

Honolulu, Hawaii

APR 06 2023

RE: H.B. No. 24
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 24, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WATER COMMON CARRIERS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that a common water carrier may enter into vessel leases longer than five years or enter into leverage leases for vessels upon prior approval of the Public Utilities Commission (PUC).

Your Committee received testimony in support of this measure from the Public Utilities Commission; Hawaii Harbor Users Group; Matson Navigation Company, Inc; Young Brothers, LLC; and Soderholm Sales and Leasing, Inc. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the ability for residents and business to move goods between the islands at affordable rates is critical to the neighbor island communities' economic well-being, as they are reliant on the interisland cargo services that water common carriers provide. Long-term leases and leverage lease agreements impact and add to a water common carriers' costs, which in turn, are a component of the rates that water common carriers impose on residents and businesses. Under existing law, a water common carrier must receive approval from the PUC before entering



into a long-term lease of more than three years or a leverage lease. However, the approval process can impede a water common carrier's ability to timely secure needed equipment or property. This measure would narrow the scope of the types of leases that require PUC approval, thus streamlining necessary business processes for water common carriers.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 24, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 24, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

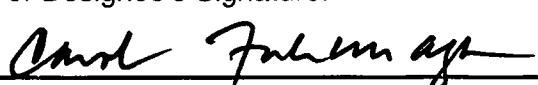


JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
HB24 HDISDI	TCA, CPN	3/29/23
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
KEOHOKALOLE, Jarrett (C)	✓	
FUKUNAGA, Carol (VC)	✓	
MCKELVEY, Angus L.K.	✓	
RICHARDS, III, Herbert M. "Tim"	✓	
AWA, Brenton	✓	
TOTAL	5	0
0	0	0
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
Goldenrod Committee File Copy		

*Only one measure per Record of Votes