

## **TESTIMONY OF ALISON UEOKA**

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COMMITTEE ON COMMERCE AND CONSUMER PROTECTION  
Senator Rosalyn H. Baker, Chair  
Senator Stanley Chang, Vice Chair

Tuesday, February 23, 2021  
9:30 a.m.

### **SB 251, 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, Section 6 of the bill (Page 12, lines 3-6), 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 Toyofuku, on behalf of Uber Technologies, Inc., in support of  
SB 251, SD 1 Relating to Transportation Network Companies**

February 23, 2021

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 SB 251, SD 1, 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, 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.

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). 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 SB 770 and SB 251, 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.

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.



To: The Honorable Rosalyn Baker, Chair  
The Honorable Stanley Chang, Vice Chair  
Senate Committee on Commerce and Consumer Protection

From: Mark Sektnan, Vice President

Re: **SB 251 SD1 Relating to Transportation Network Companies**  
**APCIA Position: SUPPORT**

Date: Thursday, February 23, 2021  
9:30 a.m., Conference Room 229

Aloha Chair Baker, Vice Chair Chang, and Members of the Committee:

The American Property Casualty Insurance Association of America (APCIA) is pleased to **support** SB 251 SD1, 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 SD1 makes these requirements permanent.

For these reasons, APCIA asks the committee to **pass** SB 251 SD1.

**Senator Rosalyln H. Baker, Chair**  
**Senator Stanley Chang, Vice Chair**

Senate Committee on Commerce & Consumer Protection

Tuesday, February 23, 2021, 9:30 a.m. CR 229 & Videoconference

**Testimony of Dale Evans, CEO**  
**Charley's Taxi and AllWays Charley's, a TNC**  
**Opposing S.B. 251 SD1 Relating to Transportation Network Companies**

SB251 SD1 is special interest legislation that threatens the viability of many thousands of Hawaii's transportation operators who are economically handicapped by the free ride afforded to Uber & Lyft drivers under this bill. SB251 SD1 legalizes the double standards that Uber and Lyft have been operating in defiance of HRS 271-8 over the past 7 years. SB251 bestows financial and competitive advantages for \$60 billion Uber and \$24 billion Lyft.

Local passenger and property carriers are burdened with significantly higher costs as well as pricing restrictions such as:

- no proof of current Business & General Excise Tax licenses from each TNC driver;
- no PUC licenses for Uber & Lyft's passenger & trucking activities per HRS271-8;
- no insurance certificate naming DOT as additional insured with 30-day cancellation notice to ensure current coverage;
- lower excess insurance premium from insurers not licensed in Hawaii;
- cheaper harbor and airport pick-up fees;
- no regulations on TNC rates and pricing i.e., surge & upfront pricing;
- no DOT/PUC/Taxi adhesive permits and markings on TNC vehicles;
- no bi-annual physical fitness certificate from Hawaii-licensed physician pursuant to the Federal Motor Carrier Safety Administration rules;
- no fingerprinting, allowing background checks by alias names;
- no FBI background check, no INS work authorization from immigrants;
- and other requirements imposed on PUC and taxi operators.

The human costs of SB251 SD1, given current Covid-19 conditions, are cruel and harsh. More so for small independent neighbor island transporters. Local PUC and taxi operators are being displaced, resulting in less availability and convenience for consumers. Are residents to be at the mercy of inexperienced, untrained drivers and absentee Wall Street corporatists?

For example, in 2015, licensed taxicabs in Honolulu totaled 2476. <sup>1</sup> In 2016 (just two years after Lyft came to town), taxi licenses dropped to 1791, (28% less from the year prior). In early 2017 after DOT started the TNC Pilot Project at HNL, the number of taxis dropped to about 650, (a 74% decrease). Today there are probably only 325 taxicabs to serve Oahu's 986,700 population: one taxi for 2819 people – inconveniencing riders as pick-ups are delayed. Do you care how PUC and neighbor island carriers have been similarly affected?

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<sup>1</sup> <https://files.hawaii.gov/dbedt/economic/databook/db2016/section18.pdf>

Taxicab rates are stringently regulated (but no rate regs on Uber & Lyft). In the past 4 years, insurance premiums increased at least 50% and the price of cars went up 20% since the last rate increase eight (8) years ago. — yet, the city refuses to increase taxi rates.

**§\_\_-2 relating to other laws:** SB251 SD1 is anti-consumer by exempting Uber & Lyft’s legal obligations, liabilities and responsibilities —all of the higher standards and requirements of “*a common carrier by motor vehicle, a contract carrier by motor vehicle, a motor carrier as described in section HRS 271-4, a taxicab or a for-hire vehicle service.*” SB251 unfairly favors Uber & Lyft drivers by relieving them of the taxation and higher insurance requirements required of motor carriers under HRS 271. *Why are Uber & Lyft drivers not required to have tax licenses, are they paying taxes?*

**§\_\_-3: SB251 Permit required:** This provision confirms that Uber & Lyft are operating statewide since 2014 (seven years) in defiance of HRS 271-8<sup>2</sup> that require PUC license. They are not exempt as taxicabs under HRS 271-5 (3)<sup>3</sup>. *Why hasn’t PUC enforced HRS 271-8?*

S.B. 251 SD1 grants arbitrary authority for DOT to charge annual license fees of up to \$25,000 which probably is the highest occupational license fee in the nation. AllWays Charley’s is a TNC. S.B. 251 SD1 will make it impossible for many local TNC businesses to compete by requiring fees that are clearly structured for billion-dollar companies such as Uber and Lyft. *What kind of terms and conditions will DOT impose to exclude competitors just like DOT sets double standards for TNCs at state harbors and airports?*

Uber & Lyft will finally escape having PUC licenses to operate as passenger *and* property carriers under a freewheeling DOT one-license instead. SB251 SD1 creates a double standard with **HRS 271 that was enacted to provide fair and impartial regulation of transportation without unjust discrimination undue preference or advantage, or unfair or destructive competitive practices** as stated in HRS 271.1 Policy.<sup>4</sup>

**§\_\_-6 TNC vehicle identification:** SB251 SD1 exempts Uber and Lyft from having to display permittee decals to indicate their TNC affiliation. DOT is also lax to enforce accountability by not requiring updated fleet lists to DOT on vehicle owners, VIN#s, description of vehicles and individual Insurance Certificates naming the state as additional insured with 30-day cancel notice on each vehicle operating at the airports and harbors. This provision allows TNCs to hide vehicle identification that is needed by security and police officials. *Why is DOT’s registration process lacking enforcement and Transparency?*

Without decals and/or other DOT/PUC/Taxi markings on the vehicle, there’s no way to know which vehicles are legitimate and which are rogues. TNC ‘symbols’ are easy to duplicate and obtain. Currently, rogues with bogus TNC placards swarm the TNC zones at the airport, hotels, Diamond Head, Kailua & Lanikai and other pick-up locations.

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<sup>2</sup> [https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii\\_statutes\\_271-8](https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii_statutes_271-8)

<sup>3</sup> <https://law.justia.com/codes/hawaii/2015/title-15/chapter-271/section-271-5/>

<sup>4</sup> [https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii\\_statutes\\_271-1](https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii_statutes_271-1)

**§\_\_-8 insurance requirements.** Taxicabs are required to have full-time commercial Primary Insurance Coverage. Annual premium of taxi insurance is at least \$3500. Under ROH 12-1.23, the city requires the following proof of insurance be filed with the city: taxicab insurance policy, proof of insurance for each taxicab, naming the city as additional insured, with 30-day notice of cancellation. Why are Uber & Lyft not similarly required?

Nearly half of Honolulu’s taxicab operators are part-timers who work at other jobs or take care of their children or elderly parents. The annual taxi insurance premium costs about \$3500. Why are Uber & Lyft drivers exempt from filing Insurance Certificates with DOT’s Airports & Harbors and with the city?

This legislature enacted special legislation HRS431:10C-701 <sup>5</sup> requiring Uber & Lyft to have only part-time “Gap Insurance” at half the required taxi coverage. Under arbitration clauses with its drivers and riders/subscribers, Uber & Lyft limit their claims liability. While Uber & Lyft are allowed to provide excess insurance from carriers not licensed in Hawaii, Hawaii-licensed insurers refuse to provide ‘gap’ insurance to local TNCs, charging another \$3500 per vehicle for excess \$1m full (not gap) coverage. Why do you allow this unfair insurance disparity?

**§\_-11 Audit of records.** SB251 SD1’s requirement for “a sample of records” (one sample only) does not provide a credible accounting of records, trips and fees necessary for audit purposes. Why is this superficial audit provision lacking transparency and accountability?

Don’t pass S.B. 251 SD1. Please stop the double standards, with discriminatory, unfair, unconstitutional laws and practices that severely impact the future viability of Hawaii’s transportation providers including local TNCs.

If you decide that S.B. 251 SD1 is the way to go, be fair! Level the Playing Field! **Have all transporters be licensed under SB251 SD1 (without the \$1m excess “gap” insurance) or REPEAL HRS 271.** Give local passenger & property carriers a fighting chance to compete!

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Dale Evans, CEO, Charley’s Taxi & AllWays Charley’s, a TNC.  
1451 S King St Suite 300, Honolulu 96814, Ph 808-233-3333, 216-8204, dale@charleystaxi.com

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<sup>5</sup> [https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii\\_statutes\\_chapter\\_431\\_part\\_vii](https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii_statutes_chapter_431_part_vii)



February 23, 2021

**TESTIMONY BEFORE THE SENATE COMMITTEE ON  
COMMERCE & CONSUMER PROTECTION  
ON SB 251 SD1 RELATING TO TRANSPORTATION NETWORK COMPANIES**

Aloha Chair Baker, 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 to the extent that the definition of “transportation network company vehicle” needs to be further clarified so such vehicle is limited to the work it is intended to perform: the transportation of passengers via a personal passenger vehicle.

Under Chapter 12 of the Revised Ordinances of Honolulu, a “passenger vehicle” in reference to a TNC operation “is a vehicle manufactured with seating accommodations for eight or fewer passengers.” The ROH also defines a “taxicab” as “a vehicle that is manufactured to carry no more than eight passengers.”

We propose additional items be added to the definition of “transportation network company vehicle” as follows:

- (4) is a vehicle manufactured with seating accommodations for eight or fewer passengers; and
- (5) is not a truck, truck-tractor, tractor-semitrailer combination, or semitrailer as defined in chapter 286-2 of the Hawaii Revised Statutes.

This bill provides that “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.

Without our proposed amendment a TNC can engage the use of a mini bus, motor coach or trucks. Once equipped they can encroach in the business of tour vehicle and trucking operations while skirting the Public Utilities Commission who has jurisdiction over common and contract motor carriers. The PUC regulations are much more robust and have stood the test of time.

We oppose having such a puka in the definition of a “transportation network company vehicle.”

Mahalo.



**SB-251-SD-1**

Submitted on: 2/22/2021 9:41:29 AM

Testimony for CPN on 2/23/2021 9:30:00 AM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marc Rubenstein	Testifying for Polynesian Adventure Tours, LLC	Oppose	No

Comments:

**Senator Rosalyln H. Baker, Chair**

**Senator Stanley Chang, Vice Chair**

Senate Committee on Commerce & Consumer Protection

Tuesday, February 23, 2021, 9:30 a.m.CR 229 & Videoconference

**Testimony of Marc Rubenstein, SVP / COO**

**Polynesian Adventure Tours**

**Opposing S.B. 251 SD1 Relating to Transportation Network Companies**

SB251 SD1 is special interest legislation that threatens the viability of many thousands of Hawaii's transportation operators who are economically handicapped by the free ride afforded to Uber & Lyft drivers under this bill. SB251 SD1 legalizes the double standards that Uber and Lyft have been operating in defiance of HRS 271-8 over the past 7 years. SB251 bestows financial and competitive advantages for \$60 billion Uber and \$24 billion Lyft.

Local passenger and property carriers are burdened with significantly higher costs as well as pricing restrictions that Uber & Lyft are exempt from, such as:

- no proof of current Business & General Excise Tax licenses from each TNC driver;
- no PUC licenses for Uber & Lyft's passenger & trucking activities per HRS271-8;

- no insurance certificate naming DOT as additional insured with 30-day cancellation notice to ensure current coverage;
- lower excess insurance premium from insurers not licensed in Hawaii;
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- and other requirements imposed on PUC and taxi operators.

The human costs of SB251 SD1, given current Covid-19 conditions, are cruel and harsh. More so for small independent neighbor island transporters. Local passenger carriers will be displaced, resulting in less availability and convenience for consumers.

Motor carrier rates are stringently regulated (but no rate regs on Uber & Lyft). In the past 4 years, insurance premiums increased at least 50% and the price of cars went up 20% since the last rate increase eight (8) years ago.

**§\_\_-2 relating to other laws:** SB251 SD1 is anti-consumer by exempting Uber & Lyft's legal obligations, liabilities and responsibilities —all of the higher standards and requirements of *“a common carrier by motor vehicle, a contract carrier by motor vehicle, a motor carrier as described in section HRS 271-4, a taxicab or a for-hire vehicle service.”* SB251 unfairly favors Uber & Lyft drivers by relieving them of the taxation and higher insurance requirements required of motor carriers under HRS 271.

**§\_\_-3: SB251 Permit required:** This provision confirms that Uber & Lyft are operating statewide since 2014 (seven years) in defiance of HRS 271-8 [2] that require PUC license. They are not exempt as taxicabs under HRS 271-5 (3) [3]. *Why hasn't the PUC enforced HRS 271-8?*

S.B. 251 SD1 grants arbitrary authority for DOT to charge annual license fees of up to \$25,000 which probably is the highest occupational license fee in the nation. AllWays Charley's is a TNC. S.B. 251 SD1 will make it impossible for many local TNC businesses to compete by requiring fees that are clearly structured for billion-dollar companies such as Uber and Lyft. *What kind of terms and conditions will DOT impose to exclude competitors just like DOT sets double standards for TNCs at state harbors and airports?*

Uber & Lyft will finally escape having PUC licenses to operate as passenger *and* property carriers under a freewheeling DOT one-license instead. SB251 SD1 creates a double standard with **HRS 271 that was enacted to provide fair and impartial regulation of transportation - especially to visitors - without unjust discrimination**

**undue preference or advantage, or unfair or destructive competitive practices** as stated in HRS 271.1 Policy. [\[4\]](#)

**§\_\_-6 TNC vehicle identification:** SB251 SD1 exempts Uber and Lyft from having to display permittee decals to indicate their TNC affiliation. DOT is also lax to enforce accountability by not requiring updated fleet lists to DOT on vehicle owners, VIN#s, description of vehicles and individual Insurance Certificates naming the state as additional insured with 30-day cancel notice on each vehicle operating at the airports and harbors. This provision allows TNCs to hide vehicle identification that is needed by security and police officials.

Without decals and/or other DOT/PUC/Taxi markings on the vehicle, there's no way to know which vehicles are legitimate and which are rogues. TNC 'symbols' are easy to duplicate and obtain. Currently, rogues with bogus TNC placards swarm the TNC zones at the airport, hotels, Diamond Head, Kailua & Lanikai and other pick-up locations.

**§\_\_-8 insurance requirements.** Motor carriers are required to have full-time commercial Primary Insurance Coverage. Annual premiums of insurance can run into the hundreds of thousands.

This legislature enacted special legislation HRS431:10C-701 [\[5\]](#) requiring Uber & Lyft to have only part-time "Gap Insurance" at half the required taxi coverage. Under arbitration clauses with its drivers and riders/subscribers, Uber & Lyft limit their claims liability. While Uber & Lyft are allowed to provide excess insurance from carriers not licensed in Hawaii, Hawaii-licensed insurers refuse to provide 'gap' insurance to local TNCs, charging another \$3500 per vehicle for excess \$1m full (not gap) coverage. *Why do you allow this unfair insurance disparity?*

**§\_-11 Audit of records.** SB251 SD1's requirement for "a sample of records" (one sample only) does not provide a credible accounting of records, trips and fees necessary for audit purposes. *Why is this superficial audit provision lacking transparency and accountability?*

PLEASE do not pass S.B. 251 SD1. Please stop the double standards, and the discriminatory, unfair, unconstitutional laws and practices that severely impact the future viability of Hawaii's vital transportation providers and motor carriers.

If you decide that S.B. 251 SD1 is the way to go, be fair! Level the Playing Field! ***Have all transporters be licensed under SB251 SD1 (without the \$1m excess "gap" insurance) or REPEAL HRS 271. Give local passenger & property carriers a fighting chance to compete!***

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[2] [https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii\\_statutes\\_271-8](https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii_statutes_271-8)

[3] <https://law.justia.com/codes/hawaii/2015/title-15/chapter-271/section-271-5/>

[4] [https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii\\_statutes\\_271-1](https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii_statutes_271-1)

[5] [https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii\\_statutes\\_chapter\\_431\\_part\\_vii](https://www.lawserver.com/law/state/hawaii/hi-statutes/hawaii_statutes_chapter_431_part_vii)



Testimony of  
**Robert's Hawaii, Inc.**  
on  
**S.B. NO. 251**  
**Relating to Regulating Transportation Network Companies**  
**Committee on Commerce and Consumer Protection**  
**Tuesday, February 23, 2021, 9:30am, Room 229**

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 self-regulated environment, meaning little to no regulations.
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 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.

**LATE**

February 22, 2021

Honorable Chair Rosalyn Baker, Vice Chair Stanley Chang &  
Members of the Senate Committee on Commerce and Consumer Protection

Re: Testimony in Opposition to S.B. No. 251, Relating to Regulating Transportation  
Network Companies

Chair Baker, Vice-Chair Chang & Members of the Committee on Consumer Protection &  
Commerce:

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.



**WRITTEN TESTIMONY OF TRACI LEE OF LYFT  
SB 251 SD1- Relating to Transportation Network Companies  
Senate Committee on Commerce and Consumer Protection  
Feb. 23, 2021 9:30 AM in conference room 229.**

**LATE**

Chair Baker, Vice Chair Chang, and Committee Members,

My name is Traci Lee, and I am a Senior Public Policy Manager for Lyft, responsible for Lyft's policy and government relations in Hawaii. **Lyft supports Senate Bill 251 SD1**, 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 SD1, 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 SD1 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 SD1, 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 SD1**.





**TECHNET**  
THE VOICE OF THE  
INNOVATION ECONOMY

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February 22, 2021

Senator Rosalyn Baker, Chair  
Hawaii State Capitol  
415 S Beretania St, Room 230  
Honolulu, HI 96813

**LATE**

**RE: SB 251 SD1 Transportation Network Companies - Support**

Dear Chair Baker and Committee Members,

TechNet is the national, bipartisan network of innovation economy CEOs and senior executives. Our diverse membership includes dynamic American businesses ranging from revolutionary start-ups to some of the most recognizable companies in the world. TechNet represents over three and a half million employees and countless customers in the fields of information technology, e-commerce, sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance.

TechNet respectfully submits this letter in strong support of SB 251 SD1 which establishes requirements and permitting procedures for transportation network companies (TNCs) operating in Hawai'i. Additionally, the bill would make permanent insurance requirements for transportation network companies and transportation network drivers.

In Hawai'i, TNCs enhance transportation options for locals and tourists alike and provide people with an alternative transportation choice to increase their mobility. TNCs have been a transportation option in Oahu since 2004 and have expanded to other islands subsequently. Currently, TNCs operate in six airports across four islands, as well as at Honolulu Harbor. As of this year, 46 states across the country have passed statewide rideshare legislation that regulates TNCs in a safe and comprehensive manner. We hope that Hawai'i can join other states in allowing consumers to have the ability of choosing TNCs across the islands.

Currently, there is a disparate landscape of laws that regulate TNCs. For example, TNC driver screening and other operating requirements are currently only mandated for Honolulu county, 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. A comprehensive TNC framework would ensure TNC driver screening and other operating requirements are mandated for all islands throughout Hawaii, not just the City and County of Honolulu.

Statewide legislation would help alleviate the concerns associated with a patchwork of disparate regulations across the different islands and would provide uniform regulations for TNC operations throughout all of Hawai'i. A uniformed state framework is a path towards providing consumers, drivers and visitors a consistent ridesharing experience across islands.

Thank you for your consideration. If you have any questions regarding our support for SB 251 SD1 please contact Cameron Demetre, Executive Director, at [cdemetre@technet.org](mailto:cdemetre@technet.org) or 916-903-8070.

Sincerely,



Cameron Demetre  
Executive Director, California and the Southwest  
TechNet

**LATE**

**SB251 SD1 - Rideshare driver testimony**

**John Phillips (Oahu)**

**Rideshare driver**

Aloha, representatives of the Commerce and Consumer Protection committee. I hope you and your families are doing well during this challenging time. I want to add my testimony in full support of Senate Bill 251 SD1. This beautiful state we live in is worth exploring and sharing. With rideshare, I have had the opportunity to do that everyday by ensuring that residents and tourists alike get to their destinations safely. I am supporting the community by offering a great service. As an Air Force veteran and someone who currently works for the government as my primary job, I am a public servant through and through. Granted, the current situation has changed the landscape for Hawaii economically, and soon enough residents will once again be able to get back out there and earn additional income for their families; rideshare will be a great way to do so. To that end, ensuring uniform regulations across the state will be critical to extend the opportunity to all potential drivers that want to contribute to their family and community, especially amidst these challenging times. I know this has worked for me and thank you for picking up this discussion to ensure that it works for others as well. Mahalo!

**Robert Vlach**

**Rideshare driver**

Aloha, Commerce and Consumer Protection Committee. Thank you for considering Senate Bill 251 SD 1. I support creating uniform requirements and permitting across the island for better standardization. I drive for Lyft part-time in Kauai while in retirement. It allows me to earn extra income while allowing me to choose when I work. While we're still in a challenging time, when tourists are here, driving allows me to meet different people and act as a tour guide, giving people an overview of the culture that they're stepping into. I would like to continue to provide this service to guests on Kauai. Please consider supporting rideshare through the passage of SB251 SD 1. Mahalo

**LATE**

**SB-251-SD-1**

Submitted on: 2/22/2021 7:19:18 PM  
Testimony for CPN on 2/23/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathleen Sicard	Individual	Support	No

Comments:

Aloha to the committee holding this public hearing on Senate Bill 251 SD1, regulating Transportation Network Companies. I am happy to see that the legislation is being picked back up during this session, as I testified in support of similar legislation for two years. As rideshare will continue to be a main way for me to earn --and now more than ever we are facing such a challenging economic environment. That is why I am supporting the current SB 251 SD1.

As a 60 year-old entrepreneur, I value the ability to maintain a flexible and independent schedule, while making this my own. This pandemic has shown the importance of rideshare even more. I am finishing my studies at the University of Hawaii as a proud student of Interdisciplinary Studies, yes, as an older student -- all the while, I can balance my life and drive around competing priorities.

I plan to create my own programs and write books about this great Hawaiian language and culture to bring understanding to this paradise and beautiful people; rideshare allows me to chase that dream.

Also, seven years ago I was severely injured in an accident. I went from a wheelchair, to a walker, to a cane and now can walk again. However, for seven years I was unable to do business or office work given certain manual labor aspects. This has been a wonderful transition for me and I will continue to be an advocate within the community for how this can positively impact our lives. From a resident of Maui, please consider my story when making this policy and legislating rideshare. I would encourage the committee to ensure that the regulations are uniform across the islands so that all drivers and passengers can have the same efficient experience.

Sincerely,

Kathleen Sicard