



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LATE TESTIMONY
NEIL ABERCROMBIE
DIRECTOR
RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

REVISED 1/30/2012

Statement of
RICHARD C. LIM
Director
Department of Business, Economic Development, and Tourism
before the
COMMITTEE ON TRANSPORTATION
and
COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS
Monday, January 30, 2012
11:00 a.m.
State Capitol, Conference Room 309

in consideration of
HB 2380
RELATING TO SHIPPING.

DBEDT supports the intent of HB2380. DBEDT, however, does not have the necessary resources to study, examine options and assess incentives that might improve the timely shipping of produce from Lanai and Molokai to Oahu.

The main beneficiaries of this measure would be agricultural producers who need to have their products shipped in a timely fashion to major markets on Oahu.

DBEDT defers to the Department of Transportation, rather than DBEDT, take the lead on establishing this working group to ensure that agricultural issues, concerns and needs are fully addressed. However, we defer to the Department of Transportation whether it is feasible for them to take on this additional responsibility.

Thank you for the opportunity to submit testimony on this bill.



BLISS M.
DIRECTOR
Deputy Directors
JADE T. BUTAY
FORD N. FUCHIGAMI
RANDY GRUNE
JADINE URASAKI

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

January 30, 2012

**HB 2380
RELATING TO SHIPPING**

HOUSE COMMITTEE(S) ON TRANSPORTATION and
ECONOMIC REVITALIZATION AND BUSINESS

The Department of Transportation (DOT) offers these comments on this bill to establish a working group to examine economically feasible options and recommend solutions to reduce the time and cost of shipping goods to Oahu from Molokai and Lanai. The bill further mentions examining the feasibility of a state barge company or other means of interisland shipping.

DOT cautions that the state is not in a financial position to fund or operate a state barge company and believe that shipping services are best provided by the private sector. As the bill also states that the working group should consider tax reductions and tax incentives, the director of taxation should be designated as an additional member.

Thank you for the opportunity to provide testimony.





Hawaii Farm Bureau
F E D E R A T I O N

2343 Rose Street • Honolulu, Hawaii 96819
Phone: (808) 848-2074 • Neighbor-Islands: (800) 482-1272
Fax: (808) 848-1921 • Email: info@hfbf.org
www.hfbf.org

LATE TESTIMONY

JANUARY 30, 2012

HEARING BEFORE THE
HOUSE COMMITTEE ON TRANSPORTATION AND THE HOUSE COMMITTEE ON
ECONOMIC REVITALIZATION & BUSINESS

TESTIMONY ON HB 2380
RELATING TO SHIPPING

Room 309
11:00 AM

Chair Souki, Chair McKelvey, and Members of the Committees:

I am Brian Miyamoto, Chief Operating Officer and Government Affairs Liaison for the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,800 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF supports the intent of HB 2380, which establishes a working group to explore options for reducing the shipping time and costs for transporting goods from Molokai and Lanai to Oahu, however we would like to clarify some of the statements made within the bill itself. Please note that direct shipments via Young Brothers do occur from:

- Molokai to Oahu twice a week, and
- Lanai to Oahu once a week.

Currently both shipments originating from Molokai and Lanai travel directly to Oahu, neither are routed through Maui.

HFBF continues to pursue methods that will improve shipping and we encourage any dialogue that could result in reduced rates to all farmers and ranchers. Furthermore, we are supportive of the creation of a working group that would specifically explore options to seek ways to further reduce shipping costs for the transportation of goods from Molokai and Lanai to Oahu (and vice versa), as shipping input costs for farmers and ranchers are

an important and large part of our cost of goods, which contributes to our challenge of competing in the local Hawaii markets.

We do caution the language regarding establishing a state barge company in this bill, as it may become the highlighted topic, and overshadow the original intent.

I can be reached at (808) 848-2074 if you have any questions. Thank you for the opportunity to testify.