

Honolulu, Hawaii

March 21, 2006

RE: S.B. No. 3098
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 3098, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HARBORS,"

begs leave to report as follows:

The purpose of this bill is to reserve Honolulu Harbor for strictly maritime use by:

- (1) Granting jurisdiction and administrative authority over Piers 1 and 2 and the contiguous backup fast lands that serve as a manifested cargo and passenger operations area to the Department of Transportation (DOT);
- (2) Granting jurisdiction and administrative authority over the area in the vicinity of Piers 1 and 2 currently being used as a foreign-trade zone to the Department of Business, Economic Development, and Tourism;
- (3) Changing the boundaries of the Kakaako Community Development District by excluding the areas comprising Piers 1 and 2 and the contiguous backup fast lands that serve as a manifested cargo and passenger operations area and foreign-trade zone;



- (4) Directing the Hawaii Community Development Authority to transfer various parcels of land to the Department of Land and Natural Resources (DLNR); and
- (5) Directing the Governor to set aside the following areas:
 - (A) Land presently containing the foreign-trade zone to DBEDT; and
 - (B) Land currently used as Piers 1 and 2 and the backup contiguous fast lands used as manifested cargo and passenger operations to DOT.

DOT, DBEDT, The Chamber of Commerce of Hawaii, Matson Navigation Company, Alexander and Baldwin, Inc., Young Brothers Limited, and a concerned individual testified in support of this bill. The Hawaii Community Development Authority (HCDA) supported this measure, with amendments.

Hawaii is dependent upon its harbors for the movement of cargo between islands and the rest of the world. Honolulu Harbor serves as the main lifeline of cargo and commerce for the State of Hawaii. Your Committee finds that cargo shipping space in Honolulu Harbor is at a premium and that the area encompasses Piers 1 and 2 is nearing its maximum cargo capacity. New harbor space needs to be found and present cargo space needs to be conserved. Hawaii's economic sustainability is dependent upon the effectiveness and efficiency of its harbors system and by transferring jurisdiction of Piers 1 and 2 from HCDA to DOT, the efficacy of this system can be better managed.

However, your Committee was informed by those testifying that language in H.B. No. 1880 more accurately reflected the parcel of lands to be transferred. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with language that:

- (1) Removes Piers 1 and 2 of Honolulu Harbor from the Kakaako Community Development District;
- (2) Grants jurisdiction and administrative authority over Piers 1 and 2 to the Department of Transportation (DOT);
- (3) Specifies that the land that DOT will have jurisdiction and administrative authority over includes:



- (A) Lot 3 of the Forrest Avenue subdivision and parcels 2, 3-A, A, and B as shown on the map filed with the Bureau of Conveyances of the State of Hawaii, as file plan 2335; and
- (B) Lots A-1 and A-2, as shown on map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with land court application 1328;

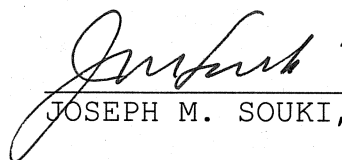
and;

- (4) Clarifies that the above-mentioned parcels shall be deleted from the Kakaako Community Development District and conveyed to DLNR to be set aside for DOT and the Foreign Trade Zone Division of DBEDT to ensure continued maritime and foreign commerce use of the specified lands.

Technical, nonsubstantive amendments were also made for 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 S.B. No. 3098, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3098, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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



JOSEPH M. SOUKI, Chair



State of Hawaii
House of Representatives
The Twenty-third Legislature

HSCR 1039-06

Record of Votes of the Committee on Transportation

Bill/Resolution No.: SB 3098 SD2		Date: 3/13/06		
Committee Referral: TRN, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. CALDWELL, Kirk				✓
4. CHONG, Pono	✓			
5. ITO, Ken				✓
6. NAKASONE, Bob	✓			
7. SHIMABUKURO, Maile S. L.	✓			
8. TANAKA, Kameo	✓			
9. YAMANE, Ryan I.	✓			
10. MOSES, Mark S.	✓			
11. STEVENS, Anne V.	✓			
TOTAL	9	0	0	2
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>				
<i>Maile B. Lee</i>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				