

COASTAL DEVELOPMENT AND ACTIVITIES: DRAFT SMALL BOAT HARBOR ISSUES

Problem Statement:

- The Division of Boating and Ocean Recreation (DOBOR) has management responsibility for the Small Boat Harbors and Boat Launch Ramps as well as the ORMA areas, however DOBOR management does not include all the snorkel dive areas where vessels access which causes jurisdictional confusion and management ineffectiveness.
- DOBOR derives almost all its funding from the boating program. These funds go into the Boating Special Fund. This fund is not adequate for DOBOR to maintain the current facilities or make any improvements. By DOBOR estimates this deferred harbor maintenance is in excess of \$200 Million.
- DOBOR does not have the professional level of harbor management expertise or staffing that DOT Harbors enjoys, yet is tasked with many of the same commercial transportation, security, and infrastructure needs. At the Department level (DLNR) there is a natural internal conflict of interest with balancing the needs of transportation and commerce and protecting and preserving the environment which further adds to the dysfunction at DOBOR and neither goal is realized. (See State Auditors reports on DOBOR)
- DLNR is so frustrated with the boating program that they want to divest themselves of the Small Boat Harbors any way possible. (Privatize, give to the Counties, etc.) This has led to demoralized staff and poorly managed and run harbors.
- DOBOR has been very ineffective in responding to the needs of the community. The Maalaea Harbor Improvement Project is a prime example. Millions (via Federal funding) to be spent on ferry infrastructure including sewage treatment facility, but no money to provide pump out access for vessels.
- Maui commercial boaters still do not have a haul out facility to work on their boats, but must travel to Honolulu or Big Island at great risk to vessel and crew.
- The Ocean Tourism Industry, which operates out of DLNR/DOBOR harbors, is very uncertain about their long-term survival under DOBOR management. This leads to instability in the industry and hurts the many families that have built their lives around these businesses. It also hurts the investment in stewardship necessary for MPA success.

RECOMMENDATIONS:

- As form follows function it would be logical to re-evaluate the entire boating program. There are several harbors that have become largely commercial in nature with the increase of the \$200 million ocean tourism industry, inter island ferry service, and large cruise ships. These harbors would be far better served under DOT Harbors than under DLNR/DOBOR or County management.

DOBOR could then manage the recreational harbors and boat ramps that service our outlying communities. DOBOR could make its decision on whether to give these to the counties, to privatize, or to get General Fund money to fund the boating program.

- If the entire boating program stays with DLNR, then it must have State General Funds to be sustainable. (The commercial boating industry pays nearly \$8 Million per year in GET. There is a significant multiplier for all the small businesses that provide infrastructure services for the boating industry that is not calculated in this figure, not to mention the many other forms of taxes every business pays.) DOBOR must also work in partnership with the commercial boating industry and be more business friendly.
- If DOBOR runs the boating program, then they should also manage the permitted boating allowed in the MPA's.
- Whenever major harbor infrastructure is planned, vessel pump out facilities must be included.
- Maui desperately needs a dry dock facility for the large commercial fleet.
- Ocean tourism must have the basic business rights necessary for business survival. With government policy (including access in MPA's) in a state of flux, few in the industry are confident or able to predict what the future will bring. There is a real fear they will be unable to keep their businesses alive and maintain their companies, attract outside partners or capital, or pass them on to the next generation. Banks are already starting to tighten up lending.
- Individuals will not invest the huge sums necessary for long-term business survival if there is not a stable business environment with a reasonable expectation of permitted access and renewals.
- Long-term success with MPA's is closely connected to continued stability of the Ocean Tourism Industry. Many operators have been in business twenty years or more and have been grooming their replacements in their respective businesses, be it sons and daughters or loyal employees. Many of these young people came into these enterprises with the hope that they would have a lifetime career and/or ownership in that particular company. Mature companies continue to grow in environmental awareness and invest in the long-term stewardship of the resource. This stability produces constant improvement and commitment to the environment by well-informed and well-run local companies.
- These small companies, which all operate with DLNR permits, make a significant contribution to the local economies--of which they are an integral part--as well as providing funding to administrate and manage the resource.