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DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
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February 6, 2024
3:01 p.m.
State Capitol, Room 224

S.B. 3220
RELATING TO MOTOR CARRIERS

Senate Committee on Transportation and Culture and the Arts

The Hawaii Department of Transportation (HDOT) **supports the intent of S.B. 3220**, which transfers the jurisdiction of the Motor Carrier Law from the Public Utilities Commission (PUC) to the Department of Transportation. Makes conforming amendments. Declares that the general fund expenditure ceiling is exceeded. Makes an appropriation.

The HDOT supports the intent of the bill which seeks to find a solution to an industry issue. Although the HDOT is not taking a position on whether regulation or deregulation is the appropriate path, the HDOT is always happy to consider how we can assist in the situation.

For the HDOT, standing up a tariff arm to regulate the industry would take time and resources. As such, we recommend that function remain with the PUC. However, HDOT could assist on the enforcement side as we have our Motor Carrier Safety Officers in the field. We would ask for a percentage of the fees paid to PUC to offset the cost of increasing personnel and personnel compensation due to the increased duties, and we request that HDOT keep the fines that are collected in enforcement.

Thank you for the opportunity to provide testimony.

LATE

TESTIMONY OF
LEODOLOFF R. ASUNCION, JR.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
SENATE COMMITTEE ON TRANSPORTATION AND
CULTURE AND THE ARTS

February 6, 2024
3:01 p.m.

Chair Lee, Vice Chair Inouye, and Members of the Committee:

MEASURE: S.B. No. 3220

TITLE: RELATING TO MOTOR CARRIERS.

DESCRIPTION: Transfers the jurisdiction of the Motor Carrier Law from the Public Utilities Commission to the Department of Transportation. Makes conforming amendments. Declares that the general fund expenditure ceiling is exceeded. Makes an appropriation.

POSITION:

The Public Utilities Commission (“Commission”) offers the following comments for consideration.

COMMENTS:

The Commission appreciates the intent of this measure to transfer regulation of motor carriers.

The Commission understands this measure transfers Chapter 271, Hawaii Revised Statutes (“HRS”), or the Motor Carrier Law, to the Department of Transportation (“DoT”).

At the end of Fiscal Year 2023, the Commission was regulating 1,741 motor carrier entities across the State. Regulated motor carriers file annual financial reports and pay annual fees to the Commission. These motor carrier fees amount to approximately 10% of all fees, or \$1.7 million in Fiscal Year 2023, collected annually by the Commission.

Elimination of these fees will have a direct impact on the Public Utilities Commission Special Fund.

The Commission proposes to transfer only the authority for the enforcement of motor carriers to DoT, while the Commission maintains tariff oversight of motor carriers.

The Commission notes that DoT has a larger number of enforcement officers than the Commission, and, importantly, has a greater presence throughout the State. This will allow for better and more consistent enforcement of motor carriers statewide.

Regarding tariff oversight, the Commission already has the systems and process to continue to fulfill its statutory obligation while ensuring that motor carriers adhere to mandatory administrative requirements. Because of the added responsibilities to DoT for enforcement, the Commission is supportive of adding revenue generation for DoT either through retaining funds by issuance of citations and/or a percentage of motor carrier fees collected by the Commission.

The Commission is hopeful that this proposal will address the Committee's concerns, as well as the concerns of those who testified on S.B. 2097 that is still before the Committee.

The Commission offers these initial amendments to the measure:

- Page 1, Line 1 - Delete all of Section 1
- Page 6, Line 5 - Retain the definition of "Commission"
- Page 7, Line 4 - Retain "commission" in definition for "Document"
- Page 7, Line 21 – Retain "commission" and delete department
- Page 10, Line 20 – Retain "commission" and delete department
- Page 24, Line 9 – Delete all of Section 5
- Page 27, Line 8-16 – Delete all of Section 7

Thank you for the opportunity to testify on this measure.

SB-3220

Submitted on: 2/5/2024 2:58:22 PM

Testimony for TCA on 2/6/2024 3:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Maile S. Levins	Testifying for B & C Trucking Co., Ltd.	Support	Written Testimony Only

Comments:

B & C Trucking Co., Ltd. SUPPORTS this bill. The DOT already has safety systems in place via roadside inspections, weigh scale stations and scalehouse monitoring. In addition, the DOT also conducts company file audits. Through these audits they would be reviewing whether the tariffs are fair to the consumer and being adhered to. All of this together would help ensure fair rates, safer roads and compliance to motor carrier rules and regulations.

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Submitted on: 2/2/2024 6:30:29 PM

Testimony for TCA on 2/6/2024 3:01:00 PM

Submitted By	Organization	Testifier Position	Testify
kelvin kohatsu	Testifying for Hawaii Transportation Association	Support	In Person

Comments:

Kelvin Kohatsu - Managing Director of Hawaii Transportation Association, in support of SB3220. Will attend the hearing in person (traveling from Hilo).

If we keep doing what we're doing, we'll keep getting what we're getting-time for a change. The transportation industry in Hawaii deserves accountability in our regulation-enforcement of rules/laws.

Thank you,

Kelvin

LATE

SB-3220

Submitted on: 2/5/2024 7:32:24 PM

Testimony for TCA on 2/6/2024 3:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Christopher Redlew	Testifying for Pacific Transfer LLC	Oppose	In Person

Comments:

Chairman Lee and Vice Chair Inouye,

Pacific Transfer LLC opposes this measure as it does not provide any actual solutions. This measure simply transfers the problem of lax enforcement, which those carriers hoping for government protectionism from natural competition seek more of, from one State department to another. Thus, it merely shifts the burden from one over-tasked department with a mission much larger and important than regulating a fully saturated and hyper-competitive market to another over-tasked department with a mission just as large and important, yet lacks any experience or expertise in the area of market analytics and the competitive nature and cost structures of the transportation segment.

The Department of Transportation is already the final arbiter and authority over the safe operation of trucks and buses and the qualification and licensing of passenger and commercial drivers. The most impactful effect of this measure would be to then transfer from the PUC the regulation of economic matters, that is the regulation of carrier rates and tariffs, to the DOT. Regulation of economic and market concerns expands the scope and reach of the DOT that has historically been outside its mission and to which it is poorly suited.

Thank you for the opportunity to testify.