

MAR 11 2022

SENATE 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

14
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;
27
28 (3) The cost of shipping goods to and within Hawaii is
29 reflected in the cost of imported goods consumed in



1 Hawaii and has been calculated to be as much as 7.5
2 percent of the cost of the goods;

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4 (4) Due to Hawaii's dependency on the import of goods,
5 maritime support to ensure food security in the State
6 is required; and

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8 (5) While there are agricultural-specific subsidies, as
9 well as subsidies for aircrafts transporting to remote
10 destinations, subsidies do not currently exist for
11 general cargo transport to and within Hawaii; and
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13 WHEREAS, the Water Carriers Working Group's final report
14 recommended that:

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16 (1) A broad subsidy for trans-Pacific and interisland
17 cargo could reduce the cost of goods;

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19 (2) The source of such subsidies could be from existing or
20 newly created federal, state, and county government
21 programs;

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23 (3) The Legislature pass a resolution directing the Hawaii
24 State Department of Transportation to convene a
25 working group to create and recommend federal, state,
26 and county subsidies for the transport of waterborne
27 cargo and provide an update on the status of creating
28 these programs to the Legislature prior to the
29 convening of the Regular Session of 2023;

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31 (4) The Hawaii State Department of Transportation lead a
32 committee to continue working and consulting with the
33 United States Department of Transportation in the
34 establishment of a federal waterborne cargo subsidies
35 program, including the drafting of legislative
36 language;

37
38 (5) The Hawaii State Department of Transportation lead a
39 committee to work and consult with the Hawaii
40 Congressional Delegation to sponsor a bill to
41 establish a federal waterborne cargo subsidies program



1 within the United States Department of Transportation;
2 and
3

- 4 (6) The Hawaii State Department of Transportation lead a
5 committee to work and consult with the Hawaii State
6 Senate and House of Representatives Standing
7 Committees on Transportation, county departments of
8 transportation, and county councils in the
9 establishment of local waterborne cargo subsidies
10 program, including the drafting of legislation; and
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12 WHEREAS, on November 5, 2021, the National Conference of
13 State Legislatures passed a resolution that:
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- 15 (1) Urges Congress to fund a broad subsidy for trans-
16 Pacific, trans-Atlantic, and interisland waterborne
17 cargo to improve the affordability of imported goods;
18 and
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- 20 (2) Requests that the United States Department of
21 Transportation Maritime Administration develop and
22 implement a federal waterborne cargo subsidies program
23 and that sources of any subsidies may be from existing
24 or newly created federal programs; now, therefore,
25

26 BE IT RESOLVED by the Senate of the Thirty-first
27 Legislature of the State of Hawaii, Regular Session of 2022,
28 that the Hawaii State Department of Transportation is requested
29 to convene a working group and various committees to create and
30 recommend federal, state, and county subsidies for the transport
31 of waterborne cargo consistent with the findings and
32 recommendations of the Water Carriers Working Group's final
33 report; and
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35 BE IT FURTHER RESOLVED that the working group consist of
36 the following members:
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- 38 (1) The Senate President, or the President's designee;
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40 (2) The Speaker of the House of Representatives, or the
41 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 Legislature no later than twenty days prior to the convening of the Regular Session of 2023; and



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2 BE IT FURTHER RESOLVED that the working group is requested
3 to submit a final report of its findings and recommendations,
4 including any proposed legislation, to the Legislature and
5 Governor no later than twenty days prior to the convening of the
6 Regular Session of 2024; and
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8 BE IT FURTHER RESOLVED that certified copies of this
9 Resolution be transmitted to Hawaii's Congressional Delegation;
10 the Senate President; Speaker of the House of Representatives;
11 Chairperson of the Board of Agriculture; Director of Business,
12 Economic Development, and Tourism; Director of Transportation;
13 Chairpersons of the Senate and House of Representatives Standing
14 Committees with the subject matter of Transportation; and mayors
15 of each county.
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OFFERED BY:

