

STAND. COM. REP. NO. 1560

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 98
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 98, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO WATER CARRIERS,"

begs leave to report as follows:

The purpose of this bill is to ensure that Hawaii's regulated water cargo transportation industry serves the public interest by, among other things:

- (1) Requiring the Public Utilities Commission (PUC) to hold public hearings, subject to specified notice requirements, before approving a water carrier's application for a certificate of public convenience and necessity;
- (2) Specifying the findings required to support the issuance of a certificate of public convenience and necessity to a water carrier, and requiring these findings to be supported by evidence in the record;
- (3) Prohibiting PUC from issuing any certificate of public convenience and necessity that is designated as interim or temporary or that otherwise does not conform to the requirements contained in this measure except in response to an emergency situation and stipulating what constitutes an emergency situation; and

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- (4) Requiring PUC to post a link on its website to a publicly accessible electronic version of each application for a certificate of public convenience and necessity submitted by a water carrier and each order of PUC related to the posted applications and to specify requirements for the type, method, and duration of postings.

The Hawaii Farm Bureau Federation; Maui Hotel and Lodging Association; and Young Brothers, Limited testified in support of this measure. The Consumer Advocate of the Department of Commerce and Consumer Affairs and PUC provided comments.

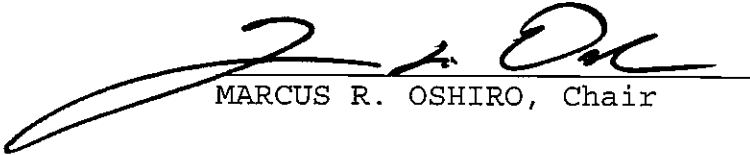
Your Committee has amended this bill by:

- (1) Clarifying that issuance of a certificate of public convenience and necessity would not permit an applicant to serve only high-margin or high-profit ports or lines of service that are currently serviced by an existing carrier; provided that an interisland water carrier that proposes to transport primarily passengers shall not be considered to be in the same line of service as an existing cargo carrier;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 98, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 98, S.D. 2, H.D. 1.



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



MARCUS R. OSHIRO, Chair



Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 90, SD2	Committee Referral: TRN/CPC, FIN	Date: 4/4/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. CHONG, Pono	✓			
4. CHOY, Isaac W.	✓			
5. COFFMAN, Denny	✓			
6. CULLEN, Ty	✓			
7. HAR, Sharon E.	✓			
8. HASHEM, Mark J.	✓			
9. ICHIYAMA, Linda	✓			
10. JORDAN, Jo	✓			
11. LEE, Chris	✓			
12. MORIKAWA, Dee	✓			
13. TOKIOKA, James Kunane	✓			
14. YAMASHITA, Kyle T.	✓			
15. MARUMOTO, Barbara C.	✓			
16. RIVIERE, Gil	✓			
17. WARD, Gene				✓
TOTAL (17)	16	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>Mary Lee</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				