

Honolulu, Hawaii

MAR 24 2006

RE: H.B. No. 1880  
H.D. 2  
S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Water, Land, and Agriculture and  
Transportation and Government Operations, to which was referred  
H.B. No. 1880, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HARBORS,"

beg leave to report as follows:

The purpose of this measure is to change the boundaries of  
the Kakaako Community Development District by deleting the areas  
comprising of piers 1 and 2 and the contiguous backup fast lands  
that serve as a foreign cargo container yard and transferring the  
lands to the Department of Transportation and the foreign trade  
zone division of Department of Business, Economic Development, and  
Tourism.

Testimony in support of this measure was submitted by the  
Department of Business, Economic Development, and Tourism; the  
Department of Transportation; the Hawaii Community Development  
Authority; Alexander & Baldwin, Inc.; the Chamber of Commerce of  
Hawaii; the Hawaii Harbor Users Group; Maritime Consultants of the  
Pacific; Matson Navigation Company, Inc.; and Young Brothers,  
Limited.

Your Committees find that the foreign cargo container yard  
capacity will be exhausted within five years. The area used for  
foreign cargo containers was already reduced with the development  
of the passenger cruise ship terminal as part of pier 2. However,  
it was brought to the attention of your Committees that the area



that is being deleted from the Kakaako Community Development District to be transferred to the Department of Transportation also contains the foreign-trade zone under the direction of the Department of Business, Economic Development, and Tourism.

Accordingly, your Committees have amended this measure by:

- (1) Directing the Hawaii Community Development Authority to transfer the lands in question to the Department of Land and Natural Resources;
- (2) Directing the Governor to set aside the areas:
  - (A) Presently containing the foreign-trade zone to the Department of Business, Economic Development, and Tourism; and
  - (B) Presently used as pier 1 and 2 and the backup foreign cargo container yard to the Department of Transportation;
- (3) Clarifying the jurisdiction and administrative authority of Department of Business, Economic Development, and Tourism over the lands presently containing the foreign-trade zone; and
- (4) Making technical, nonsubstantive changes for clarity and style.

Your Committees note that regardless of which department or authority has jurisdiction, it is important that the Hawaii Community Development Authority continue providing input into planning and implementing appropriate compatible maritime development in the waterfront area. This input process is essential to the Hawaii Community Development Authority's legislative mandate and is necessary to examine the entire district with a holistic perspective, which includes traffic and infrastructure improvements. These elements are all needed to successfully operate maritime businesses in and around Piers 1 and 2, and it is important for all parties concerned, including the Hawaii Community Development Authority, to continue to focus on long-term solutions both inside and outside of Honolulu Harbor.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation and



Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1880, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1880, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Water, Land, and Agriculture and Transportation and Government Operations,

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LORRAINE R. INOUE, Chair

Russell S. Kobb  
RUSSELL S. KOKUBUN, Chair





