

Honolulu, Hawaii

Feb 3 , 2012

RE: H.B. No. 2380
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Transportation and Economic Revitalization & Business, to which was referred H.B. No. 2380 entitled:

"A BILL FOR AN ACT RELATING TO SHIPPING,"

beg leave to report as follows:

The purpose of this measure is to assist businesses on Molokai and Lanai, as well as the residents of those islands, by establishing a working group to examine economically feasible options to reduce the time necessary to ship goods from Molokai and Lanai to Oahu, including revising restrictions on shipping, the feasibility of establishing a state barge company or other means of interisland shipping, the reduction of shipping taxes, and the creation of tax incentives.

The Iliahi Foundation and a concerned individual testified in support of this measure. The Department of Business, Economic Development, and Tourism, Molokai Chamber of Commerce, and Hawaii Farm Bureau Federation testified in support of the intent of this measure. The Department of Transportation, Young Brothers, Limited, Business Depot, Inc., Molokai Island Foundation, and ILWU Local 142 provided comments.

Providing barge service to meet the needs of the people and businesses of Molokai and Lanai is challenging. Additionally, low cargo volume often results in increased costs for the shipping companies, which in turn makes necessary rate subsidization by



other profitable routes and lines of service. Establishing a working group to review and address the costs of shipping goods to Oahu from Molokai and Lanai and the reasons for these costs is the first step in addressing this issue.

Your Committees have amended this bill by:

- (1) Requiring the working group to consider the feasibility of alternative forms of transportation for reducing shipping time and costs rather than specifying barge and ferry service;
- (2) Adding a representative of the Department of Taxation to the working group as the working group is also required to consider the creation of tax incentives and tax reductions to reduce shipping costs;
- (3) Removing the representative from the City and County of Honolulu from the working group;
- (4) Adding a representative from the island of Molokai to the working group;
- (5) Inserting language exempting certain members of the working group from the ethics requirements under Chapter 84, Hawaii Revised Statutes;
- (6) Changing its effective date to July 1, 2057, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

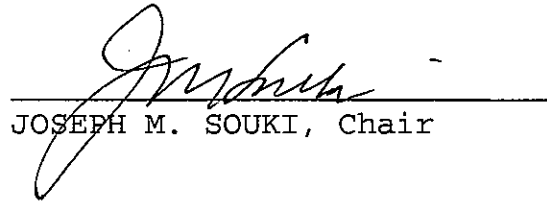
As affirmed by the records of votes of the members of your Committees on Transportation and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2380, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2380, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Economic Revitalization &
Business,



ANGUS L.K. MCKELVEY, Chair



JOSEPH M. SOUKI, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 61-12

Record of Votes of the Committee on Transportation

Bill/Resolution No.: HB 2380	Committee Referral: TRN/ERB, CPC, FIN	Date: 1/30/12		
<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)				
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. OKAMURA, Tom	/			
8. SAIKI, Scott K.				/
9. TAKUMI, Roy M.	/			
10. YAMASHITA, Kyle T.	/			
11. FONTAINE, George R.	/			
12. JOHANSON, Aaron Ling	/			
TOTAL (12)	11			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>Linda Ichiyama</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 6-12

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Bill/Resolution No.: HB 2380	Committee Referral: TRN/ERB, CPC, FIN	Date: 1/30/12		
<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)				
ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. AWANA, Karen L.	✓			
4. BROWER, Tom	✓			
5. EVANS, Cindy	✓			
6. HASHEM, Mark J.	✓			
7. NISHIMOTO, Scott Y.	✓			
8. TOKIOKA, James Kunane	✓			
9. TSUJI, Clift	✓			
10. MARUMOTO, Barbara C.		✓		
11. PINE, Kymberly Marcos				✓
TOTAL (11)	9	1	—	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: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				