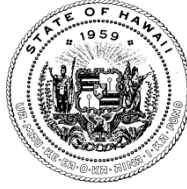


DAVID Y. IGE  
GOVERNOR



**TESTIMONY BY:**

JADE T. BUTAY  
DIRECTOR

Deputy Directors  
ROSS M. HIGASHI  
EDUARDO P. MANGLALLAN  
PATRICK H. MCCAIN  
EDWIN H. SNIFFEN

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

February 23, 2022  
9:30 A.M.  
State Capitol, Teleconference

**S.B. 2275, S.D. 1**  
**RELATING TO TRANSPORTATION NETWORK COMPANIES**

Senate Committee on Commerce and Consumer Protection

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The Department of Transportation (DOT) **supports** S.B. 2275, S.D. 1, which makes permanent the motor vehicle insurance requirements for transportation network companies and transportation network company drivers.

The DOT believes that the permanent motor vehicle insurance requirement will increase protection for both drivers and passengers who use this service.

Thank you for the opportunity to provide testimony.



February 23, 2022

**TESTIMONY BEFORE THE SENATE COMMITTEE ON  
COMMERCE & CONSUMER PROTECTION  
ON SB 2275 SD1 RELATING TO TRANSPORTATION NETWORK COMPANIES**

Thank you Chair Baker and committee members. I am Gareth Sakakida Managing Director of the Hawaii Transportation Association (HTA) with over 350 members involved with the commercial ground transportation industry.

HTA believes that long established and well thought out regulations already exist for the transportation of passengers that provide for the safety and security of those passengers, and for the general public. Existing regulations cover critical areas, including, but not limited to, the following.

Enforcement inspections

The Public Utilities Commission (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 by the PUC.

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.

Insurance

The PUC's Hawaii Administrative Rules Chapter 6-62-8 (b) reads, "The security for a motor carrier of passengers shall be in the following amounts:(1) Liability coverage for bodily injury or death, per person, in an amount no less than\$100,000; and(2) Liability coverage for bodily injury or death, per accident, in amounts no less than:(A) \$200,000 for a vehicle with a seating capacity of 7 passengers or less." The coverage increases as the seating capacity does, and federal financial responsibility regulations can also apply at \$1.5 million or \$5 million depending on designed seating capacity.

Rates

PUC requires fair 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. Additionally, the Consumer Advocate plays a role alongside the PUC to ensure the interests of the public are being met.

Vehicle Marking

PUC and HDOT require company names on vehicles so they can be readily identified by enforcement personnel and the general public. PUC and DOT registered markings are also required. All in the interest of transparency.

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,"

Mahalo.

## TESTIMONY OF ALISON UEOKA

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### COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair  
Senator Stanley Chang, Vice Chair

Wednesday, February 23, 2022  
9:30 a.m.

### **SB 2275, SD1**

Chair Baker, Vice Chair Chang, and members of the Committee on Commerce and Consumer Protection, 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 of this bill. SB 2275, SD1 seeks to regulate the Transportation Network Company (TNC) business and Part II of the bill seeks to make the insurance provisions permanent. In 2016, the Legislature enacted insurance provisions pertaining to TNCs and we believe the laws have worked well and we would like to see these provisions made permanent.

Thank you for the opportunity to testify.

**TESTIMONY OF ROBERT TOYOFUKU ON BEHALF OF UBER TECHNOLOGIES IN SUPPORT OF S.B. No. 2275,  
SD 1, RELATING TO TRANSPORTATION NETWORK COMPANIES**

February 23, 2022

To: Chairperson Rosalyn Baker and Members of the Senate Committee on Commerce and Consumer Protection:

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 S.B. No. 2275, SD 1 Relating to Transportation Network Companies (TNC).

I testified on behalf of Uber on February 3, 2022 before the Senate Committee on Transportation in support of both SB 2542 and SB 2275. The Transportation Committee combined the provisions of SB 2542 into SB 2275. Therefore, the statewide regulation provisions of SB 2542 are now part of SB 2275 which was originally the bill to make permanent the TNC insurance provisions passed in 2016. Uber is in strong support of both concepts; that is, making the TNC insurance provisions permanent and creating a statewide regulatory law.

The Uber app facilitates Transportation Network Company (TNC) services. This provides flexible work opportunities for thousands of small business owners across Oahu, Maui, Hawaii (Big) Island, and Kauai. Uber's technology platform connects local, independent drivers, with Hawaii residents and visitors. Before the pandemic began in early 2020 these independent 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.

S.B. 2275, SD 1 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 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 basically identical to the last version approved by this CPN committee in 2021 (HB 264, SD 3) and the members of the Seante. This version also contains provisions which were discussed with key staff persons at the Department of Transportation (DOT), the primary role of which is to issue permits and to do an annual audit, and the DOT has said that it is capable of doing so.

Uber is of the opinion that a statewide regulatory framework as set forth in this bill will benefit all of our residents as well as tourists and provide the necessary uniform regulation throughout the state. We encourage this committee to pass this bill.

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