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TESTIMONY BY:

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

February 3, 2022
3:00 P.M.
State Capitol, Teleconference

S.B. 2542
RELATING TO TRANSPORTATION NETWORK COMPANIES

Senate Committee on Transportation

The Department of Transportation (DOT) **supports** S.B. 2542, 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 that 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.

DEPARTMENT OF TRANSPORTATION SERVICES
CITY AND COUNTY OF HONOLULU

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LATE

RICK BLANGIARDI
MAYOR



J. ROGER MORTON
DIRECTOR

JON Y. NOUCHI
DEPUTY DIRECTOR

TESTIMONY OF J. ROGER MORTON
DIRECTOR OF TRANSPORTATION SERVICES

BEFORE THE SENATE COMMITTEE ON TRANSPORTATION
Thursday, February 3, 2022, 3:00 PM, Via Videoconference

TO: Senator Chris Lee, Chair, and Members of the Committee on Transportation
RE: COMMENTS ON SENATE BILL 2542, RELATING TO TRANSPORTATION
NETWORK COMPANIES

The Department of Transportation Services (DTS) of the City and County of Honolulu (City), offers the following comments on Senate Bill 2542, relating to transportation network companies.

DTS is responsible for providing a multimodal transportation system for the City. For the past few years, this system has included Transportation Network Companies. We understand the value and efficiency of a single statewide regulatory framework for these service providers; however, the City desires to reserve its right to oversee and charge appropriate fees to these companies within the parameters of the statewide framework.

Thank you for the opportunity to submit these comments.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON TRANSPORTATION
Senator Chris Lee, Chair
Senator Lorraine R. Inouye, Vice Chair

Thursday, February 3, 2022
3:00 p.m.

SB 2542

Chair Lee, Vice Chair Inouye, and members of the Committee on Transportation, 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 notes that insurance requirements have been in the law for Transportation Network Companies (TNCs) since 2016. This bill contains provisions to regulate TNCs outside of insurance requirements, with the exception of Section 4 of this bill, which seeks to make the insurance provisions permanent.

Hawaii Insurers Council comments on the following sections of the bill. In Section 2 of the bill, Definitions, we ask that the definition of "Transportation network company" be amended to read as follows:

““Transportation network company” has the same meaning as in section 431:10C-701.”

This would make it consistent with the definitions in the bill for “Prearranged ride” and “Transportation network company driver.” These three definitions exist in the insurance code and we believe their reference provides consistency in drafting and future amendments.

We also strongly support the passage of Section 4 in the bill that makes insurance requirements permanent. We believe the insurance section of the law that has been in place for more than five years has worked well and it is appropriate to lift the sunset date.

Thank you for the opportunity to testify.

**Testimony of Robert Toyofuku, on behalf of Uber Technologies, Inc., in support of
S.B. 2542 Relating to Transportation Network Companies**

February 3, 2022

To: Chairman Chris Lee 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 in support of S.B. 2542 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, 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. 2542 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 version of the bill which is similar to the last version approved by this committee and the members of the CPN committee in conference also contains the provisions which were discussed with key staff persons at the Department of Transportation (DOT). 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.

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 uniformity throughout the state.

In closing, I would like to suggest an amendment to this bill. The definition of "Transportation Network Company" is set forth in HRS 431:10C-701 and we are suggesting that reference be made to that law similar to the provisions in this bill which define "Prearranged ride" and "Transportation network company driver". The suggested amendment is as follows: "Transportation network company" has the same meaning as defined in section 431:10C-701. This will avoid any possible future confusion.

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

WRITTEN TESTIMONY OF SAM CHO OF LYFT

SB 2542 & SB2775

Relating to Transportation Network Companies Senate Committee on Commerce and
Consumer Protection February 3, 2022 3:00pm.

Chair Lee, Vice Chair Inouye, and Committee Members,

My name is Sam Cho, and I am a Public Policy Manager for Lyft, responsible for Lyft's policy and government relations in Hawaii. Lyft supports both Senate Bill 2542 and Senate Bill 2775, which creates a statewide regulatory framework and insurance framework respectively for rideshare companies that will allow Lyft to expand throughout the state and permanently remove the sunset provision from the TNC insurance statute.

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 2542, 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 2542 in hopes that Hawaii can become the 47th state to pass comprehensive TNC legislation. Similarly, Senate Bill 2775 would take the current insurance provisions and make them permanent across the state.

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 car 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 2542 and SB 2775, 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 2542 and SB 2775.

February 2, 2022

TESTIMONY OF DALE EVANS, COB, President
Charley's Taxi Radio Dispatch Corp., AllWays Charley's
in strong opposition to [SB2542 \(2022\)](#) Statewide regulation of TNC and
[SB 2275](#) to make TNC "gap insurance" law permanent: [HRS431:10C-701](#)

Sen. Chris Lee, Chair

Senator Lorraine R. Inouye, Vice Chair

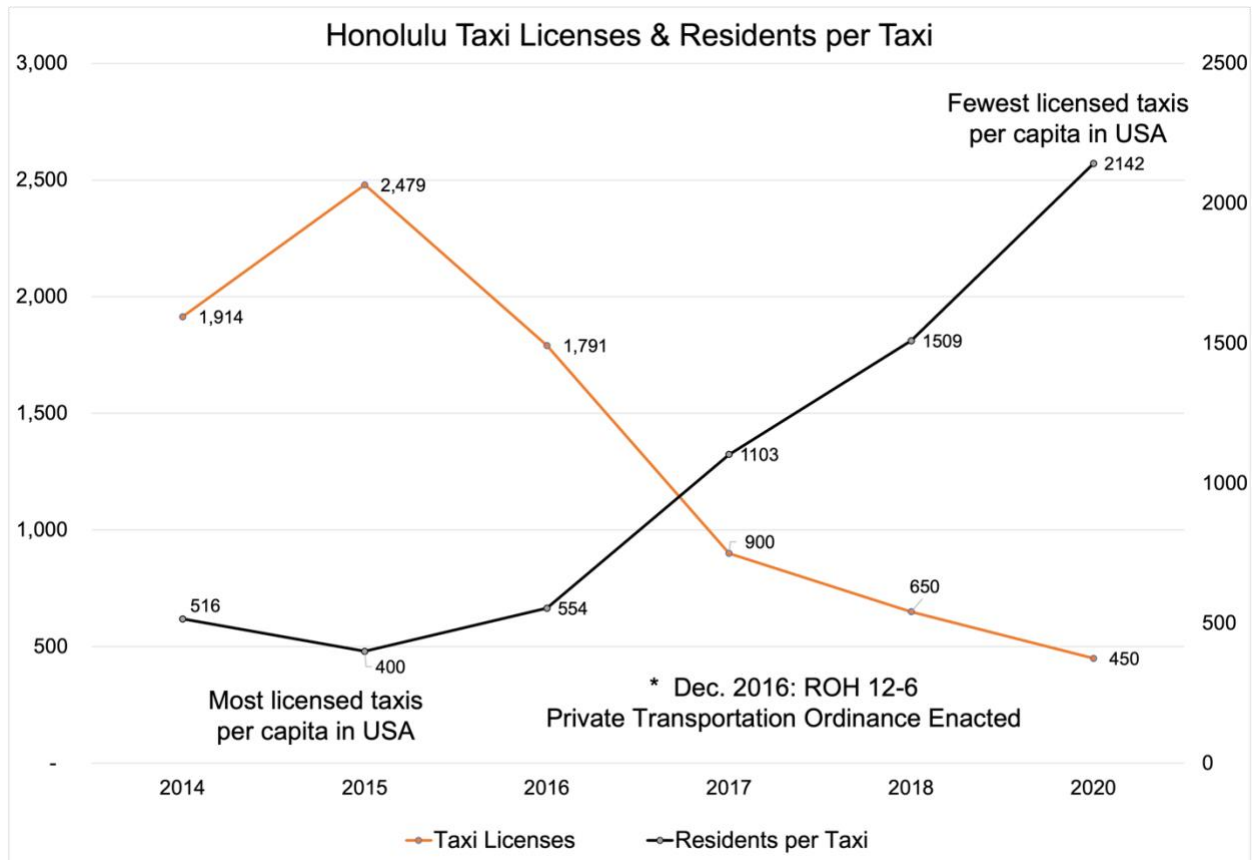
[Committee on Transportation Hearing](#):

Thurs. Feb 3, 2022, 3 pm, Via Videoconference

These bills for statewide regulation of Transportation Network Companies unjustly provides special legislation for a select sector in the common carrier or private transportation industries in Hawaii, which leads us all to a slippery slide toward bad precedents, rules, and regulations with no measurable benefit to our diverse community. Home rule is summarily dismissed. Any statewide oriented legislation concerning common carriers or private transportation industries must be supported by a comprehensive review of our entire transportation system and the diverse population served by such system. SB2542 (2022) wastes valuable legislative time, energy, and resources at the expense of the larger transportation issues at hand including:

- **Need for fair competition without discrimination among all common carrier and private transportation companies.**
- **Need for safety, quality, and professional service among our private transportation service providers for the benefit of our islands' visitors and residents.**
- **Need for capacity to transport our elderly and disabled with the same level of service provided to others with and without credit card options.**
- **Assuring accountability to destination systems whether they be the airports, harbors, hotels and resorts, hospitals and health centers, and general neighborhoods.**
- **Need for efficient highways and roads system.**
- **Due recognition of technology in transportation, not just in relation to TNCs, but in all facets that other common carriers or private transportation participants provide and will be providing in the future.**

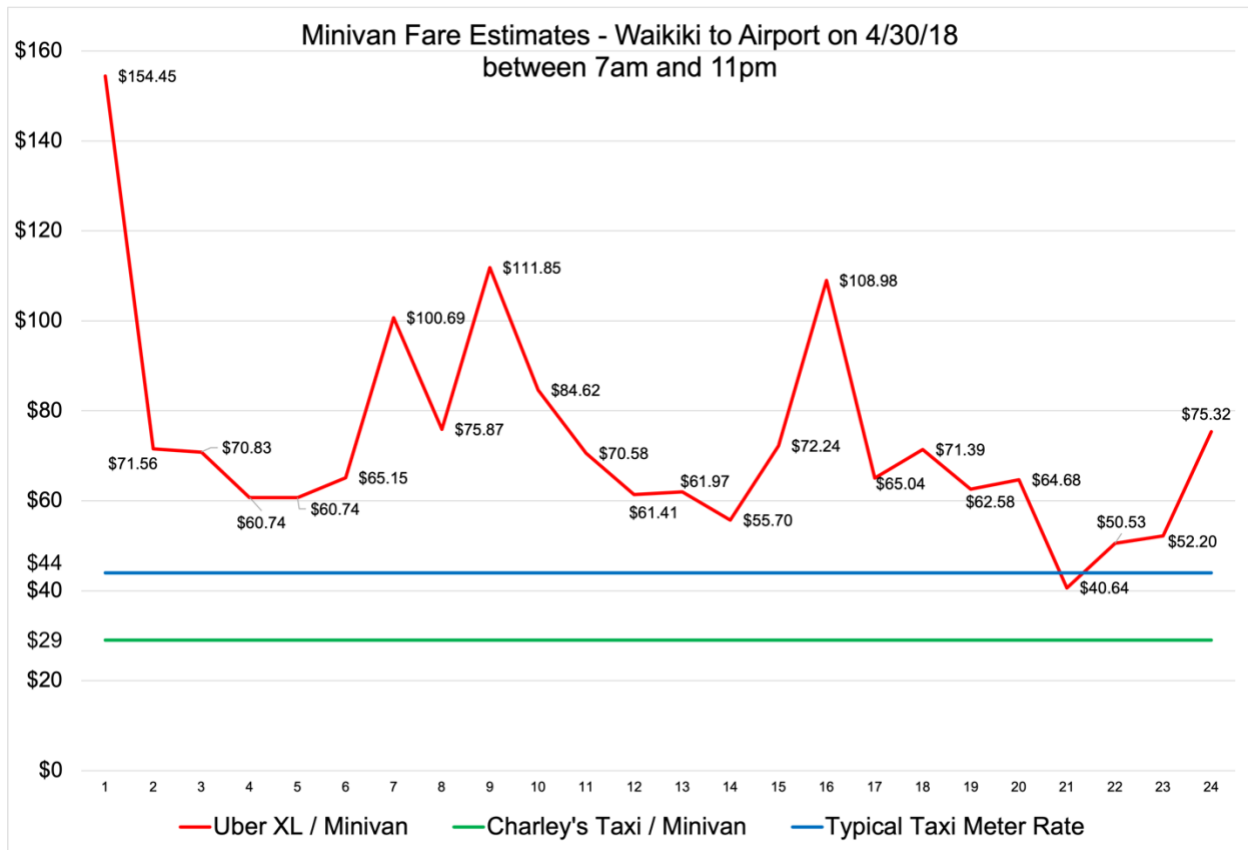
Transportation in Hawaii is much larger than TNCs!



These bills will further eliminate competitor taxicab and PUC operators as well as lessen availability and choices of Essential Services to the public, especially on the neighbor islands. Furthermore, these bills trivialize transparency and accountability for claimants, consumers, and drivers.

- Violates [ROH 12-1](#) Declaration of policy against “**unjust discrimination, undue preference or advantage, or unfair or destructive competitive practices.**” The intent and purpose of HRS 271.1 should be enforced as stated: **This chapter shall be administered and enforced with a view to carrying out the above declaration of policy.**
- Confers unprecedented concentration of monopoly power through their App-adtech digital platforms over Hawaii’s visitor industry, to their ultimate astronomical profit. ⁱ
- Allows Uber and Lyft to discriminate against and deny service to cash-paying riders who do not have credit cards as TNCs require users to subscribe and agree to terms and conditions that limit TNC liability. Under this bill, Uber and Lyft can also ignore services to the poor, disabled, seniors, homeless, riders in low-income zones, and isolated areas by subjecting them to Surge Pricing as TNC supply is concentrated in lucrative areas. ⁱⁱ

- Uber has bragged to Wall Street investors that it profits on its data to set different prices and payment for the same service on a person-by-person basis.ⁱⁱⁱ In its statement to investors admitting that it engages in price discrimination, Uber implied that its goal was to charge richer people more than the rest of the population for the same level of service.^{iv}



- Exempts TNC from county regs,^v to create conflicting double standards in licensing, insurance, rates, costs and advantageous opportunities for TNC over taxi and other PUC operators.
- No penalties are specified in these bills for enforcement.
- Limit to one audit per year,^{vi} no audit of trip reports, compliance with vehicle insurance requirements on each TNC vehicle, compliance with drivers' criminal background checks, taxes payable to DOT and Taxi Collector, registration with DCCA, annual fed/state tax clearances that are required of all other airport ground transportation permittees and the Open Taxi walk-up system.
- TNC drivers are exempt from 4.5% GE Tax imposed on all Taxicabs and PUC operators; Tax office rules instead charge TNC drivers only 0.5% tax.
- This special legislation will make the State complicit in discrimination and unfair treatment of taxicabs and other PUC operators who are being competitively harmed and damaged by the advantages conferred by the exemptions provided in this bill.
- Frees Uber and Lyft to continue to weaken and eliminate competitors.
- This bill makes a superficial differentiation between TNCs and dispatched taxicabs which are 95% of all taxi operations in Honolulu that do provide pre-arranged services.
- By exempting TNCs from county regulations, this bill creates double standards that free TNCs from regulatory controls and restrictions imposed on all taxicabs and other PUC certificated operators.

- This bill will make these Unfair Insurance Laws permanent. The “gap insurance” under HRS431:10C-701 saves money for insurance companies, and Uber & Lyft by limiting their claims exposure. Taxicabs and other PUC operators are required to have “always-on” insurance that have higher limits that are more costly and provide broader coverage.
- Even though Uber & Lyft drivers are untrained, inexperienced drivers and therefore prone to have more accidents than taxi and PUC operators, HRS431:10C-701 provided them lower coverage, lower insurance premiums, less exposure, less costs.
- HRS431:10C-701 fails to require TNC insurance be issued by Hawaii-licensed insurers, whereas all taxicab and PUC operators are required to have policies issued by Hawaii-licensed insurance carriers.
- Hawaii-licensed insurers refuse to issue TNC gap insurance to taxicab operators who otherwise qualify as TNC but requires taxicab and PUC operators to have always-on \$1MM insurance policies with broad unrestricted (not gap) coverage.
- HRS431:10C-701 discriminates against TNC claimants to only those “gap” conditions and circumstances and to arbitration clauses under driver and subscriber claims.
- HRS431:10C-701 denies coverage to TNC drivers because TNC coverage is not required for No Fault Collision and Injuries to self.
- Uber and Lyft poach on taxicab insurance coverage as claimants will sue the vehicle insurance. Uber and Lyft invite all taxi drivers to join, probably since taxicabs must have always-on \$100k, \$300k auto liability and \$50k property damage, (DOT pre-arranged coverage is \$300,000, higher than city's \$200k) whereas Uber Lyft have gap insurance of \$50k/\$100k. In case of accident, claimants' attorneys will sue all carriers covering that vehicle - in other words both the TNC and taxi insurance. So TNCs ride on taxicab insurance.

WHY are SB2542 and SB2275 Anti-Consumer?

- Uber & Lyft passengers, other motorists, pedestrians, and properties are worth less than claims against PUC and Taxi operators.
- If a passenger, pedestrian, or other motorist gets in an accident with Uber & Lyft, such claim is limited to half of what PUC and Taxi operators have to pay.
- There is no coverage for claims that are outside of “gap” driving conditions.

PUC and Taxi operators’ insurance coverage applies

- Whenever the driver/vehicle gets in an accident
- No premium discount for when the vehicle is not in use
- Pays at least double what is paid for TNC claims

The insurance companies save money on Uber & Lyft claims. HOW?

UBER INSURANCE EXPLAINED

<https://www.insurance.com/auto-insurance/uber-insurance.html>

UBER INSURANCE

<https://www.uber.com/us/en/drive/insurance/?city=honolulu>

LYFT INSURANCE

<https://help.lyft.com/hc/en-us/articles/115013080548-Insurance-Policy>

Respectfully submitted,
Dale Evans

ⁱ FTC chair LINA M. KHAN ⁱ explains the adtech business strategy: ⁱ

1. First, the economics of platform markets create incentives for a company to pursue growth over profits, a strategy that investors have rewarded. Under these conditions, predatory pricing becomes highly rational—even as existing doctrine treats it as irrational and therefore implausible.
2. Second, because online platforms serve as critical intermediaries, integrating across business lines positions these platforms to control the essential infrastructure on which their rivals depend. This dual role also enables a platform to exploit information collected on companies using its services to undermine them as competitors.

ⁱⁱ [Did Uber Just Enable Discrimination by Destination?](#) 12/11/19

ⁱⁱⁱ Ibid, p 47

^{iv} Ibid, p 48

^v **§ -2 Relation to other laws; commercial vehicle; for-hire vehicle; registration; exemption.** Solely for the purposes of this chapter, neither a transportation network company nor a transportation network company driver shall be deemed to be a common carrier by motor vehicle, a contract carrier by motor vehicle, a motor carrier as defined in section 271-4, a taxicab, or a for-hire vehicle service. No transportation network company driver shall be required to register a transportation network company vehicle as a commercial or for-hire vehicle.

^{vi} **§ -11 Audit procedures; confidentiality of records.** (a) **Not more than annually**, the department may visually inspect and audit **a sample of records** maintained by a transportation network company for the sole purpose of verifying that a transportation network company complies with the requirement of this chapter

SB-2542

Submitted on: 2/2/2022 1:30:02 PM

Testimony for TRS on 2/3/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Darci Evans	Testifying for Charley's Taxi	Oppose	No

Comments:

Strong OPPOSITION to SB 2524 (2022)

Uber and Lyft are Mega-Corporations usurping small businesses...i.e. taxis. They are members of an Oligarch group that use any means necessary to steal markets across the globe.

In the long-term, when consumers have less choice, the consumers suffer. Example: Surge pricing.

Also take for example, Uber's and Lyft's discriminatory practices to NOT accept cash. (Cash is literally the currency of the lower income who are unable to acquire credit cards.) Oh...you say...they are private entities and can do what they like. But, taxis are an ESSENTIAL transportation service. And TNCs, whether you admit it or not, are trying to eliminate taxis.

And one of the ways they try to do this is to undercut costs...like for insurance.

Gap insurance is IRRESPONSIBLE! Many Uber and Lyft drivers use the "apps" as their primary source of income, like a professional taxi driver does. But, unlike a professional taxi driver, their cars are not always covered by a certain level (i.e. more expensive) commercial insurance. Therefore, if an accident occurs outside of the actual ride, insurance coverage is questionable. (If you argue that there are many "part-time" TNC drivers. Then consider: There are part-time taxi drivers too but they often rent their vehicles from owners who pay the full commercial insurance.)

This affects anyone (YOU TOO), in the bigger picture, who pays for automobile insurance BECAUSE it drives up the cost of non-TNC automobile insurance.

Mega-Corporations don't need to skirt rules and regulations and fees that their smaller competitors have to meet and follow.



February 3, 2022

**TESTIMONY BEFORE THE SENATE COMMITTEE ON TRANSPORTATION
ON SB 2542 RELATING TO TRANSPORTATION NETWORK COMPANIES**

Aloha Chair Lee 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
Robert's Hawaii, Inc.

on
S.B. NO. 2542

**Relating to Regulating Transportation Network Companies
Senate Committee on Transportation**

Thursday, February 3, 2022, 3:00pm, via Videoconference

phone 808.523.7750

fax 808.522.7866

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

Chair Lee, Vice Chair Inouye, and Members of the Senate Committee on
Transportation:

My name is Roy Pfund, President, CEO of Robert's Hawaii, Inc., and I am testifying in strong opposition to S.B. No. 2542 which proposes to establish a new statewide system for the regulation of Transportation Network Companies (TNC's) under the Department of Transportation (DOT).

www.robertshawaii.com

For the past few years, the TNC's have introduced numerous bills to create a new and independent statewide regulatory system for their commercial operations which they claim falls outside of the current regulations that cover Public Utility Commission (PUC) vehicles and County Taxis. This TNC claim is not true, their operations clearly fall within the scope of HRS 271. The true intent of their effort is to create a facade of regulation that will allow the TNC's to bypass all the current rules, regulations, and taxes that Hawaii based transportation companies must comply with.

Who are these TNC's? Uber with a market capitalization of \$75 billion and Lyft with \$13 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 and 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 other local companies must follow. They want to operate in a self-regulated environment charging consumers as much as they can as often as they can. The proposed annual audit procedures are controlled by the TNC's and include redacting driver and customer information and all records subject to non-disclosure. Furthermore, there are no fines or penalties for non-compliance.

2. How do the TNC's treat our local workforce? Local drivers are "hired" as independent contractors. As independent contractors, do our Hawaii 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 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 required state taxes and fees? If 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 in Hawaii plus income taxes on their Hawaii operating income. If the TNC's want separate regulation, the law should require that they report and pay GET and income taxes on the hundreds of millions in fare revenue that they take in annually.
4. The TNC's proposed separate regulation by the DOT is contrived to set up the DOT to fail in any attempt to regulate a massive operation involving thousands of drivers and operating hundreds of thousands of rides and deliveries. The proposed fee to the DOT is \$25,000 annually. This would not allow DOT to hire a single individual 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.
5. Another detrimental factor is the proposed regulation does not require for the TNC vehicles/operators to be clearly identified. Due to this lack of identifiable marking on the vehicles, it is difficult to hold them accountable for violations and adherence to rules prohibiting commercial vehicle activity.

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]

We should not be approving special interest legislation that supports multibillion companies headquartered elsewhere that show little concern for Hawaii's working residents, complying with and operating under existing laws 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. I appreciate your time and consideration.

Respectfully,



Roy Pfund
President and CEO