

Honorable Joseph Souki, Chair
Committee on Transportation
House of Representatives

Hearing: February 18, 2009

Re: HB 1386 Relating to Motor Vehicles

Chair Souki and Honorable Committee Members:

My name is Michael Oh and I am the legislative chairman for Catrala-Hawaii whose membership consists of the major u-drive companies in Hawaii and the many businesses which support our industry.

Catrala opposes this bill and supports HB 267 previously heard by this Committee. HB 267 with attached proposed amendments seeks to provide the flexibility sought by the u-drive industry and yet expanded (see LANGUAGE IN CAPS) to include inter-island barge services.

This bill if passed is contradictory to the language sought in HB 267. At the hearing on HB 267 Young Brothers conceptually offered ideas which Catrala is willing to consider but no language has been proposed by Young Brothers to date. Thus, Catrala offers language per the attachment that seeks to expand concepts to also include interisland barges.

In view of the foregoing, Catrala asks that you hold this bill (or pass it in the attached form) . The current form of this bill makes it more difficult for visitors to travel with their vehicles on the interisland ferry . The exemptions sought in the attachment apply to u-drive vehicles but Catrala has no opposition to expanding this further if that is what this Committee so desires.

Please hold this bill and support HB 267 with the attached language since no specific language as to HB 267 has been proposed by Young Brothers to our knowledge. If further discussion is necessary please pass this bill in the form of attached HB 267 with changes and include a defective date to allow for further discussion. Thank you for allowing me to testify.

Report Title:

Motor Vehicle Rental Industry; Interisland Ferry

Description:

Allows the transportation of rental cars by interisland ferry; provided that the interisland ferry has a written contract with the owner of the rental car.

HOUSE OF REPRESENTATIVES
TWENTY-FIFTH LEGISLATURE, 2009
STATE OF HAWAII

H.B. NO. 267
REVISED
Re HB
1383

A BILL FOR AN ACT

RELATING TO THE MOTOR VEHICLE RENTAL INDUSTRY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The purpose of this Act is to ease the interisland transportation of rental motor vehicles. Tourists, from time to time, are frustrated and, on occasion, cancel their plans to take their rental vehicle to a neighbor island by interisland ferry due to lost or misplaced documents relating to their rental motor vehicle. The passage of this Act will significantly reduce these problems by reducing current restrictions for such documents as they apply to rental motor vehicles.

SECTION 2. Section 286-271, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

"(e) This section shall not apply to:

- (1) Any motor vehicle rental company as defined in section 431:9A-141 that periodically ships in quantities of ten vehicles or more;
- (2) Licensed dealers who periodically ship in quantities of ten vehicles or more, or whose primary business is the auction of insurance salvage vehicles; or
- (3) Drivers of vehicles traveling on an interisland ferry OR INTERISLAND BARGES; provided that [~~such drivers~~]:
 - (A) Drivers present identification of the driver, a current certificate of registration for the vehicle, and proof of motor vehicle insurance~~[-]~~; or
 - (B) AS MAYA BE AGREED drivers of rental motor vehicles as defined in section 437D-3 need not present identification, certificate of registration, or proof of rental motor vehicle insurance if the interisland ferry OR INTERISLAND BARGE has a written agreement with the owner of the rental motor vehicle.

The interisland ferry OR INTERISLAND BARGE carrier shall keep a record of transporting the vehicle by recording the vehicle identification number and

retaining the information for three years after the
date of travel."

SECTION 3. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2009.

INTRODUCED BY: _____

HOUSE COMMITTEE ON TRANSPORTATION

**THE HONORABLE JOSEPH M. SOUKI, CHAIR
THE HONORABLE KAREN LEINANI AWANA, VICE CHAIR**

HOUSE BILL NO. 1386, scheduled for hearing on February 18, 2009

**Testimony of Roy Catalani,
Vice President of Strategic Planning and Government Affairs,
Young Brothers, Limited**

Chair Souki, Vice Chair Awana, and Members of the House Transportation Committee:

Thank you for the opportunity to testify on House Bill No. 1386 (**HB 1386**).

Young Brothers, Limited (*Young Brothers*) strongly supports this bill, which we view as intended to simplify documentation requirements for the interisland transport of vehicles without compromising shipping safeguards.

This House bill proposes to remove, from section 286-271, Hawaii Revised Statutes, the requirement of presenting a notarized letter from a vehicle's registered or legal owner when the shipper is neither the legal nor registered owner of the vehicle being shipped, regardless of the mode of water transportation—that is, whether by interisland ferry or by barge.

Currently under the statute, a non-legal or non-registered owner of a vehicle is exempt from this requirement when traveling on an interisland ferry; the exemption does not now apply if such a vehicle is being shipped by interisland barge. As HB 1386 points out, the legislative history behind this requirement shows it "was meant to primarily serve as a deterrent to the shipping of stolen vehicles." Although exempt from the requirement of notarized authorization from a vehicle owner, an interisland ferry is still required to record the vehicle identification number of the vehicle being shipped and to require a current certificate of registration, proof of motor vehicle insurance, and proof of identification from a shipper as safeguards against the shipment of stolen vehicles.

Young Brothers points out that the same safeguards against shipment of stolen vehicles on an interisland ferry are in place for shipment of vehicles on Young Brothers' barges. In conformance with current law, Young Brothers records the vehicle identification number (**VIN**) of each vehicle it ships and requires certificates of registration or ownership, as applicable, proof of insurance, and proof of identification from the shipper and the consignee, and retains such information for not less than three years, as already required by law. In fact, in the past, Young Brothers has been able to assist law enforcement officials by providing listings by VIN of vehicles shipped. This assistance can be provided today and could be provided even after the passage of HB 1386.

Because sufficient safeguards against shipment of stolen vehicles are available and in place, Young Brothers respectfully urges the enactment of HB 1386 "to standardize the documents required for interisland shipping of vehicles regardless of the mode of water transportation."

Thank you for the opportunity to testify.