Honolulu, Hawaii

E 417, 2006

RE: H.B. No. 2160 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2160 entitled:

"A BILL FOR AN ACT RELATING TO HARBORS,"

begs leave to report as follows:

The purpose of this bill is to increase cargo space for Honolulu Harbor by directing the Department of Transportation (DOT) to:

- (1) Enter into negotiations with Horizon Lines for a special facility lease of land at the Kapalama Military Reservation (KMR) for a new container yard; and
- (2) Authorize the issuance of special facility revenue bonds for the development and equipping of a new cargo facility at KMR.

The Department of the Attorney General and DOT opposed this bill.

Your Committee finds that harbor lands are a finite resource and that cargo shipping space in Honolulu Harbor is near capacity. Since Honolulu Harbor serves as the main lifeline of cargo and commerce for the State, and Hawaii is dependent upon its harbors for the movement of cargo between islands and the rest of the world, it is imperative that new container space be developed.

While KMR is an area where a new container yard and cargo facility can be developed, it will take a large investment to make badly-needed improvements to Honolulu Harbor. By executing a special facility lease with Horizon Lines, LLC, and authorizing DOT to issue special facility revenue bonds, improvements to Honolulu Harbor can be expedited.

However, your Committee understands that there may be legal concerns regarding this bill. Accordingly, your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2160, H.D. 1, and be referred to the Committee on Finance.

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

JØSEPH M. SOUKI, Chair

State of Hawaii House of Representatives The Twenty-third Legislature

145CR 556

Record of Votes of the Committee on Transportation

Bill/Resolution No.: HB 2160	Resolution No.: HB 2160 Date: 2/15/06				
Bill/Resolution No.: HB Z160 Committee Referral: TRN, FIN	☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended	Pa	ss, with amendment	is.		
☐ Hold ☐ Recommit					
TRN Members	Ayes	Ayes (WR)	Nays	Excused	
1. SOUKI, Joseph M. (C)	· /				
2. LEE, Marilyn B. (VC)	V				
3. CALDWELL, Kirk					
4. CHONG, Pono			asesar Monte a Monte and a sagar againg		
5. ITO, Ken					
6. NAKASONE, Bob			asaa oseesaa aaruu ahaan ahaa kees		
7. SHIMABUKURO, Maile S. L.					
8. TANAKA, Kameo	V				
9. YAMANE, Ryan I.					
10. MOSES, Mark S.	opmanisty is spomers reminestiman				
11. STEVENS, Anne V.					
				· .	
TOTAL	9	1		0	
The recommendation is: Adopted					
□ Not Adopted					
If joint referral, did not support recommendation.					
committee acronym(s)					
mark B. Lee					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office					