

STAND. COM. REP. NO. 437

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 479
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 479 entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION,"

begs leave to report as follows:

The purpose and intent of this measure is to remove the requirement that common water carriers receive permission from the Public Utilities Commission before executing a long-term lease of more than three years or a leverage lease.

Your Committee received testimony in support of this measure from Matson Navigation Company, Inc.; Hawaii Harbor Users Group; and Young Brothers, LLC. Your Committee received testimony in opposition to this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee finds that as an island state, Hawaii is dependent upon the commercial harbor system to ensure continued and unimpeded flow of cargo in and out of the State. As ninety percent of Hawaii's imported goods pass through commercial harbors, including consumer goods, motor vehicles, construction materials, and fuel, it is crucial that the State support dependable and efficient cargo transportation, including water



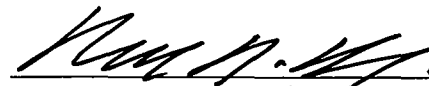
carriers, to service residents and businesses in a timely manner. However, current requirements unduly necessitate additional regulatory approval processes, which may impede a water carrier's ability to timely secure equipment or property needed to serve its customers. By ensuring that current approval processes are streamlined, water carriers can better serve Hawaii's communities.

Your Committee has amended this measure by:

- (1) Specifying that a common water carrier may, only upon approval by the Public Utilities Commission, enter into long-term leases of more than five years and leverage leases for waterborne vessels;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 479, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

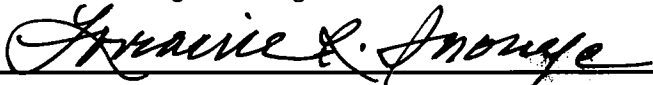
Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Culture and the Arts,


CHRIS LEE, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Transportation and Culture and the Arts
TCA

Bill / Resolution No.:* <i>SB479</i>	Committee Referral: <i>TCA, CPN</i>	Date: <i>2/9/23</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)	✓			
INOUE, Lorraine R. (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
KEOHOKALOLE, Jarrett	✓			
AWA, Brenton	✓			
TOTAL	<i>5</i>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes