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# SENATE RESOLUTION

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REQUESTING THE DEPARTMENT OF TRANSPORTATION TO PROVIDE FUNDING TO WATER CARRIERS FOR THE PURPOSE OF PROVIDING THAT WATER CARRIER WITH FINANCIAL ASSISTANCE TO MAINTAIN ROUTES AND LINES OF SERVICES WITHIN THE STATE AND TO CREATE A WORKING GROUP TO RECOMMEND MID- AND LONG-TERM SOLUTIONS TO ENSURING CONTINUOUS WATER CARRIER SERVICE THROUGHOUT THE STATE.

1 WHEREAS, the covid-19 pandemic is causing a significant  
2 decrease in interisland cargo volumes that has put financial  
3 stress on all forms of interisland transportation of goods and  
4 property.

5  
6 WHEREAS, for counties with populations of less than five  
7 hundred thousand people, interisland cargo transportation is a  
8 life-line for the residents and business in those counties and  
9 an interisland tug and barge service is essential to the State's  
10 economic recovery from the covid-19 pandemic's deleterious  
11 state-wide economic effects.

12  
13 WHEREAS, it is in the State's best interests for the State  
14 of Hawaii to provide financial assistance to any interisland  
15 water carrier of property holding a Certificate of Public  
16 Convenience and Necessity pursuant to Hawaii Revised Statutes  
17 Chapter 271G that has suffered significant financial harm due to  
18 the economic effects of the covid-19 pandemic.

19  
20 WHEREAS, it is in the public interest for State to provide  
21 subsidies to cargo carriers to offset the costs incurred by the  
22 cargo carriers as a result of providing cargo carrier services  
23 to ports serving counties within the State having a population  
24 of less than five hundred thousand, and to address impacts of  
25 the Covid-19 pandemic and to ensure the continued operations of  
26 an interisland tug and barge service to advance the State's  
27 economic recovery from the covid-19 pandemic's state-wide  
28 economic effects.



1 WHEREAS any funds the legislature appropriates as financial  
2 assistance to any interisland water carrier of property holding  
3 a Certificate of Public Convenience and Necessity that has  
4 suffered significant financial harm due to the economic effects  
5 of the covid-19 pandemic are to be used by the water carrier for  
6 operating expenses, not for payments to any parent company or  
7 other affiliates of the same parent company, executive bonuses,  
8 profits for the water carrier to which assistance is being  
9 provided, or profits for any affiliated business of the water  
10 carrier, and it must be required that certain operations  
11 continue for ports serving counties within the State having a  
12 population of less than five hundred thousand people; now,  
13 therefore,  
14

15 BE IT RESOLVED by the Senate of the Thirtieth Legislature  
16 of the State of Hawaii, Regular Session of 2020, that this body  
17 hereby requests the Department of Transportation and respective  
18 counties to, on or before September 30, 2020, to address the  
19 impacts of the coronavirus disease 2019 pandemic and to offset  
20 costs incurred by any water carrier as a result of providing  
21 water carrier service to ports within the State, by providing a  
22 combined total of at least \$10,000,000 in funding directly to a  
23 water carrier for the purposes of providing that water carrier  
24 with financial assistance to support different routes and lines  
25 of services within the State; provided that such funds shall not  
26 be used for the following purposes:  
27

28 (1) As payment in any form or nature to any parent company  
29 of the water carrier or affiliate of any parent company of the  
30 water carrier, except for tug assist, lease, or charter payments  
31 to an affiliate company of the water carrier receiving such  
32 funds, provided further, however, that the rates for any such  
33 tug assist, lease, or charter must be at or below market rates;  
34

35 (2) As profits for the water carrier, any parent company of  
36 the water carrier, or any affiliate of any parent company of the  
37 water carrier;  
38

39 (3) As repayment of any loan, bond, or other form of  
40 indebtedness of any parent company the water carrier or  
41 affiliate of any parent company of the water carrier;  
42



1 (4) As payment for any capital expenditure made by the  
2 parent company of the water carrier for assets held by the water  
3 carrier; or

4  
5 (5) As payment for executive bonuses; any advertising or  
6 marketing except customer and employee communications; club or  
7 membership dues; charitable or political contributions; non-  
8 essential business travel; seminars, conferences, or  
9 conventions; entertainment expenses; or any other non-operating  
10 expenses; and

11  
12 BE IT FURTHER RESOLVED that on or before August 1, 2020,  
13 the public utilities commission, in collaboration with the  
14 department of commerce and consumer affairs' division of  
15 consumer advocacy and any water carriers operating in the state,  
16 is requested to convene a working group to recommend mid-term  
17 and long-term solutions to balance the need for continuous water  
18 carrier service throughout the state with the need for water  
19 carriers to maintain financial sustainability. The working  
20 group shall consist of:

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22 (1) The Senate President or a designee of the Senate  
23 President;

24  
25 (2) The House Speaker or a designee of the House Speaker;

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27 (3) The Mayor of each county or a designee of the Mayor of  
28 each county.

29  
30 (4) A designee from the public utilities commission;

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32 (5) A designee from the department of commerce and  
33 consumer affairs' division of consumer advocacy;

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35 (6) A designee from each water carrier operating in the  
36 state;

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38 (7) A designee from the department of transportation; and

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40 (8) A designee from the department of agriculture.

41  
42 ; and



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2 BE IT FURTHER RESOLVED that task force is requested to  
3 submit a final report of its findings and recommendations,  
4 including any proposed legislation, to the legislature and the  
5 governor no later than twenty days before the convening of the  
6 regular session of 2022; and

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8 BE IT FURTHER RESOLVED that certified copies of this  
9 Resolution be transmitted to the Director of Transportation, and  
10 the mayor of each county.

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