

Honolulu, Hawaii

Feb 12, 2010

RE: H.B. No. 2667
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2667 entitled:

"A BILL FOR AN ACT RELATING TO FERRIES,"

begs leave to report as follows:

The purpose of this bill is to establish a transportation alternative for the interisland transport of individuals and property. Specifically, this measure establishes:

- (1) A Hawaii State Ferry System Authority (Authority) to provide and oversee a statewide ferry service for the transportation of people and cargo between islands; and
- (2) A Hawaii State Ferry System Special Fund to be used by the Authority to operate a statewide ferry system.

The Hawaii Laborers' Union and several concerned individuals testified in support of this bill. A concerned individual testified in support of this measure with amendments. The Department of Transportation (DOT); Department of Budget and Finance; Young Brothers, Limited; and a concerned individual provided comments.

Hawaii is a unique state made up of a chain of islands with major population centers on six of the eight main islands. The fact that the islands of Hawaii are separated by large bodies of water makes interisland transportation difficult. Unlike



jurisdictions on the continental United States, Hawaii does not enjoy the benefits of being linked to other states, towns, or cities via the federal interstate highway system or a network of interconnected state and local highways. Hawaii's highway system is its waterways, mainly for the transport of cargo via barge, and its skies, mainly for passenger transport via two major interisland airlines and several smaller commuter operations. Establishing an alternative form of transportation between islands, particularly a ferry system capable of carrying passengers, cargo, and automobiles, would fill a missing link in the transport of persons and property between the islands of the state.

However, your Committee notes the concerns raised that establishing such a ferry system, particularly one operated by the State, may be premature especially in light of the recent foray of a private entity into the establishment of a high-speed interisland passenger, automobile, and cargo ferry operation in Hawaii. Accordingly, your Committee has amended this bill by deleting its substantive contents and replacing it with language that requires DOT to:

- (1) Conduct a study of the feasibility of establishing a statewide ferry system and Authority to operate such a ferry system; and
- (2) Report its findings and recommendations, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the 2011 Regular Session.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

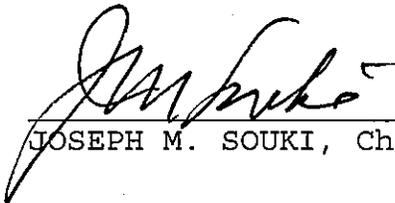
While your Committee understands and notes the concerns raised by Young Brothers as to the validity of some of the claims contained in the preamble of this measure with regard to interisland cargo transport, these issues can be further researched and language amended as the bill makes its way through the legislative process.

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. 2667, as amended herein, and recommends that it pass Second



Reading in the form attached hereto as H.B. No. 2667, H.D. 1, and
be referred to the Committee on Finance.

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



JOSEPH M. SOUKI, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 321-10

Record of Votes of the Committee on Transportation

Bill/Resolution No.: HB 2667	Committee Referral: TRN, FIN	Date: 2/08/2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	/			
2. AWANA, Karen Leinani (VC)	/			
3. AQUINO, Henry J.C.	/			
4. HANOHANO, Faye P.	/		<i>[Handwritten Signature]</i>	
5. KEITH-AGARAN, Gilbert S.C.	/			
6. LEE, Marilyn B.				/
7. NAKASHIMA, Mark M.	/			
8. RHOADS, Karl	/			
9. SAIKI, Scott K.	/			
10. TAKUMI, Roy M.	/		<i>[Handwritten Signature]</i>	
11. YAMASHITA, Kyle T.	/			
12. PINE, Kymberly Marcos	/			
TOTAL (12)	11	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature: _____ <i>[Handwritten Signature: Karen Leinani]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				