

## EXPEDITIONS

658 Front Street #127  
Lahaina, HI 96761

(808) 661-3756  
1-800-695-2624  
Fax (808) 661-0544

February 19, 2011

VIA EMAIL AS NOTED:

Committee on Transportation  
Representative Joseph M. Souki, Chair  
Representative Linda Ichiyama, Vice Chair

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Finance Committee  
Representative Marcus R. Oshiro, Chair  
Representative Marilyn B. Lee, Vice Chair

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Committee on Transportation & Internal Affairs  
Senator J. Kalani English, Chair  
Senator Will Espero, Vice Chair

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Ways & Means Committee  
Senator David Y. Ige, Chair  
Senator Michelle Kidani, Vice Chair

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[senkidani@capitol.hawaii.gov](mailto:senkidani@capitol.hawaii.gov)

RE: HB 1239/SB 1127, State Ferry System

Senators and Representatives:

We, the owners of Hone Heke Corporation, dba Expeditions Ferry write in regard to the proposed legislation regarding a state ferry system.

Hone Heke Corp. offers ferry service between Lanai and Maui. We were formed in December 1990 and have operated 365 days a year since that time. We hold a current PUC CPCN and have an active and registered tariff. We are completely employee owned and employ 21 County of Maui residents.

While we do not object to a properly funded and developed state ferry system, HB 1239 and SB 1127 as currently drafted fails to address the two operating ferry systems. Specifically, Hone Heke operates between Lahaina Harbor, Maui and Manele Harbor, Lanai. Hone Heke also has PUC authorization for a Maalaea Harbor, Maui to Manele Harbor, Lanai route, though that route is currently suspended due to lack of ridership and excessive costs. There is also a ferry service operating between Lahaina Harbor, Maui and Kaunakakai, Molokai.

The bill as drafted contemplates use of a high speed ferry vessel which would operate at 30 knots or more and is designed to transport 500 passengers and two hundred motor vehicles.

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Obviously, this is not the service offered by the two current ferry services on Maui, however, section -3 Powers specifically allows at (b)

**At minimum, the authority shall operate one high speed ferry vessel and other small vessels, as needed, for service to and between the islands of Maui, Molokai and Lanai and other routes. [Emphasis added.]**

The bill as drafted ignores a successful and operating ferry system and a direct competitor for two smaller, locally owned and operated business. This legislation includes no contemplation of what happens to the existing ferry services that would likely be put out of business.


Further, the proposed legislation calls for priority access to all harbors and small boat facilities. As I know you are well aware, the small boat facilities in particular are already overcrowded and in need of serious infrastructure repair. Numerous commercial operators use these facilities for their livelihood and adding another operator such as a ferry service will only further deteriorate the facility and make the organization of useage more difficult. Again, this will have a negative impact on small, locally owned and operated businesses.

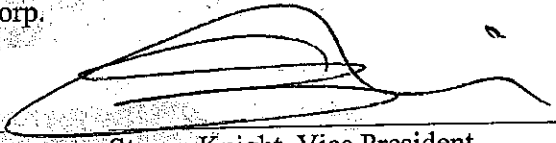
Under the current rules, all ferry operators are required to obtain a certificate of public convenience and necessity. This proposed legislation exempts the new ferry service from having to comply with this requirement. [§ -6]. Creating a ferry service with an unfair competitive advantage does not help local businesses or create the opportunity for appropriate public participation and input.

Again, while we support the concept of a state wide ferry service, far more needs to be done to propose an appropriate, self-sustaining service, that does not interfere with existing ferry or commercial operators in overtaxed harbors. Simply, lets keep what works; repair the infrastructure to support current use; and then create a self-sustaining ferry system to support *new and different* markets than those already being served.

Thank you for your consideration of our concerns. Mr. Steve Knight or Mr. Bill Caldwell will be contacting you to discuss this further.

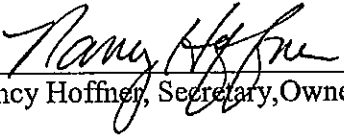
The Owners & Employees of Hone Heke Corp.

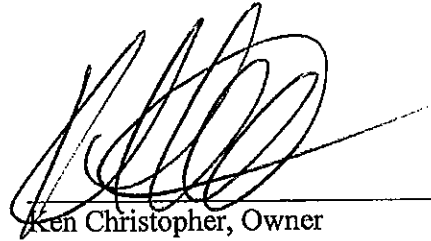
  
Bill Caldwell, President

  
Steven Knight, Vice President

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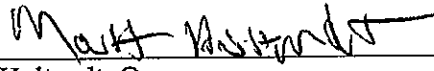
  
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Nancy Hoffner, Secretary, Owner


  
\_\_\_\_\_  
Ken Christopher, Owner

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Hal Pestana, Owner

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Alan Steed, Owner


  
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Al Malone, Owner

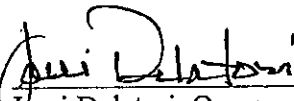
  
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Mat Holtvedt, Owner

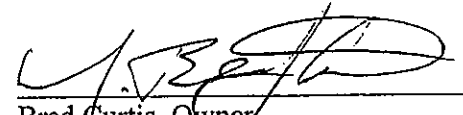
  
\_\_\_\_\_  
Corinna Nakagawa, Owner

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Mark Birdsall, Treasurer, Owner

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Stephen Beresford, Owner

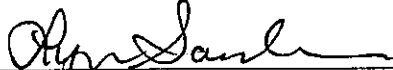
  
\_\_\_\_\_  
Jerry Pintur, Owner


  
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Iani Delatori, Owner

  
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Brad Curtis, Owner

\_\_\_\_\_  
Michelle Delzer, Owner

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Roger Hargreaves, Owner

  
\_\_\_\_\_  
Lynn Sauler, Owner

  
CAPT. STEVE PAWETTA  
VESSEL OPERATOR 25 YRS LAHAINA

- cc: Senator Rosalyn Baker, [senbaker@capitol.hawaii.gov](mailto:senbaker@capitol.hawaii.gov)  
Senator Shan Tsutsui, [sentsutsui@capitol.hawaii.gov](mailto:sentsutsui@capitol.hawaii.gov)  
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