

Honolulu, Hawaii

FEB 18

, 2026

RE: H.B. No. 2386
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Transportation, to which was referred H.B. No. 2386 entitled:

"A BILL FOR AN ACT RELATING TO WATER CARRIERS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the Public Utilities Commission to establish automatic adjustment mechanisms to address economic factors sua sponte or on application by a water carrier;
- (2) Require the Public Utilities Commission to establish a water carrier inflationary cost index automatic adjustment mechanism; and
- (3) Authorize the Public Utilities Commission to waive or exempt any water carrier from any requirement under the Hawaii Water Carrier Act.

Your Committee received testimony in support of this measure from Matson Navigation Company, Inc.; The Maritime Group; Hawai'i Harbors Users Group; Young Brothers, LLC; and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association; Maui Brewing Co.; Lanikai Brewing Company LLC; Japanese Chamber of



Commerce & Industry of Hawaii; and Hawai'i Farmers Union United. Your Committee received comments on this measure from the Department of Transportation; Department of Commerce and Consumer Affairs; Public Utilities Commission; and Hawai'i Farm Bureau.

Your Committee finds that water carriers play a vital role in Hawaii's economy by transporting goods essential to residents and businesses across the State. However, water carriers are subject to rising operational costs, including increases in wharfage rates and other inflationary pressures, while existing regulatory processes may create delays in timely rate adjustments. This regulatory lag can hinder carriers' ability to recover costs in a predictable manner, potentially affecting service reliability and financial stability. By authorizing the Public Utilities Commission to establish automatic adjustment mechanisms, this measure promotes greater rate stability and regulatory efficiency.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2386, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



DARIUS KILA, Chair



Record of Votes of the Committee on Transportation

Bill/Resolution No.: <i>HB 2386</i>	Committee Referral: <i>TRN.CPC</i>	Date: <i>2/12/26</i>		
<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. KILA, Darius K. (C)	✓			
2. MIYAKE, Tyson K. (VC)	✓			
3. COCHRAN, Elle		✓		
4. EVSLIN, Luke A.	✓			
5. GRANDINETTI, Tina Nakada				✓
6. KITAGAWA, Lisa	✓			
7. LA CHICA, Trish	✓			
8. MURAOKA, Christopher L.	✓			
9. PIERICK, Elijah				✓
TOTAL (9)	<i>6</i>	<i>1</i>	<i>0</i>	<i>2</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <i>Tyson Miyake</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				