

TESTIMONY

SB2460

LATE

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February 22, 2010 10:15 AM Room #221

TESTIMONY TO: WTL; EDT; WAM

Senator Hee, Chair WTL

Senator Fukunaga, Chair EDT

Senator Kim, Chair WAM

Presented By: Jerrod Kowalski

Subject: SB 2460 Relating to the Kaho'olawe Rehabilitation Trust Fund

STRONG OPPOSITION

Chairs Hee, Fukunaga, & Kim; Members of the Committees:

I am opposed to this bill.

Kaho'olawe restoration is important, but this is not the funding method. Please Kill SB 2460.

Sincerely,

Jerrod Kowalski
Concerned citizen

Blue Water Rafting

P.O. BOX 1865
Kihei, HI 96753

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Senator Hee, Chair WTL

Senator Fukunaga, Chair EDT

Senator Kim, Chair WAM

As a member of the Ocean Tourism Coalition (OTC), I am in solid agreement with James E. Coon, our president whose testimony below accurately reflects my views regarding this proposed bill.

Please consider his testimony as my own as stated below:

Presented By: **James E. Coon**, President of the Ocean Tourism Coalition

Subject: SB 2460 Relating to the Kaho'olawe Rehabilitation Trust Fund

SPEAKING IN THE STRONGEST OPPOSITION

Chairs Hee, Fukunaga, & Kim; Members of the Committees:

I am Jim Coon, President of the Ocean Tourism Coalition (OTC), speaking with **STRONGEST OPPOSITION to SB 2460.**

The Ocean Tourism Coalition is the only state-wide organization that represents the more than 300 small businesses that operate vessels out of the small boat harbors of the state. **There are 41 of these small businesses** that operate tours to Molokini Shoals Marine Life Conservation District under permits issued by DAR/DLNR. Each one of these business is **fighting for their very survival** in this very difficult economic climate. Tourists already are not spending as much to take tours like the ones offered to Molokini.

All our **passenger counts are down significantly** in spite of the heavy discounting in the marketplace. The tourists are looking for the least expensive vacation possible. Every time we increase the cost to do our products, we lose business. The cost to do activities in Hawaii helps drive the decision whether or not to vacation in Hawaii. We believe that the net loss to the State will actually far outweigh whatever revenue would be garnered from this plan. Also it places significant added burdens on our companies to collect, report, and administrate this onerous fee/surcharge.

This is an administration and collection night mare. As the bill is written, it appears that the tour operator has the expectation to collect the \$1 surcharge from the tourist. If somehow the tourist doesn't pay the operator, the Department will initiate collection action against the tourist. This is problematic. There are

many ways payment could be overlooked. Many of the tourists make reservations on line or through an activity desk. It may be that the activity desk neglected to collect the surcharge, yet the tourist is liable for it. Or the booking on line somehow neglected to charge/collect the fee. I can see it now; a family finds that they somehow didn't pay the surcharge and has an outstanding warrant to pay from the State of Hawaii and is afraid to come back.

It is unclear how large this net is cast. It looks like the way the bill is currently written it might affect any ocean recreation business whether or not they go to Molokini. What about a company that has products that go to Molokini but also other ocean recreation products that do not go to Molokini? Are all the products of this company subject to the Molokini surcharge even if the tourist does not go to Molokini?

The many small businesses that earn their livelihood from a pristine and protected marine environment are already supporting various non profit and environmental organizations that help protect and preserve our natural resources. They are also trying to keep their staff employed and their businesses afloat.

Commercial boaters represent less than 3% of the total boats using harbor facilities yet produce close to 50% of all revenues derived from boater fees. Commercial boaters recently supported successful legislation to have their commercial use fees raised by 50% with the promise that this would provide enough extra revenue for DOBOR to upgrade our harbors. On February 10, 2010 DLNR wrote a letter to all slip holders that our mooring fees were going to have a nearly 100% increase starting within the next two months. We do not want to see an additional draconian open ended fee system added on to our already strained resources to the point where it drives us out of business.

We seriously doubt that it is even legal to charge one user group to fund a totally unrelated entity? There is a Federal ruling that Boating fees have to accurately reflect the cost to provide the service. What service is being provided to boaters here?

We applaud the effort that has gone into the Kaho'olawe restoration but our small businesses cannot afford to be the funding source.

We humbly ask you to **Please Kill SB 2460.**

Sincerely,

Mark De Rensis
President
Blue Water Rafting
Challenger Waterskiing Kihei, Inc.
Wailea Boating Company, Ltd.

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