

STAND. COM. REP. NO. 1727

Honolulu, Hawaii

April 3, 2007

RE: H.C.R. No. 276

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred
H.C.R. No. 276 entitled:

"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,"

begs leave to report as follows:

The purpose of this concurrent resolution is to alleviate the
negative impacts increased fees would have on the people and
economy of the State of Hawaii by stating the Legislature's
opposition to the enactment of a bill by the California State
Legislature that proposes to impose fees on the processing of
shipping containers in the State of California.

The Department of Transportation, The Chamber of Commerce of
Hawaii, Horizon Lines, LLC, and Hawaii Ports Maritime Council
testified in support of this measure. Alexander and Baldwin,
Inc., and Matson Navigation Company, Inc., testified in support of
the intent of this measure. The ILWU Local 142 testified in
opposition to this measure.

Hawaii is unique among its 49 sister states in that over 90
percent of goods being consumed in Hawaii come to Hawaii via its
ports. It has been estimated that the processing fees being
proposed in California will add approximately \$34,000,000 dollars
a year in shipping costs. These increased costs will have a

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negative impact on the people of Hawaii and will add to the financial burden Hawaii consumers already face.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 276 and recommends that it be referred to the Committees on Economic Development & Business Concerns and Consumer Protection & Commerce.

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



JOSEPH M. SOUKI, Chair



