

Honolulu, Hawaii

FEB 20 2015

RE: S.B. No. 2
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committees on Transportation and Commerce and Consumer Protection, to which was referred S.B. No. 2 entitled:

"A BILL FOR AN ACT RELATING TO PILOTAGE,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Limit the liability of port pilots to a specified monetary limit of damages or loss occasioned by a pilot's errors, omissions, fault, or negligence in the performance of pilotage or in the training of pilots, except for acts or omissions of the pilot in the performance of pilotage or in the training of pilots that constitute wilful, intentional, or reckless misconduct;
- (2) Impose continuing education requirements on licensed port pilots;
- (3) Require investigations to determine whether persons applying for renewal of full port pilot or deputy port pilot licenses are qualified;
- (4) Require that every vessel, not just those involved in trade or commerce, entering or departing from any port in the State or traversing the waters of the State designated as pilotage waters to employ a licensed pilot unless otherwise exempt; and



- (5) Exempt vessels under three hundred gross tons from pilotage regulation.

Your Committees received testimony in support of this measure from the Hawaii Pilots Association; Hawaii Ports Maritime Council; and three individuals. Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that port pilots have the responsibility of ensuring the safe movement of all types of vessels in Hawaii's commercial harbors, including cruise ships, oil tankers, and container ships. Port pilots go aboard ships before they enter or depart from a harbor. For arriving vessels, the pilot usually goes aboard the ship from a pilot boat at a distance of about two to three miles from shore. Once on board a ship, the pilot directs the movement of the vessel as it moves throughout the harbor. The pilot accomplishes this by giving specific engine and steering commands to the ship's crew, as well as directing the movements of the assisting tug boats.

Your Committees further find that each time a state-licensed compulsory pilot boards a ship, that pilot knows that a moment's inattention, complacency, wrong decision, or simple mistake could lead to a potentially catastrophic vessel casualty with hundreds of millions of dollars in damages or loss of life, the end of the pilot's career, and financial ruin for the pilot and the pilot's family. Coupled with the physical dangers involved in piloting no other occupation or profession presents such risks to its practitioners in the normal course of work. Unbridled exposure to this enormous liability risk could serve as a hindrance to efforts to attract and maintain sufficient numbers of qualified pilots and could therefore threaten the State's ability to maintain effective compulsory pilotage systems.

Your Committees have amended this measure by:

- (1) Deleting the continuing education requirements and the requirement for investigations to determine whether persons applying for renewal of a full port pilot license or deputy port pilot license are qualified;



- (2) Inserting language requiring the Department of Commerce and Consumer Affairs, in consultation with the Hawaii Pilots Association, to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016 on its findings and recommendations, including any proposed legislation, relating to:
 - (A) Continuing education requirements for port pilots;
 - (B) Investigations of port pilots who are renewing their licenses to determine their qualifications; and
 - (C) Any other matters relevant to the professional competencies and education of port pilots when applying for a license or renewing a license; and
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Transportation and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Commerce and Consumer
Protection,

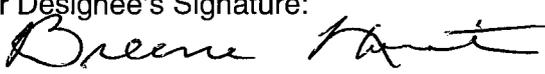

ROSALYN H. BAKER, Chair


CLARENCE K. NISHIHARA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation
TRA

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------|-----|----------|
| Bill / Resolution No.:* SB2 | Committee Referral: TRA/CPN, JDL | Date: 2/17/15 | | |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| NISHIHARA, Clarence K. (C) | ✓ | | | |
| HARIMOTO, Breene (VC) | ✓ | | | |
| DELA CRUZ, Donovan M. | ✓ | | | |
| ENGLISH, J. Kalani | ✓ | | | |
| ESPERO, Will | ✓ | | | |
| INOUE, Lorraine R. | ✓ | | | |
| KIDANI, Michelle N. | | | | ✓ |
| KOUCHI, Ronald D. | ✓ | | | |
| SLOM, Sam | ✓ | | | |
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| TOTAL | 8 | | | 1 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature:  | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes

