

STAND. COM. REP. NO.

1763

Honolulu, Hawaii

APR 13 2007

RE: S.C.R. No. 24
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred
S.C.R. No. 24, S.D. 1, entitled:

"SENATE CONCURRENT RESOLUTION AUTHORIZING THE GRANT OF A
TERM, NON-EXCLUSIVE EASEMENT COVERING PORTION OF SUBMERGED
LANDS AT LAHAINA, MAUI, FOR DIVE SITE FOR COMMERCIAL
SUBMARINE TOURS,"

begs leave to report as follows:

The purpose of this measure is to grant the prior
authorization by concurrent resolution of the Legislature of a
lease to submerged state lands beneath tidal waters at Lahaina,
Maui, Hawaii, to Atlantis Submarines Hawaii, LLC.

Your Committee has received comments in support of this
Concurrent Resolution from the Department of Land and Natural
Resources.

Atlantis proposed to sink the Carthaginian, a replica of a
whaling ship that was on display for years in Lahaina Harbor, as a
submerged reef. The Carthaginian was deteriorating and determined
to be beyond repair. The purpose of the sinking of the
Carthaginian was to create an artificial reef that would:

- (1) Alleviate pressure on existing natural reef systems;
- (2) Promote reef and fish biomass for commercial and
recreational users; and

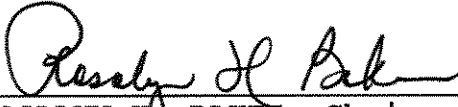


- (3) Provide educational opportunities to study biomass increase over time.

Prior to establishing the artificial reef, Atlantis required a lease for the submerged lands that the sunken Carthaginian would occupy. At its scheduled meeting of December 9, 2005, the Board of Land and Natural Resources authorized the direct issuance of a term, non-exclusive easement for the use of the state submerged lands as a dive site for commercial submarine tours, subject to certain conditions. However, because of the rapid disintegration of the Carthaginian and the coming whale season, your Committee notes that Atlantis was permitted to sink the Carthaginian on December 13, 2005.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24, S.D. 1, and recommends its adoption.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



