

Honolulu, Hawaii

MAR 28, 2024

RE: H.R. No. 116

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.R. No. 116 entitled:

"HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO STUDY AND RECOMMEND SOLUTIONS TO RESOLVE SUPPLY CHAIN ISSUES CAUSED BY BARGE DELAYS TO LĀNA'I,"

begs leave to report as follows:

The purpose of this measure is to request the Department of Transportation to conduct a study and offer recommendations regarding means by which Lāna'i's supply chain issues caused by barge delays due to poor weather and ocean conditions may be resolved.

Your Committee received testimony in support of this measure from one member of the Maui County Council. Your Committee received comments on this measure from Young Brothers, LLC.

Your Committee finds that since 1900, Hawaii's residents have relied on Young Brothers for their shipping needs given that chapter 271G, Hawaii Revised Statutes, legalized the Young Brothers as the sole water carrier to transport property subject to the regulatory authority of the Public Utilities Commission. Your Committee further finds that Lāna'i is acutely reliant on Young Brothers for regular barge services in order to avoid issues arising from supply chain shortages. Your Committee also finds that supply shortages have been especially prevalent due to



unfavorable weather and ocean conditions which have threatened Young Brother's abilities to ensure the safety of their employees and their ability to enter the harbor and unload barges. Your Committee further finds that in addition to supply chain issues and barge delays, Lānaʻi experiences expensive transportation costs due to its limited sea-barge and air-freight options. These services are essential for Lānaʻi's economic development as they provide a lifeline to the island's grocery stores and local businesses.

Your Committee additionally finds there are numerous ways to mitigate these supply shortage issues that challenge Lānaʻi, such as increasing storage facilities near Kaumālapaʻu Harbor for refrigerated and perishable goods. Your Committee further finds that to best address these supply shortage and harbor infrastructure issues, it is necessary for the Department of Transportation to conduct a study and provide recommended solutions in a report to the Legislature. Your Committee also finds that to ensure the success and usefulness of this study it may be necessary to seek outside expertise, such as that of the United States Army Corps of Engineers.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 116 and recommends that it be referred to your Committee on Finance.

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



For _____
CHRIS TODD, Chair



