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# SENATE RESOLUTION

REQUESTING THE HAWAII STATE DEPARTMENT OF TRANSPORTATION TO  
CONVENE A WORKING GROUP AND VARIOUS COMMITTEES TO CREATE  
AND RECOMMEND STATE AND COUNTY SUBSIDIES AND FEDERAL  
FUNDING 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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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

7  
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  
12

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;

18  
19 (2) The source of such subsidies could be from existing or  
20 newly created federal, state, and county government  
21 programs;

22  
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;

30  
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;

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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) Urged 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) Requested 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,  
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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 Department of Transportation is requested to convene a  
29 working group and various committees to create and recommend  
30 state and county subsidies for the transport of waterborne cargo  
31 consistent with the findings and recommendations of the Water  
32 Carriers Working Group's final report and recommendations on  
33 seeking broad federal funding; 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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- 1 (3) The mayor of each county, or the respective mayor's
- 2 designee;
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- 4 (4) One representative from the Department of Business,
- 5 Economic Development, and Tourism;
- 6
- 7 (5) One representative from the Hawaii State Department of
- 8 Transportation;
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- 10 (6) One representative from the Department of Agriculture;
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- 12 (7) One representative from the Hawaii Harbor Users Group;
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- 14 (8) The Chairperson of the Senate Standing Committee on
- 15 Transportation; and
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- 17 (9) The Chairperson of the House of Representatives
- 18 Standing Committee on Transportation; and
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20 BE IT FURTHER RESOLVED that the Department of

21 Transportation is requested to convene a committee to continue

22 working and consulting with the United States Department of

23 Transportation Maritime Administration in the seeking of federal

24 waterborne cargo funding, including the drafting of legislative

25 language; and

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27 BE IT FURTHER RESOLVED that the Department of

28 Transportation is requested to convene a committee to work and

29 consult with the Hawaii congressional delegation to sponsor a

30 bill to establish a federal waterborne cargo funding program

31 within the United States Department of Transportation; and

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33 BE IT FURTHER RESOLVED that the working group is requested

34 to work and consult with the Senate and House of Representatives

35 Standing Committees with the subject matter of Transportation,

36 county departments of transportation, and county councils in the

37 establishment of a local waterborne cargo subsidies program,

38 including the drafting of legislation; and

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40 BE IT FURTHER RESOLVED that the working group is requested

41 to submit an interim report providing an update on the status of

42 establishing these waterborne cargo subsidies programs to the



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 Resolution be transmitted to Hawaii's congressional delegation;  
12 Chairperson of the Board of Agriculture; Director of Business,  
13 Economic Development, and Tourism; Director of Transportation;  
14 and mayors of each county.

