

STAND. COM. REP. NO. 160

Honolulu, Hawaii

Feb 8, 2007

RE: H.B. No. 1718  
H.D. 1

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.B. No. 1718 entitled:

"A BILL FOR AN ACT RELATING TO CRUISELINE INDUSTRY,"

begs leave to report as follows:

The purpose of this bill is to assist the Legislature in making informed policy decisions regarding the cruise industry in Hawaii by requiring the Department of Transportation (DOT), in collaboration with the Department of Business, Economic Development, and Tourism (DBEDT), the Hawaii Tourism Authority (HTA) and the cruise industry, to conduct a cost benefit analysis of the cruise industry in Hawaii.

DOT, North West CruiseShip Association, Princess Cruises, and Sierra Club - Hawaii Chapter testified in support of this bill. DBEDT, DLNR, HTA, NCL America, and the Retail Merchants of Hawaii supported the intent of this measure.

Hawaii's cruise industry has grown significantly over the last several years. While it appears that this growth provides a much-needed boost to Hawaii's economy, it is unclear what the exact economic, social, and environmental impacts of the cruise industry have been on our state. Conducting a comprehensive cost benefit analysis of Hawaii's cruise industry will assist Hawaii's leaders in making informed policy decisions regarding the growth of this industry.

HB1718 HD1 HSCR TRN HMS 2007-1896



However, your Committee recognizes the concerns raised by DOT that it does not have the expertise to conduct this cost benefit analysis and that the more appropriate agency to conduct this analysis would be DBEDT. Additionally, the concern raised by DLNR that it should also collaborate on this study and DBEDT's concern that the scope of the analysis should be broadened, were also taken into consideration.

Accordingly, your Committee has amended this bill by:

- (1) Requiring DBEDT to conduct the analysis in collaboration with DOT, HTA, and DLNR, with input from the cruise industry;
- (2) Broadening the scope of the analysis to also include the study of the cruise industry's effect on the State's harbor facilities; safety and security measures; environment and infrastructure; fees; and traffic; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1718, H.D. 1, and be referred to the Committees on Tourism & Culture and Economic Development & Business Concerns.

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



JOSEPH M. SOUKI, Chair



