



Mālama Kaua'i
M A L A M A K A U A I . O R G

RE: HB2667

To: Ways And Means Committee

LATE

From: Malama Kaua'i

DATE: March 31, 2010

TIME: 9:30 a.m.

PLACE: Room 211

State Capitol, 415 South Beretania Street

Testimony to oppose HB2667

Dear Honorable Committee Members,

Malama Kaua'i would like to state our opposition to HB2667.

In this time of economic distress, the state of Hawaii would be remise to focus its financial resources on conducting the study suggested in HB2667. Both Enterprise Honolulu and Market Scope Inc. have both conducted recent studies similar to the one being requested by HB2667, it is therefore an unneeded request at this time.

Further, it is ironic that a study to look at the financial viability of a ferry service that utterly failed to be financially viable despite an enormous financial investment from both the public and private sectors is even a consideration. The continued contribution of state money on a proven market failure is not the kind of sound investment that is needed at this time.

The fine members of this committee are well aware of the budgetary shortfalls that we must endure as a state over the coming years. Let us cut our losses with this failed endeavor and focus on viable solutions to uplift the communities of Hawaii as we head into this challenging time.

Mahalo nui loa,

Keone Kealoha
Executive Director

Kahului Harbor Coalition
P.O. Box 170
Haiku, HI 96708

Testimony

Measure: HB2667 Relating to Ferries

Position: oppose and we request the inclusion of our organization in any "Study Group".

To:

Chair Kim, Vice-Chair Tsutsui, and Members of the WAM

From:

Jeffrey Parker

Director, Kahului Harbor Coalition

3-30-10

Dear Chair Kim and Members,

Our organization opposes Bill HB2667 for reasons outlined in this testimony. Also, should this ill-conceived and ill-written Bill actually pass and a "DOT Study Group" is authorized, then our group, a group who has been intimately involved in the Superferry debacle for approx. 5 years, formally requests to be named to any "Study Group" studying a State-run ferry system.

I. Study

The best model to look at when deciding whether or not the State should embark on something like the study proposed in HB2667 is the "Superferry Task Force" (OTF) that was required by the unconstitutional Act 2. Our members attended all the OTF meetings held on Maui and some of our associates even attended meetings in Honolulu. We hoped that the OTF members would listen to the concerns of the many organizations and individuals who appeared before them and would make recommendations which might mitigate some of the impacts of the Superferry operation. Instead, with the notable exception of 2 or 3 individuals, the Task Force members were political appointees who seemed to be only acting as cheerleaders for the Superferry.

When we asked the OTF to recommend procedures to limit or stop the "resource extraction" (the taking of Maui's reef fish, opihi, seaweed, rocks, etc) enabled by the Superferry, the OTF failed to do that. When we asked that the OTF recommend additional procedures that would have helped limit the spread of dangerous invasive species between the islands, the OTF failed to that. When we asked that the OTF recommend alternate routes and procedures that would have reduced the likelihood of whale strikes, the OTF did not make those recommendations.

So any study like the one proposed by HB2667 must included real citizens with real expertise, not political appointees merely acting as cheerleaders for a State-run ferry system.

II. Why a State-run ferry system now?

Conducting a costly "Study" at a time when our State faces unprecedented financial challenges, is counter to good and responsible policy. Shall we lay off more teachers and agricultural inspectors, close more libraries, to pay for this study? Of course we see the

same old inferences in the Bill - alluding to financing a ferry and the "study" through "Special Funds" or fees and charges. We heard this time and again during the Superferry debacle. For example, that the \$50 Million for the barges and harbor improvements would eventually be covered by increased harbor fees paid by the Superferry and other harbor users. No, what happened instead was that the State was left holding the bag. And some people just never seemed to put two and two together: that the increased fees charged to users like Young Brothers and Matson were passed along to Hawaii's consumers through higher freight charges on almost every item passing through Hawaii's harbors. How will jacking up the costs of goods and services passing through the harbors help Hawaii's people recover from severe economic downturn?

III. And all of this to achieve what?

Contrary to statements in the introduction of the Bill, the Hawaii Superferry definitely proved to NOT be "a very successful mode of transportation of both persons and property...." In the end the Hawaii Superferry could not generate enough rider ship and could not operate on enough days to do much more than cover its outrageous fuel consumption cost. (Even this, that it covered its fuel, is questionable)

This despite:

- A. a multimillion dollar public relations campaign
- B. one-sided reporting and promotion by many of Hawaii's newspaper and broadcast media.
- C. an owner, John Lehman, who bragged about his investors "deep pockets"
- D. massive subsidy by the State of Hawaii and subsidy by other harbor users
- E. a Loan Guaranty backed by the U.S. taxpayers,

Why does the State now believe that it can accomplish what these super-savvy businessmen could not?

Additionally, we have a problem with enshrining into legislation this assertion in the Bill:

"By way of example, had the airport at Lihue been shut down operationally in the aftermath of Hurricane Iniki, it would have taken days, if not weeks, before any major aid and relief in the form of water, food, medical supplies, and rescue workers could have reached the island."

Young Bros. submitted testimony to Rep. Souki's Transportation Committee (on HB2433) refuting this assertion and detailed Young Bros. rather rapid response to the Hurricane Iniki disaster.

IV. Compliance with HRS Chapter 343.

After the landmark decisions handed down by the Hawaii Supreme Court regarding the errors of the Administration and the Legislature in exempting the Superferry from Chapter 343, and the broad condemnation of the State Auditor Marion Higa, we find it both troubling and alarming that this Bill does not specifically require compliance with HRS Chapter 343 for any ferry system proposed by the HDOT or the "Ferry Authority". Instead the Bill rather weakly suggests:

"The Study shall also include (b-2) "(2) Any impact a statewide ferry system would have on the state and the counties;"

and (b-5)

“(5) Information on the impact a statewide ferry system would have on the other water carriers in the state.”

And then the Bill ends with an extremely worrisome condition:

(c-3) “The study shall also include the following information on the development of a Hawaii state ferry system authority:

(3) The ability of the authority to eliminate or reduce barriers to travel between the Hawaiian islands and provide a positive and competitive business environment.

What does this mean? Is this supposed to be a foot in the door for those who see environmental protection as a barrier to travel or as a barrier to business?

So, if this Bill is passed (and we hope not) very strong specific language should be inserted regarding compliance with HEPA and NEPA such as

“all ferry systems proposed by the Ferry Authority or studied by HDOT must comply with HRS Chapter 343 (HEPA) and further must comply with NEPA (National Environmental Policy Act). All projects which are proposed as a result of this “Ferry Authority” or this “HDOT Study” will be subject to full environmental review under the law, and not merely some other kind of environmental review such as the pseudo-EIS required by Act 2.”

Thank you for the opportunity to comment and we urge you to table this proposal at least until economic prospects for Hawaii vastly improve.

Sincerely

Jeffrey Parker

kim5 - Deborah

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 30, 2010 6:23 PM
To: WAM Testimony
Cc: merway@hawaii.rr.com
Subject: Testimony for HB2667 on 3/31/2010 9:30:00 AM

Follow Up Flag: Follow up
Flag Status: Completed

Testimony for WAM 3/31/2010 9:30:00 AM HB2667

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Marjorie Erway
Organization: Individual
Address: PO Box 2807 Kailua Kona, HI
Phone: 808-324-4624
E-mail: merway@hawaii.rr.com
Submitted on: 3/30/2010

Comments:

There have been enough studies done and the State should not spend any more money to study the issue now. It's time to let a Ferry system die a natural death; instead of trying to revive a dead whale. Private industry should be the one to decide to do the ferries, and will if it truly is needed.

Please vote NO on this bill. Mahalo.

kim5 - Deborah

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 30, 2010 9:54 PM
To: WAM Testimony
Cc: judie@aloha.net
Subject: Testimony for HB2667 on 3/31/2010 9:30:00 AM

Follow Up Flag: Follow up
Flag Status: Completed

Testimony for WAM 3/31/2010 9:30:00 AM HB2667

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Judie Lundborg
Organization: Individual
Address:
Phone:
E-mail: judie@aloha.net
Submitted on: 3/30/2010

Comments:

This bill is a total waste of the meager state resources. This would be the 3rd or 4th study done - no need to re-invent the wheel. Secondly, a Fast Ferry thru a marine sanctuary will never past an EIS. When kids are back in school 5 days a week, you can consider frivalous studies.

Aloha

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 2688, H.D. 1, S.D. 1

March 31, 2010

RELATING TO HEALTH

House Bill No. 2688, H.D. 1, S.D. 1, changes the name of the Environmental Health Education Fund to the Sanitation and Environmental Health Fund and allows the fund to be used for sanitation program activities. This bill also increases the threshold for deposit of excess funds into the general fund.

We oppose this bill. The proposed amendment will limit the flexibility of the Executive Branch to review program funding requirements and allocate funding to programs based on statewide priorities within available resources. The proposed amendment also would not provide any flexibility to account for any adverse fiscal conditions.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: dumpnoco2@aol.com
Subject: Testimony for HB2667 on 3/31/2010 9:30:00 AM
Date: Wednesday, March 31, 2010 9:50:43 AM

Testimony for WAM 3/31/2010 9:30:00 AM HB2667

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Gwen Ilaban
Organization: Individual
Address: 76-6182 Alii Drive Kailua-Kona, Hawaii
Phone: 8088870804
E-mail: dumpnoco2@aol.com
Submitted on: 3/31/2010

Comments:

The Department of Transportation does not need to conduct a study on the feasibility of establishing a statewide ferry system.

The Hawaii Superferry did prove that it was not economically viable. The design of the vessel was not suitable for Hawaii's oceans nor were the harbors able to accommodate this type of activity.

It's throwing good money after a bad concept.