

MULTIMODAL TRANSPORTATION COMMITTEE

Council of the County of Maui

M I N U T E S

Council Chamber

September 5, 2019

CONVENE: 1:36 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Yuki Lei K. Sugimura, Chair
Councilmember Tasha Kama
Councilmember Alice Lee (in at 2:15 p.m.)
Councilmember Tamara Paltin
Councilmember Shane M. Sinenci

EXCUSED: Councilmember Riki Hokama, Vice-Chair
Councilmember Kelly T. King

STAFF: James Krueger, Legislative Analyst
Stacey Vinoray, Committee Secretary

Denise Fernandez, Council Aide, Lanai Council Office (via
telephone conference bridge)
Zhantell Lindo-Dudoit, Council Aide, Molokai Council Office (via
telephone conference bridge)

ADMIN.: Michael Hopper, Deputy Corporation Counsel, Department of the
Corporation Counsel
May Anne Alibin, Deputy Director, Department of Finance
Carmelito "Lito" Vila, Motor Vehicle & Licensing Administrator,
Department of Finance

OTHERS: Rob Mora, General Manager, Lyft
Bob Toyofuku, Lobbyist, Uber
Nicholas Crowley, Taxicab Representative

Jay Ahina
Jean Truong
Bart Mulvihill, Owner, Christopher Limousine
Kenny Barr
Clifton Weber
James May
Walt Klemperer
Claire Gibo, CB Taxi/Maui Airport
Ron Thompson, Owner, La Bella Taxi
Plus (26) others in the gallery

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PRESS: *Akaku Maui Community Television, Inc.*

MT-3 TAXICAB AND RIDESHARING PLATFORM COMPANIES (CC 18-56, CC 18-316)

CHAIR SUGIMURA: . . . *(gavel)* . . . Good afternoon, everyone. Welcome to my Multimodal Transportation Committee. Today is September the 5th and it's 1:36 p.m. Thank you everyone for being here, seeing so many people in the Chamber, I'm gonna guess that a lot of you are taxi drivers or maybe with Lyft and Uber, but I really appreciate all of you taking the time out of your busy schedules to come to this meeting. I'd like to ask you, all of you to silence your noisemaking devices and cell phones. My name is Yuki Lei Sugimura and we have bare quorum here today so if anybody needs to leave, kinda let me know and, yeah, but we'll go through this meeting as fast as we can. So, Shane Sinenci from Hana, thank you for being here. And Tamara Paltin from Lahaina.

COUNCILMEMBER PALTIN: Aloha, Chair.

CHAIR SUGIMURA: Aloha. And Tasha Kama from Kahului.

COUNCILMEMBER KAMA: Aloha, Chair.

CHAIR SUGIMURA: Aloha, thank you very much. So, we are taking up today again, taxi cab, ride sharing, and platform companies, Multimodal...MT No. 3 and who are non-voting members are Mike Molina and Keani Rawlins [*sic*], so they may join us, but not part of the Committee. Who's excused is Riki Hokama, my Vice-Chair as well as Kelly King who's at a housing conference I think on Oahu. So, they aren't here. Alice Lee, is I guess maybe coming, but thank you everyone for being here. We have Michael Hopper from Corporation Counsel, thank you. And from the departments we have May Anne Alibin which is our Deputy Director of Finance. We have Lito Vila who is, many of you must know him to do the relicensing in DMV for the taxi and transportation. James Krueger is my Staff person, thank you for your hard work. Stacey Vinoray is my Committee Secretary, and we have District Offices from Molokai and Lanai here and Hana is, the Hana office is closed. Today I'm gonna be taking testimony from the Chamber first so when I call your name, please come up to the podium. You have three minutes, all of you are gonna be testifying on the same item which is MT-3. The first person that I have signed up is Jay Ahina. Jay, are you here? Thank you, Jay.

. . . BEGIN PUBLIC TESTIMONY . . .

MR. AHINA: Hello.

CHAIR SUGIMURA: Hi, Jay.

MR. AHINA: So, I just say...

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CHAIR SUGIMURA: Say your name.

MR. AHINA: Oh my name is Jay Ahina and I own a taxi business that I got to work with my mom and step-dad before they both passed. And now I've been running it since 2014, '15. Well, basically it's a small business and I struggle to keep it going and then just learning as I go with running a business. All I know is since the ride sharing businesses have been here, it's been real tough. With a business like mine, you have to plan ahead and invest money, cars, you know, people that are independent contractors that are paying bills and stuff, so it's a little stressful for me. But all I know is that since it's, the business was doing fine and I was real happy, you know, paying bills and mortgages and I feel like helping other people to pay their bills, so I was really happy and first time, I've always worked for somebody else. Little nervous, so, but I always worked for somebody else and it's been hard. Since the ride sharing businesses are in the airport now, which I inquired, you know, a good almost a year before they started here trying to call offices to get answers on where we stand, if they were gonna come into the airport 'cause I had to make choices about loans and cars and independent contractors and working with them, so I had to make decisions and I never got any answers. That was real frustrating but since they've been in the airport, my business is pretty much done, so it's just me now and just me so the business is pretty much over. And so, I'm just here to say that I guess. That's about it.

CHAIR SUGIMURA: Thank you. Anyone have questions? Tamara Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Ahina, for being here and letting us know the situation. I was wondering if there was something specific that you wanted us to do?

MR. AHINA: Oh, well that's a good question. Well, I guess, that's three minutes, right?

CHAIR SUGIMURA: You can...

MR. AHINA: Oh okay yeah, you know, I don't know, something. I guess by the little homework that I've done, like New York has passed that they're employees, so it puts caps on ride sharing businesses and how much they can have on the road. And that would be very helpful here. I think California's working on that, but like I said, I don't have the facts or any proof, but I would like something to be done, whatever it may be. It would be comforting to know that our Councilmembers are considering the small businesses here that are paying taxes and stuff like that and trying to survive, to consider us.

COUNCILMEMBER PALTIN: I was wondering if you ever did look into doing the ride share yourself?

MR. AHINA: I've refuse to do that. Although I would do anything to survive, I wouldn't say that I won't but I won't do it until I absolutely have to.

COUNCILMEMBER PALTIN: And the reason would be?

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MR. AHINA: 'Cause it ended my business.

COUNCILMEMBER PALTIN: Oh okay, alright, thank you.

MR. AHINA: Thank you.

CHAIR SUGIMURA: Thank you. Anybody else have questions? No, okay. Thank you, thank you very much. Next testifier is Bart Mulvihill.

MR. MULVIHILL: Good afternoon, Chair.

CHAIR SUGIMURA: Good afternoon.

MR. MULVIHILL: Members, how are you today? My name is Bart Mulvihill. I grew up on Maui, many of you know me, some of you don't. The reason I'm here is that about four-and-a-half years ago, my son and I, when he got out of the Marines, we formed a super company. Look at me on the internet, when I go anywhere, people ask me what do you do for a living? I say I own a limousine company with my son in Maui. I'm the envy of a lot of people, but Bank of Hawaii will argue with you there. Our business is down 15 percent this fifth year were now in business. We have only five star ratings across the board. Uber is not a professional organization. If you wanna have some real interaction with me ask me about the no overriding liability policies additionally named insured. Ask a hotel manager about why they can't get that from Uber's drivers. The whole operation from dispatch to drop requires distracted driving using their phone. There's a fifty-question test Maui County gives to cab drivers like out here. It's a general knowledge test because you can't be looking for a map book or a phone late at night in the rainstorm when somebody says take me to Maui Memorial. Do you know where it is? I challenge any Uber driver to sit with any of us and find things without being distracted. It's serious. There's other problems. The surge price and the consumer protection issues, you've gotta address that. There's no, you guys, not you guys, the County of Maui through a lot of foresight against gypsy cabs passed a law, Chapter 5.16.130, specifically lays out if you wanna take a person from A to B, you are required to come down and take a question test, 50 questions, and pass it and have 80 percent. You needed to take a picture, you had to bring your picture, you had to have your fingerprints tagged and if they wanted them, you had to do anything they wanted just to drive. Not to own a cab, just to drive. I started driving a cab nearly 33 years ago when my son was first born in Kaanapali. It's a hard job, but then the free busses came. But long story short is that is there are too many things, but the one thing that we all bring to the table, the cab drivers and the limo company owners like me who started in cabs, we bring experience, we bring trust, we bring our person. My face is on the internet on my website. People know what my team looks like, I give them a solid image. Well anyway, what Uber and Lyft are not doing, is they're not giving you an accountable of who's driving for them, who sent them there, where they're going, what their cargo is, are they endangering their life, their family, and the property they invest to bring to the County of Maui to drive and to be a good business person. That's all I ever wanted to be, just a good business person, but when I see my

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sales get killed, I have to say something and I'm here more because of the cab drivers because Uber's going after my business too.

CHAIR SUGIMURA: Thank you.

MR. MULVIHILL: Yes, Ma'am.

CHAIR SUGIMURA: Thank you. Anyone have questions for him? So, your, oh, one moment, so your name of your business is?

MR. MULVIHILL: Christopher Luxury Sedan Service and Limousines. We are a 1 to 7 PUC operator in perfect standing and an 8 to 25 bus operator as well. I have one limousine, I haven't been able to expand it, but thank God, I have that thing 'cause that's the one thing Uber can't give you is an eight-passenger Mercedes limousine. Yes sir?

CHAIR SUGIMURA: So you have a taxi service? Excuse me.

MR. MULVIHILL: No, I do not.

CHAIR SUGIMURA: So yours is?

MR. MULVIHILL: I have a PUC license.

CHAIR SUGIMURA: You have a PUC license.

MR. MULVIHILL: Yes Ma'am.

CHAIR SUGIMURA: Okay.

MR. MULVIHILL: Four eight eight six dash C. Yes, sir?

CHAIR SUGIMURA: Mr. Sinenci?

COUNCILMEMBER SINENCI: Thank you for being here. Thank you, Chair. So, what would you wanna see? Would you wanna see the ride shares more regulated here at the airport? Do you wanna see the taxi drivers less regulated, what's some of your input?

MR. MULVIHILL: B is the wrong way to go. Regulation is what keeps people honest and straight here. Keeps them sober. When a guy comes to pick up a BMW or the limo from me, that drives for me, come here breathe on me. You okay? You need money? You know, I wanna make sure 'cause the mindset's very important. So, deregulating this business has not helped, it's only made people unsafe. Unsafe, that's where we're going. I don't know why in God's green earth, Councilmember, why we let people with no previous experience, without any knowledge go and pick up your most valuable asset. I read what you wrote about tourism and the limited numbers but if we have a bad...

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COUNCILMEMBER SINENCI: I'm just trying to get some about the taxi drivers, I wanna listen to what your concerns are so I can make a, you know, a...

MR. MULVIHILL: Sure, I'll give you a great example. When the truck drifted in Kaanapali and killed those people a couple years back, the Uber driver was instantly killed and the people in the car. The insurance, sir, I spent \$14,000 a year with a great record on insurance. I have \$2 million in liability insurance, I have real insurance, but that's the problem with a lot of these time, ride sharing companies, is that they self-deal. When a realtor say, hey you know what, I don't need my broker for this, that's self-dealing. That's dishonesty. Because you will come, if you grab people coming out of Uber cars at the airport, they'll say were you on a ticket or did you make a prearranged ride with this guy. Every one of these drivers out here will tell you that they are self-dealing. They're not using the Uber thing where they do not have insurance. They do not have insurance. And that accident out there, the County of Maui is very fortunate that in Kaanapali those people were well moneyed up, people who had life insurance and health insurance. Had they been, had to depend on that guy that got killed they would have been out of luck. I'm surprised the County didn't get sued for that.

COUNCILMEMBER SINENCI: Alright, thank you.

MR. MULVIHILL: You're welcome, Sir.

COUNCILMEMBER SINENCI: Thank you, Chair.

CHAIR SUGIMURA: Any other questions? So, I'll verify with Uber and Lyft about the insurance requirements, so any other questions?

MR. MULVIHILL: Ask them, Councilmember, may I ask a question?

CHAIR SUGIMURA: At the appropriate time, I'll ask them.

MR. MULVIHILL: Okay.

CHAIR SUGIMURA: Thank you.

MR. MULVIHILL: And when they're not engaged, what kind of insurance they have? Thank you.

CHAIR SUGIMURA: Thank you. The next testifier is Jean Truong. Members, please hold down your clapping. Jean Truong? T-R-U-O-N-G.

COUNCILMEMBER SINENCI: Seems to be a regular occurrence.

MS. TRUONG: Aloha.

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CHAIR SUGIMURA: Aloha.

MS. TRUONG: And good afternoon, Councilmembers. I am not a cab driver anymore, I was for 29 years out of the 30 years I've lived here in Maui. And, I am here speaking on behalf of all kinds of cab drivers from the north end to the south end to the west end to the east end of the island. And, oh, I'm sorry. I'm short. Anyway, what I am here to say is, Uber and Lyft has taken over 75 percent of the business away from the taxis. It's hard for them to survive. I used to have Alanui Cab Company, I had the contract at the Grand Wailea and things, ever since 2001 when 9/11 happened and then it's just been escalating and going down, down, down the business. But when Uber and Lyft came on they killed everyone, everyone. They do not have any business license, no excess general liability test. I mean, they have no drug test, health test, all the things the taxis have to have and shame on the State of Hawaii for not making them do it. You asked us to be drug free, no drinking, no anything, and here you are allowing these people to pick up our passengers and God knows where they're taking 'em. You don't know who they are or where they're going or anything. It's unbelievable. I just don't understand it. You know, so all I'm asking you to do is to make sure that they have to do what we had to do. It's only fair business.

CHAIR SUGIMURA: Okay.

MS. TRUONG: So, anyway, I'm not driving anymore like I said, I'm 73 years old and the State of Hawaii is just making it really hard and I did talk to the Governor but the Governor denied everything, that he did not let, allow Uber and Lyft to come in here and I said yeah, that and two bucks will buy the Brooklyn Bridge. You wanna buy it? You know, I don't understand that, why he's allowing all these things to go down and putting good, honest, decent people out of work. Because they're all gonna be gone soon. All the taxis, and what are you gonna have, a bunch of people out there that can't do, you don't have a clue where they're going or what they're doing. Anyway, they're doing a lot things they should not be doing. I know this for a fact, but how are we gonna, you know, prove all that. Some of it gets in the newspapers, some of it don't. But, I've heard from customers out there that I've been taking for 25 years, they're not coming back. They're disgusted with what is happening here in Maui.

CHAIR SUGIMURA: Thank you. So, I'm gonna ask, I know that everybody would like to cheer and clap and I'm gonna ask you to keep it down if you will during this meeting, because we're gonna have all, we're gonna have a panel that'll come before us and talk and give opinions and I don't want everybody to burst out in claps or boos, and it's gonna be inappropriate for this meeting, so I just want to let you know. At this time, I'll take questions to Jean.

COUNCILMEMBER PALTIN: Thank you, Chair. I just was, your name was Dean Truong?

MS. TRUONG: Truong, yes.

CHAIR SUGIMURA: Truong.

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COUNCILMEMBER PALTIN: Dean?

CHAIR SUGIMURA: Jean.

COUNCILMEMBER PALTIN: Oh, Jean.

CHAIR SUGIMURA: Yeah Jean.

COUNCILMEMBER PALTIN: Okay, okay, thank you.

CHAIR SUGIMURA: And she always has a hat on. Times that I've met you, you've always had a hat.

MS. TRUONG: Yes.

CHAIR SUGIMURA: Anybody have questions for Jean? Thank you very much for being here and I appreciate you.

MS. TRUONG: Mahalo.

CHAIR SUGIMURA: Next testifier is Kenny Barr. Thank you, Mr. Barr, he was here for our first meeting that we had here and thank you for coming back. So, people in the audience, just so you know, it sounds like probably you're here with the taxi group, so I had one meeting that was earlier and we heard from Lyft, Uber, and the Finance Committee and Mr. Barr was here and so he stayed on as a resource to give us information about taxi, but today I wanted to sort of dedicate this to hear from taxi and just gather more information. So, thank you again, Mr. Barr, for being here.

MR. BARR: You're welcome. Thank you. I read this and tested it, should be three minutes and five seconds. Aloha, Committee Chair Sugimura and Members. My name is Kenny Barr and I own Kihei Taxi and Wailea Taxi since 1979. And I'm testifying on MT-3. Thanks for taking this up for the taxi people, kind of a forgotten group of people who are always out there weekends, nights, holidays, rain, heat, and just taken for granted. Most of us probably work or put in more hours than any other industry. You folks may be a close second. We, not just Maui and Hawaii, but the whole world got hit with this technology invention and giant industry policing themselves but with no local input in the way they operate in the various local areas. Challenged in some areas, they point out that they are a technology company, not a transportation company and are not subject to local transportation regulations. But here on Maui, the Uber and Lyft representative have indicated a willingness to work with the County. Sure, everyone you talk to even Uber users themselves will say how unfair this all is, but that's life. But it's more than life to all the taxi drivers who have families to support, kids to raise, mortgages to pay, food, and on and on. We got blindsided by technology and now have to survive. Uber is not going away but you folks have recognized this and are at least trying to level the playing field. I have three suggestions that you may wanna consider. Uber can have their excess insurance limits protecting themselves from lawsuits, et cetera, but the County should require

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the owner of the vehicle to have the same commercial business vehicle insurance on taxis, that the taxis have. Most of us use our vehicles as our personal vehicles as well as in my case, with the loss of taxi business, I use it more for my personal life than for taxi runs. But we need to carry and pay for commercial insurance requiring. Excise tax numbers would also be nice too of the Uber drivers. The second thing, each Uber driver should also like taxis have a Maui business, Maui County business license like we do, it costs a \$100 a year like taxis and each one would be given a business permit along with a County of Maui decal like ours with an expiration date as per the County fiscal year. Like us, you present your commercial insurance certificate to the motor vehicle office and they will be given a business permit and decal. If the vehicle being driven and picking up passengers does not have that decal and license, it is illegal. Also, if there's 300 Ubers and I know Ms. Lee asked for some numbers, if there's 300 Uber drivers they would be, what, \$300,000, if there's 400 of them, that's \$400,000 into the County. And also, they, consider having the County inspectors who inspect our taxis inspect each Uber taxi to make sure that it has the right permits and so on. They're just three suggestions to even things up between us and them. They're not gonna go away but they, you know, at least some of them with some kind of Maui oversight and fees and simple requirements like we have, some of the unprofessional and Quickbook operators may disappear.

CHAIR SUGIMURA: Thank you, Mr. Barr, again for coming. So, your first suggestion is about insurance, is that what you said?

MR. BARR: Yes.

CHAIR SUGIMURA: And you second one is to make sure that all, that everyone has a business license from Maui County.

MR. BARR: Yes.

CHAIR SUGIMURA: And the third one was, did you say no decals or decals? What was that?

MR. BARR: Right, that we would, that the County would issue these, the decals and the, you know, like the permit numbers like you're trying to get the water people to have all, I mean the short-term rentals have numbers. So, we have a business permit and then we have the decal so this has to be in the license and just anybody getting the car will see that you are a legal taxi business and then anyone else checking like the police that we would have a decal on the back that says we're a taxi cab. Their decal could say ride share, County of Maui ride share and just that they pay and I like I said it'll weed out some of the ones that are just running out to make a quick buck. At least the ones that have to do this requirement would have some sort of interest in their business.

CHAIR SUGIMURA: Thank you. Would you mind if we get a copy of your decal that you're...

MR. BARR: Oh sure. And then there's also a taxi business license which Lito pointed out the last time, the three things, but and this is the, we all have to get a driver's permit

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and every year we have to renew it, so it's another thing that the County could make Uber have, a special license so they're not, because I don't know how much they check out their drivers.

CHAIR SUGIMURA: Okay, thank you. So yeah thank you, James. Could we borrow that, we'll give it back to you?

MR. BARR: Yeah.

CHAIR SUGIMURA: Thank you. Any, oh, any questions for Mr. Barr, Members? Oh, Tamara Paltin has a question for you.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Barr, for being here again. I just was wondering, you know, how you made reference to the short-term rentals, the County is currently having real hard time enforcing the illegal ones and I can see like if we do this similar thing for the Uber system it might be also difficult to enforce. Have you thought that even if we make this requirement about how it could be enforced?

MR. BARR: Yes, the County, our system is very well enforced, I mean we know everybody who has a taxi...

COUNCILMEMBER PALTIN: Oh, not with the taxi, I mean with the, if we make this requirement onto the ride shares --

MR. BARR: Yes.

COUNCILMEMBER PALTIN: --about how we would be able to enforce it because of the, there's this Federal communication thing about the platforms having immunity from liability so if Uber and Lyft use that platform and they don't abide by these additional regulations that we would put on like you suggested, how would we be enforcing it other than like looking in everybody's cars and stopping them or how...

MR. BARR: Well, the things would be on the outside, but the police enforce our infractions, and also the fact that the women from Uber said that they're willing to work with us, you know, they, depending on how much you trust them they may put it in as part of their requirements and they would pretty much be policing it. They would be telling their Uber drivers on Maui you need to get a County business license for a 100 bucks. You need to, I don't know if you wanna make them get a special driver's license like we have, but at least, you know, just make it, just even the field, just whatever we have you should make them have. They're out making money, they're making, they're a business just like we are, but they don't have any rules, no regulations.

COUNCILMEMBER PALTIN: Yeah, I mean if they're willing to work with us, that would be awesome, but like, you know, the Airbnb's and stuff like that, similar type of platform where they do a similar type of --

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MR. BARR: Yeah but they're more...

COUNCILMEMBER PALTIN: --it, we're not able to regulate them.

MR. BARR: They're more sneaky though, the Ubers are out there. You see them there, and they're supposed to have those stickers on their car. They're out there and we see them, so.

COUNCILMEMBER PALTIN: Yeah, I mean similar thing in our neighborhoods --

MR. BARR: I see what you're saying, but it's another...

COUNCILMEMBER PALTIN: --we see the illegal STR's but enforcement is the issue.

MR. BARR: I know, I know.

COUNCILMEMBER PALTIN: Okay, thanks.

MR. BARR: I'm just trying to make suggestions to make it even, that's all 'cause you guys asked for them.

COUNCILMEMBER PALTIN: Okay. Okay thank you. Yeah, thank you for the suggestions.

CHAIR SUGIMURA: Thank you very much and thanks for coming back to talk to us, thank you.

MR. BARR: You're welcome.

CHAIR SUGIMURA: No more questions? Next testifier is Clifton Weber, followed by James May, and Walt Klemperer is last.

MR. WEBER: Good afternoon, ladies and gentlemen. My name is Cliff Weber, I've been a cab driver on Maui for over 27 years. I would like to address this lady's question if I may. As far as enforcement goes, like Kenny said, I'm so glad I followed Kenny 'cause he's more articulate than I would be. It's visible. You can see it. If you come out and take a look at my cab right now you'll see my business, my taxi cab license, on the back bumper, you look inside my cab you'll see my picture of my County license yeah and the thing is, it's not fair. These guys are gypsy taxi cabs, now they say that they're a ride share, they're not a ride share. If you and I work at the same job, I drive this week, you drive next week, that's a ride share. But if you're picking up a customer at a designated spot, charging them to a designated spot, that's a taxi cab. All we're asking is that they do by the same rules that we have to. We have that 50, like he said, it's a \$100 a year. We have to do the 50-quick question test. We have our picture up there. You know who we are. You can check by our control number at the back of the cab, who we are. You can track us. These guys have no tracking at all. Last night if you seen the news last night, on NBC they said they have 22, 21 lawsuits against Lyft right now for sexual assault and they said over a 1,000 cases a year

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between Uber and Lyft. We don't have any of that. And if we did have that, they would come be on us like a ton of bricks because everybody knows who we are. We can't do that. It's not fair that they, they're just gypsy cabs. Why don't we just give all our license back to you guys, become Uber, not even Uber just form our own and not pay you any State, Local, and Federal taxes, don't have to get the insurance, you see my point? I guess I'm done. Any questions?

CHAIR SUGIMURA: Thank you very much. Anybody else have questions for him?

MR. WEBER: Kenny Barr pretty well covered it, you know, he beat me to it.

CHAIR SUGIMURA: Thank you. So, Mr. Weber, you're saying that for identification that you're a taxi, you have something on your bumper?

MR. WEBER: Of course.

CHAIR SUGIMURA: Your license number on the...

MR. WEBER: Our business license, he just showed you. He just gave you a copy of it.

CHAIR SUGIMURA: Right, so all the areas that you have an ID, are what areas of your car?

MR. WEBER: Bumper for the back, we have a control number on the back bumper, inside our cabs we display our business license and our taxi cab permit, which has our picture, our address and all pertinent information on it. Now, see the things is Uber drivers, I'm mostly an airport driver. These guys come in, you don't know that they're Uber or not. They don't display nothing. They come in, they grab the fares and go. We have lost 65 percent of our business and everybody here, airport drivers knows that. And it's not fair. We pay through the nose and they pay nothing and the sad thing about it, is the Uber drivers, I was watching last night at LA, they're averaging between 9 and 15 cents a mile, that's what they make by the time they're 25 percent cut. Yeah, and how much taxes do Uber and Lyft pay the United States and Maui of County and the State of Hawaii and the United States? Probably zero.

CHAIR SUGIMURA: Okay, thank you.

MR. WEBER: Any questions?

CHAIR SUGIMURA: Anybody else have questions for him? Seeing none, thank you very much.

MR. WEBER: Thank you, aloha.

CHAIR SUGIMURA: Aloha. Next speaker is James May, Walt Klemperer is after that, and the last speaker I have is Claire Gibo.

MR. MAY: Aloha, Madam Chair --

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CHAIR SUGIMURA: Aloha.

MR. MAY: --everybody else that's here. It's all been said, everything's been said. The long and short of this is that Uber, these ride share entities started by Uber, Travis Kalanick, nine years ago basically wanted to, through investment capitalists make an artificial low platform that would cover the world with Uber. Hasn't worked, it's not gonna work. I'm gonna go in a different direction, you're just gonna hear more of the same, so instead of the minuet here on Maui, Uber's gonna fail. It's just how much more blood has to be let, our blood before this, these entities fail. How can a business stay in business when they lose a billion dollars a quarter, nobody's interested, just everybody has a cell phone, everybody here has a cell phone. Look at Uber, ask Google, has anybody stumped Google? Not a single soul here has. Punch Google, Uber stock price today, well it was, hit an all-time low yesterday, why? It's failing. Okay, so is Lyft. They just IPO'd six months ago, what's the problem? The problem is right here. Ask this gentleman, ask this gentleman, ask all the drivers here. It's amazing what happens when you find out where the meeting is, ta-da. And that's said with all due respect. Auwe, I wish it was old Hawaii where we could go before a king a kahuna or get our kupuna together, yeah, it's the old haole talking, but I have the heart of Huna and you know what this problem would be settled like that, this is not right, this is not just, this is not fair, this is not honorable. Bottom line is, level the playing field, watch how long Uber and Lyft stay in Maui or anyplace else. That's all I have to say.

CHAIR SUGIMURA: Thank you. Anyone have any questions for Mr. May? Seeing none, thank you very much.

MR. MAY: Mahalo nui loa o kou. Aloha.

CHAIR SUGIMURA: Thank you. So, the next testifier is Walt.

MR. KLEMPERER: Good afternoon, Chairperson and County Councilmembers, et cetera, and guests. My name is Walter Klemperer. I've been driving cab starting in Oregon about four years ago, came here two-and-a-half years ago and within a month I was able to drive cab down in the Wailea area. I have since migrated to Aloha Maui Limousine Service. I stand as the only cab driver for Aloha Maui Limo Service. Right now, we have 129 licensed cabs servicing the airport. When I came back to check in after a run that took two hours to get, I was 60th in that line. It can take four to five hours sometimes now just to get a run. If you're not there with the first group which is around quarter to 6:00 in the morning and you don't stay at work until after dark you're not making a living. We exist at the stand observing what goes on some 75 to a 125 feet away from us. The numbers get thrown around, I think it's higher than 80 percent of our potential business is going to what we're calling ride share. And I just found out this afternoon that there's already an ordinance in place, why aren't we enforcing that? Another thing that has yet not been mentioned, that taxi permit, that 50-question test has an annual expiration date. If you have not renewed your taxi permit by the end of day on the expiration that's posted, you lose it. So, you have to

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start from the beginning. If you're able to get certified at the airport, you get drug tested. We're like that, and we're down here and up here it's heaven 'cause there ain't no regulation. Why? You folks have the answers already. Thank you all.

CHAIR SUGIMURA: Thank you. Anyone else have questions? Ms. Tasha Kama?

COUNCILMEMBER KAMA: Thank you, Chair. Mr. Klemperer, you mentioned something about there's an ordinance in place, what does that ordinance govern?

UNIDENTIFIED SPEAKER: Five point one six one...

CHAIR SUGIMURA: Oh, so...

MR. KLEMPERER: I don't know, Nick, where's Nick?

UNIDENTIFIED SPEAKER: He just left.

CHAIR SUGIMURA: So, you know, so, Walt, we'll answer that question. We'll talk to Nick later.

MR. KLEMPERER: Okay.

CHAIR SUGIMURA: But the law that you're talking about is Maui County Code and I think that's what's being referenced, which is our County Code that we have to regulate this and 5.16.130 is our Code number.

MR. KLEMPERER: Thank you, I'll try and remember that.

CHAIR SUGIMURA: So, well actually you don't have to remember 'cause we'll talk about it later.

MR. KLEMPERER: That's good.

CHAIR SUGIMURA: Okay, thank you. Anybody else? This is our County Code.

COUNCILMEMBER KAMA: I just wanted to ask if he knew if there was a fine attached to that?

CHAIR SUGIMURA: Ok, we can find out.

MR. KLEMPERER: The gentleman says yes there are. I'm ignorant, I'm sorry.

CHAIR SUGIMURA: We can find out from...later.

COUNCILMEMBER KAMA: Okay then I have a follow-up question to that when we find that.

CHAIR SUGIMURA: Yeah if we could. Thank you.

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COUNCILMEMBER KAMA: Thank you.

CHAIR SUGIMURA: Thank you, thank you very much.

COUNCILMEMBER KAMA: Thank you, Mr. Klemperer.

MR. KLEMPERER: Thank you very much.

CHAIR SUGIMURA: The last testifier we have signed up is Claire Gibo.

MS. GIBO: Very short. Good afternoon, Councilmember Chair Sugimura and Councilmembers that are here. Honestly, we really appreciate you folks giving us this opportunity to come, the willingness, and taking the time 'cause it is something that's very important to Maui and the people here. We're a little different in that we have a taxi and we have a PUC, so we started out with a taxi license and when we needed another vehicle we actually researched to see what our options were. So, out of respect for the County, out of respect for the State, we didn't just do what we wanted and say hey, we need more cars, we need more drivers, let's go. So, we found out that the PUC was the other option. PUC is run by the State. They're the other option for transportation in Hawaii. And they are based on need. So, we had to submit to them letters from people in the community that said that there was a need for our service. We had to also submit what is called a tariff which was the fares that we were gonna charge. And all this had to be approved, so we couldn't just go in and say we're gonna charge somewhere between 10 and \$20 depending on what time of the day or whatever's going on. We had to give them actual fares, we had to give the need, and we had to get this all approved prior to operating. One of the questions was how do we know who's what, I know in the PUC, it's clearly marked. We have to have our PUC numbers, we pay the State every year. On the taxis, as you found out, you know, you have the domes, you have the licenses, you know, Uber is technology. They should have on their technology everybody that's running, when they're running, where they going to, you know, that would be actually an easy way to do it. I mean the taxi drivers, the taxi holders, all the owners are registered with the County, all the drivers are registered with County so there is no question who these people are. I think for the PUC, one of the requirements that sometimes makes it hard is that all the vehicles have to be under the company name. But what that means is, it makes us accountable so we are responsible for these transportations, for these drivers, for the rides, for the fares, you know, taxis they seem like a group, but they're all individuals. They just work together in the community, okay, so they're accountable for themselves too, you know, so it's important to have accountability whereas in Uber it seems like it's lacking. You know, and even with the recognition, I've seen Uber drives go on the tarmac without the Uber app, therefore not covered on our VIP showing up. That is important. You know, my suggestion is level the playing field, say 300 taxis, 300 ride shares, give us all rules, they follow it, we should all. Thank you.

CHAIR SUGIMURA: Thank you, Ms. Gibo. Anybody have questions for her? Seeing none, okay, Members. Thank you for being here. Any other testifiers? Thank you, Ms. Lee,

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for joining us. Thank you, Ms. Lee, for joining us. Anyone else would like to testify? We allow everyone to have one turn at testifying, any other members signed up in the Chambers?

UNIDENTIFIED SPEAKER: I haven't signed up yet.

CHAIR SUGIMURA: Seeing none, nobody else, okay.

UNIDENTIFIED SPEAKER: Here's one.

CHAIR SUGIMURA: Oh you do wanna testify, okay please, please come forward if you wanna testify and please state your name and then go in the reception area and fill out one of these forms if you would please.

MR. THOMPSON: Good afternoon, ladies and gentlemen.

CHAIR SUGIMURA: Good afternoon.

MR. THOMPSON: My name is Ron Thompson. I'm the owner of La Bella Taxi and I think I know what I'm doing. I've been at it 40-plus years. So, I, there's a lot to say on this and I don't know what was testified to it but I just know that we're not on a level playing field. And what I understand is that the Governor said it should be open to everybody. My only complaint about that is if that's open to everybody then our insurance should be nullified and just go with regular insurance. Because that's our major cost. I own seven vehicles and I pay \$35,000 a year for insurance and you tell me which Uber driver even pays half of a thousand dollars and they have the right to go in there and do a lot and they have no insurance cover. You know, Uber says they got it, yes, they do, but the driver has to buy it from them, and none of them do. Okay, I don't think this is a level playing field. What's good for one is good for the other. I think that's what we have to work out for. I don't haul from the airport and I can honestly say Uber and Lyft do not affect me, my company personally. Okay, but I still think it's unfair. Thank you, that's all I got to say.

CHAIR SUGIMURA: Thank you, Mr. Thompson. Anyone have questions for him? Thank you. Could you sign up outside, could you sign up outside, we need to have you registered. Anybody else who wants to testify in the Chambers? Please come forward. No, nobody? So, Members, I'm gonna proceed on with the meeting and go to the District Offices, but before I do, I wanted to ask that we have Nick Crowley in the audience, I'm gonna ask you to come down for the next section to be a source of information. And sounds like, Bart Mulvihill would also speak, you sound like you have some information. So, if you could, yeah, sit in the front here for resource. At this time, I'm gonna go to the District Offices and the District Offices Hana is closed, so they'll be no one from Hana. Zhantell Lindo, do you have anybody waiting to testify from Molokai? Are we connected? Thank you, Ms. Lee, for joining us. Oh, Molokai disconnected, okay you find out if they have any testifiers. Denise Fernandez from Lanai, do you have anybody there to testify?

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MS. FERNANDEZ: Good afternoon, Chair. This is Denise Fernandez on Lanai and there are no testifiers.

CHAIR SUGIMURA: Thank you. Hana Office is closed and we'll soon find out about Molokai Office. Oh, no testifiers from Molokai. Thank you, James. So, Members, I'm gonna with your permission...anybody else from the gallery would like to testify? You would? One more testifier. Oh no, he's gonna sit down. Okay, there's nobody else here to testify and thank you everyone for being here. I am gonna close public testimony, Members.

COUNCILMEMBERS: No objections.

... END OF PUBLIC TESTIMONY ...

(Note: Public testimony closed at 2:23 p.m.)

CHAIR SUGIMURA: Thank you. So, public testimony is closed. Members and the community, we have one item on our agenda, this is our second meeting we're having on the same subject item which is Taxicab and Ridesharing Platform Companies which is MT-3. This is a County Communication sent down from Councilmember Stacey Crivello from the last term. In County Communication 18-56 and County Communication 18-315. from the Director of Finance. relating to taxicab's rates and fees and baggage charges as of August 10, 2018. So, this is the item that we have before us today. I wanna let you know that I'm taking this item up, it is something that the more I look into it, the more I realize it is something that we need to look into and try to figure out how to level the playing field for this. It is something also that the Legislature looked at, at the last legislative session and it got killed in committee and I think that it's gonna come up again. I wanna let all of you know that I'm investigating and learning more about taxicab, ride shares, and PUC, and there's also a Department of Commerce and Consumer Affairs has a division of labor that has an advocacy division of which I'm gonna ask them if they would come and also talk to us at another meeting about this subject matter. So, I'm sure that they would have a lot to share as well as the PUC and I think that we're learning that there's a lot of components to this. I wanna thank the taxi drivers who's been providing services from even when I was growing up, I remember the taxi service, the Arai taxi service who were at the airport. I don't know if they're still around, but family friends of ours, but it's a service that's needed. And with our growing visitor industry as you saw in Mr. Shane Sinenci's Committee, there is a greater need for transportation, so all of you the services that you provide, I wanna thank you because you help drive our economic engine which you all know is the work from the visitor industry that you help fuel, so appreciate that. I am here and the Committee is here to hear and learn about all the components of the taxi service and before I start I wanted to know if I could get Finance to talk about what the current laws are and then I'm gonna ask Nick Crowley and Mr. Mulvihill, did I say your name correctly?

MR. MULVIHILL: Mulvihill.

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CHAIR SUGIMURA: Mulvihill, sorry about that, Bart Mulvihill to just talk about taxis and your business in general and then we'll hear from ride share. I think everybody must know you, Lito, right? If you wanna do a summary of the law so everybody in the audience can understand what the County does and what the fees are and you might talk about if there are penalties, 'cause I think that was one of the questions that came up from one of the testifiers. So, thank you very much for being here.

MR. VILA: Thank you, Madam Chair. Lito Vila the Motor Vehicle Administrator. Well, I think all the taxicab members pretty much know 5.16 'cause you guys probably see us every year for your permit as well as your business licenses so I really won't go over that. And the, basically as I mentioned the last time on my presentation, there is, I covered the major sections of 5.16, if there's any questions on that then I'll be glad to revisit for this body. And the violations section, there's two, one way of person losing their taxi driver permit is that it has to be suspended by a court of competent jurisdiction so the DMV cannot or I, we cannot just take that away, unless it expires then we treat you as a new applicant. And within the one year driver permit renewal we do require that your base permit, driver license is valid so therefore if it's suspended you're not gonna get a taxi business license. So, by that annual renewal of a taxi driver permit it makes, ensures that the taxi driver's driver license to operate motor vehicle, the class three is in fact valid and they did not get a DUI or some sort of suspension. On the other violation section, that's at the last portion 5.16.150, it says any person violating any provisions of this chapter upon conviction thereof be fined not less than \$100 nor more than 500. So, I'll answer any questions you may have, Chair.

CHAIR SUGIMURA: That's all? Ms. Paltin, do you have a question?

COUNCILMEMBER PALTIN: Oh yeah, so do they turn in the drug test and the breathalyzer to you guys?

CHAIR SUGIMURA: Mr. Lito?

MR. VILA: Chair, the current County Code does not require the administration at our level of any sobriety testing or blood testing. The way it's set up within, it's implemented is we issued a taxi business license which is normally issued to an individual or company and the taxi driver must be employed by that individual, by that entity but we do not require, it's not required within the current ordinance for the administration of any type of blood testing or breathalyzing. And to add to that, we are not equipped to administer that.

COUNCILMEMBER PALTIN: So, is that a State requirement or it's something internal within the taxi driver's purview that they self-impose?

CHAIR SUGIMURA: So, Mr. Hopper, do you have an answer for that?

COUNCILMEMBER PALTIN: So that's not us --

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CHAIR SUGIMURA: Or Mr. Vila?

COUNCILMEMBER PALTIN: --that's the State?

MR. VILA: Yeah. Chair, that --

CHAIR SUGIMURA: Yes?

MR. VILA: --is not in the County Code. That procedure you're referring to I believe is an internal procedure from the airport taxi where the testifier did mention if they wanna operate within the taxi rotation at Maui airport, they're requiring them to undergo that test.

COUNCILMEMBER PALTIN: And so that's a State, we don't have purview over that, that thing that you're saying?

MR. VILA: Chair?

CHAIR SUGIMURA: Yes, Mister...

MR. VILA: No, we don't. Because the only purview that we have is what is contained within the Maui County Code.

COUNCILMEMBER PALTIN: So, there's no way for us to even that playing field, because that's not under our purview.

CHAIR SUGIMURA: For the State you're asking about?

COUNCILMEMBER PALTIN: Yeah, the drug test and the breathalyzer.

CHAIR SUGIMURA: So we can...do you have anything to say about that?

MR. VILA: Yeah, Chair, if it's a recommendation, it's not within the Code, but as a possible point of thought, if the body wants to say a taxicab business shall administer drug testing to their individuals or install an ignition interlock device on that vehicle, then I think that could work. An ignition interlock device is utilized, so to activate the car to start it, you'd have to blow into, in this Intoxilyzer. If you blow a certain limit the car will not start, and it does random checks after that, but that's for this body to consider.

CHAIR SUGIMURA: Thank you. Ms. Alibin, do you wanna say something?

UNIDENTIFIED SPEAKER: Would that apply to Uber and Lyft too?

MS. ALIBIN: Good afternoon, Chair --

UNIDENTIFIED SPEAKER: Out of order.

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MS. ALIBIN: --May Anne Alibin, Deputy Director of Finance. I just want to add the Kahului Airport taxi service is actually managed by Roberts Tours so any requirements that they may have for you to operate the, within the airport is through the Roberts Hawaii.

CHAIR SUGIMURA: Thank you. So, I think what we're talking about is that as long as the public knows is that we are Maui County, we're not State of Hawaii so things that happen at the harbors and the airport which I think has made a large impact on some of you is not something that we control. We just control the vehicles that are registered with us under the Maui County Code, which is everybody must know Lito here who is a taxi driver 'cause he controls all of that on our behalf with the Department of Motor Vehicle. But we do not have anything that, we don't control the airport and we don't control the Harbors Division so that's not us. The requirements that they may have is completely separate and we can get copies of their rules or laws, but it is not something that we administer. Mr. Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Just some questions for clarification, so she mentioned that it's under Roberts, so Roberts gets the permit from the State, is that correct?

CHAIR SUGIMURA: Yes.

COUNCILMEMBER SINENCI: And so all the taxis that operate at the airport is getting a permit from Roberts not the State?

UNIDENTIFIED SPEAKERS: No.

COUNCILMEMBER SINENCI: Can we clarify that?

CHAIR SUGIMURA: Lito, do you know the answer?

MR. VILA: Yes, Madam Chair. To operate as a taxi at the Kahului Airport, number one, that vehicle operator must possess a County of Maui taxi business permit. And number two, they must apply with Roberts who administer the program at the airport and Roberts has to give them authorization to operate there.

CHAIR SUGIMURA: So, the, Roberts has a license with us, under the County of Maui?

MR. VILLA: No, the taxi business owner has the taxi business permit issued by the County of Maui.

CHAIR SUGIMURA: Okay.

MR. VILLA: And to transport and to pick up taxi cab fares they must have that license. And to pick up a taxi fare at the airport, they must be authorized by Roberts who has the airport concession.

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CHAIR SUGIMURA: The concession, okay. Ms. Kama?

COUNCILMEMBER KAMA: So, if I understand this correctly, what the taxicab drivers are asking of the County is that we have to insist that the Uber and Lyfts actually apply for a permit, am I correct on understanding that? Because to level the playing field, I mean they can or cannot go the airport, but if they wanna even operate a business in this County, they must apply for a taxicab permit or license.

CHAIR SUGIMURA: Mr. Hopper --

COUNCILMEMBER KAMA: Or whatever it might be called.

CHAIR SUGIMURA: --you wanna, do you have a comment, Corp Counsel?

MR. HOPPER: I can't speak for the, I mean that's a policy call, I'm not sure if the body would like to do that or to look at doing that, but it sounds like that's an accurate characterization of most of the testimony, but I can't speak for them or the body.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER KAMA: So, what my question is then, if we wanted to, if this Council wanted to level the playing field, this is what we'd have to do?

CHAIR SUGIMURA: Yes. We have to change our ordinance, basically. And really, Members, this is something that probably we haven't looked at for a long time as a County. The last time that the fees were changed for taxis was in --

UNIDENTIFIED SPEAKER: Two thousand six.

CHAIR SUGIMURA: --was in 2006. It was a while ago and so it's something that we need to look at, but that would be something that the Budget Committee would have to look at. We wouldn't have any jurisdiction over it as a Committee. But we certainly can have that discussion, you know, and what we're hearing. Any other comments, Members? Mr. Sinenci?

COUNCILMEMBER SINENCI: So, I think Lito said that Roberts gets the permit from the County of Maui, no, the State?

CHAIR SUGIMURA: It's concession. They have the concession at the...yeah.

COUNCILMEMBER SINENCI: The concession permits from the State. And so, every taxi drivers that operates goes through the airport has this agreement with Roberts, not the State, correct?

CHAIR SUGIMURA: Yes.

COUNCILMEMBER SINENCI: Okay, thank you.

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CHAIR SUGIMURA: But they all must be taxi drivers , and they all must be legal --

COUNCILMEMBER SINENCI: Right, right, I get that.

CHAIR SUGIMURA: --under us --

COUNCILMEMBER SINENCI: Yeah.

CHAIR SUGIMURA: --you know, so that's where we would come in. We don't have any jurisdiction over what happens there.

COUNCILMEMBER SINENCI: Yeah, and thank you for clarification. I'm just trying to find out, you know, like the questions from the other Members, you know, what's within the County's purview and what we could potentially do if, if we've got the State to contend with. That's all, so thank you.

CHAIR SUGIMURA: Okay. Very good. Next, I'm gonna, anybody have any more questions for the Department? Okay, now I'm gonna ask Mr. Crowley to speak.

MR. CROWLEY: Can you hear me? Does that work?

CHAIR SUGIMURA: Can you state your name please.

MR. CROWLEY: Nick, Nicholas Crowley, taxi driver, 13 years. Oh, that's weird. Most of what I'm gonna sort of say a little bit is always what the cab drivers have been saying for years, where it's just not an even playing field. And kind of like what my father always said is like throw everything against the wall and see what sticks. So, I don't know what each of you think is the right way to do or which one is the thing that you focus on the most whether it's the insurance or whatever. But, I can...can I ask have some questions too, just like quick responses. Everything outside the airport though right is County property?

UNIDENTIFIED SPEAKER: That's correct.

MR. CROWLEY: Right?

UNIDENTIFIED SPEAKER: Right.

MR. CROWLEY: Okay, oh except in a park or something, right a State park or something like that. So basically, the moment anybody leaves the airport for whatever business, their business they're doing, they're in County land. So, if you regulate them, but as the County, which you have been given authorization to regulate what has been changed from taxicab service in Act 120 which Kenny has presented here before and has given to me, is they sort of just got rid of the taxicab service, taxicab name, so people wouldn't get bogged down on that and it's called a Public Passenger Vehicle Service rather than just taxicab service. So basically, what this law says in a nutshell which

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also Bart has mentioned before 5.16.130 which has a bunch of sub things attached to it, I'm not a professional, I'm just saying that's what it looks like to me. Basically, it says if you're gonna drive a car that's one to seven passengers, and the reason it cuts off there is because any vehicle above seven passengers is, starts being eight, nine, ten, big vans, buses, shuttles, because there is no personal vehicle that no automaker has ever made that really covers more than like seven passengers, you know, a Ford Explorer or these kind of vehicles. One to seven passengers, you are a public passenger vehicle service if you pick them up in one specific point like an airport or like a mall or something like you had a stand, or you're cruising around looking for people. And the reason why these are written like this is to be broad, at the same time to prevent something like ride share from happening to gypsy cabs like basically coming in slashing prices, no oversight, no anything and just let them kinda go. So, if we did what these companies did before they existed we would be ticketed by the police. The wrong thing, the wrong, any of these things I've laid out here are just some of the things you need in your taxi at all times. Just on the table here, I know you can't all see them, but there's a lot. So, like this might be 50 bucks, this might be a \$100, the point is you are over saw and you are found because you had stickers and you had domes and have meters, so if you are kinda looking like a taxi but you didn't have a meter and you were just making up prices, you would get in trouble. You would be, this is what these companies are. They're the same thing as us that doesn't even follow the current County law. The actual County law. Like so there's not wondering what we do for them. This is my sticking point, when I'm asking you what all your sticking points are. They currently break the law, and nothing's being done. So, how do you think we all feel in this room, which is a small percentage of drivers when we're already that far behind the eight ball? It's not like, wow this company came out of nowhere, we all need to make new rules, because we never had rules. We all had these rules--oh sorry, whoa--that are already in place to stop something like this. And other states and other countries have the same kinds of things as us. And most of the world, most of the world Uber and Lyft are like a minority. They're in the US pretty heavily and parts of Canada, lots of other places have fully regulated them, just the same as all their other transportation vehicles. And they don't have as much great success outside the US where they've spent more money on lobbying than Apple, Walmart, and Google put together. That's the only thing that's happening right now, the only difference between us is we're a bunch of just regular drivers paying our way through life, having one job, most of every driver on Maui, almost 300 permitted taxis, it's their job, it's their career for decades. I've been doing it for 13 years, I'm a rookie, 20 years, 25, 15 in some kind of form. One job, not part-time, not part-time. Uber, Lyft is part time at best. The rates are under a dollar a mile. Taxi's charge three dollars a mile. Customers take them not because there's more customers, customers take them because a taxi from the airport is \$86 to Kaanapali and it's 40 in an Uber. That's why they take them. They're used to it on the mainland always being cheaper, so that's what they do. If you want even an example of how it does, there used to be 15 UberSELECTs at our airport. Fifteen to 20, that was their specialized service that charges his prices as a PUC, much even higher than taxi, double, \$168 to Kaanapali. The moment they released UberX at our airport in February, which is the really cut rate, two UberSELECTs left. They killed themselves doing it because no one wanted to take the \$168 Uber when they could take the \$50 Uber. So, they even out-competed

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themselves, so that's why this happens. The driver turnover rate is 50 percent in three months. So, if a 100 Uber drivers sign up on January 1st, three months later there's 50 left. At the end of the year, 75 percent have quit. At the end of 3 years, 100 percent. This is hundreds of years combined of a career in Maui driving taxi. Hundreds combined. Jean lost her job basically, 30 years these people, 'cause it's a career. It's not a temporary, let's see if it's cool, oh I just do this, you cannot make money doing the job, so I know that Councilmember Paltin and sometimes you, Yuki Lei, have sort of tried to almost get at this thing, like you asked Jay, why don't you join, is that something? Because it is unfeasible, you cannot make money. I mean you make some 'cause zero is no money, but you cannot operate a business charging rates that are a dollar a mile. You cannot make 18 to \$20 driving from the airport to Wailea. You cannot do that, it is unsurvivable. Three fifty and three is our rate right now. Three fifty drop rate, \$3 mile. Their rate is no drop and then just about a dollar and a quarter, then that's not counting expenses, that's not counting expenses. Your expenses are about 40 to \$60 a day driving a taxi, at least. So, you would have to go to Wailea three times as an Uber driver to cover your daily expenses. That's three times the gas, three times the repairs. So, these are just sort of things that we're dealing with on a given basis, and I'm sorry to ramble, you know, we've had that meeting, we went for hours, Yuki Lei, a year ago, but it still all comes down to that together.

CHAIR SUGIMURA: So basically, you're saying, level the playing field with rates, is that what you're saying?

MR. CROWLEY: I think what the thing is, is not to focus your attention on us and changing us to try to compete with them. Because they're, you cannot compete with them and they can't even compete with themselves. They don't make any money as one of the testimonies said. They lost \$5 billion in one quarter because they have money to burn to try to put everybody out of business.

CHAIR SUGIMURA: Thank you. Miss...

MR. CROWLEY: That's all I'm saying. So, they're, we...

CHAIR SUGIMURA: Okay.

MR. CROWLEY: The answer is not just not us, the answer is, I don't know if you can force rates on them, the answer is they need to do all this kind of leg work between their own personal commercial insurance per driver, not the Uber insurance that only covers drivers when the app is on and they have a customer in the car. That's the only time their insurance works. When the driver is on his way to pick somebody up it does not kick in, their personal insurance kicks in, which they are kicked off of if they are found out to be an Uber driver, they will be dropped.

CHAIR SUGIMURA: Thank you. Thank you, Mr. Crowley.

MR. CROWLEY: Okay.

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CHAIR SUGIMURA: Ms. Kama, did you have a question for him?

COUNCILMEMBER KAMA: Chair, I just wanted to, to ask when were you going to invite the other people to speak 'cause I'm kinda curious to find out what they have to say.

CHAIR SUGIMURA: Okay, yeah, so I wanted to hear from the taxi first and then we'll definitely hear from Uber and Lyft who were here at the last meeting, so I just wanted to give them a voice. So, would you like to say a few words, Bart Mulvihill?

MR. MULVIHILL: Thank you, my last name's pronounced Mulvihill, and thank you for trying so hard. Anyway, I'd like to touch on a couple things that Nick was asked. I'll clear that up real fast about Roberts Hawaii, they won a concession through bid process, so used to be Speedi and that, a guy like behind you Ron Thompson there, Ron leased me a taxi 28 years ago and I had a tumor in my face and he had to let me go 'cause I was out for four months. You join a company but he knew I was gonna be in Kaanapali Taxi and I could make money. So, I had a separate agreement with Ron and then Kaanapali Taxi charged me X amount of dollars, same thing at the airport, there's no difference. The other thing I'd like to talk about, you know, everybody says level the playing field, I think we ought to let them start at the bottom, what happened to that, remember when we were all kids and they said hey you gotta go wash dishes or something like that, why doesn't Uber start off serving the local community. The local community they say you know what, you can have it, and to be quite honest with you, why are we taking our precious 3 million tourist party and taking a chance with having somebody nobody knows and also an individual take this person? I have heard stories, oh my God, of the things that are said to people in the cars. Maui's gonna be all hemp next year, to people can't go to Kahoolawe because there's unexploded ordinance there, stuff like that. And they all come from the same sources, people who haven't lived here that long and truly know the island. And I, you know, I'm not some guy that just hates these people. I worked for Uber for close to a year, Charlie, you know that. A couple other people here now going what? Hey, you got a PUC sticker, why you driving Uber? I said, well they have this thing called UberSELECT that'll pay you a 160 bucks minus their commission to get a Ritz Carlton ride. I said well if they're gonna give money out to somebody and give a run to somebody, how about a guy with a license and insurance. So, after a while I saw the chipping process going, you know, chipping away at our income. We talk about how people are only making 10, \$11 an hour and that's if they stay busy. I did the math, and the only reason I survived and I made money was I was driving BMW 7's. Ah that's a car anybody would take a ride in and so people would get in and say, hey this is the nicest Uber I've ever seen. I said, yeah remember it, and then I'd give 'em my card, say I'm a PUC licensed operator, I can take you with a reservation directly. And they'd say great, well, I'd rather be in this car then take a chance, get some guy in a Toyota four door with a bunch of crap in the back, sorry for using a bad word. But when I go to pick somebody up, or anybody in our industry, the vehicle's clean, so why don't we start that way? Let Uber work local, why not? What is the toughest and biggest opinion maker in this island? The local. And then after a while they'll still be able to truly judge and write to *The Maui News* about their experience in Uber versus a taxicab.

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But when I have people telling me, oh you know what, we're not gonna take you back from the Sheraton back, we've found an Uber driver that has a town car or Navigator or something like that, then I said is your life insurance and health insurance paid up? Because there's only 50,000 insurance, oh no, no there's this million-dollar policy they've got. No, they do not. That million-dollar policy, only comes in effect when there is blatant disregard for the law, a dangerous driver's been reported and this is something that I keep with me. On Christmas Day, I had a police chief from Missouri I took to Lahaina Shores, and we saw a guy, I called him the six pack Uber driver. This picture here is a Chevy Malibu with three little kids sitting on the laps of two adult males in the back and one person up front. That meant six people were in this vehicle in a car built for four seatbelts aside from the driver. I turned this to Roz Baker, I gave it to Angus McKelvey and they were enraged. They were, there it is, that's what the no supervision will do, that's not following the law, that's a person with bad judgment behind the wheel being his own business person working part-time. This person would never ever, so I turned in this to Uber and I was an Uber driver, UberSELECT driver at the time, I said, "look at this clown, he's gonna get people killed." And you know what, nothing, this guy drove for Uber for another two years, I know it, and anybody who's seen this guy would tell you, yeah he drove 15 to 17 for sure in Lahaina. But, there is an article here that was CNN, and I am not a person who quotes a left-leaning publication, but they had an article here called *Stressed Out and at Risk: Inside Uber's Special Investigation Unit*. It was published on January 21st of this year and it was a fantastic, very telling, there's a 120 investigators, maybe more now at Uber's Special Investigations Unit. Most of the people they were taking these sexual assault, threatening reports on Uber's drivers throughout the country. This article, CNN, not me, confirms all of our suspicions that people, when you have a problem with Uber, you have to text somebody. There's nobody to call, say "hey, boss, I'm gonna run out of gas, or hey, boss, I got this problem." There's no, you chat with somebody in Asia somewhere. That's the truth. Local management is just so, there is no local management. Does anybody know who the office is, where it is, who's in charge of it? These are the problems, you have to tell these people, you guys have to have structure that people can see. Over here, you have a, you're paying a lawyer here from Corporation Council to sit here and listen to all this and be, say "hey, what are our problems."

CHAIR SUGIMURA: Thank you.

MR. MULVIHILL: You know, what are, what can we do? But if, if we can, and, Ms. Paltin, you asked a great question, how can we regulate it, how can we do this. Tell the police to do their job. Did you know that there is a State ordinance, there is, a State ordinance that forbids you from having a blue or red light anywhere in your windshield? You go into Lahaina on Front Street, what do you see? Bunch of lights, Uber, Lyft, lit up, how many times you've been out in a crowd here, how many times you went oh that's a cop. And you go, oh no, it's not a cop. Because they have blue lights too. And when I was with Kaanapali Taxi we couldn't have anything other than a green dome because the police told us if you have any other color but green or yellow or orange, we're pulling you over. Especially if you have a blue dome because we

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asked them, can we do blue domes, we didn't know there were gonna, the lights. But...

CHAIR SUGIMURA: Can you wrap it up so I can continue, I just wonder.

MR. MULVIHILL: Sure, a lot of people ask, why not, why did this happen, and Mayor Arakawa said this was a State problem. He turned the resources of this County to fight any kind of 800-pound lawyer from San Francisco demanding room at our table. I think we ought to ask them, prove yourselves with the local people, you wanna move on to tourists, where the professionals work, then fine, okay. Thank you very much, Chair.

CHAIR SUGIMURA: Thank you. Thank you. Members, you have any questions for him? Mr. Sinenci?

COUNCILMEMBER SINENCI: I just had a question about the ordinance that Mr. Crowley had mentioned.

MR. MULVIHILL: Yes, sir.

COUNCILMEMBER SINENCI: So, there's an existing ordinance?

MR. MULVIHILL: Maui Business [sic] Chapter 5.16.130 details everything from what needs to be in your taxi, from like a dome, electricity, things like that.

COUNCILMEMBER SINENCI: Yeah.

MR. MULVIHILL: And it goes all the way down to where you can pick up and where you can't and discusses that.

COUNCILMEMBER SINENCI: That's the only ordinance that you were mentioning?

MR. MULVIHILL: Yeah but it's powerful.

COUNCILMEMBER SINENCI: I thought you, I thought you mentioned 120 Act?

CHAIR SUGIMURA: No, he's talking about...

MR. CROWLEY: Yeah, so, that's the, sorry, that's the one I was always looking for that...can you hear me?

COUNCILMEMBER SINENCI: That Kenny...

MR. CROWLEY: That Kenny had found where they made like a separate act to pretty much go inside that ordinance that I'm talking about, that's longer than just I think 5.16.130, there's other parts to it. That just basically goes in to say, it's called Act 120.

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CHAIR SUGIMURA: So, you're talking about, you're talking about State law? Is that what you're talking about?

MR. CROWLEY: SB 2309-86. So, it must be, like I said --

CHAIR SUGIMURA: State law.

MR. CROWLEY: --I'm not sure if it's State law. But it just went inside to take out that word taxicab, so it wasn't just focused on, you know, they sort of broadened that term, looks like way back in '86 or it went through in the 90's or something. I can't read everything, but, you know, it blatantly says right here, "in order to confirm the language within the section to authorize regulation of all forms of public passenger vehicle service rather than just taxicab service." So, that's what that, it's basically just taking that word taxicab out because you see what it does, it's part of their, you know, to say we're different than taxi, it's just saying, like you're, the vehicles aren't whatever, they're just public service vehicles, you know, so that was added on to I think to blanket everybody's ordinances that were mentioning the word taxicab, really mean public passenger vehicle service rather than just taxicab service. So, yeah.

COUNCILMEMBER SINENCI: And then a question for Mr. Mulvihill. You mentioned Representative McKelvey and so and the Chair mentioned about the bill that died last year, did you guys follow that bill?

CHAIR SUGIMURA: So if we can, we have them here who can talk about that.

COUNCILMEMBER SINENCI: Oh, okay. Thank you, Chair.

CHAIR SUGIMURA: If you don't mind. I think it was introduced...

COUNCILMEMBER SINENCI: Okay, I can wait till then. Thank you.

CHAIR SUGIMURA: Yeah, good. Okay, so, Members, I'm gonna move on to, I wanna hear from Uber and Lyft and if you don't mind if you could, you know, just introduce yourselves and Mr. Toyofuku, you're here in behalf of Uber, and Rob Mora, and all of you in the audience who say they have no representation, he works on Oahu and he works for Lyft. He's their general manager. Mr. Toyofuku is the lobbyist I guess for Uber today and their staff person couldn't be here 'cause she's attending another meeting, so thank you for being here. And I wonder if, the law that was referenced earlier or the attempt at the Legislature was introduced by you and it was in behalf of the transportation networks, or Uber or Lyfts as it would involve all taxis also, so could you kind of summarize where you are? I think the bill died in committee, but it doesn't mean it's dead, but it does mean that it can still have another life during this next legislative session because they go for a two-year term.

MR. TOYOFUKU: Thank you, Chair, and thank you for inviting us to make, answer any questions or whatever comments that we can make. To answer your question

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specifically, it was House Bill 1093 and that bill went through four committees, ended up two in the Senate, I mean two in the House and two in the Senate and it ended up in a Conference Committee, but it did not come out of the Conference Committee. And the bill basically is requesting the State Legislature to pass Statewide regulation that would cover all the counties. The only regulation that currently exists that oversees TNC's, transportation network companies, Uber, and Lyft, is in the City and County of Honolulu. That bill was passed in 2016 and has been in effect since then and the State law that's being requested is basically patterned after the City and County regulation. I can answer any specific questions if you want.

CHAIR SUGIMURA: Thank you. So, some of the concerns brought up if I could ask you about the insurance requirements, background checks, that were brought up, will your bill address that for the Uber, Lyft, or TNC's?

MR. TOYOFUKU: Just to clarify the insurance, there were a lot of comments being made about insurance and the State Legislature passed a law in 2016 that covers insurance requirements for transportation network companies. So, the basic requirement is that when a driver is on the network, in other words, they're on the grid, but do not have a passenger, but they're, let's assume to give you an illustration, they're waiting to get a request from a potential rider, then the insurance coverage that is provided by the TNC, Uber, I represent only Uber so I can only speak for Uber, is \$50,000 bodily injury per person, a \$100,000 per accident, and \$25,000 property damage coverage. That's where the Uber driver is not, is on the grid but does not have any requests. They could be parked, waiting for a request, but they have to be on the grid to accept a request, so that's when they're just there. As soon as they get a request from a rider and basically if you, I'll just go over very briefly, Uber riders have an app. Uber drivers have a driver app. So on my iPhone if I request a ride then it pings on the driver's app that happens to be within a certain radius that is close to me for a pick up. Whenever the driver then accepts that request, at that point in time the million dollar kicks in. When he is driving to pick up the rider, the Uber insurance policy is a million dollars and covers that situation and it covers the situation when the driver picks up the rider until the rider leaves the vehicle. So, I think there was some misunderstanding as to whether, when the person is driving to pick up the rider whether the million dollar covers, it is in the law, so it does cover.

CHAIR SUGIMURA: Thank you. Could you also speak to the concern about doing background checks?

MR. TOYOFUKU: Uber before the City and County of Honolulu had the regulation, they instituted across the country, you know, a background check. And it was a background check provided by a third party, independent background check company that specializes in that. And what they do, is they investigate the national database, a municipal local database, state database, the local database which is the municipality or the county and the sex registry that is a national registry. So, they do a seven-year background check and before the driver is approved by either Uber or Lyft, that they have to qualify and if there's any problem in the background check they are not permitted to drive. That basic requirement is in the City and County of Honolulu

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ordinance for the background checks and now the taxi drivers in Honolulu are required to have a seven-year background check.

CHAIR SUGIMURA: Thank you. Finance, do we have a background check requirement for the County of Maui?

MR. VILA: Chair, there's none that is required within the present ordinance.

CHAIR SUGIMURA: And what are the insurance requirements for a taxi versus what we just heard from Uber and Lyft, if I could ask you?

MR. VILA: Let's see, it's 100,000 for bodily injury per person and 300,000 per accident and 50,000 for property damage.

CHAIR SUGIMURA: Okay, thank you. Also, what are some of the other...Mr. Sinenci?

COUNCILMEMBER SINENCI: Yeah, I just wanted to see if the representative from Uber if he could share some of that City of Honolulu ordinance summarized. You mentioned about the background check and the insurance I believe, was there any other things that were listed?

CHAIR SUGIMURA: So, he's, yeah so that's a good a question 'cause he's gonna model, he's modeled the State Legislature's proposal after City and County of Honolulu, so, Mr. Toyofuku, do you have any other things you wanna share?

MR. TOYOFUKU: Yeah, I think just to clarify, Councilmember, the insurance is covered by State law. And that would cover all the TNC's that are driving, even though the County of Maui may not have any regulation over TNC's, that State law covers all TNC's wherever they are operating. On the City and County of Honolulu ordinance, there is the absolute requirement of a seven-year background check that the company must perform and the question is, well how do we know, or how does the County, City and County of Honolulu know it's performed. They have the right to audit the company and during the audit they have to provide the enforcers, the City and County Customer Services Department randomly with the background checks and all of the information for the drivers they are requesting. And so basically, the background check is a criminal background check, and they also, that's from a national and state, and for the municipality they wanna check any abstracts that they have for any kind of accidents that they may have, et cetera. So that's what's included in the background check. In the County, City and County ordinance there are specified crimes that have to be checked out.

COUNCILMEMBER SINENCI: And are TNC's on Oahu allowed to go the Honolulu Airport?

MR. TOYOFUKU: Yes, and with regard to the airport, it's controlled I think as the Chairperson said and one of the Councilmembers, it's controlled by the Department of Transportation. It's a State function and oversight and they have the jurisdiction over all the airports on each island. And they, what they did, was they started a pilot

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program at Honolulu International in December of 2017 for three months, and then after the three months ended in February of 2018, they extended it for six months until August in order to amend the airport rules with regard to transportation. And so, during the six months there was a discussion about how to amend the rules and then they had four public hearings, one on each island, in June I believe of 2018 and the rules were adopted and became, the rules became effective in, on August 24, 2018. And that the rules basically amended the transportation rules that governed in the airports and included transportation network companies and there's certain requirements in those rules.

CHAIR SUGIMURA: Thank you. Okay. Mr. Mora, do you have anything to say?

MR. MORA: Thank you, Chair and Council Committee.

CHAIR SUGIMURA: Introduce yourself and your position.

MR. MORA: My name's Rob Mora, I am the general manager of Lyft for the State of Hawaii. Thank you again for having me. I just, I don't wanna be redundant with a lot of our responses but to clarify, our insurance requirements are the same as well as the background checks. We do, do a continuous background check every few months for all of our drivers as well. And, I think in terms of, you know, providing the right information to you guys and working together to, you know, form responsible regulation, you know, we wanna make sure that we help as much as possible.

CHAIR SUGIMURA: So, I think some of the, if I could first, Ms. Paltin, I think some of the concerns if you could share with them as you heard from the testifiers either one of you talking about the visibility of Lyft or Uber on the vehicles versus the extensive labeling or that the taxi drivers have to do with decals with their taxi number, taxi ID numbers as well as internally for the, you know, drivers.

MR. TOYOFUKU: You know, all I can say is the City and County of Honolulu was satisfied with a trade dress on the car and, you know, it's either Uber or Lyft. I wanted to just mention though that because of technology and I know the taxis, I think one of the taxi member's drivers had said, you know, you have the certificate in the car, you have their photo, you have the meter, and usually there's a dome. What Uber and Lyft have is that everything is on the app. In other words when you request a ride on your app, which is the rider's app, the photograph of the driver comes out, the make or photo of the car, the license number of the car, and you plug in basically where you wanna go. So, when the car comes up, that you can check, one, whether it is the person in the car as the driver, that the license plate is correct, and the make of the car is correct. And so that's the safety aspect of it. If it doesn't match, you don't get into the car. Alright so if somebody is trying to fake it, you know, it's very difficult because the only way a rider can get a ride is through the application, through the app. Right, and in the law as well and as policy, Uber and Lyft drivers are not allowed to hail on the street. The only way you can pick up is with, with the app. So, all of those things are on the app including watching the car come to pick you up and the route that the driver takes is on your app and it's recorded on the mainframe at Uber headquarters,

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so if there is a problem with that, the person can get to Uber headquarters and say this driver took me the long way or whatever.

CHAIR SUGIMURA: Okay, thank you. And that's, that's how it's recorded right, for the insurance so when you have a passenger it's on the app?

MR. TOYOFUKU: Yes.

CHAIR SUGIMURA: Ms. Paltin, do you have a question?

COUNCILMEMBER PALTIN: Thank you. I think a lot of 'em were answered, just a couple more. A gentleman mentioned about a blue or red light in the windshield, do you know something about that?

MR. MORA: I can touch on that. If you do see that please inform me, we would remove them immediately if those are the cases. In some cases, we do have what's called an amp, a Lyft amp. We are in compliance with the colors that changes colors which also helps match when you're a rider to the driver in late night situations or others, but there's no red and blue, or yeah red and blue on those.

CHAIR SUGIMURA: So, you're saying you do have, you do not have?

MR. MORA: Lyft does not have red and blue.

CHAIR SUGIMURA: Lyft does not. Does Uber have a light?

MR. TOYOFUKU: No, it's prohibited, you know, like what the gentleman said. I know of one instance that where somebody had a, not on Maui though, I think was Kauai, they had a blue light. And it was reported and the driver was told that you cannot have any kind of, what is it blue or yellow, I can't remember, definitely blue light. So, they had it inside the, not on top, they had it inside the car. But, you know, so that driver was called.

CHAIR SUGIMURA: Okay, thank you for that clarification.

MS. PALTIN: So, no blue or red light. And then, of each driver getting a business license, permit decal, commercial insurance, is that currently being done?

CHAIR SUGIMURA: Uber or Lyft?

MR. MORA: As far as our participation on Maui, we're part of the Chamber of Commerce, we're the Members with the Hawaii or the Maui Lodging and Tourism piece. Every, we pay Hawaii GE Tax as well as each of our drivers, they have to file that with themselves as well, individually, and whether they choose to get a business license here locally, that's not something that, you know, we're a part of. But, that is part of, you know, paying taxes. As far as those insurance requirements, they do have to have

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insurance and provide that to be able to drive on the app and then it is accessible in the app as well as part of the certification.

CHAIR SUGIMURA: So, I think the important question that Ms. Paltin is asking and the audience is do your Uber and Lyft drivers, are they licensed to do business under the City and County of Honolulu, I'm sorry, County of Maui? Are your drivers required to register with our DMV to drive here on our roads?

MR. TOYOFUKU: Not that I know of. Everybody, all the drivers have a GE, General Excise Tax License and...

CHAIR SUGIMURA: Do they pay a fee to drive in behalf of Uber and Lyft for, to the County of Maui?

MR. TOYOFUKU: In order to drive for Uber or Lyft, you're right, you have to have a driver's license and if the DMV of Maui issues the driver's license here then that qualifies that person as a licensed driver on Maui. So, in Honolulu right, the DMV in Honolulu, like if I wanted to be a Uber driver, I have a driver's license, and that's part of the requirement before you even get into the background check, that you have to show the person that you have a driver's license and that you --

CHAIR SUGIMURA: Thank you.

MR. TOYOFUKU: --have personal insurance as required by State law.

CHAIR SUGIMURA: Thank you. So, I think that's the problem that the testifiers are talking about right, is that Uber and Lyft drivers are driving on the road without going through the channels of registering with our Department of Finance so that's part of the concern that I'm hearing today. Is that what you're getting at, Ms. Paltin? That is?

COUNCILMEMBER PALTIN: Yes. Sorry, yes.

CHAIR SUGIMURA: Okay, anybody else have questions? Okay.

COUNCILMEMBER PALTIN: Oh one more, like the difference, like some guys were saying commercial insurance versus what they have, is that commercial insurance, the thing that you guys have?

CHAIR SUGIMURA: So your drivers, while they're waiting, you have insurance for them right Uber and Lyft?

MR. TOYOFUKU: Instead of each driver, like the taxi driver having commercial insurance of 200, 300,000 or whatever their requirement is, like in Honolulu it was 200,000, Uber and Lyft provide the coverage so the person, because the person is using his or her personal vehicle they have to have insurance, minimum insurance or whatever they want to have according to State law. But in terms of the commercial aspect of

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insurance, that's covered by Uber or Lyft and it depends. As soon as the person agrees to pick up, then there's a million-dollar coverage.

COUNCILMEMBER PALTIN: And someone mentioned about that million-dollar coverage, they had to be negligent, is that...

MR. TOYOFUKU: Being what, I'm sorry?

COUNCILMEMBER PALTIN: Being negligent --

CHAIR SUGIMURA: In order to access...

COUNCILMEMBER PALTIN: --or if they're not...

MR. TOYOFUKU: No. One thing on the million-dollar coverage and somebody said and correct me if I'm wrong, that the drivers have to pay the Uber or Lyft for it.

COUNCILMEMBER PALTIN: Yeah, they said that.

MR. TOYOFUKU: That's not correct.

COUNCILMEMBER PALTIN: Okay. I think somebody else said, like you only can collect the million dollars if the driver was negligent.

MR. TOYOFUKU: If the driver is negligent?

CHAIR SUGIMURA: If there's an accident and...

MR. TOYOFUKU: Basically...oh sorry.

CHAIR SUGIMURA: What is the situation, what is the situation?

COUNCILMEMBER PALTIN: Like any accident?

MR. TOYOFUKU: Basically the million-dollar cover is if the Uber or Lyft driver is negligent and hits somebody else, right, the million dollars cover, is the coverage, that's the bodily injury coverage.

COUNCILMEMBER PALTIN: So, like Kaanapali, I don't think the Uber driver was negligent, it was the truck driver that went into the Uber driver's lane and killed them, so did the million dollars kick in for Kaanapali?

MR. TOYOFUKU: No, the million dollars, the bodily injury is to protect, right, the driver and the passengers in the car. If the truck, I don't know about that Kaanapali, but let's assume the truck hit the Uber driver with passengers in the car, then the truck's insurance covers, and that's the way...

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COUNCILMEMBER PALTIN: And if they have no insurance?

MR. TOYOFUKU: I'm sorry?

CHAIR SUGIMURA: No fault.

COUNCILMEMBER PALTIN: What if the truck has no insurance?

MR. TOYOFUKU: The problem in Hawaii is where you have uninsured motorists, right, therefore you have to, you should have uninsured motorist coverage or underinsured motorist coverage and that's for the driver and so Uber and Lyft provide underinsured and uninsured motorist coverage but I can't tell you how much it is.

COUNCILMEMBER PALTIN: Why not?

MR. TOYOFUKU: I don't know what it is.

COUNCILMEMBER PALTIN: Oh.

CHAIR SUGIMURA: But you have it?

MR. TOYOFUKU: Because in the law it does not state that you have to get X amount, it just says underinsured and uninsured motorist coverage. Like if you're a driver, whoever your insurance is, I'm talking about personally right, let's assume you have a \$100,000 of bodily injury liability coverage so if you're negligent and hit somebody that protects you and compensates the injured party. But you should get uninsured motorist and underinsured motorist coverage which is optional, but the insurance companies must offer you that and some insurance companies will only sell you what your liability insurance is, so if your liability insurance is only 20 grand, the most you can get is 20,000. But that's what people get because people are either underinsured at 20,000, that's the mandatory, or uninsured and that's to protect you and your passengers when you're driving around.

COUNCILMEMBER PALTIN: So, let me try understand if there's a Uber driver and passengers that's hit by somebody else and it's not the Uber driver's fault, the Uber insurance doesn't cover any of it?

MR. TOYOFUKU: The million dollars is liability coverage, just to be clear, so it doesn't cover the person who hit, the person who hit is the person who is at fault, I'm assuming that right.

COUNCILMEMBER PALTIN: Yeah.

MR. TOYOFUKU: And their insurance covers, so like if...but it's how insurance works.

COUNCILMEMBER PALTIN: Yeah, but...

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MR. TOYOFUKU: If I'm uninsured and I hit your car and injure you and I'm uninsured right, that you can't collect against me unless I have assets, so the truck company if it was a going business...

COUNCILMEMBER PALTIN: That guy died too so, both drivers died.

MR. TOYOFUKU: No, but the truck company that if he was driving commercially for a truck driver was that it, or personal, I don't know?

COUNCILMEMBER PALTIN: Personal.

MR. TOYOFUKU: Personal, okay so if he didn't have insurance, right, that...

COUNCILMEMBER PALTIN: And he died.

MR. TOYOFUKU: And he...yeah.

CHAIR SUGIMURA: So...

COUNCILMEMBER PALTIN: So, now the question is, I mean cause plenty people's personal insurance that they have on their car, like they'll, the insurance will send them something if you're driving for Uber or Lyft you're not gonna to be covered. Like when, like we got insurance on our own personal vehicle and then they sent us a extra thing like, oh forgot to mention if you're driving for Uber or Lyft this policy doesn't cover that. So, now if somebody's a passenger in a Uber or Lyft and somebody that's uninsured hits them and everybody dies, then the families of the passengers have nothing basically is what you're saying?

MR. TOYOFUKU: Yeah, unless they had their own insurance and the negligent party who hit, you know, if they had no insurance, there's no coverage.

CHAIR SUGIMURA: So, I think you know what we'll do, let's check with the Insurance Commissioner on those kind of circumstances and I think for Uber and Lyft what we probably wanna know from you is do you check with your drivers that they do have their own personal insurance in case of situations like this which Ms. Paltin is talking about?

MR. TOYOFUKU: Yes.

CHAIR SUGIMURA: You do check?

MR. TOYOFUKU: Before the person can become qualified as a Uber or Lyft driver they have to have insurance on their car, but basically the State law requires you to have only \$20,000 worth of liability insurance and it does not require you to have underinsured or uninsured motorist coverage, but you should have personal injury protection.

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COUNCILMEMBER PALTIN: Is Uber and Lyft considered a common carrier, like for, like if you have American Income Life or something where they have a common carrier clause if you get...

MR. TOYOFUKU: Their not considered common carriers.

COUNCILMEMBER PALTIN: So, and when you say that you check to see if the driver has insurance, do you also check to see if the insurance covers them if they're in a Uber or Lyft accident?

CHAIR SUGIMURA: In the situation that she talked about, right, which is over and beyond I guess your policy.

MR. TOYOFUKU: I don't know if they do.

COUNCILMEMBER PALTIN: Because it happens, it happened.

MR. TOYOFUKU: Yeah, I think that they check whether they have complied with State law in terms of insurance on their personal vehicle, you know, and that's what they check.

COUNCILMEMBER PALTIN: So, it's basically not very safe for the passenger then to rider Uber or Lyft, not because of the driver, but because of the dangers of everyday driving, anybody can hit anyone, it's not covered under common carrier, it's not covered under their insurance, it's not safe for our members then basically, our community members.

MR. TOYOFUKU: What I have to check with Tabitha, who is not here is, you know, what kind of uninsured and underinsured coverage there is on the million dollar Uber policy.

COUNCILMEMBER PALTIN: Okay, thank you.

CHAIR SUGIMURA: So, staff can you also have, check on that for just general insurance information, yeah? Okay.

COUNCILMEMBER SINENCI: Chair?

CHAIR SUGIMURA: Yes, Mr. Sinenci?

COUNCILMEMBER SINENCI: I just wanted...thank you. I just wanted to add to those questions too, does the County or the State become liable if in the event that there is no insurance on the parties, where do we come in as if we could be potential liable and also...

CHAIR SUGIMURA: Okay, you can ask that question also. Lito, do you have a comment for that or May Anne or Corp. Counsel?

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MR. HOPPER: I mean just in general if there's a, there can be claims for road defects, things like that against the County just like against the State for road conditions and things like that, there can be suits, you know, general negligent suits and things like that for those situations and for, you know, situations not involving any taxis or Ubers or other drivers.

CHAIR SUGIMURA: Mr. Sinenci?

COUNCILMEMBER SINENCI: My questioning would be if there was an accident involving one of these TNC's and there was no insurance on the negligent side, would we potentially be liable?

MR. HOPPER: I mean whether or not there's insurance we could potentially be sued and we would have to deal with the lawsuit and review the case and if there's found to be negligence there's potential liability for the County, but I mean that's the general answer I can give without knowing the specific case.

COUNCILMEMBER SINENCI: Okay, thank you.

CHAIR SUGIMURA: Thank you. Mr. Crowley?

MR. CROWLEY: So, just one thing really quick 'cause I had my time and we're running out of time is Ms. Paltin and them just went back and forth for about 20 minutes there. Commercial insurance that we have, that covers everything, all the time. I can't make it any simpler than that. That's what we pay for, that's why they're about 2,500 to \$5,000 a year and then PUC sometimes goes higher because it's just you can see the issues here where you're going back and forth about what covers what, you just go you know what, let's just solve the problem and blanket everything, that's what all this did, that's why we have it, so that's that. And the other thing is to go back to one more thing, when the app is on and the app's off and who's in the car and who's not, there's all these little things that trigger what is paid and all these kinda things, it does not count if your Uber driver just solicits you with cash, which we know plenty of them have done, which means you drive the customer once as an Uber driver and you say, you know what I can bring you back for this much in cash on the side, here's my business card, just call me, and they will do that. It happens all over the country, so that is no insurance at all because you've entered into a transaction that's seemingly doesn't exist in the purview of insurance, and it happens here all the time.

CHAIR SUGIMURA: Thank you. Thank you. So, Mr. Toyofuku or Mr. Mora, you have a comment regarding that?

MR. MORA: Yeah that's absolutely not allowed on our platform and we would forcibly remove them from driving.

CHAIR SUGIMURA: Okay, thank you.

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MR. TOYOFUKU: It's the same thing here, I mean for Uber, that it's not allowed. Now, if somebody does that and it's found out, they're thrown off the grid, I mean off the platform.

CHAIR SUGIMURA: Okay.

MR. TOYOFUKU: And, you know, if any taxi driver, Mr. Crowley knows of any specific Uber driver that you should report it.

CHAIR SUGIMURA: Okay, thank you. Members, do you have any other questions or comments? I wanted to let you know that I'm gonna continue this meeting, it's not going to be my next meeting, it's gonna be the last Monday in September and what I'm trying to do is, I'm trying to also invite PUC to come and talk to us because that's, the more I look into this, the more interesting this gets. But these are all elements of transportation that are provided for the community which is really, really important, and I also found as I mentioned earlier, Department of Consumer Affairs with State of Hawaii, they have a division of Consumer Advocacy so I wanna see if I can get a speaker or a representative from them to come and answer questions about this subject in general. So, I'm gonna be...the other thing that I will do, is I'm looking at the City and County of Honolulu which my Staff has already started reviewing that ordinance and to come up with something. One of the things that we have here that City and County of Honolulu does not have is we have caps, so the established caps with even that, Lito, and if, May Anne, if you could look at that because the established caps that the taxi drivers have, what is the calculation and I think it's based upon hotel rooms or a population. But yet the visitor industry is such a big part of the number of people that are on our roads today that I wonder if that's something we need to look at so I would love to hear your opinion of that, and the caps and our insurance and our rates, which I think we haven't looked at for a long time. Mister...do you want, have anything to say about that? Oh, Lito?

MR. VILA: Thank you, Madam Chair. As far as the calculation of the cabs, right now the County uses 1 per 500 resident population. As I mentioned the last time the 1 per 50 hotel rooms has been removed because of the conversion to timeshares, so that's how we come up to, with that approximately 300. And as I mentioned the last time, I am deferring recalculating the number of authorized taxicab until your Committee is done with your deliberations here.

CHAIR SUGIMURA: Okay, thank you.

MR. VILA: And as far as the taxi, taxi rates, my thought or recommendation would be to convene a task force comprised of the taxi businesses that are licensed because they're the ones that are gonna, if you take the prices way down or free market there's a lot of issues there. If you take it up, there's a lot of issues in terms of competition, so I don't believe it would be fair for the Department to say this is what we feel it should be. We can be part of that but I think they should be afforded the opportunity to provide that valuable input.

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CHAIR SUGIMURA: Okay, very good. May Anne, do you have anything that you wanna add to that, no? Yes, Mr. Bart?

MR. MULVIHILL: Thank you, you connected the dots, Councilmember, I appreciate that, that they're saying that they only have to show that they have insurance. That's fine, but my agent who sold me the last four years of my commercial insurance told me, he said, Bart, here at First Insurance and there are other agencies that they use, it says like you pointed out, if you're driving Uber or Lyft, it's not covered. So, that whole piece of personal insurance is gone, and Dana told me the reason they did it was because they had a lot of losses that they were looking at and they couldn't bear it. The one thing I do want to bring up that *LCT Magazine, Limousine, Charter, Tour Magazine* has a library of articles of Uber and Lyft problems and helps throughout the country. Great reference, *LCT*, but one thing that we're missing here on these people and the Councilmember Tamara got it, that driver that hit those people was drunk and I think he had a couple previous DUI's in that Kaanapali accident, probably doesn't have insurance then, so that connects one dot there. But also and lastly HIPAA, which is a disclosure, health insurance disclosures, there's a lot of people that are taken off the road or taken to jail or institutionalized and because of fear of HIPAA violations of their background and what they're hospitalized for or treated for, they will not, they will err on the side of caution to avoid that. And I heard that last night in my industry, so there is a lot of things to worry about. I mean, I had, I just got a restraining order on a guy that had been convicted of major narco trafficking and a common background check which you're referring to didn't show that because King County in Washington does not disclose things like that unless you go in, in person or hire a PI, like I did, so there's a lot of investigation needs to happen. But if Uber wants to be part of us, and be part of the world, they need to start small and get it right first and learn our island, that's the most important part. Thank you, Councilmember.

CHAIR SUGIMURA: Thank you. Ms. Kama?

COUNCILMEMBER KAMA: So, Chair, so in tasking the Staff with checking with the Insurance Commissioner regarding Member Paltin's statement about not having insurance if you drive Uber or Lyft, so I just wanted to clarify does that mean that when you do have insurance and you do decide to do Uber or Lyft that they won't insure you at that moment, what does that mean? So, I'd like that to be clarified by the commissioner.

CHAIR SUGIMURA: Clarified, okay we'll get that clarified also.

COUNCILMEMBER KAMA: Thank you.

CHAIR SUGIMURA: I did receive one of those letters too from my insurance carrier. Members...

UNIDENTIFIED SPEAKER: ...*(inaudible)*...

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CHAIR SUGIMURA: Yeah, got one. So, Members, this is very productive, I'm so glad to hear all this information. As I said I'm gonna continue the conversation. I invite all of you to come back if you would like to, but I'm gonna be doing more exploratory of information and I think the meeting I'm gonna try to get and I will post this and that's a way that you can receive our agendas, but if I do get these other speakers to come, it would be on September 30th, which is the last Monday of this month at nine o'clock.

COUNCILMEMBER PALTIN: I just had one additional thing maybe we could precheck out beforehand.

CHAIR SUGIMURA: Okay, okay.

COUNCILMEMBER PALTIN: Maybe if it's possible for the million dollar Uber/Lyft insurance to not just cover negligent to like, if we're saying level the playing field, make it be the same as how the taxi's insurance works, like right now it only covers if it's negligent. I believe the taxi's insurance doesn't only cover if it's negligent, it covers in all instances, so what would it take to make the ride share's insurance cover in all instances similar to how the taxis insurance covers in all instances whether it's their fault, whether it's somebody else that hits them or like if we're talking about leveling the playing field can we impose that on the ride share networks or can they do it voluntarily.

CHAIR SUGIMURA: Okay, so that's a question we can send to you or do you have something to say Mr. Toyofuku?

MR. TOYOFUKU: I...

CHAIR SUGIMURA: It's on.

MR. TOYOFUKU: I told the Councilmember, I'll check as to whether or not Uber or Lyft has uninsured and underinsured policy for the, for, that covers the driver.

CHAIR SUGIMURA: Okay. Yeah insurance is State regulated, it's very difficult, very important. Anybody else have a closing statement? None. Okay, so...oh, Mr. Crowley?

MR. CROWLEY: Just one thing is the main point is each of these people that sign up to drive for Uber and Lyft just like we are individual business owners just like they are, they are the ones that need to get the insurance, those drivers have to do the stuff that we do, not leave it in the hands of them that are notorious for trying to skirt any kind of loss, it needs to be each driver, just does all this that we do. I don't understand why that's difficult, it's the current law right now, that's, that's what they have to do. That, if you wanna drive for Uber, Lyft, you get a commercial insurance policy, so and so and so and so, nothing from them. You do it, you get it passed through the DMV and then you can go off on your way and the reason they don't wanna do that is because they know they'll never get any drivers to sign up 'cause they're just doing it part time or whatever, that's what needs to be the focus, these individual Uber, Lyft drivers, there could be 700 of them on the island, three times as much as the taxis. Why don't

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they do anything, they have to do this stuff, that's what our whole point is, that's the level playing field. Thank you.

CHAIR SUGIMURA: Thank you. Okay, Members, so all of you, all of you that are here, just know that this discussion is not over. So, we are doing, exploring all the different aspects of this transportation network, taxis, PUC, and I am also looking in some change of legislation. I really like your idea of setting up a task force just to look at the rates and fees because it hasn't been increased in years, so I apologize for not paying attention to that for a very long time, and I think it, you know, puts you at a, at a deficit. So, we will look at that, as well as any other legislation, you know, our policy, what we can do as policymakers is change legislation. We cannot regulate the State and we cannot regulate the airports or the, or do anything that doesn't, is not within our jurisdiction, but we certainly will try to do our best, for that which we can. So, thank you very much all of you for being here, please feel free to always contact us, you can call my office if you have comments after this meeting that you think that we still need to address. And it is now 3:38, I'm gonna adjourn this meeting, but we will continue this discussion for another time.

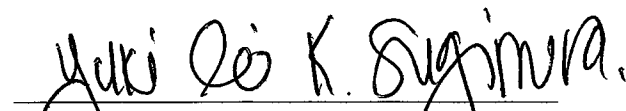
COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: RH, KK)

ACTION: DEFER pending further discussion.

CHAIR SUGIMURA: Thank you very much, everybody. . . . (*gavel*) . . .

ADJOURN: 3:38 p.m.

APPROVED BY:



YUKI LEI K. SUGIMURA, Chair
Multimodal Transportation Committee

mt:min:190905:kk

Transcribed by: Kimi Kusumoto

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CERTIFICATE

I, Kimi Kusumoto, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 1st day of October, 2019, in Wailuku, Hawaii



Kimi Kusumoto