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LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
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**Testimony of
DAWN N.S. CHANG
Chairperson**

**Before the House Committee on
WATER & LAND**

**Thursday, February 9, 2023
9:30 A.M.
State Capitol, Conference Room 430**

**In consideration of
HOUSE BILL 1090
RELATING TO OCEAN RECREATION COMMERCIAL PERMITS**

House Bill 1090 proposes to specify the methods by which the Department of Land and Natural Resources (Department) can issue new ocean recreation commercial permits and renew existing ocean recreation commercial permits; and specify that for renewal of existing permits in ocean recreation management areas and facilities where a permit limit is implemented, the ability to renew a commercial permit will be based on seniority until the limit is reached. **The Department strongly supports this measure.**

The Department is currently in the process of addressing the rampant commercial marine activity taking place in the State near-shore waters. This will require limiting the number of commercial use permits for high use areas. In cases where commercial operating area use permits are being limited for a particular area, the Department believes the fairest way to issue those permits is to businesses that have been operating with a valid permit the longest. Once the permits are issued, the Department would like to issue any new operating permits by public auction.

Currently, Section 200-37(1), Hawaii Revised Statutes, addresses issuing commercial permits by auction. This section limits the Departments ability to auction commercial permits for only jet ski and parasail operations. The Department is requesting to amend the statute to allow for the option to issue all new commercial use permits by public auction.

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.

Mahalo for the opportunity to provide testimony in strong support of this measure.

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
LAURA H.E. KAAKUA
FIRST DEPUTY
M. KALEO MANUEL
DEPUTY DIRECTOR - WATER
AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
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MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
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HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS



COMMITTEE ON WATER & LAND

Rep. Linda Ichiyama, Chair

Rep. Mahina Poepoe, Vice Chair

NOTICE OF HEARING

DATE: Thursday, February 9, 2023

TIME: 9:30 AM

TESTIMONY OF THE OCEAN TOURISM COALITION ON HB1090

The Ocean Tourism Coalition (OTC) represents over 300 ocean tour operators throughout the state. HB1090 (the "Bill") aims to address an issue in various Ocean Recreation Management Areas in the state, where DLNR-DOBOR has issued more commercial permits than allowed by the administrative rules.

OTC worked with DLNR-DOBOR to resolve this issue through a seniority-based system, which will issue permits to operators who have been operating the longest and have likely invested the most in the area. DLNR-DOBOR has stated that the only alternative to this solution would be to randomly select names. Therefore, a seniority-based solution seems more equitable.

However, the end result will be some operators losing their permits and likely their businesses. As a result, OTC recognizes that there will be many operators who will disagree with this Bill, as it will put them at a disadvantage in securing a permit. This is understandable and certainly not something OTC wants to see happen to the many people who have put in both time, hard work to operate a business, only to lose their permit through no fault of their own.

OTC would like to stress that this is a delicate situation, and that OTC is open to additional thoughts or ideas on solutions as there is likely more than one way to handle this issue. We would also like to express our reservations with certain parts of the Bill. In particular, § (g) of the Bill reads that permits will be issued until the amount allowed by law "**...or determined by the department to be a reasonable number.**" OTC is concerned that this would allow the department to reduce permits to numbers below what the administrative rules allow and cause greater harm than necessary. OTC has requested further clarification from DLNR-DOBOR on this point and its possible removal.

We thank DLNR-DOBOR for reaching out to us to find a solution to this difficult problem.

Sincerely,

Denver S. Coon

Director

OTC

HB-1090

Submitted on: 2/8/2023 8:03:08 AM

Testimony for WAL on 2/9/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jim Coon	TRILOGY EXCURSIONS	Comments	Remotely Via Zoom

Comments:

I have grave concerns about HB1090 which attempts to resolve an issue where DLNR/DOBOR issued more permits than allowed by administrative rules. This has only happened in a few areas. I don't believe DOBOR needs to create a whole new system of managing permits to solve this oversight.

If this bill passes it should use a seniority based system to issue permits.

I also support OTC's reservations with the broad discretion proposed that reads that permits will be issued to the amount allowed by law "or determined by the department to be a reasonable number"

Sincerely

James E Coon, Vice President

HB-1090

Submitted on: 2/8/2023 8:42:18 AM

Testimony for WAL on 2/9/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Zachary LaPrade	Calypso Charters	Comments	Remotely Via Zoom

Comments:

The Ocean Tourism Coalition (OTC) worked with DLNR-DOBOR to help craft a bill that resolves this issue using a seniority-based system to issue permits to those that have been operating the longest and likely have invested the most time and capital into the area. The seniority based system aligns with the waiting list approach that DOBOR has traditionally used. I support this seniority approach should this bill be passed.

However, the end result will be some operators losing their permits and likely their businesses through no fault of their own. I also support OTC's reservations with certain parts of the bill. In particular, § (g) of the bill reads that permits will be issued to the amount allowed by law "or determined by the department to be a reasonable number." OTC is concerned that this could allow the department to reduce permits to numbers far below what the administrative rules allow and cause greater harm than necessary.