

TESTIMONY BY:

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March 13, 2024 2:05 p.m. State Capitol, RM 329

S.B. 3220, S.D. 2 RELATING TO MOTOR CARRIERS

House Committee on Consumer Protection & Commerce

The Hawaii Department of Transportation (HDOT) **supports the intent of S.B. 3220**, **S.B.2**, 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.

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

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

March 13, 2024 2:05 p.m.

Chair Nakashima, Vice Chair Sayama, and Members of the Committees:

MEASURE: S.B. No. 3220, SD2

TITLE: RELATING TO MOTOR CARRIERS.

DESCRIPTION: Transfers the jurisdiction of enforcement 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. Takes effect 1/1/2050. (SD2)

POSITION:

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

COMMENTS:

The Commission appreciates the intent of this measure to transfer the authority of enforcement of Chapter 271, Hawaii Revised Statutes ("HRS"), or the Motor Carrier Law, to the Department of Transportation ("DoT").

Moreover, the Commission appreciates the amendments made by the Senate Committee on Transportation and Culture and the Arts to the original measure to transfer <u>only</u> the enforcement of the Motor Carrier Law. This is appropriate given that DoT has a much larger number of enforcement officers than the Commission, and, importantly, have a greater presence throughout the State. This will allow for better and more consistent enforcement of motor carriers statewide.

Regarding motor carrier applications, annual financial reporting, and 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

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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 Legislature's concerns as well as advocates and stakeholders who are directly impacted by the Motor Carrier Law.

Thank you for the opportunity to testify on this measure.