

STAND. COM. REP. NO. 251

Honolulu, Hawaii

FEB 11 2025

RE: S.B. No. 21  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 21 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a Water Carrier Inflationary Cost Index Mechanism;
- (2) Authorize the Public Utilities Commission to grant exemptions to any water carrier from any requirement under the Hawaii Water Carrier Act; and
- (3) Define "automatic adjustment mechanism".

Your Committee received testimony in support of this measure from the Department of Transportation; Office of the Mayor of the County of Kaua'i; Young Brothers LLC; Matson Navigation Company, Inc.; Hawai'i Harbors Users Group; and DSR Logistics Co.

Your Committee received testimony in opposition to this measure from Pacific Transfer LLC.

Your Committee received comments on this measure from the Department of Agriculture, Division of Consumer Advocacy of the



Department of Commerce and Consumer Affairs, and Public Utilities Commission.

Your Committee finds that water carrier rates often lag behind inflation because rate adjustments require that a formal rate case be approved by the Public Utilities Commission, which is a time consuming process. Consequently, rates are not typically adjusted annually and the lags between rate cases necessitate large increases when the rate cases are considered. Accordingly, this measure creates a mechanism that allows water carrier rates to keep pace with inflation without the need for a formal rate case.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 21, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 21, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation and  
Culture and the Arts,



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CHRIS LEE, Chair



**Record of Votes**  
**Committee on Transportation and Culture and the Arts**  
**TCA**

\*Only one measure per Record of Votes