

STAND. COM. REP. NO.

3697

Honolulu, Hawaii

JUN 26 2020

RE: H.B. No. 2475
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2475, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CARGO CARRIERS,"

begs leave to report as follows:

The purpose and intent of this measure is authorize the Department of Transportation to expend funds from the Harbor Special Fund to provide subsidies to cargo carriers to offset costs incurred by the cargo carriers as a result of providing cargo carrier services to ports serving counties within Hawaii having a population of less than 500,000 and comprising three or more populated islands.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which deletes the contents of the measure and inserts language to:

- (1) Allow the Public Utilizes Commission to appoint a receiver for a regulated water carrier if such carrier is failing or at risk of failing in order to ensure continued and uninterrupted interisland shipping services;



- (2) Extend the duration for which the Public Utilities Commission may grant a regulated water carrier temporary authority to operate in emergency situations;
- (3) Allow the Public Utilities Commission to waive certain regulatory provisions in order to restore or protect essential water carrier services; and
- (4) Allow the Public Utilities Commission to authorize new water carriers to enter service in Hawaii.

Your Committee received testimony in support of this measure from the Department of Transportation; Department of Commerce and Consumer Affairs; Public Utilities Commission; Hawaii Cattlemen's Council, Inc.; Moloka'i Chamber of Commerce; American Federation of State, County and Municipal Employees; Tuipulotu Organics, LLC; Maui Chamber of Commerce; and one individual. Your Committee received testimony in opposition to this measure from six individuals. Your Committee received comments on this measure from the Department of Agriculture; Young Brothers, LLC; UNITE HERE! Local 5; and one individual.

Your Committee finds that the covid-19 pandemic has caused a significant decrease in interisland cargo volumes that has put financial stress on all forms of interisland transportation of goods and property. Your Committee further finds that for counties with populations of less than five hundred thousand people, interisland cargo transportation is a "life-line" for the residents and business in those counties. Your Committee further finds that an interisland tug and barge service is essential to the State's economic recovery from the covid-19 pandemic's deleterious statewide economic effects.

Accordingly, your Committee has amended the proposed draft S.D. 1 by:

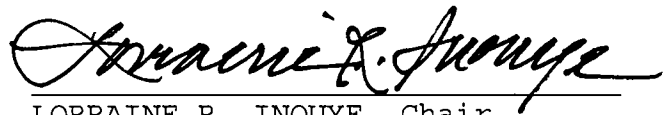
- (1) Authorizing the department of transportation to provide subsidies to cargo carriers to offset the costs incurred by the cargo carriers as a result of providing cargo carrier services to ports serving counties within the State having a population of less than five hundred thousand, provided the cargo carriers agree to certain restrictions; and



- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2475, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2475, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



LORRAINE R. INOUYE, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Transportation
TRS

Bill / Resolution No.:* HB2475 HDI	Committee Referral: TRS, WAM	Date: 6/24/20		
<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
INOUE, Lorraine R. (C)	✓			
HARIMOTO, Breene (VC)				✓
ENGLISH, J. Kalani				✓
SHIMABUKURO, Maile S.L.	✓			
FEVELLA, Kurt	✓			
TOTAL	3			2
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