
A BILL FOR AN ACT

RELATING TO FERRIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The State of Hawaii is made up of a chain of
2 islands, six of which have major population centers. Unlike the
3 forty-eight contiguous states, Hawaii does not have the benefit
4 of being linked to other states through the federal interstate
5 highway system or a network of intersecting state and local
6 highways and roads.

7 With the exception of slow, time consuming interisland
8 shipping and barge operations for the transportation of property
9 between the islands, the principal link between the islands for
10 the transportation of persons is air transportation. Presently,
11 residents and visitors rely primarily on two interisland
12 carriers and a few smaller commuter operations. However, this
13 reliance on air transportation may be misplaced. With the
14 exception of the island of Hawaii, each of the neighbor islands
15 is served by only one airport, and each airport may be subjected
16 to severe operational interruption in the event of a significant
17 disaster, whether caused by nature or human activity. Even the
18 Hickam Air Force Base-Honolulu international airport complex,



1 with its location along the shoreline on Oahu, may be
2 operationally shut down by such a disaster. By way of example,
3 if the airport at Lihue, Kauai had been shut down operationally
4 in the aftermath of Hurricane Iniki, it would have taken days,
5 if not weeks, before any major aid and relief in the form of
6 water, food, medical supplies, and rescue workers could have
7 reached the island. Hawaii is too reliant on its present slow
8 water carriers and air carriers in the event of a major
9 disaster.

10 While the Hawaii superferry operation had its shortcomings,
11 a rocky start, and questionable financial forecast, it proved to
12 be a very successful mode of transportation, for both persons
13 and property, between the islands of Maui and Oahu. It was the
14 missing link in the transportation system between the islands
15 that is so essential for the health, safety, and well-being of
16 the people of Hawaii.

17 The purpose of this measure is to establish the Hawaii
18 state ferry system to provide that necessary and essential
19 additional missing link for the carriage of persons and property
20 between the islands of the State.



1 SECTION 2. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 HAWAII STATE FERRY SYSTEM

6 § -1 Definitions. As used in this chapter, unless the
7 context indicates otherwise:

8 "Authority" means the Hawaii state ferry system authority.

9 "Department" means the department of transportation.

10 "Director" means the director of transportation.

11 "Ferry system" means the Hawaii state ferry system.

12 "Vessel" means all manner of watercraft, used or capable of
13 being used as a means of transporting persons or property on or
14 in the waters of the State between the islands.

15 "Waters of the State" has the same meaning as in section
16 200-23.

17 § -2 Hawaii state ferry system authority; establishment,
18 members. (a) There is established in the department the Hawaii
19 state ferry system authority, which shall be a body corporate
20 and a public instrumentality of the State, for the purpose of
21 implementing this chapter.



1 (b) The authority shall be composed of six public voting
2 members and one ex officio voting member, provided that:

3 (1) Public members shall be appointed by the governor as
4 provided in section 26-34, except as otherwise
5 provided by law;

6 (2) One public member shall represent the city and county
7 of Honolulu and each of the counties of Hawaii, Maui,
8 and Kauai;

9 (3) Two public members shall have knowledge, experience,
10 and expertise in the area of maritime industry
11 management, operations, and marketing; and

12 (4) The director of transportation or a designated
13 representative shall be an ex officio voting member
14 and chairperson of the authority.

15 § -3 Powers. (a) Except as otherwise limited by this
16 chapter, the authority may:

17 (1) Sue and be sued;

18 (2) Have a seal and alter the same at pleasure;

19 (3) Through the director, make and execute contracts and
20 all other instruments necessary or convenient for the
21 exercise of its powers and functions under this
22 chapter; provided that the authority may enter into



1 contracts and agreements for a period of up to five
2 years, subject to the availability of funds; and
3 provided further that the authority may enter into
4 financing, lease, and similar agreements for the
5 provisions of vessels for normal and usual commercial
6 terms;

7 (4) Make and alter bylaws for its organization and
8 internal management;

9 (5) Unless otherwise provided in this chapter, adopt rules
10 in accordance with chapter 91 with respect to its
11 projects, operations, properties, and facilities;

12 (6) Through the director, represent the authority in
13 communications with the governor and the legislature;

14 (7) Through the director, provide for the appointment of
15 officers, agents, and employees, subject to the
16 approval of the authority, prescribing their duties
17 and qualifications, and fixing their salaries, without
18 regard to chapters 76 and 78;

19 (8) Through the director, purchase supplies, equipment, or
20 furniture;



- 1 (9) Through the director, allocate the space or spaces
2 that are to be occupied by the authority and
3 appropriate staff;
- 4 (10) Through the director, engage the services of
5 consultants on a contractual basis for rendering
6 professional and technical assistance and advice;
- 7 (11) Procure insurance against any loss in connection with
8 its property and other assets and operations in
9 amounts and from insurers as it deems desirable;
- 10 (12) Contract for or accept revenues, compensation,
11 proceeds, and gifts or grants in any form from any
12 public agency or any other source;
- 13 (13) Develop, coordinate, and implement state policies and
14 directions for safe transportation of persons and
15 property between the islands, taking into account the
16 economic, social, and physical impacts of its
17 operations on the State and each of the counties;
- 18 (14) Work to eliminate or reduce barriers to travel between
19 the islands and provide a positive and competitive
20 business environment, including coordinating with the
21 department on issues affecting other water carriers
22 and airlines and air route development;



1 (15) Set and collect rents, fees, charges, or other
2 payments for the lease, use, occupancy, or disposition
3 of any facilities under its control, including wharves
4 and terminals, without regard to chapter 91;

5 (16) Notwithstanding chapter 171, acquire, lease as lessee
6 or lessor, own, rent, hold, and dispose of the
7 facilities in the exercise of its powers and the
8 performance of its duties under this chapter; and

9 (17) Acquire by purchase, lease, or otherwise, and develop,
10 construct, operate, own, manage, repair, reconstruct,
11 enlarge, or otherwise effectuate, either directly or
12 through developers, any required facilities, including
13 terminal facilities.

14 (b) At minimum, the authority shall operate one high speed
15 passenger and vehicular ferry vessel, with a minimum capacity of
16 four hundred passengers and hundred vehicles, capable of
17 operating at thirty knots or more, for the carriage of
18 passengers and property between the major islands, and other
19 small vessels, as needed, for service to the between the islands
20 of Maui, Molokai, and Lanai and other routes.

21 (c) The authority shall do any and all things necessary to
22 carry out its purposes, to exercise the powers and

1 responsibilities given in this chapter, and to perform other
2 functions required or authorized by law.

3 § -4 Initial operations. (a) The authority, as soon as
4 practicable, shall engage in communications with the United
5 States Department of Transportation and the United States
6 Maritime Administration relating to federal funding assistance
7 and the possible purchase or lease of the former Hawaii super
8 ferry vessels Alakai and Huakai or other available suitable
9 vessels to commence its operations.

10 (b) The authority shall have full access to all the waters
11 of the State for the routes and schedules of the operations of
12 the ferry system.

13 (c) The authority shall have access on a priority basis
14 into all harbors and small boat facilities operated by the
15 department and the department of land and natural resources for
16 discharging and receiving of passengers and property, wharfage,
17 mooring, terminal, and other support facilities.

18 (d) To the extent practicable, the authority shall use the
19 former facilities used by the Hawaii super ferry for its ferry
20 system operations, including but not limited to terminal
21 facilities, ramps, moorage facilities, and equipment.



1 § -5 Improvements and harbor facilities. Through the
2 director, the authority shall have all the rights and powers
3 afforded the department with regard to section 266-19.5 and
4 sections 266-51 to 266-55.

5 § -6 Common carrier. The authority shall have all the
6 rights, obligations, and duties of a common carrier of persons
7 and property in its ferry system operations, including the right
8 to a certificate of public convenience and necessity; provided
9 that the authority shall be subject to the provisions of
10 chapters 269 and 271G.

11 § -7 Rates, fares, and charges; Hawaii state ferry
12 system special fund. (a) All rates, fares, charges, and other
13 revenue collected by the authority in the operation of the ferry
14 system, including but not limited to the carriage of persons and
15 property and the lease of terminal areas shall be deposited into
16 the Hawaii state ferry system special fund.

17 (b) There is established the Hawaii state ferry system
18 special fund, into which shall be deposited:

19 (1) All rates, fares, charges, and revenue collected
20 pursuant to subsection (a);

21 (2) Appropriations by the legislature to the Hawaii state
22 ferry system;



1 (3) Gifts, grants, and other funds accepted by the
2 authority; and

3 (4) All interest and revenues or receipts derived by the
4 authority from any project or project agreements.

5 (b) Moneys in the Hawaii state ferry system special fund
6 may be:

7 (1) Placed in interest-bearing accounts; provided that the
8 depository in which the money is deposited furnishes
9 security under the same terms as required by section
10 38-3; or

11 (2) Otherwise invested by the authority until the moneys
12 may be needed; provided that the authority shall limit
13 its investments to those listed in section 36-21.

14 All interest accruing from the investment of these moneys shall
15 be credited to the Hawaii state ferry system special fund.

16 (c) Moneys in the Hawaii state ferry system special fund
17 shall be used by the authority for the operations of the Hawaii
18 state ferry system and for the purposes of this chapter.

19 § -8 Rules. The authority shall adopt, amend, and
20 repeal rules in accordance with chapter 91 to implement this
21 chapter."



1 SECTION 3. Chapter 268, Hawaii Revised Statutes, is
2 repealed.

3 SECTION 4. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so much
5 thereof as may be necessary for fiscal year 2011-2012 and the
6 same sum or so much thereof as may be necessary for fiscal year
7 2012-2013 for start up and operations of the Hawaii state ferry
8 system.

9 The sums appropriated shall be expended by the department
10 of transportation for the purposes of this Act.

11 SECTION 5. This Act shall take effect on July 1, 2011.

12

INTRODUCED BY:

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JAN 20 2011



Report Title:

Transportation; Ferry System

Description:

Establishes the Hawaii state ferry system and the Hawaii state ferry system special fund for the operation of a system to ferry people and cargo between the islands. Makes appropriation. Effective 7/1/2011.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

