aaron Ling Johanson, Chair
The Honorable Lisa Kitagawa, Vice Chair
House Committee on Consumer Protection and Commerce

From: Mark Sektnan, Vice President

Re: **SB 251 SD2 Relating to Transportation Network Companies**
APCIA Position: SUPPORT

Date: Tuesday, March 23, 2021
2:00 p.m., Conference Room 329

Aloha Chair Johanson, Vice Chair Kitagawa and Members of the Committee:

The American Property Casualty Insurance Association of America (APCIA) is pleased to **support** SB 251 SD2, which makes permanent insurance requirements for transportation network companies and transportation network company drivers. Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

Several years ago, the Hawaii Legislature passed legislation to establish insurance requirements for transportation network companies to protect their drivers and passengers. This was an important step because the personal auto policy carried by the drivers did not provide coverage for this commercial activity. SB 251 SD2 makes these requirements permanent.

For these reasons, APCIA asks the committee to pass SB 251 SD2.

WRITTEN TESTIMONY OF TRACI LEE OF LYFT
SB 251 SD2 - Relating to Transportation Network Companies
House Committee on Consumer Protection & Commerce
March. 23, 2021 2 PM in conference room 329

Aloha Chair Johanson, Vice Chair Kitagawa, and Committee Members,

My name is Traci Lee, and I am Director of Public Policy for Lyft, responsible for Lyft's policy and government relations in Hawaii. **Lyft supports Senate Bill 251 SD2**, which creates a statewide regulatory and insurance framework for ridesharing that will allow Lyft to expand throughout the state.

Lyft was founded in 2012 with the mission of reconnecting communities through better transportation and making our cities more livable. Lyft is an online platform that connects people with efficient, friendly and reliable 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 carpool more efficiently.

In Oahu, Lyft has been operating since June 2014, and on Big Island, Maui, and Kauai since March 2017. Lyft's availability enhances transportation options for locals and tourists alike as we operate at airports and harbors across the four islands. As of this year, 46 states across the country have passed statewide rideshare legislation, like SB 251 SD2, that regulates transportation network companies ("TNCs") through a uniform framework. Vermont and Louisiana were the 45th and 46th states, respectively, to pass such legislation. We support SB 251 SD2 in hopes that Hawaii can become the 47th state to pass comprehensive TNC legislation.

During the Covid-19 pandemic, Lyft has been instrumental in helping locals access work, medical appointments, and other essential services. Across the islands, Lyft has partnered with with a dozen organizations, such as Hawaii Food Bank, U.S. Vets Hawaii, Hale Kipa, Lunalilo Home and Hauoli Homecare on Oahu, Kauai Adult Health Center, and Na Hoaloha on Maui, to support essential travel, including rides for survivors seeking shelter, kūpuna accessing grocery stores and medical appointments, and individuals looking for work opportunities.

We are proud that Lyft is more than just a transportation network company-- during a challenging year when workplaces have shuttered or scaled back employee hours, Lyft has provided 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, 97% of drivers on the Lyft platform in Hawaii drive fewer 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 Hawaii, drivers span a diverse cross-section of the community-- 42% of drivers are over the age of 50, 17% are veterans, 16% identify as female, 15% are retired, and 26% speak a language other than English at home. Further, Lyft supports first-/last mile solutions to help fill transit gaps -- 46% of rides start or end in low-income areas and 23% of riders have used the Lyft platform to access healthcare services.

Along with these community and economic benefits, we believe that Lyft is contributing to a more sustainable Hawaii. In fact, 42% of riders have used a Lyft service to get to or from public transit, and 43% of riders who have access to a personal use that car less because of Lyft. 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.

Statewide legislation is a path towards providing consumers, drivers and visitors a consistent experience with Lyft across islands. Through SB 251 SD2, we urge this committee to support establishing this comprehensive regulatory and insurance structure that can be applied to all ridesharing companies regardless of size and cities of operation to ensure that responsible, reliable, and affordable rides are available for all in Hawaii.

Thank you for your consideration of Lyft's testimony in **support of SB 251 SD2**.



March 23, 2021

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE
ON SB 251 SD2 RELATING TO TRANSPORTATION NETWORK COMPANIES**

Aloha Chair Johanson, and committee members. I am Gareth Sakakida Managing Director of the Hawaii Transportation Association (HTA) with over 375 members involved with the commercial ground transportation industry.

HTA opposes this bill. Although the concept of uniform regulations can be appealing, the regulations provided for in this bill are seriously inadequate for the commercial transportation of passengers.

Long established and well thought out regulations already exist for the transportation of passengers for the safety and security of those passengers, and for the general public. There is no need to re-invent a regulatory structure for a single type of operation.

No matter the label or methodology the action performed is still transporting passengers. Even an autonomous vehicle scenario is transporting passengers and should comply with the same regulations as other passenger transportation operations.

TNCs do not wish to be considered common carriers or motor carriers, yet their functions fall exactly within the definition of the PUC's "common carrier," and could fall within the definition of the Federal and State DOT's "motor carrier."

Existing regulations already cover critical areas, including, but not limited to, the following.

Certificate or Permit required, may be suspended or revoked

The Public Utilities Commission (PUC) requires that no person shall engage in the transportation of persons or property, for compensation or hire, by motor vehicle, over any public highway of this State unless there is in force with respect to the person a certificate or permit issued by the public utilities commission authorizing the transportation. The commission, upon complaint or upon its own initiative, after notice and hearing, may suspend or revoke any certificate or permit, in part or in whole, if the holder thereof is found to be in violation of any of the provisions of this chapter.

This bill as no suspension or revocation requirement in the case of a violation of the law for TNCs.

Furthermore the PUC requires any officer, agent, employee, or representative thereof, who fails or refuses to comply with any provision of this chapter, or any rule, requirement, or order, may be assessed a civil penalty payable to the State in a sum:

- (1) Up to \$1,000 for each offense; and
- (2) In the case of a continuing violation, not less than \$50 and not more than \$500 for each additional day during which the failure or refusal continues.

This bill has no provision for citations for violating a law.

Enforcement inspections

The PUC and the Hawaii Department Of Transportation (HDOT) execute compliance audits to ensure adherence to regulations. All invoices, receipts, driver and vehicle files are subject to inspection at any time.

In no enforcement scenario does the entity being enforced dictate the terms of enforcement. Limiting inspections to “no more than annually” or limiting an inspection to “a sample” of records is ludicrous. Furthermore, no enforcement agency is limited in their function “in a manner agreeable to both parties.”

Driver Qualification

Driving commercially is a serious business and HDOT requires drivers to be continually medically certified. They also require drivers' performances to be evaluated annually.

This bill contains no medical related requirements to ensure the ability to safely operate a vehicle transporting passengers for hire. Visual acuity, functionality of limbs, heart conditions, and a myriad other health conditions that affect safe operation is left to chance.

Rates

PUC requires just and reasonable rates to prevent predatory pricing and gouging of consumers. They are flexible with a zone of reasonableness permitting rates of 10% higher or lower of approved rates. These rates must be filed with the Commission and a tariff available to all. Higher or lower rates can be applied for, but must be justified and approved.

Vehicle Marking

PUC and HDOT require the registration of each company's vehicles, and require them to be marked with their company name or logo on vehicles so they can be readily identified by enforcement personnel and the general public, all in the interest of transparency.

There are no exterior vehicle markings required for TNCs making it impossible for enforcement personnel or general public to identify in the case of mis-doings.

Placing TNC operations under Chapter 271 would require proper reporting of revenue and payment of applicable taxes and fees. Chapter 271 provides a proven structure for the all round enforcement of passenger transportation. It does, in fact, have a declaration of policy in the interest of the public:

HRS §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.

These and many more regulations exemplify how serious a function the transportation of passengers is. These regulations must apply to all drivers and transportation companies.

Mahalo.

SB-251-SD-2

Submitted on: 3/22/2021 10:33:32 AM

Testimony for CPC on 3/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
King Van Nostrand	Na Hoaloha Maui Interfaith Volunteer Caregivers	Support	No

Comments:

I want to add my testimony in full support of Senate Bill 251 SD1.

Na Hoaloha is a volunteer-based non-profit serving Maui for over 26 years. Our goal is to keep home-bound seniors and persons with disabilities safe, free from isolation, and out of long-term institutional care. Na Hoaloha serves the islands of Maui, Lana'i, Moloka'i, and the Hana community. The Maui County participants' demographics vary significantly, with the largest concentration of our efforts geared to persons in need. This group is over 60 years old, lives alone, and has income at or below poverty. 92% of our 1215 participants fall in this group.

Living on isolated islands in the Pacific was challenging for our Hawaiian kupuna and elderly residents. Our government and local leaders continued to stress "Stay-Safe-At-Home" yet failed to provide solutions or logistic alternatives for seniors and persons with disabilities to continue with doctor's visits, chemotherapy appointments, weekly dialysis or essential health checkups. Our network of volunteers continued to provide transportation, but since Maui County senior services were suspended in March 2020, ride requests to medical appointments began to increase swiftly.

LYFT stepped up in early April 2020 to offer their full support. "How can we help?" "What can we do?" "When do you need support?" This sizeable national car service wanted to help Maui County seniors! By offering free ride credits to medical appointments and procedures, LYFT provided a bridge between the haves and the have-nots. By funding these medical trips, LYFT provided seniors and persons with disabilities to THRIVE in the pandemic environment rather than survive.

But we have come to realize that LYFT is more than just car service. Our employees, our volunteers, and our participants continue to praise the compassion and caring ways for the LYFT drivers. Taking care of your loved ones is the real meaning of ALOHA, and LYFT drivers continue to make sure our seniors are protected and safeguarded. Every LYFT segment always stresses safety with clean, sanitized cars by masked, clean, and courteous drivers that provide that extra comfort level in these COVID19 times. Most notably, during the Covid-19 pandemic, Lyft has been instrumental in helping people and

communities access healthcare, medical appointments, and other essential services. LYFT is so much more than just a transportation network company. LYFT provides flexible employment to our local Hawaiians. LYFT contributes to a safe and sustainable Hawaii.

Statewide legislation is a path towards providing consumers, drivers, and visitors a consistent experience with Lyft across islands. Through SB251, Na Hoaloha urges this committee to support establishing a clear, workable regulatory structure that can be applied to all ridesharing companies regardless of size and cities of operation to ensure that responsible, reliable, and affordable rides are available for all in Hawaii.

Most sincerely,

King Van Nostrand, Executive Director

Na Hoaloha-Maui Interfaith Volunteer Caregivers