

DAVID Y. IGE
GOVERNOR OF
HAWAII



SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the Senate Committee on
WAYS AND MEANS

Tuesday, February 25, 2020
12:40 PM

State Capitol, Conference Room 211

In consideration of
SENATE BILL 2912
RELATING TO OCEAN RECREATION COMMERCIAL PERMITS

Senate Bill 2912 proposes to authorize the Department of Land and Natural Resources (Department) to issue new ocean recreation commercial permits by public auction. **The Department strongly supports this Administration measure.**

Section 200-37(1), Hawaii Revised Statutes, currently requires the Department to auction commercial permits for jet ski and parasail operations. The winning bidders for these permits are committing to pay a monthly permit fee to the Department equal to their winning bid. For commercial permits not issued by public auction, the monthly permit fee is the greater of \$300 or 3% of gross revenues attributed to the vessel connected to the permit.

When there is a limit on the number of permits that can be issued for a particular area or activity, the Department will maintain a waitlist for the issuance of those permits. The Department is in the process of amending Hawaii Administrative Rules to address the increased level of commercial activity in the State and in some cases may need to limit the amount of commercial use permits issued for a particular area activity. The only methods currently available to the Department to offer these permits are lottery and first come, first served, with all others being required to sign up on a waitlist. In situations where a permit limit is implemented, the Department believes that the ability to auction permits would provide a fairer option.

The Department notes that this measure is not intended to affect existing commercial permits and includes clarifying language that only newly issued commercial use permits would be affected. Additionally, this measure proposes to authorize, not require, issuance of new commercial use permits by public auction.

Thank you for the opportunity to comment on this measure.



Ocean Tourism Coalition

The Voice for Hawaii's Ocean Tourism Industry

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timlyons@hawaiiantel.net

February 25, 2020

Testimony To: Senate Committee on Ways and Means
Senator Donovan Dela Cruz, Chair

From: Tim Lyons, CAE
Executive Director

Subject: S.B. 2912 – RELATING TO OCEAN RECREATION COMMERCIAL PERMITS.

Chair Dela Cruz and Members of the Committee:

I am Tim Lyons, Executive Director of the Ocean Tourism Coalition (OTC), and we oppose this bill.

The OTC represents over 300 small ocean tourism businesses state wide which have been in business for decades. Most of these are family businesses which are locally owned and operated and are an important and valued part of their respective communities. Most of these businesses operate from State Boating Facilities. Even though this bill contemplates only “new” permits, if this bill should pass and were ever applied to the commercial operators that currently hold permits, it would have a massive detrimental impact on each one of these businesses.

OTC is categorically against auctioning off commercial boating permits. There is a long standing protocol for how permits are issued in small boat harbors and boating facilities across the State of Hawaii. An individual puts their name on a waiting list, continues to renew it each year until all the names ahead of them on the list have been satisfied. At that point if a slip/permit comes available that person has first right of refusal for that slip/permit. These permits must be reapplied for each year and are good for no longer than 12 months. If the permittee is in violation of and federal, state, or county rules they may be denied their permit and it would go to the next person in line.

Our concern is that if the working "all new commercial permits" were to be applied to existing-expiring permits, it would be devastating for the commercial enterprise. To that extent we recommend the following changes:

Except as provided in Section 200-37(i), all new commercial permits issued by the department for any type of commercial ocean recreation activity after July 1, 2020, may be issued at public auction. **For the purpose of this section, "new commercial permits" does not include any permits issued prior to July 1, 2020 nor the renewal of such permits after July 1, 2020.**

Even with this amendment we would like to comment that an auction system for commercial permits is absolutely the wrong way to go.

To auction off long standing commercial permits to the highest bidder is disastrous to the existing permit holder. The ocean tourism industry is a very labor and capital intensive

business. It takes several years to have a vessel built and decades to pay off the bank loan. It took several decades for the banks to realize that the ocean tourism industry was a legitimate risk and finance the vessels needed. The workers in this industry have a secure future and career path and many make it their life profession as a merchant seaman mariner. A law like S.B. 2912 contemplates, applied to the commercial boating industry, would disqualify our members from ever getting a bank loan for building vessels. It would make it almost impossible to do the long range planning, sign long term contracts, attract long term employees, necessary to have an ocean tourism industry if our business window was only a few years and then would be subject to public auction.

The current system of permit/slip acquisition may not be perfect, but it is fair and reasonable and gives stability to our harbors and slip/permit owners having the reasonable expectation that if they follow all federal, state and county laws they will be able to keep their vessel in the slip for another year.

Please do not pass this measure which would hurt so many people and help so few and would disenfranchise the people that have been on the waiting list for decades.

If you have to move it forward, please accept our amendment.

Thank you.



COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senar Gilbert S.C. Keith-Agaran, Vice Chair

NOTICE OF HEARING

DATE: February 25, 2020
TIME: 12:40 pm
PLACE: Conference Room 211

**TESTIMONY OF THE OCEAN TOURISM COALITION SPEAKING IN STRONG
OPPOSITION TO SB2912: OCEAN RECREATION COMMERCIAL Permits**

Dear Senator Dela Cruz Chair; Senator Keith-Agaran, Vice Chair and Members of
WTL Committee:

My name is James E. Coon, President of the Ocean Tourism Coalition (OTC),
speaking in **Strong Opposition to SB2912** proposing to Auction Commercial Ocean
Recreation Permits.

The OTC represents over 300 small ocean tourism businesses state wide which
have been in business for decades. Most of these businesses operate from State
Boating Facilities. One of the main reasons these businesses have survived all
these years is the relative stability of the current permit system. Even though this
bill contemplates only "New" permits, it is still a very flawed concept that would
cause many negative consequences. If this Bill should pass and were ever applied
to the Commercial Operators that currently hold permits, it would have a massive
detrimental impact on each one of these businesses.

OTC is categorically against auctioning off Commercial Boating Permits. There is
a long standing legal and functional protocol for how permits are issued in Small
Boat Harbors and Boating Facilities across the State of Hawaii. An individual puts

their name on a waiting list, continues to renew it each year until all the names ahead of them on the list have been satisfied. At that point if a slip/permit comes available that person has first right of refusal for that slip/permit. These permits must be reapplied for each year and are good for no longer than 12 months. If the permittee is in violation of any Federal, State, or County rules they may be denied their permit and it would go to the next person in line.

To Auction off long standing Commercial Permits to the highest bidder would were to be applied to the Commercial Operators be disastrous. The commercial Ocean Tourism Industry was really established by the DOT-Harbors in the early 1980's when DOT-Harbors and the Legislature legitimized commercial boating in Small Boat Harbors and placed strict rules and limitations on Commercial Boating. Most of the Commercial Boating Businesses operating out of DLNR/DOBOR Harbors today, trace their beginnings to that time.

The Ocean Tourism Industry is a very labor and capital intensive business. It takes several years to have a vessel built and decades to pay off the bank loan. It took several decades for the Banks to realize that the Ocean Tourism Industry was a legitimate risk and finance the vessels needed. The workers in this industry have a secure future and career path and many make it their life profession as a Merchant Seaman Mariner. A law like SB2912 contemplates, applied to the Commercial Boating industry, would disqualify our members from ever getting a Bank Loan for building vessels. It would make it almost impossible to do the long range planning, sign long term contracts, attract long term employees, necessary to have an Ocean Tourism Industry if our business window was only a few years and then would be subject to public auction.

The current system of permit/slip acquisition may not be perfect, but it is fair and reasonable and gives stability to our harbors and slip/permit owners having the reasonable expectation that if they keep all Federal, State and County laws they will be able to keep their vessel in the slip for another year.

Please do not pass SB2912 which would hurt so many people and help so few. It would disenfranchise the people that have been on the waiting list for decades.

Sincerely, James E. Coon, President OTC

A handwritten signature in blue ink, appearing to read "James E. Coon". The signature is written in a cursive style with a large, sweeping initial "J".

Testimony of Denver Saxton Coon on behalf of Trilogy Corporation, in Strong Opposition of SB2912, Relating to Ocean Recreation Commercial Permits.

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

NOTICE OF DECISION MAKING

DATE: Tuesday, February 25, 2020
TIME: 12:40 P.M.
PLACE: Conference Room 211
State Capitol
415 South Beretania Street

Chair Dela Cruz and Vice Chair Keith-Agaran:

Aloha. My name is Denver Saxton Coon. I am general counsel for Trilogy Corporation dba Trilogy Excursions on the island of Maui. Trilogy Excursions is testifying in **strong opposition** to SB2912 (the “Bill”).

Trilogy Excursions is opposed to the Bill for the following reasons:

1. Numerous companies and individuals have been paying fees and waiting patiently on the waitlist for many years. Changing the current process to an auction system would disenfranchise those who have been waiting for years, and in many cases decades. This Bill is an unfair method to solve a problem that should not exist according to the rules.
2. The department stated that the reason for the Bill is to prevent the “holding” of permits. However, administrative rules¹ require operators with commercial permits issued by the department to meet minimum gross receipts in order for the permit holder to renew the permit for another year. Accordingly, the current rules already prevent the “holding” of permits and the Bill is unnecessary to achieve the department’s stated objective.
3. The Bill is not clear on the definition of “new permits”. This ambiguity could lead the department to interpret the Bill to include the renewal of permits because current permits are issued for a period of one year before expiring, and then a permit holder is issued a new permit if the permit holder has submitted an application that meets all of the department’s requirements. Any ability for the department to interpret the Bill’s language to subject current permit holders to an auction system is unacceptable. Trilogy Excursions and many other family owned companies have been operating for decades and an auction system could put them out of business by either causing them to pay too much to buy a permit in order to avoid being put out of business or by simply taking their permit and giving it to the highest bidder. This is unworkable in an industry where the large capital investment for vessels requires stability.

Please do not pass SB2912, as the potential harm to local businesses is far greater than the alleged problem it hopes to solve.

Mahalo,

Denver Saxton Coon
Trilogy Corporation
General Counsel

¹ See HAR § 13-231-61

SB-2912

Submitted on: 2/24/2020 10:02:31 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Zachary LaPrade	Testifying for Calypso Charters	Oppose	No

Comments:

Calypso Charters and its affiliates (the “Company”) employ close to 120 people in Hawaii’s boating and tourism industries. We strongly oppose this bill. At its core, SB2912 allows an agency to auction those permits on a yearly basis.

SB2912 Will Destroy Businesses and Eliminate Steady Jobs

Auctioning permits would destroy a family-owned business that as operated in Maui for 30 years. 100 jobs would be lost, and 30 years of time and investment in Maui’s local economy would be wasted. Under a reasonable interpretation of SB2912, the department could decide to auction off commerical permits that we have operated from for 30 years, and our company would be unable to operate.

SB2912 Eliminates Incentive for Companies to Invest and Reinvest in Their Businesses

If permits were auctioned on a yearly basis, or even every 5 years, SB2912 would create an unpredictable system that would discourage companies from investing in their employees, their brand and, most importantly, their local communities. 1 year increments do not provide enough time for structuring and operating a successful business. Business owners would have no predictability.

Currently, charter boat operators have permits to operate at certain locations. The right to use these locations would be in jeopardy on a yearly basis, similar to a real property lease with a 1 year term. Except that if the charter boat permit is auctioned to the highest bidder after 1 year, that company can’t just move its employees to the building next door—the charter boat companies will have no were else to go. In Maui, there are very few snorkel destinations to visit where they can safely anchor in local weather conditions and without damaging coral. Entire companies have built their businesses on these specific destinations.

SB2912 Discourages Long-Term Employment and Would Drive Down Wages

Hawaii's maritime trade is essential to its economy. If each year charter boats didn't know if they would be operating with a commercial use permit, the employees of the charter boat would have no predictability. Employee turnover would be rampant. Also, long-term, stable employment is essential to a happy workforce. Employees would be rushing to apply on the charter boat that was successful at the auction. The increased supply of employees would drive down wages, and SB2912 would discourage generations of Hawaii residents from participating in the maritime trade, including those employees that have *the best experience and safety record*.

SB2912 Cites

The justification for SB2912 states "people have been obtaining permits with the intent of holding the permit to sell at a higher price and profit, instead of operating commercially. To discourage this practice, in absence of a waitlist, a public auction would provide a fair method to issue available permits." However, that is impossible. A commercial permittee MUST operate or they will lose there permit.

Conclusion

This bill could be devastating if passed, and would completely disrupt a stable and productive sector of Hawaii's tourism industry. We respectfully request that you consider the real problems that are created by this bill and avoid passing this bill.

SB-2912

Submitted on: 2/24/2020 10:07:59 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Phil Kasper	Testifying for Malolo Charters	Oppose	No

Comments:

Please don't pass this bill.

SB2912 allows an agency to auction those permits on a yearly basis. Permits are currently renewed on a yearly basis. Even though this bill contemplates only “New” permits, it is unclear because permits renew on a yearly basis, If this Bill should pass and were ever applied to the Commercial Operators that currently hold permits, it would have a massive detrimental impact on each one of these businesses.

Safety Issues with Bill.

Long term, stable and experienced captains and crewmembers are essential to **safe** operation of a vessel. Some crewmembers and captains just begin to fully understand charter boat operations (and the intricacies of a vessel) after 1-2 years. Firing and laying off these critical members of a charter boat fleet every 1 year is a huge safety concern. **This bill encourages a less experienced, but better funded, company from taking over permits.**

SB2912 Will Destroy Businesses and Eliminate Steady Jobs

Auctioning permits would destroy a family-owned business that as operated in Maui for 30 years. 100 jobs would be lost, and 30 years of time and investment in Maui’s local economy would be wasted. Under a reasonable interpretation of SB2912, the department could decide to auction off commercial permits that we have operated from for 30 years, and our company would be unable to operate.

SB2912 Eliminates Incentive for Companies to Invest and Reinvest in Their Businesses

If permits were auctioned on a yearly basis, or even every 5 years, SB2912 would create an unpredictable system that would discourage companies from investing in their

employees, their brand and, most importantly, their local communities. 1 year increments do not provide enough time for structuring and operating a successful business. Business owners would have no predictability.

Currently, charter boat operators have permits to operate at certain locations. The right to use these locations would be in jeopardy on a yearly basis, similar to a real property lease with a 1 year term. Except that if the charter boat permit is auctioned to the highest bidder after 1 year, that company can't just move its employees to the building next door—the charter boat companies will have nowhere else to go. In Maui, there are very few snorkel destinations to visit where they can safely anchor in local weather conditions and without damaging coral. Entire companies have built their businesses on these specific destinations.

SB2912 Discourages Long-Term Employment and Would Drive Down Wages

Hawaii's maritime trade is essential to its economy. If each year charter boats didn't know if they would be operating with a commercial use permit, the employees of the charter boat would have no predictability. Employee turnover would be rampant. Also, long-term, stable employment is essential to a happy workforce. Employees would be rushing to apply on the charter boat that was successful at the auction. The increased supply of employees would drive down wages, and SB2912 would discourage generations of Hawaii residents from participating in the maritime trade, including those employees that have *the best experience and safety record*.

SB2912 JUSTIFICATION

The justification for SB2912 states "people have been obtaining permits with the intent of holding the permit to sell at a higher price and profit, instead of operating commercially. To discourage this practice, in absence of a waitlist, a public auction would provide a fair method to issue available permits." However, that is impossible. A commercial permittee **MUST** operate or they will lose their permit. **Current law states you must use your permit or lose it!**

Conclusion

This bill could be devastating if passed, and would completely disrupt a stable and productive sector of Hawaii's tourism industry. We respectfully request that you consider the real problems that are created by this bill and avoid passing this bill.

SB-2912

Submitted on: 2/24/2020 10:59:22 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
LiAnne Driessen	Testifying for Trilogy Excursions	Oppose	No

Comments:

Aloha,

I am submitting testimony in strong opposition of Bill SB2912.

The current permit waitlist system is working and auctioning permits will harm the many people who have been patiently waiting many years. This bill also has the potential to disrupt an entire industry and jeopardize the many family businesses that rely on the current permitting system.

SB2912 has not been clearly vetted and as such there seems to be a lot of known and unknown consequences that would have huge and devastating impact/s on our industry.

Mahalo for your time.

LiAnne Driessen



Your Sailing and Snorkeling Adventure
Begins Here!

COMMITTEE ON WATER AND LAND
Senator Kaiali'i Kahele, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
02-25-20 12:40PM
Conference Room 211 Hawaii State Capitol

Testimony in Strong Opposition to SB2912: Ocean Recreation/Commercial Permits

Dear Senator Kahele, Chair; Senator Keith-Agaran, Vice Chair and Members of WTL
Committee:

My name is Richard Kersten, I am President of Sea Paradise Scuba Inc. Our vessel is moored in Keauhou Bay, Kailua Kona, Hawaii and we have been taking visitors and residents sailing and snorkeling on the Kona Coast since 1985. We are testifying in **Strong Opposition of Bill SB2912**. We feel that if this bill was allowed to pass it would devastate our current permit waiting list system that has been set in place for decades. Our concern is if this bill was to pass it would become applicable to Commercial Tour Operators that currently hold permits in the near future. If this proposed bill to auction permits moves forward it would cripple our Ocean Tourism Industry and deprive our local families that have been on the wait list for decades. **We Strongly Oppose Auctioning Commercial Permits**. This would eliminate any chance of job security for our local families causing them extreme distress and uncertainty. It would also prevent our industry from securing loans to build future vessels. Local businesses would eventually be replaced with large corporations from the mainland and their own employees. Please do not allow SB2912 to move forward as it would devastate so many families and benefit so few.

Sincerely,
Richard Kersten



808.895.0003



rich@seaparadise.com
www.seaparadise.com



78-6831 Alii Drive Suite 144
Kailua Kona, Hi 96740

SB-2912

Submitted on: 2/24/2020 11:08:49 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Greg Howeth	Testifying for Lahaina Divers Inc.	Oppose	No

Comments:

SB 2912 is poorly written and potentially devastating to the ocean tourism industry therefore I strongly oppose SB2912.

NOTICE OF HEARING
COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

DATE: 2-26-20
TIME: 12:45
PLACE: Conference Room 211

TESTIMONY OF THE DAVID WEISS ON BEHALF OF TERALANI SAILING CORPORATION IN STRONG OPPOSITION TO SB2912: OCEAN RECREATION COMMERCIAL Permits

Dear Senator Dela Cruz, Chair; Senator Keith-Agaran, Vice Chair and Members of Ways and Means Committee:

My name is Mike Kelley and I am Owner and President of the Teralani Sailing Adventures, speaking in **Strong Opposition to SB2912** proposing to Auction Commercial Ocean Recreation Permits.

The current permit award process is simple and fair. For those interested in commercially operating in state waters you have two options (1) would be to purchase a business that holds a commercial permit or (2) place your name on the waitlist in the harbors office governing the area you want to operate in, pay an annual fee and be patient.

Auctioning off permits that would have come up for the waitlist would be a disservice those placeholders; not to mention in some cases hundreds of dollars lost from past waitlist renewal fees. However, auctioning off permits that come up for renewal would be nothing short of catastrophic. We for instance have just spent almost \$6,000,000 on 2 new catamarans. If we somehow lost put on a permit to the highest bidder (a hotel, foreign interests, etc.) we would be financially ruined.

If the permit process The current system of permit/slip acquisition may not be perfect, but it is fair and reasonable and gives stability to our harbors and slip/permit owners having the reasonable expectation that if they keep all

Federal, State and County laws they will be able to keep their vessel in the slip for another year.

Please do not pass this fund-raising measure SB2912 which would hurt so many people and help so few and would disenfranchise the people that have been on the waiting list for decades.

Mahalo for your consideration

Mike Kelley
Owner-President
Teralani Sailing Adventures

SB-2912

Submitted on: 2/24/2020 11:27:51 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Erik Stein	Testifying for Extended Horizons	Oppose	No

Comments:

Please do not allow permits to be auctioned off. This is wrong for many reasons. The small charter businesses that operate out of the harbors and employ locals can not compete with deep pocket mainland or Chinese, Japanese companies that could buy up permits.

The success of our business is based on clientele returning to us over a long enough timeline to show we are experienced and do a good job and reinvest in our business.

Auctioning permits means that reinvestment in equipment and training may be a waste of capital.

Auctioning permits means businesses that are more focused on making money today at whatever cost instead of stewardship of the resource for today and the future.

This is not just a bad idea - It is terrible.

Keep Hawaii - Hawaiian



Sea Kayaks
Mountain Bikes
Ziplines
Guided Tours, Rental, Sales and Service

February 24, 2020

Testimony To: Senate Committee on Ways and Means Senator Donovan Dela Cruz, Chair

From: Richard Haviland

Subject: IN OPPOSITION to S.B. 2912 – RELATING TO OCEAN RECREATION COMMERCIAL PERMITS.

Chair Dela Cruz and Members of the Committee:

I am Rick Haviland, President and Owner of Outfitters Kauai Ltd, a Kauai-based family operated business of approximately 50 employees that was founded in 1988, and we oppose this bill.

Over these past more than 30 years we have developed business plans and partnered with State and County agencies to create permits and entitlements that are the result of original ideas. We have appreciated our partnerships with our friends at DLNR and other agencies and have worked together to develop Commercial Permits with terms and conditions, and methods of operation that fit in well with the communities we're in. We take care to be excellent stewards of the lands and the waters where we are fortunate and privileged to be able to operate. We pay substantial fees for this and we pay on time and have a long record as such.

There is no need to auction our permits off to someone else. It would be a great detriment to all our employees, many of whom have been with us more than 10, 20, and even 30 years, and have children, mortgages and car payments. And what is more we have proven our ability to be good partners and stewards.

Our story is not unique, many of the Commercial Permittees can say much the same.

Sincerely,

Richard Haviland, President

Outfitters Kauai, Ltd
2827A Poipu Rd, Poipu Beach HI 96756
Voice: 808-742-9667 Fax 808-742-8842 Toll Free 888-742-9887
www.outfitterskauai.com info@outfitterskauai.com

SB-2912

Submitted on: 2/24/2020 11:58:40 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kristie Wrigglesworth	Testifying for PacWhale Eco Adventures	Oppose	No

Comments:

Testimony in Opposition of SB 2912

I am writing in support of PacWhale Eco-Adventures, a marine eco tour operation in Maui County. I am submitting this testimony in opposition of SB2912.

SB2912 is a confusing and poorly written bill that jeopardizes all commercial permits and effectively destroys the commercial boating business.

Even though this bill contemplates only “New” permits, it is unclear because permits renew on a yearly basis, If this Bill should pass and were ever applied to the Commercial Operators that currently hold permits, it would have a massive detrimental impact on each one of these businesses.

The Ocean Tourism Industry is a very labor and capital intensive business. It takes several years to have a vessel built and decades to pay off the bank loan. It took several decades for the Banks to realize that the Ocean Tourism Industry was a legitimate risk and finance the vessels needed. The workers in this industry have a secure future and career path and many make it their life profession as a Merchant Seaman Mariner. A law like SB2912 would disqualify our members from ever getting a Bank Loan for building vessels. It would make it almost impossible to do the long-range planning, sign long term contracts, attract long term employees. An auction process would kill our industry, but also that the entire auction system is flawed.

Also, if an existing operation loses at the auction, what will happen to the employees hired prior to the auction that the company has invested time in training? Will companies even bother to invest in training able-bodied crewmembers?

Waitlist

There is a long-standing protocol for how permits are issued in Small Boat Harbors and Boating Facilities across the State of Hawaii. An individual puts their name on a waiting list, continues to renew it each year until all the names ahead of them on the list have been satisfied. At that point if a slip/permit comes available that person has the first right of refusal for that slip/permit. These permits must be reapplied for each year and are

good for no longer than 12 months. If the permittee is in violation of any Federal, State, or County rules they may be denied their permit and it would go to the next person in line. There are people that have been on waiting lists for decades that have faithfully applied each year, paid their waiting list fee, know where they are in line that would be completely disenfranchised by an auction system.

SB-2912

Submitted on: 2/21/2020 1:10:37 PM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Maria Andrea LaCaze	Individual	Oppose	No

Comments:

I am currently employed by a company in the boating industry. I am opposing SB2912 with two major concerns. The first, if for whatever reason my current employer loses the bid, my job and that of many of my coworkers will cease. We all strive to live with the security of long term employment, we depend on it to support our families.

The second concern is for safety of people and marine life. If an irresponsible or unproven company wins the bid for the permit, there is no way of knowing if they will act properly and conduct business in a manner that will protect the employees, tourists and the whales.

SB-2912

Submitted on: 2/21/2020 1:20:48 PM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lily Cambell	Individual	Oppose	No

Comments:

SB2912 should not be passed because it is unclear and the many consequences of the bill have not been vetted thoroughly.

SB-2912

Submitted on: 2/24/2020 10:49:11 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Holly Kersten	Individual	Oppose	No

Comments:

I strongly oppose bill SB2912 as this auction system would devastate the Ocean Tourism Industry if it was to be applied in the future to current commercial permits. We need to prevent SB2912 from moving forward as this auctioning system would potentially allow large mainland corporations to purchase all locally owned permits and replace with their own employees. I strongly oppose any chance of employment uncertainty for thousands of local families. The current wait list policy we have in affect is fair and has been in place for years. By allowing an auction for new permits this would cause detrimental stress on families that have been on the wait lists for years. Please oppose SB2912 for our local communities.

SB-2912

Submitted on: 2/24/2020 11:06:20 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Ford	Individual	Oppose	No

Comments:

I strongly oppose SB2912. As a commercial permit holder that is renewed every year I cannot support a bill that could potentially take our permit and auction it off to the highest bidder.

Please do not pass SB2912

SB-2912

Submitted on: 2/24/2020 11:51:31 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Alicia Starsong	Individual	Oppose	No

Comments:

Although I am not on the waiting list for a commercial boat slip I am opposed to this bill. Hawaii should not be auctioned off to the highest bidder! If a coproation wants to buy a slip they have unlimited opportunities to do so. For the people who have been waiting on the lists for decades this would be a hugh injustice! This bill would be a disaster to the "common" people of Hawaii. If this bill is passed I fear the next steps DOBOR might take and what else they might put up for highest bidder.

LATE

SB-2912

Submitted on: 2/24/2020 4:48:00 PM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Donna Henders	Individual	Oppose	No

Comments:

Adamantly and vehemently oppose this bill due to the detrimental impact on our industry and businesses --

SB-2912

Submitted on: 2/25/2020 9:13:00 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Teri Leicher	Testifying for Jack's Diving Locker	Oppose	No

Comments:

Aloha,

I am writing on behalf of my business, Jack's Diving Locker in Kona Hawaii.

We have 46 full time employees, 2 stores and 5 boats with commercial permits. We have been in business and have been an active part of our community since 1981.

Our employees are homeowners with children.

We are against Auctioning permits.

The bill ... as written ... is not clear and could be interpreted in such a way that our commercial permits, which are re newed annually, could potentially be put up for auction. There are several reasons we feel that putting permits up for auction is a bad idea.

1. Permits would be granted to the highest bidder ... this would allow big money to "own" these permits which would leave the dream of owning a business out of reach for our average Kama'aina family or individual.

2. Banks will not loan money to a business with a questionable future. Therefore, businesses would potentially operate in disrepair or not at all. High turnover, generally is not good business for anyone including the State of Hawaii.

3. It is not a fair way to do business. Auctions are a poor and temporary way of fundraising.

4. there are hundreds of folks who have been on wait lists for harbor spots, paying annual fees, some for up to 10 years. They/we all know that our name will come up some day, albeit slowly. If someone wants to buy out a retiring owner, they still have that option and can plan ahead. DOBOR will still reap the benefits of the sizable transfer fee.

5. if permits go up for auction, the State could face expense reimbursements for the hundreds of folks that have been on the waitlist ... or worse, an expensive lawsuit if DOBOR does not reimburse them.

in all...auctioning off our permits to operate or auctioning State land use is a bad and unfair idea.

mahalo,

Teri Leicher

Managing partner of Jacks Diving Locker, Kailua Kona

LATE

SB-2912

Submitted on: 2/25/2020 1:06:29 PM

Testimony for WAM on 2/25/2020 12:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Rayne	Individual	Oppose	No

Comments: