
HOUSE CONCURRENT RESOLUTION

OPPOSING THE ENACTMENT BY THE CALIFORNIA STATE LEGISLATURE OF A
BILL PROPOSING TO IMPOSE A FEE ON THE PROCESSING OF
SHIPPING CONTAINERS IN THE STATE OF CALIFORNIA BECAUSE OF
THE NEGATIVE IMPACT OF THE FEE ON THE PEOPLE AND THE
ECONOMY OF THE STATE OF HAWAII.

1 WHEREAS, California has been one of the primary gateways to
2 Hawaii for a great number of years, serving as an access point
3 to Hawaii even before Hawaii became the 50th State in the Union;
4 and
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6 WHEREAS, the people of the State of Hawaii continue to
7 depend on ships and barges to move the majority of the
8 necessities of daily life from the State of California to
9 Hawaii; and
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11 WHEREAS, over 90 percent of all the value of goods shipped
12 to Hawaii are shipped by water; and
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14 WHEREAS, most of the products produced in Hawaii and bound
15 for the Continental United States are shipped by water to ports
16 in California; and
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18 WHEREAS, Senate Bill 974, currently pending before the
19 California State Legislature, would impose a fee of \$30 per 20-
20 foot equivalent unit on every cargo container traveling between
21 California and Hawaii; and
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23 WHEREAS, most cargo containers used to transport goods to
24 and from Hawaii are at least two 20-foot equivalent units,
25 subjecting these containers to a fee of \$60 each time the
26 container leaves or returns to California regardless of whether
27 the container is empty, partially loaded, or full; and



1 WHEREAS, because of Hawaii's unique dependence on shipping
2 for the goods used in its people's daily lives, and these goods
3 are shipped primarily from ports in California, enactment of
4 Senate Bill 974 would have a detrimental effect on the trading
5 relationship between California and Hawaii and would damage
6 Hawaii's economy and cripple the major islands in Hawaii by
7 raising the cost of living for Hawaii's people by several
8 percent; and
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10 WHEREAS, the Legislature recognizes that California ports
11 are experiencing a serious problem with freight congestion and
12 that this problem not only negatively impacts California but has
13 negative consequences for Hawaii as well; and
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15 WHEREAS, the Legislature also recognizes that the efficient
16 and economical transport of freight along the West Coast of the
17 United States is a regional issue that takes a regional
18 solution, a solution that the State of Hawaii is willing to help
19 find; now, therefore,
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21 BE IT RESOLVED by the House of Representatives of the
22 Twenty-fourth Legislature of the State of Hawaii, Regular
23 Session of 2007, the Senate concurring, that the Legislature
24 respectfully requests the California State Legislature to
25 recognize the negative effect that Senate Bill 974 would have on
26 the trading relationship between California and Hawaii and the
27 economic costs associated with that negative effect to both
28 states; and
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30 BE IT FURTHER RESOLVED that the Legislature respectfully
31 requests the California State Legislature to also recognize the
32 negative effect that Senate Bill 974 would have on the people
33 and the State of Hawaii; and
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35 BE IT FURTHER RESOLVED that the Legislature opposes the
36 enactment of Senate Bill 974 and urges the California State
37 Legislature to consider alternative means for raising revenue
38 for infrastructure of California ports; and



1 BE IT FURTHER RESOLVED that the Legislature is willing to
 2 assist, and will work with, the California State Legislature to
 3 find a mutually beneficial means for the efficient and economic
 4 transport of goods between Hawaii and California; and

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 6 BE IT FURTHER RESOLVED that the Legislature urges the
 7 Attorney General to research the legal issues raised by the tax
 8 on shipping containers proposed in Senate Bill 974; and

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 10 BE IT FURTHER RESOLVED that if the tax in Senate Bill 974
 11 is enacted and the facts and law support an action by the State
 12 of Hawaii to challenge the tax, the Legislature urges the
 13 Attorney General to immediately file a complaint and request an
 14 injunction in the federal district court and in any other forum
 15 that could provide relief; and

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 17 BE IT FURTHER RESOLVED that certified copies of this
 18 Concurrent Resolution be transmitted to the Honorable Arnold
 19 Schwarzenegger, Governor of the State of California; the
 20 Honorable John Garamendi, Lieutenant Governor of the State of
 21 California; the California State Senate; the California State
 22 Assembly; the Honorable Linda Lingle, Governor of the State of
 23 Hawaii; the Honorable James Aiona, Lieutenant Governor of the
 24 State of Hawaii; and Hawaii's Congressional Delegation.

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