

Honolulu, Hawaii

MAR 15 2006

RE: S.R. No. 17

S.D. 1

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

Sir:

Your Committee on Transportation and Government Operations,
to which was referred S.R. No. 17 entitled:

"SENATE RESOLUTION REQUESTING THE DEPARTMENT OF
TRANSPORTATION TO CONTINUE TO COLLABORATE WITH THE HAWAII
HARBOR USERS GROUP TO IMPLEMENT PLANNED IMPROVEMENTS AND
CONSTRUCTION TO IMPROVE CARGO TERMINAL AND CONTAINER
FACILITIES AT HONOLULU HARBOR, KAHULUI HARBOR, AND HILO
HARBOR, AND COMMENDING AND CONGRATULATING THE DEPARTMENT OF
TRANSPORTATION AND THE HAWAII HARBOR USERS GROUP FOR THEIR
FINE WORK IN COMPLETING THE HAWAII HARBORS USER GROUP'S
REPORT,"

begs leave to report as follows:

The purpose of this measure is to request the Department of
Transportation to continue to collaborate with the Hawaii Harbor
Users Group to implement planned improvements and construction to
improve cargo terminal and container facilities at Honolulu
Harbor, Kahului Harbor, and Hilo Harbor.

This measure also commends and congratulates the Department
of Transportation and the Hawaii Harbor Users Group for their fine
work in completing the Hawaii Harbors User Group's report.

Your Committee received testimony in support of this measure
from the Department of Transportation; Norwegian Cruise Line;
Pacific Shipyards International; the Hawaii Harbor Users Group;
Alexander & Baldwin, Inc.; A&B Properties, Inc.; the Matson
Navigation Company; Maritime Consultants of the Pacific; the



Hawaii Ship Agents Association; Young Brothers, Limited; and the Hawaii Business Roundtable.

The Hawaii Harbor Users Group was formed by commercial harbor users to work with the Department of Transportation and the legislature to improve the operations and capacity of the State's commercial harbors.

Hawaii Harbor Users Group retained Mercator Transport Group (Mercator) to review and evaluate facility requirements of the State's harbor system as part of the efforts of the Hawaii Harbor Users Group and its members to work with and assist the Department of Transportation with planning and development of port facilities. Following a collaborative effort involving the Hawaii Harbor Users Group members, the Department of Transportation, and Mercator, the Hawaii Harbor Users Group set forth its findings and recommendations in its report, *Harbor Facility Development To Serve The State of Hawaii*. The report recommended comprehensive renovations and construction to Hawaii harbors to accommodate the future demands of shipping and ocean transportation.

Your Committee finds that the recommendations as contained in the report would vastly improve Hawaii's harbors for the future for shipping and ocean transportation. Your Committee urges the Committee on Ways and Means to include capital improvements funding for harbor construction and renovation in the budget of the Department of Transportation. According to testimony of the Department of Transportation, harbors do not receive any federal funds for capital improvement projects. Your Committee urges the Hawaii Harbor Users Group to request the Committee on Ways and Means, as well as the House Committee on Finance, to provide for such funding in the budget. Your Committee is appreciative of the statements of the Department of Transportation and the Hawaii Harbor Users Group to include the Chair of this Committee in future planning discussions on harbor improvements.

Your Committee has amended this measure to:

- (1) Delete language indicating that A&B Properties already designated parts of Kahului Harbor for harbor use, which is inaccurate at the present time; and
- (2) Add a request for construction and improvements for needed ferry terminal development to Nawilili Harbor on Kauai, known as the Pier 3 Dolphin Project.



As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 17, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 17, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Government Operations,


LORRAINE R. INOUÉ, Chair



