DEPARTMENT OF BUDGET AND FINANCE


March 13, 1992

SUMMARY


2. State of Hawaii Public Utilities Commission Classification of Property Carriers by Motor Vehicles in the State of Hawaii, General Order No. 3 is repealed.

3. State of Hawaii Public Utilities Commission Classification of Passenger Carriers, General Order No. 3-A is repealed.

REPEALED [JUN 29 1992 ]
State of Hawaii Public Utilities Commission
Classification of Property Carriers by Motor Vehicles
in the State of Hawaii, General Order No. 3.
REPEALED [ JUN 29 1992 ]
DEPARTMENT OF BUDGET AND FINANCE

State of Hawaii Public Utilities Commission
Classification of Passenger Carriers, General Order No. 3-A. REPEALED [ JUN 29 1992 ]
HAWAII ADMINISTRATIVE RULES

TITLE 6

DEPARTMENT OF BUDGET AND FINANCE

CHAPTER 62

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CLASSIFICATION OF PROPERTY AND
PASSENGER CARRIERS

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Historical note: Subchapter 1 is based substantially upon the State of Hawaii Public Utilities Commission Rules and Regulations to Be Observed by Motor Carriers in the State of Hawaii, General Order No. 2, Part I. [Eff 7/1/77; R JUN 29 1992]
§6-62-2

SUBCHAPTER 1

GENERAL PROVISIONS

§6-62-1 Application of rules. Every motor carrier shall read the following rules, become familiar with the rules, and require all its drivers and employees to read and become familiar with these rules. These rules apply to all motor carriers under the commission’s jurisdiction, and all motor carriers shall at all times comply with these rules, all applicable laws of the State, and ordinances of the various counties. [Eff JUN 2 9 1992 ] (Auth: HRS §271-9) (Imp: HRS §271-1)

§6-62-2 Definitions. As used in this chapter, unless the context requires otherwise:

"Commission" means the public utilities commission of the State.

"Certificate" means a certificate of public convenience and necessity issued under section 271-12, HRS.

"Common carrier by motor vehicle" means the same as in section 271-4(11), HRS.

"Contract carrier by motor vehicle" means the same as in section 271-4(12), HRS.

"County" or "counties" means the city and county of Honolulu, county of Kauai, county of Maui and the county of Hawaii.

"Gravity discharge equipment" means a motor vehicle with capability for dumping materials such as sand, aggregates, rock, gravel, soil, or fill material, either through mechanical means that are an integral part of the vehicle or through specifically constructed equipment.

"HRS" means the Hawaii Revised Statutes.

"Insurance commissioner" means that administrator described in section 431:2-102, HRS.
§6-62-2

"Motor carrier" means the same as in section 271-4(13), HRS.
"Motor vehicle" means the same as in section 271-4(8), HRS.
"Passenger seating capacity" means the number of seated passengers in a vehicle and does not include the driver of the vehicle.
"Permit" means a permit issued under section 271-13, HRS.
"Person" or "persons" means and includes individuals, partnerships, corporations, associations, joint stock companies, public trusts, organized groups of persons, whether incorporated or not, receivers or trustees of the foregoing, municipalities, including cities, counties, or other political subdivisions of the State or any agency, authority or instrumentality of the State or of any one or more of the foregoing.
"Private carrier of property by motor vehicle" means the same as in section 271-4, HRS.
"Specialized handling and equipment" means the use of tools, accessories, and equipment necessary in the transportation of articles of high value or unique characteristics and dimensions.
"State" means the State of Hawaii.
"Used household goods" or "used personal effects" means property that is not for resale, used by a household or owner in a dwelling, as contrasted to new household goods, such as furniture and appliances, from a retail establishment to be delivered to a dwelling. [Eff JUN 29 1992] (Auth: HRS §271-9) (Imp: HRS §§271-1, 271-9)

§6-62-3 Certificates and permits. (a) Every common carrier by motor vehicle covered by chapter 271, HRS, shall make application to and receive a certificate of public convenience and necessity from the commission.
(b) Every contract carrier by motor vehicle covered by chapter 271, HRS, shall make application to and receive a permit from the commission.


§6-62-4 Additional rules. Carriers may put into effect and enforce their own additional rules not inconsistent with these rules.


§§6-62-5 to 7 (Reserved)

Historical note: Subchapter 2 is based substantially upon the State of Hawaii Public Utilities Commission Rules and Regulations to Be Observed by Motor Carriers in the State of Hawaii, General Order No. 2, Part II. [Eff 7/1/77; R JUN 29 1992]

SUBCHAPTER 2

INSURANCE REQUIREMENTS

§6-62-8 Insurance requirements. No motor carrier may operate upon or use the public streets or highways of the State until it has filed with the commission evidence of security for the protection of the public. The security may be in the form of insurance with an insurance company authorized to do business in the State or surety bonds undertaken either by firms authorized to do business in the State or by at least two individual sureties or the security may be by
qualification as a self-insured. The security shall be in the following amounts:

(1) Liability coverage in an amount no less than that required by section 431:10C-301(b), HRS, for injury or death to each person on the vehicle; and

(2) Liability coverage in an amount no less than that required by section 431:10C-301(b), HRS, for damage to property of others.


§6-62-9 Liability for baggage and cargo.

(a) In addition to the security required in section 6-62-8, no motor carrier may operate upon or use the public streets or highways of the State until it has filed with the commission evidence of security in an amount equal to at least one-half of the total amount of declared value or values of any cargo or baggage released to the carrier which may be damaged, destroyed, or lost up to:

(1) $1,500 on property carried on any one motor vehicle, whether or not the loss or damage occurs while the property is on a motor vehicle; and

(2) $3,000 for any loss or damage or aggregate of loss or damage occurring at any one time and place of or to property in the carrier's custody.

(b) The amount of the security provided in subsection (1) does not apply to motor carriers engaged exclusively in the transportation of commodities requiring discharge or transport by gravity discharge equipment. These motor carriers shall have at all times cargo insurance in an amount equal to the market value of the property in the carrier's custody or $100, whichever is greater.
(c) The requirements of subsections (a) and (b) may not be diminished by any limitation of liability or limitation of the amount of recovery or representation or agreement as to value in any receipt, bill of lading, contract, or rule or in any tariff filed with the commission. No contract, receipt, rule, or other limitation of any character may exempt a motor carrier from the liability imposed by subsections (a) and (b), except that motor carriers may limit their liability for:

(1) Baggage on passenger motor vehicles or baggage on motor vehicles carrying passengers; and

(2) Property received for transportation for which the motor carrier is expressly authorized by the commission to establish and maintain rates dependent upon the value declared in writing by the shipper or agreed upon in writing as the value of the property. The declaration or agreement has no other effect than to limit liability and recovery to an amount not exceeding the value declared or agreed upon.

(d) Nothing in this section shall deprive the holder of a receipt or bill of lading of any remedy or right of action under existing law.

§6-62-10 Self-insurer's certification. (a) The commission may in its discretion accept a certificate of self-insurance issued by the insurance commissioner, if it is satisfied that the applicant, in whose name more than twenty-five vehicles are registered, is possessed and will continue to be possessed with the financial ability to pay judgments as a self-insurer.
§6-62-10

(b) Upon a hearing held pursuant to a notice given to the applicant or the motor carrier not less than five days before the hearing, the commission may reject a certificate of self-insurance upon reasonable grounds. Failure to pay or otherwise satisfy any final judgment within thirty days after it is entered, if the judgment has not been stayed, constitutes reasonable grounds for rejecting a certificate of self-insurance.

(c) The commission may request written proof of a motor carrier's financial ability to respond to judgments.

(d) A motor carrier holding a certificate of self-insurance must file an affidavit reciting that its certificate of self-insurance remains in full force and effect at the end of each calendar year or at such other time specified by the commission.


§6-62-11 Bond as proof of financial responsibility. (a) If proof of financial ability to assume the liability described in sections 6-62-8 and 6-62-9 is evidenced by a bond of individual sureties, each surety must own real estate in the State, the aggregate value of the equity in the real estate of all sureties being equal to at least twice the amount of the bond. The real estate shall be scheduled in the bond, approved by the insurance commissioner of the State. The bond shall be conditioned for payment of the amounts specified in this subchapter.

(b) The bond shall be filed with the commission and shall not be cancelable except after ten days' written notice to the commission.

(c) The bond shall constitute a lien in favor of the State upon the real estate scheduled in the bond. The lien shall exist in favor of any holder of a final judgment against the person who has filed such bond, for the type of damages specified in this subchapter. The holder of any final judgment must file a
certificated copy of the final judgment with the State bureau of conveyances.

d) If a judgment rendered against the principal of any surety bond is not satisfied within sixty days after becoming final, the judgment creditor may, for the judgment creditor's own use and benefit and at the judgment creditor's sole expense, bring an action or actions in the name of the State against the company or persons executing the bond. The judgment creditor may bring any action or proceeding to foreclose any lien that may exist upon the real estate of persons executing the bond. The action must conform as closely as possible to the procedure for the foreclosure of mortgages. [Eff JUN 29 1992] (Auth: HRS §§271-9, 271-17) (Imp: HRS §271-17)

§6-62-12 Insurance forms to be used. (a) The certificate of bodily injury and property damage insurance shall be on Form WC-3539, "Uniform Motor Carrier Bodily Injury and Property Damage Liability Certificate of Insurance".

(b) The uniform motor carrier bodily injury and property damage liability endorsement shall be on Form WC-3538, "Uniform Motor Carrier Bodily Injury and Property Damage Liability Endorsement".

(c) Insurance shall be continuous, and shall not be canceled until thirty days after notice of cancellation is received in the office of the commission. Notice of cancellation shall be on Form WC-3547, "Uniform Notice of Cancellation of Insurance Policy Motor Carrier".

(d) Forms WC-3538, WC-3539, and WC-3547 are provided by the commission to motor carriers for execution by insurance firms authorized to do business in the State. [Eff JUN 29 1992] (Auth: HRS §§271-9, 271-17) (Imp: HRS §271-17)
§6-62-13 Cargo insurance requirements and forms.

(a) The certificate of cargo insurance shall be on Form MCB-8 titled, "Hawaii Motor Carrier Cargo Certificate of Insurance".

(b) The endorsement for motor carrier cargo insurance shall be on Form MCB-9 titled, "Hawaii Motor Carrier Cargo Insurance Endorsement".

(c) Cargo insurance shall not be canceled until thirty days after notice of cancellation is received in the office of the commission. Notice shall be on Form MCB-10 titled, "Hawaii Notice of Cancellation of Motor Carrier Cargo Insurance Policy".

(d) Forms MCB-8, MCB-9, and MCB-10 are provided by the commission to motor carriers for execution by insurance firms authorized to do business in the State.


(Imp: HRS §271-17)

§§6-62-14 to 17 (Reserved)

Historical note: Subchapter 3 is based substantially upon the State of Hawaii Public Utilities Commission Rules and Regulations to Be Observed by Motor Carriers in the State of Hawaii, General Order No. 2, Rules 400.01 to 400.10.

[Eff 7/1/77; R JUN 29 1992]

SUBCHAPTER 3

VEHICLE LEASING AND VEHICLE MARKING

§6-62-18 Requirements for vehicle leasing.

(a) Motor carriers may either own or lease the vehicles necessary or useful in the performance of
operations under their certificates or permits. A motor vehicle lease must be in writing and a copy filed with the commission.

(b) A motor vehicle lease shall not include the services of a driver. The driver or operator shall be employed through a separate transaction in which the driver or operator becomes an employee of the motor carrier. No motor vehicle may be leased and no drivers may be employed for compensation based on percentage or tonnage transported, either per trip or for a period.

(c) A motor vehicle lease must be for a duration of not less than six months, except that motor carriers may lease motor vehicles from day to day from another motor carrier. A lease, other than a day-to-day lease, may be subject to cancellation by either party upon fifteen days' notice to the other party and the commission. All leased vehicles must be marked in accordance with the requirements of section 6-62-20 and subsection (d).

(d) The lessee shall be solely responsible for and maintain exclusive control over leased motor vehicles. The leased motor vehicle shall bear the lessee's name and other required identification on both sides of the motor vehicle.

(e) The bill of lading, freight bill, or passenger charges covering the freight or passengers carried in the leased motor vehicle must bear the name of, and be issued by, the lessee.

(f) The motor carrier leasing the motor vehicle shall explicitly state whether the leased motor vehicle is covered by insurance which meets the insurance requirements in sections 6-62-8 and 6-62-9 either in the lease agreement or by separate written notification to the commission. [Eff JUN 29 1992] (Auth: HRS §271-9) (Imp: HRS §§271-9, 271-11)
vehicle shall file a disposal form for the leased motor vehicle. All markings relating to the common carriage operation must be removed from the leased motor vehicle. [Eff JUN 29 1992 ] (Auth: HRS §§271-9, 271-29) (Imp: HRS §271-29)

§6-62-20 Motor vehicle marking. (a) No motor carrier shall operate any motor vehicle upon the public highways of the State until the following information is painted in contrasting colors on both sides of the motor vehicle:

(1) The motor carrier's name, identifying symbol or known initials of the person, firm, corporation, or association to whom a certificate or permit has been issued by the commission; and

(2) The identifying number assigned to the motor carrier by the commission (for example - P.U.C. No. 000).

(b) The information required in subsection (a) shall be printed with letters and figures not less than two and one half inches in height with a one-quarter inch stroke or width.

(c) For passenger vehicles seating seven or fewer passengers, a motor carrier of passengers may display the information in subsection (a) on an approved removable sign on the sides of the motor vehicle or place its P.U.C. number on the front and rear bumpers in lieu of the requirements in subsections (a) and (b).

(d) Every motor carrier shall remove its name and P.U.C. number from any motor vehicle that is disposed or sold or when the motor vehicle is no longer utilized in the motor carrier's regulated operation. [Eff JUN 29 1992 ] (Auth: HRS §§271-9, 271-29) (Imp: HRS §271-29)

§§6-62-21 to 23 (Reserved)
Historical note: Subchapter 4 is based substantially upon the State of Hawaii Public Utilities Commission Rules and Regulations to Be Observed by Motor Carriers in the State of Hawaii, General Order No. 2, Rules 400.13 to 400.14 and Part V.

[Eff 7/1/77; R JUN 29 1992 ]

SUBCHAPTER 4

MOTOR CARRIER FEES, RANDOM INSPECTIONS, REQUESTS FOR INFORMATION, COMPLIANCE WITH SAFETY RULES, VEHICLE INVENTORY LISTS

§6-62-24 Motor carrier fees. (a) Every motor carrier shall pay to the commission a fee equal to one-eighth of one per cent of the gross revenues from the motor carrier’s business during the preceding calendar year or the sum of $10, whichever is greater. The fee shall be paid on or before April 30 of each year.

(b) A motor carrier failing to pay the gross revenue fee on or before April 30 may be assessed by the commission, in addition to the fee, a penalty of $100 and, in case of continuing nonpayment, up to $50 for each additional day during which the nonpayment continues.

(c) Fees not paid within fifteen days after April 30 may be assessed interest at a rate of ten per cent per annum. Failure to pay the fee, penalties, and interest may result in legal action to enforce payment.

(d) If a motor carrier does not pay its gross revenue fee as required by subsection (a), the commission may suspend the motor carrier’s certificate or permit immediately without hearing or other proceedings until the carrier pays the fee, penalties, and interest. [Eff JUN 29 1992 ] (Auth: HRS §§271-9, 271-19, 271-27, 271-36, 478-1) (Imp: HRS §§271-19, 271-36)
§6-62-25 Random inspections. (a) All drivers, motor vehicles, and equipment subject to these rules, and all records and other documents of a motor carrier pertaining to matters within the scope of the commission's responsibility as set forth in chapter 271, HRS, are subject to random inspections by the commission.

(b) During an inspection, the motor carrier being inspected and its employees shall comply with all instructions, verbal or otherwise, issued by the commission or its authorized representatives.


§6-62-26 Requests for information. Every motor carrier shall, upon request, furnish to the commission any information that the commission may require respecting any of the matters under the commission's jurisdiction, permit the commission or its authorized representative to examine its books, records, contracts, maps, and other documents, and furnish the commission with a complete inventory of its property in the forms as the commission may direct.


§6-62-27 Compliance with safety rules. Each motor carrier shall certify that it complies with the motor carrier safety regulations set forth in chapter 19-141 and shall require that its officers, agents, employees, and representatives be conversant
with and comply with that chapter.  

§6-62-28 Vehicle inventory lists. (a) Every motor carrier shall have a vehicle inventory list on file with the commission. The vehicle inventory list shall report, on a form prescribed by the commission, the make, body type, year of manufacture, registered owner, state license number, and capacity of each motor vehicle used to provide motor carrier service.  
(b) A motor carrier shall amend its vehicle inventory list to reflect any changes to the information on the list within thirty days of the date of the change. The vehicle inventory list shall be amended within thirty days of the date a motor vehicle is placed in service or withdrawn from service.  

§§6-62-29 to 30 (Reserved)

Historical note: Subchapter 5 is based substantially upon the State of Hawaii Public Utilities Commission Classification of Passenger Carriers, General Order No. 3-A.  
[Eff 10/6/79; R JUN 29 1992]

SUBCHAPTER 5

CLASSIFICATION OF PASSENGER CARRIERS

§6-62-31 Classification of passenger carriers.  
(a) Motor carriers of passengers shall be granted
operating authority based upon passenger seating capacity and the special nature of the services performed by the motor carrier.

(b) No motor vehicle utilized by a motor carrier shall have a manufacturer’s passenger seating capacity exceeding that authorized by the motor carrier’s operating authority.

(c) Every motor carrier of passengers shall be authorized to operate in one of the following categories:

(1) Motor carriers of passengers utilizing motor vehicles with passenger seating capacity of not more than seven passengers;

(2) Motor carriers of passengers utilizing motor vehicles with passenger seating capacity of eight to twenty-five passengers;

(3) Motor carriers of passengers utilizing motor vehicles with passenger seating capacity of more than twenty-five passengers.

$6-62-32$ Transitional rules. (a) A motor carrier of passengers authorized on the effective date of this chapter to operate in the over seventeen passenger category without limitation as to the maximum passenger seating capacity of its vehicle shall be placed in both the eight to twenty-five and over twenty-five passenger categories. The placement in these categories is without limitation on the passenger seating capacity of its vehicles.

(b) A motor carrier of passengers authorized on the effective date of this chapter to operate in the over seventeen passenger category, but limited to operating vehicles having a passenger seating capacity of a specified number greater than twenty-five, shall be placed in both the eight to twenty-five and over twenty-five passenger categories. The placement in the eight to twenty-five passenger category is without limitation on the passenger seating capacity of its vehicle.
vehicles. However, the placement in the over twenty-five passenger category is subject to the limitation that it may operate vehicles having passenger seating capacity of not more than the maximum number specified under its existing authority.

(c) A motor carrier of passengers authorized on the effective date of this chapter to operate in the over seventeen passenger category, but limited to operating vehicles with passenger seating capacity of twenty-five or less, shall be placed in the eight to twenty-five passenger category. The placement in the eight to twenty-five passenger category is subject to the limitation that it may operate vehicles having passenger seating capacity of not more than the maximum number specified under its existing authority.

(d) A motor carrier of passengers authorized on the effective date of this chapter to operate in the eight to seventeen passenger category shall be included in the eight to twenty-five passenger category, except that its authority is limited to operating vehicles having passenger seating capacity of not more than seventeen.

(e) To remove any limitation on the passenger seating capacity of the vehicles of a motor carrier placed in the eight to twenty-five passenger category or the over twenty-five passenger category, the motor carrier must file an application with the commission requesting removal of the limitation and justify the removal pursuant to chapter 271, HRS.


§§6-62-33 to 34 (Reserved)

Historical note: Subchapter 6 is based substantially upon State of Hawaii Public Utilities Commission Classification of Property Carriers by Motor 62-17
Vehicles in the State of Hawaii, General Order No. 3.
[Eff 5/1/66; R JUN 29 1992]

SUBCHAPTER 6
CLASSIFICATION OF PROPERTY CARRIERS

§6-62-35 Classification of property carriers. Motor carriers of property shall be granted operating authority based upon the types of commodities transported and the nature of services performed. The categories are:

1. Carriers of general commodities;
2. Carriers of household goods;
3. Carriers of commodities in dump trucks; and
4. Carriers of specific commodities.


§6-62-36 Carriers of general commodities. The motor carriers in this category are authorized to transport all types of commodities, whether in packages, in cartons, in containers, or in bulk, or by other means, except that this category shall not include motor carriers described in sections 6-62-37 and 6-62-38. [Eff JUN 29 1992] (Auth: HRS §271-9) (Imp: HRS §271-9)

§6-62-37 Carriers of household goods. This category includes motor carriers authorized to engage in the following activities:

1. The transporting of property not for resale used in a dwelling, when the transportation results in the change in

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domicile of a householder and the movement consists of used household goods or used personal effects;

(2) The transporting of furniture, fixtures, equipment, and other property when offices, stores, museums, institutions, hospitals, or other establishments change their location, and when the property being moved is a part of the existing stock, equipment, or supply of these establishments;

(3) The transporting of articles that require specialized handling and equipment usually employed in moving household goods because of their unusual nature or value. [Eff JUN 29 1992 ] (Auth: HRS §271-9) (Imp: HRS §271-9)

§6-62-38 Carriers of commodities in dump trucks. This category consists of motor carriers authorized to transport commodities ordinarily transported in dump trucks. These commodities include, but are not limited to, sand, gravel, dirt, rocks, aggregates, asphaltic concrete, and similar commodities. [Eff JUN 29 1992 ] (Auth: HRS §271-9) (Imp: HRS §271-9)

§6-62-39 Carriers of specific commodities. This category includes motor carriers whose authority is limited to transporting the commodity or commodities specifically identified in the motor carrier’s operating authority. Examples of specific commodity carriers are armored car services and carriers who transport explosives, livestock, small parcels, liquid products in tank trucks, dry bulk products, heavy machinery and equipment, refrigerated products, film and dated products, and air cargo. The commodity or
§6-62-39

commodities transported by motor carriers limited to this category may be handled by a motor carrier licensed under section 6-62-36, if the carriage was previously a part of the motor carrier's normal and reasonable activities. [Eff JUN 29 1992] (Auth: HRS §271-9) (Imp: HRS §271-9)
DEPARTMENT OF BUDGET AND FINANCE


These rules shall take effect ten days after filing with the Office of the Lieutenant Governor.

YUKIO TAKEKOMO
Director of Finance
Department of Budget and Finance

YUKIO NAITO
Chairperson
Public Utilities Commission

APPROVED AS TO FORM:

Deputy Attorney General

Lieutenant Governor's Office
June 18, 1992
9:14 AM

JOHN WAIHEE
Governor
State of Hawaii

Date: JUN 17 1992

Filed JUN 18 1992