

DAVID Y. IGE
GOVERNOR



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

Testimony by:
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

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LATE

**H.B. 260, H.D. 1, Proposed S.D. 1
RELATING TO INSURANCE**

Senate Committee on Commerce, Consumer Protection, and Health

The Department of Transportation (DOT) **supports the intent** of H.B. 0260, H.D. 1 proposed S.D. 1 to close the insurance gaps associated with transportation network companies by establishing motor vehicle insurance requirements for transportation network companies and transportation network company drivers.

However, the DOT has some concerns with the language in this bill that exempts transportation network companies from having to pay fees thus creating an uneven playing field and potential loss of revenues. §431:10C-B Relation to other laws, states 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" appears to allow either a transportation network company and/or a transportation network company driver to avoid the requirements of the Hawaii Administrative Rules (HAR) adopted by the State DOT, Airports Division, regarding pre-arranged ground transportation.

The HAR requires that all vehicles providing such transportation services at State Airports have a pre-arranged ground transportation permit issued by the Airports Division, and that the permit holder pay the appropriate fees listed in the rule.

The ability to avoid paying the fees not only reduces revenues to the DOT Airports Division, but also places the Airports Division in jeopardy of violating the U.S. Federal Aviation Administration requirements that require all service providers operating at an airport, who receive compensation for providing a service at the airport, pay for the right to provide such a service.

Thank you for the opportunity to provide testimony.