

MAR 11 2022

SENATE CONCURRENT RESOLUTION

REQUESTING THE HAWAII STATE DEPARTMENT OF TRANSPORTATION TO
CONVENE A WORKING GROUP AND VARIOUS COMMITTEES TO CREATE
AND RECOMMEND FEDERAL, STATE, AND COUNTY SUBSIDIES FOR THE
TRANSPORT OF WATERBORNE CARGO CONSISTENT WITH THE FINDINGS
AND RECOMMENDATIONS OF THE WATER CARRIERS WORKING GROUP'S
FINAL REPORT.

1 WHEREAS, Senate Resolution No. 125, S.D. 1, Regular Session
2 of 2020, requested that the Public Utilities Commission, in
3 collaboration with the Department of Commerce and Consumer
4 Affairs' Division of Consumer Advocacy and any interisland water
5 carriers operating in the State, convene a Water Carriers
6 Working Group to recommend mid-term and long-term solutions to
7 balance the need for continuous interisland water carrier
8 service throughout the State with the need for water carriers to
9 maintain financial sustainability; and

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11 WHEREAS, on December 27, 2021, the Water Carriers Working
12 Group issued its final report on its findings and
13 recommendations; and

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15 WHEREAS, the Water Carriers Working Group's final report
16 noted that:

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18 (1) Hawaii's communities are mostly dependent on the
19 import of goods, as over eighty percent of goods
20 consumed in Hawaii are imported, of which over ninety-
21 eight percent is transported as waterborne cargo;

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23 (2) Hawaii must rely heavily on transport of cargo by
24 water carrier, unlike other communities in the
25 continental United States that have alternative means
26 of transporting goods by truck and rail;

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- 1 (3) The cost of shipping goods to and within Hawaii is
2 reflected in the cost of imported goods consumed in
3 Hawaii and has been calculated to be as much as 7.5
4 percent of the cost of the goods;
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- 6 (4) Due to Hawaii's dependency on the import of goods,
7 maritime support to ensure food security in the State
8 is required; and
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- 10 (5) While there are agricultural-specific subsidies, as
11 well as subsidies for aircrafts transporting to remote
12 destinations, subsidies do not currently exist for
13 general cargo transport to and within Hawaii; and
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15 WHEREAS, the Water Carriers Working Group's final report
16 recommended that:

- 17 (1) A broad subsidy for trans-Pacific and interisland
18 cargo could reduce the cost of goods;
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- 21 (2) The source of such subsidies could be from existing or
22 newly created federal, state, and county government
23 programs;
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- 25 (3) The Legislature pass a resolution directing the Hawaii
26 State Department of Transportation to convene a
27 working group to create and recommend federal, state,
28 and county subsidies for the transport of waterborne
29 cargo and provide an update on the status of creating
30 these programs to the Legislature prior to the
31 convening of the Regular Session of 2023;
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- 33 (4) The Hawaii State Department of Transportation lead a
34 committee to continue working and consulting with the
35 United States Department of Transportation in the
36 establishment of a federal waterborne cargo subsidies
37 program, including the drafting of legislative
38 language;
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- 40 (5) The Hawaii State Department of Transportation lead a
41 committee to work and consult with the Hawaii
42 Congressional Delegation to sponsor a bill to



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1 establish a federal waterborne cargo subsidies program
2 within the United States Department of Transportation;
3 and
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- 5 (6) The Hawaii State Department of Transportation lead a
6 committee to work and consult with the Hawaii State
7 Senate and House of Representatives Standing
8 Committees on Transportation, county departments of
9 transportation, and county councils in the
10 establishment of local waterborne cargo subsidies
11 program, including the drafting of legislation; and
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13 WHEREAS, on November 5, 2021, the National Conference of
14 State Legislatures passed a resolution that:
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- 16 (1) Urges Congress to fund a broad subsidy for trans-
17 Pacific, trans-Atlantic, and interisland waterborne
18 cargo to improve the affordability of imported goods;
19 and
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- 21 (2) Requests that the United States Department of
22 Transportation Maritime Administration develop and
23 implement a federal waterborne cargo subsidies program
24 and that sources of any subsidies may be from existing
25 or newly created federal programs; now, therefore,
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27 BE IT RESOLVED by the Senate of the Thirty-first
28 Legislature of the State of Hawaii, Regular Session of 2022, the
29 House of Representatives concurring, that the Hawaii State
30 Department of Transportation is requested to convene a working
31 group and various committees to create and recommend federal,
32 state, and county subsidies for the transport of waterborne
33 cargo consistent with the findings and recommendations of the
34 Water Carriers Working Group's final report; and
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36 BE IT FURTHER RESOLVED that the working group consist of
37 the following members:
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- 39 (1) The Senate President, or the President's designee;
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41 (2) The Speaker of the House of Representatives, or the
42 Speaker's designee;



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- (3) The mayor of each county, or the respective mayor's designee;
- (4) One representative from the Department of Business, Economic Development, and Tourism;
- (5) One representative from the Hawaii State Department of Transportation;
- (6) One representative from the Department of Agriculture;
- (7) The Chairperson of the Senate Standing Committee on Transportation; and
- (8) The Chairperson of the House of Representatives Standing Committee on Transportation; and

BE IT FURTHER RESOLVED that the Hawaii State Department of Transportation is requested to convene a committee to continue working and consulting with the United States Department of Transportation Maritime Administration in the establishment of a federal waterborne cargo subsidies program, including the drafting of legislative language; and

BE IT FURTHER RESOLVED that the Hawaii State Department of Transportation is requested to convene a committee to work and consult with the Hawaii Congressional Delegation to sponsor a bill to establish a federal waterborne cargo subsidies program within the United States Department of Transportation; and

BE IT FURTHER RESOLVED that the working group is requested to work and consult with the Senate and House of Representatives Standing Committees with the subject matter of Transportation, county departments of transportation, and county councils in the establishment of a local waterborne cargo subsidies program, including the drafting of legislation; and

BE IT FURTHER RESOLVED that the working group is requested to submit an interim report providing an update on the status of establishing these waterborne cargo subsidies programs to the

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1 Legislature no later than twenty days prior to the convening of
2 the Regular Session of 2023; and

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4 BE IT FURTHER RESOLVED that the working group is requested
5 to submit a final report of its findings and recommendations,
6 including any proposed legislation, to the Legislature and
7 Governor no later than twenty days prior to the convening of the
8 Regular Session of 2024; and

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10 BE IT FURTHER RESOLVED that certified copies of this
11 Concurrent Resolution be transmitted to Hawaii's Congressional
12 Delegation; the Senate President; Speaker of the House of
13 Representatives; Chairperson of the Board of Agriculture;
14 Director of Business, Economic Development, and Tourism;
15 Director of Transportation; Chairpersons of the Senate and House
16 of Representatives Standing Committees with the subject matter
17 of Transportation; and mayors of each county.

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OFFERED BY: 

