

MAR 14 2007

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## SENATE CONCURRENT RESOLUTION

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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 50<sup>th</sup> 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 Senate of the Twenty-fourth  
22 Legislature of the State of Hawaii, Regular Session of 2007,  
23 that the House of Representatives concurring, that the  
24 Legislature respectfully requests the California State  
25 Legislature to recognize the negative effect that Senate Bill  
26 974 would have on the trading relationship between California  
27 and Hawaii and the economic costs associated with that negative  
28 effect to both 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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27 OFFERED BY:

*Randy H. Pelt*  
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