

RE: S.R. No. 125
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii
Sir:

Your Committee on Transportation, to which was referred S.R. No. 125 entitled:

"SENATE RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION AND THE COUNTIES TO REEVALUATE CURRENT CROSSWALK LOCATIONS AND THE NEED FOR NEW CROSSWALKS,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Department of Transportation and respective counties to work together to study the effectiveness of current crosswalk locations and the need for new crosswalks.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which deletes the contents of the measure and inserts language to:

(1) Request the Department of Transportation and each county to provide a combined total of at least \$10,000,000 in funding directly to a water carrier for the purposes of providing financial assistance to support different routes and lines of services within the State, in order to address the impacts of the COVID-19 pandemic and to offset costs incurred by any water carrier as a result of providing water carrier service to ports within the State; and

(2) Create a working group that will examine and recommend mid-term and long-term solutions to balance the need for continuous water carrier service throughout the State with the need for water carriers to maintain financial sustainability.

Your Committee received testimony in support of the proposed S.D. 1 from the Public Utilities Commission; one member of the Hawai'i County Council; one member of the Maui County Council; one member of the Kauai County Council; Honolulu City Council; Young Brothers, LLC; KTA Super Stores; ILWU Local 142; Hawai'i Farm Bureau; Hawaii Food Industry Association; Hawai'i Island Chamber of Commerce; Moloka'i Chamber of Commerce; Japanese Chamber of Commerce & Industry of Hawai'i; Hawaii Cattlemen's Council, Inc; Kualapuu Market, Ltd.; Kapapala Ranch; Creative Arts Hawaii, LLC; Aloha Grown, LLC; and seven individuals. Your Committee received comments on this measure from the Department of Transportation, Department of Commerce and Consumer Affairs, and one member of the Hawai'i County Council.

Your Committee finds that Young Brothers, LLC is the only interisland water carrier exclusively of property that services the ports of Hilo, Kaunapau, and Kaunakakai and the only interisland water carrier exclusively of property that currently provides less than container load/mixed lines of services to certain customers throughout communities across the State. Your Committee also finds that these routes and lines of services operate at losses to Young Brothers, LLC and that the COVID-19 pandemic has exacerbated these losses. Your Committee further finds that losses in volume are expected to continue due to the economic effects of the ongoing COVID-19 pandemic, and government financial assistance will be required to ensure that all lines of services are maintained at pre-COVID-19 service levels.

In addition, your Committee finds that a working group is necessary to investigate and develop recommendations to balance the need for continuous, reliable, and affordable interisland water carrier service to transport goods throughout the State with the water carrier's need for financial sustainability. Your Committee has concerns with recent proposals that would make interisland shipping for certain customers more expensive and that the viability of the water carrier's services on a long-term basis is uncertain. Your Committee therefore finds that convening a working group composed of interested stakeholders to identify mid-term and long-term solutions is a prudent step.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending it by:

(1) Amending its title in accordance with its amended purpose;

(2) Adding the chairs of the legislative standing committees on transportation; one representative from the Department of Business, Economic Development, and Tourism; and one representative from the International Longshore and Warehouse Union Local 142 to the working group;

(3) Increasing the total potential funding to a water carrier from \$10,000,000 to \$15,000,000; and

(4) 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 that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 125, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 125, S.D. 1.

Respectfully submitted on behalf of the members of the Committee on
Transportation,

LORRAINE R. INOUE, Chair