

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2816  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2816, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INTRA-COUNTY FERRY SERVICE,"

begs leave to report as follows:

The purpose of this measure is to alleviate ferry transportation difficulties for residents of counties reliant on intra-county ferry services.

Specifically, this measure:

- (1) Requires the Department of Land and Natural Resources to assign priority mooring space to intra-county ferries serving a county with five hundred thousand or fewer people and consisting of at least three islands inhabited by permanent residents; and
- (2) Exempts distributors from fuel tax for fuel sold for ultimate use by the intra-county ferry services.

The Board of Land and Natural Resources, Department of Taxation, Department of Transportation, and Tax Foundation of Hawaii submitted comments.

West Maui residents are served by only one two-lane highway and one small airport. The residents of the island of Lana'i have only one affordable and frequent means of transport to Maui, which



is the intra-county ferry from Lana'i to Lahaina. A more convenient route for Lana'i travelers will be to dock in Ma'alaea. This measure will assign priority mooring space to an intra-island ferry serving a route between Lana'i and Ma'alaea harbor and exempt the added fuel costs of this route from the fuel tax.

Your Committee finds that an alternative ferry route from Lana'i to Ma'alaea harbor will also benefit West Maui residents by easing congestion in and around Lahaina and its small boat harbor. The alternate route to Ma'alaea will also facilitate emergency ferry operations out of Lahaina if the highway in West Maui is closed for some reason.

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 is in accord with the intent and purpose of S.B. No. 2083, S.D. 1, and recommends that it pass Third Reading.

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

  
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ROSALYN H. BAKER, Chair



