

Honolulu, Hawaii

March 22, 2011

RE: S.B. No. 98

S.D. 2

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

Sir:

Your Committees on Transportation and Consumer Protection & Commerce, to which was referred S.B. No. 98, S.D. 2, entitled:

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

beg 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



- (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 the PUC related to the posted applications and to specify requirements for the type, method, and duration of postings.

The Hawaii Cattlemen's Council; Molokai Chamber of Commerce Foundation; Kona-Kohala Chamber of Commerce; Young Brothers, Limited; Hawaii Food Industry Association; and Hawaii Farm Bureau Federation testified in support of this bill. The Consumer Advocate of the Department of Commerce and Consumer Affairs testified in support of the intent of this measure. PUC provided comments.


Hawaii is an island state that depends upon its waterways between islands for the transport of various goods and essentials. Numerous businesses and industries use water transportation carriers to ship goods from factories, warehouses, or stores to various markets among the Hawaiian Islands. This is especially true of the agricultural industry which relies heavily on water carriers for farm-to-market transportation of agricultural products among the islands. As such, ensuring the existence of a reliable water carrier service is vital to the economy of this State, particularly to the economic growth and sustainability of the neighbor islands, which is one reason why the water cargo transportation industry is a regulated industry.

Currently, Hawaii law requires that a water carrier that wishes to engage in water transportation within the State apply for and receive a certificate of public convenience and necessity from PUC. However, your Committees find that a recent ruling by PUC that allowed a water carrier to serve only particular lines of service may not meet the basic intent of the public convenience and necessity requirement of the Hawaii Water Carrier Act and actually created unfairness among water carriers operating in the State. This measure attempts to correct this issue.

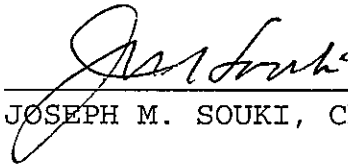
As affirmed by the records of votes of the members of your Committees on Transportation and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 98, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Consumer Protection &
Commerce,



ROBERT N. HERKES, Chair



JOSEPH M. SOUKI, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HOCR 1030

Record of Votes of the Committee on Transportation

Bill/Resolution No.: SB 98, SD2	Committee Referral: TRN/CPC, FIN	Date: 3/16/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	/			
2. ICHIYAMA, Linda (VC)	/			
3. AQUINO, Henry J.C.				/
4. CULLEN, Ty				/
5. LEE, Marilyn B.	/			
6. LUKE, Sylvia	/			
7. SAIKI, Scott K.	/			
8. TAKUMI, Roy M.	/			
9. YAMASHITA, Kyle T.	/			
10. FONTAINE, George R.				/
11. JOHANSON, Aaron Ling	/			
TOTAL (11)	8			3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <i>Broderick Ichiyama</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

