
A BILL FOR AN ACT

RELATING TO FERRIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The State of Hawaii is made up of a chain of
2 islands, six of which have major population centers. Unlike
3 other states, Hawaii does not have the benefit of being linked
4 to other states through the federal interstate highway system or
5 a network of intersecting state and local highways and roads.

6 With the exception of slow, time consuming interisland
7 shipping and barge operations for the transportation of property
8 between the islands, the only link between the islands for the
9 transportation of persons is air transportation, with our
10 present reliance on two interisland carriers and a few smaller
11 commuter operations. However, this reliance on air
12 transportation may be misplaced. With the exception of the
13 island of Hawaii, each of the neighbor islands is served by only
14 one airport, and each may be subjected to severe operational
15 interruption in the event of a natural disaster, such as a
16 hurricane or earthquake. Even the Hickam Air Force Base-
17 Honolulu international airport complex, with its location along
18 the shoreline on Oahu may be operationally shut down by a



1 natural disaster. By way of example, had the airport at Lihue
2 been shut down operationally in the aftermath of Hurricane
3 Iniki, it would have taken days, if not weeks, before any major
4 aid and relief in the form of water, food, medical supplies, and
5 rescue workers could have reached the island. Hawaii is too
6 reliant on its present slow water carriers and air carriers in
7 the event of a major natural disaster.

8 While the Hawaii superferry operation had its shortcomings,
9 rocky start, and questionable financial forecast, it proved to
10 be a very successful mode of transportation of both persons and
11 property between the islands of Maui and Oahu. It was the
12 missing link in the transportation system between the islands
13 that is so essential for the health, safety, and well-being of
14 the people of Hawaii.

15 The purpose of this measure is to establish the Hawaii
16 state ferry system to provide that necessary and essential
17 additional missing link for the carriage of persons and property
18 between the islands of the State.

19 SECTION 2. The Hawaii Revised Statutes is amended by
20 adding a new chapter to be appropriately designated and to read
21 as follows:

22 "CHAPTER



HAWAII STATE FERRY SYSTEM

§ -1 Definitions. As used in this chapter, unless the context indicates otherwise:

"Authority" means the Hawaii state ferry system authority.

"Department" means the department of transportation.

"Director" means the director of transportation.

"Ferry system" means the Hawaii state ferry system.

"Vessel" means all description of watercraft, used or capable of being used as a means of transporting persons or property on or in the waters of the State between the islands.

"Waters of the State" has the same meaning as in section 200-23.

§ -2 Hawaii state ferry system authority; establishment, members. (a) There is established in the department the Hawaii state ferry system authority, which shall be a body corporate and a public instrumentality of the State, for the purpose of implementing this chapter.

(b) The authority shall comprise six public voting members and one ex official voting member, provided that:

(1) Members shall be appointed by the governor as provided in section 26-34, except as otherwise provided by law;



1 (2) One member shall represent the city and county of
2 Honolulu and each of the counties of Hawaii, Maui, and
3 Kauai;

4 (3) Two members shall be public members with knowledge,
5 experience, and expertise in the area of maritime
6 industry management, operations, and marketing; and

7 (4) The director of transportation or a designated
8 representative shall an ex officio voting member and
9 chairperson of the authority.

10 § -3 Powers. (a) Except as otherwise limited by this
11 chapter, the authority may:

12 (1) Sue and be sued;

13 (2) Have a seal and alter the same at pleasure;

14 (3) Through the director, make and execute contracts and
15 all other instruments necessary or convenient for the
16 exercise of its powers and functions under this
17 chapter; provided that the authority may enter into
18 contracts and agreements for a period of up to five
19 years, subject to the availability of funds; and
20 provided further that the authority may enter into
21 financing, lease, and similar agreements for the



- 1 provisions of vessels for normal and usual commercial
2 terms;
- 3 (4) Make and alter bylaws for its organization and
4 internal management;
- 5 (5) Unless otherwise provided in this chapter, adopt rules
6 in accordance with chapter 91 with respect to its
7 projects, operations, properties, and facilities;
- 8 (6) Through the director, represent the authority in
9 communications with the governor and the legislature;
- 10 (7) Through the director, provide for the appointment of
11 officers, agents, and employees, subject to the
12 approval of the authority, prescribing their duties
13 and qualifications, and fixing their salaries, without
14 regard to chapters 76 and 78;
- 15 (8) Through the director, purchase supplies, equipment, or
16 furniture;
- 17 (9) Through the director, allocate the space or spaces
18 that are to be occupied by the authority and
19 appropriate staff;
- 20 (10) Through the director, engage the services of
21 consultants on a contractual basis for rendering
22 professional and technical assistance and advice;



- 1 (11) Procure insurance against any loss in connection with
2 its property and other assets and operations in
3 amounts and from insurers as it deems desirable;
- 4 (12) Contract for or accept revenues, compensation,
5 proceeds, and gifts or grants in any form from any
6 public agency or any other source;
- 7 (13) Develop, coordinate, and implement state policies and
8 directions for safe transportation of persons and
9 property between the islands, taking into account the
10 economic, social, and physical impacts of its
11 operations on the State and each of the counties;
- 12 (14) Work to eliminate or reduce barriers to travel between
13 the islands and provide a positive and competitive
14 business environment, including coordinating with the
15 department on issues affecting other water carriers
16 and airlines and air route development;
- 17 (15) Set and collect rents, fees, charges, or other
18 payments for the lease, use, occupancy, or disposition
19 of any facilities under its control, including wharves
20 and terminals, without regard to chapter 91;
- 21 (16) Notwithstanding chapter 171, acquire, lease as lessee
22 or lessor, own, rent, hold, and dispose of the



1 facilities in the exercise of its powers and the
2 performance of its duties under this chapter; and
3 (17) Acquire by purchase, lease, or otherwise, and develop,
4 construct, operate, own, manage, repair, reconstruct,
5 enlarge, or otherwise effectuate, either directly or
6 through developers, any required facilities, including
7 terminal facilities.

8 (b) At minimum, the authority shall operate one high speed
9 passenger and vehicular ferry vessel, with a minimum capacity of
10 four hundred passengers and hundred vehicles, capable of
11 operating at thirty knots or more, for the carriage of
12 passengers and property between the major islands, and other
13 small vessels, as needed, for service to the between the islands
14 of Maui, Molokai, and Lanai and other routes.

15 (c) The authority shall do any and all things necessary to
16 carry out its purposes, to exercise the powers and
17 responsibilities given in this chapter, and to perform other
18 functions required or authorized by law.

19 § -4 Initial operations. (a) The authority, as soon as
20 practicable, shall engage in communications with the United
21 States Department of Transportation and the United States
22 Maritime Administration relating to federal funding assistance



1 and the possible purchase or lease of the former Hawaii super
2 ferry vessels Alakai and Huakai or other available suitable
3 vessels to commence its operations.

4 (b) The authority shall have full access to all the waters
5 of the State for the routes and schedules of the operations of
6 the ferry system.

7 (c) The authority shall have access on a priority basis
8 into all harbors and small boat facilities operated by the
9 department and the department of land and natural resources for
10 discharging and receiving of passengers and property, wharfage,
11 mooring, terminal, and other support facilities.

12 (d) To the extent practicable, the authority shall use the
13 former facilities used by the Hawaii super ferry for its ferry
14 system operations, including but not limited to terminal
15 facilities, ramps, moorage facilities, and equipment.

16 § -5 Improvements and harbor facilities. Through the
17 director, the authority shall have all the rights and powers
18 afforded the department with regard to section 266-19.5 and
19 sections 266-51 to 266-55.

20 § -6 Common carrier. (a) The authority shall have all
21 the rights, obligations, and duties of a common carrier of
22 persons and property in its ferry system operations, including



1 the right to a certificate of public convenience and necessity;
2 provided that the authority shall be subject to the provisions
3 of chapters 269 and 271G.

4 § -7 Rates, fares, and charges; Hawaii state ferry
5 system special fund. All rates, fares, charges, and other
6 revenue collected by the authority in the operation of the ferry
7 system, including but not limited to the carriage of persons and
8 property and the lease of terminal areas shall be deposited into
9 the Hawaii state ferry system special fund.

10 (b) There is established the Hawaii state ferry system
11 special fund, into which shall be deposited:

- 12 (1) All rates, fares, charges, and revenue collected
13 pursuant to subsection (a);
- 14 (2) Appropriations by the legislature to the Hawaii state
15 ferry system;
- 16 (3) Gifts, grants, and other funds accepted by the
17 authority; and
- 18 (4) All interest and revenues or receipts derived by the
19 authority from any project or project agreements.

20 (b) Moneys in the Hawaii state ferry system special fund
21 may be:



1 (1) Placed in interest-bearing accounts; provided that the
2 depository in which the money is deposited furnishes
3 security as provided in section 38-3; or

4 (2) Otherwise invested by the authority until the moneys
5 may be needed; provided that the authority shall limit
6 its investments to those listed in section 36-21.

7 All interest accruing from the investment of these moneys shall
8 be credited to the Hawaii state ferry system special fund.

9 (c) Moneys in the Hawaii state ferry system special fund
10 shall be used by the authority for the operations of the Hawaii
11 state ferry system and for the purposes of this chapter.

12 § -8 Rules. The authority shall adopt, amend, and
13 repeal rules to implement this chapter."

14 SECTION 3. Chapter 268, Hawaii Revised Statutes, is
15 repealed.

16 SECTION 4. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2010-2011 for
19 start up and operations of the Hawaii state ferry system.

20 The sum appropriated shall be expended by the department of
21 transportation for the purposes of this Act.



1 SECTION 5. This Act shall take effect on July 1, 2010.

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INTRODUCED BY:

[Signature]

Karen Curran

Cheri M. By

JAN 25 2010



Report Title:

Transportation; Ferry System

Description:

Establishes the Hawaii state ferry system and the Hawaii state ferry system special fund for the operation of a ferry system between the islands.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

