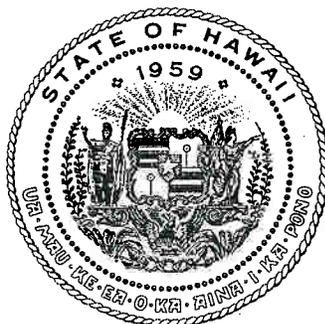


**DEPARTMENT OF TRANSPORTATION'S
REPORT TO THE LEGISLATURE
OF
THE STATE OF HAWAII
ON
THE TEMPORARY HAWAII
INTER-ISLAND FERRY OVERSIGHT TASK FORCE**



Pursuant to Act 2 of the Twenty-Fourth Legislature,
2007 Second Special Session

Acknowledgements

The Department of Transportation appreciates the considerable efforts of the Temporary Hawaii Inter-Island Oversight Task Force (OTF), which was convened pursuant to Act 2 of the Twenty-Fourth Legislature, 2007 Second Special Session, and held its first organizational meeting on December 14, 2007.

OTF Members:

Sandra Lee Kunimoto (Chair BOA)
Russell Tsuji (Chair BLNR designee)
Michael Q.Y. Lau, Esq. (AG designee)
Michael D. Formby (Director DOT designee and facilitator)
John Garibaldi (President, large capacity ferry vessel company)
William J. Aila, Jr. (Oahu county)
Kauila Clark (Oahu county)
Dennis Chun (Kauai county)
Jeff Mira (Kauai county)
Sara Peck (Hawaii county)
Michael Matsukawa (Hawaii county)
Colette Y. Machado (Maui county)
Randy Awo (Maui county)

Special thanks to the Department of Transportation, Airports Division, for the use of their conference room at the Honolulu International Airport.

Introduction

Act 2, Part IV, Section 13 (a) “established under the department of transportation, a temporary Hawaii inter-island ferry oversight task force,” with the department of transportation responsible for administering, providing a facilitator and submitting reports to the legislature and governor.

The goal of the oversight task force (OTF) is “to study the State’s actions regarding the establishment of the operations of any large capacity ferry vessel company as a whole and to examine the impact, if any, of the operations of any existing or proposed large capacity ferry vessel company on:

- (1) Ocean life and marine animals and plants, including but not limited to an existing or proposed inter-island ferry operations’ whale avoidance policy and procedures;
- (2) Water resources and quality;
- (3) Harbor infrastructure;
- (4) Vehicular traffic;
- (5) Public safety and security;
- (6) The potential to spread invasive species;
- (7) Cultural resources, including hunting, fishing, and native Hawaii resources;
- (8) Economic consequences and impact; and
- (9) Any other natural resource or community concern.”

Act 2, Part IV, Section 13(b) mandated thirteen OTF members, including:

- (1) Director of Transportation or designee;
- (2) Chairperson of Board of Agriculture or designee;
- (3) Chairperson of Board of Land and Natural Resources or designee;
- (4) The Attorney General or designee;
- (5) The President of a large capacity ferry vessel company or designee;
- (6) One representative from each of the four major counties, including at least one representative from the environmental community, one representative who is active or knowledgeable in native Hawaiian cultural practices, and one representative from the general business community; provided that each such representative shall be appointed by the speaker of the house of representatives; and
- (7) One representative from each of the four major counties, including at least one representative from the environmental community, one representative who is active or knowledgeable in native Hawaiian cultural practices, and one representative from the general business community; provided that each such representative shall be appointed by the president of the senate.

Pursuant to Act 2, Part IV, Section 13(d), the OTF shall submit monthly status reports of its findings and recommendations to the legislature and governor commencing December 31, 2007. The OTF report shall include (at a minimum):

- (1) A listing and description of the mitigation measures established to deter or minimize any adverse environmental impact of the large capacity ferry vessel company and its operation; and
- (2) A review of the mitigation measures implemented and the efficacy of those mitigation measures on deterring or minimizing any adverse environmental impact caused by the operation of the large capacity ferry vessel company and its vessels.

Appointed Members, Department Heads/Chairs and Designees

Pursuant to Act 2, Part IV, Section 13(b), on November 5, 2007, the Honorable Senate President Colleen Hanabusa appointed:

- (1) Michael Matsukawa, Hawaii County representative (general business community);
- (2) Dennis Chun, Kauai County representative (native Hawaiian cultural practitioner);
- (3) William J. Aila, Jr., Oahu County representative (environmental community); and
- (4) Randy Awo, Maui County representative.

Pursuant to Act 2, Part IV, Section 13(b), on December 7, 2007, the Honorable Speaker Calvin Say appointed:

- (1) Colette Y. Machado, Maui County representative;
- (2) Kauila Clark, Oahu County representative (native Hawaiian cultural practitioner);
- (3) Sara Peck, Hawaii County representative (environmental community);
- (4) Jeff Mira, Kauai County representative (general business community).

Via written designation dated December 7, 2007, the chairperson of the board of land and natural resources designated Russell Tsuji as the BLNR designee in the chair's absence.

Via written designation dated December 3, 2007, the director of the Department of Transportation designated Michael D. Formby as the facilitator and DOT designee in the Director's absence.

Via written designation dated November 26, 2007, the attorney general designated Michael Q.Y. Lau, Esq. as the attorney general's designee in the attorney general's absence.

John Garibaldi, the President of Hawaii Superferry, represents a large capacity ferry vessel company.

First Meeting of the OTF

The first meeting of the OTF was convened on Friday, December 14, 2007, at 12:30 p.m. at the Honolulu International Airport, Inter-Island Terminal, DOT Airports Conference Room C.

The Agenda was publicly posted with the Office of the Lieutenant Governor on Friday, December 7, 2007. A copy of the Agenda is attached hereto as Attachment "A."

Twelve members were present representing a quorum. Member Clark gave prior notice of inability to attend the meeting. The meeting was facilitated by Michael D. Formby, the DOT designee.

Members were each provided binders containing:

- (1) Act 2;
- (2) Executive Order 07-10;
- (3) Agreement between Hawaii Superferry, Inc. and the State of Hawaii;
- (4) State of Hawaii and Hawaii Superferry Operating Agreement dated September 7, 2007 and First Amendment dated October 25, 2005; and
- (5) Hawaii Superferry public postings/notices via website.

Referring to Act 2, members discussed the OTF mission, organization of the OTF, reporting requirements and the OTF meeting schedule. Members agreed to consider their preferences as to the organizational structure of the OTF, with the issue to be the first item on the agenda for the January 2008 meeting. Members also agreed to discuss reporting format at the January 2008 meeting. It was requested of the facilitator that the Captain of the Port be invited to speak to the OTF at the January 2008 meeting regarding Coast Guard security operations in support of the Hawaii Superferry. Captain Compagnoni has agreed to appear and speak at the January 2008 meeting. At the members' request, Belt Collins, the Act 2 EIS contractor, has also agreed to appear at the January 2008 meeting and brief the OTF members on the status of the Rapid Risk Assessment and the subcontractors retained to assess the Hawaii Superferry operation.

At 1:35 p.m., the meeting recessed and OTF members and the public reconvened at Pier 19, Honolulu Harbor, where they had the opportunity to watch the Superferry arrive at Honolulu Harbor from Kahului Harbor and observe the disembarkation of passengers and vehicles.

At 2:30 p.m., OTF members and the public received a Powerpoint presentation at the Pier 19 passenger terminal from Hawaii Superferry personnel outlining Hawaii Superferry's compliance with Act 2 and Executive Order No. 07-10. A copy of the presentation is attached hereto as Attachment "B."

At 2:50 p.m., OTF members and the public were taken on a guided tour of the Hawaii Superferry vessel Alakai, which included briefings in the vehicle compartment, passenger

lounges and bridge. Briefings covered vessel navigation and operation, whale avoidance procedures and passenger/vessel safety. Following a tour of the vessel, OTF members and the public walked to Pier 20 where Hawaii Superferry personnel provided a demonstration of vehicle inspection procedures.

The meeting adjourned at 4:05 p.m. with OTF members having studied and observed the operation of a large capacity ferry vessel at Honolulu Harbor and toured harbor infrastructure and ferry vessel facilities at Piers 19 and 20 in Honolulu Harbor.

Findings and Recommendations

Pursuant to Act 2, Part IV, Section 13(d), the OTF monthly report shall include a listing and description of mitigation measures established to deter or minimize any adverse environmental impact of the large capacity ferry vessel company and its operations.

Act 2, Section 4(a), established the following conditions precedent to operation:

- (1) Regarding whale encounters:
 - (A) Apply with the National Oceanic and Atmospheric Administration for an incidental-take permit; and
 - (B) Request an observer from the National Marine Fisheries Service, a division of the National Oceanic and Atmospheric Administration, be onboard its vessels at all times when traveling through the Hawaiian Islands Humpback Whale National Marine Sanctuary;

- (2) Regarding invasive species:
 - (A) Post signage and notify passengers beforehand of all bans, inspections, and check-in procedures and deadlines;
 - (B) Post signage and notify passengers beforehand of all bans such as the ban on the transport of fishing gill nets and fishing nets for commercial use, or rocks, soil, or dirt or sand without a permit from the appropriate government agency. For the purposes of this paragraph, "soil or dirt" shall exclude soil or dirt in potted plants inspected and cleared for transport by the department of agriculture;
 - (C) Require passengers to declare all plants, fruits, seeds, and any other biological medium and confiscate any pests for control or eradication purposes or invasive species;
 - (D) Inspect or cause to be inspected all vehicles prior to boarding, including the trunks of all cars, the beds of all pickup trucks and the undercarriage and interiors of all vehicles; and
 - (E) Promptly notify the appropriate governmental agency regarding any violation of invasive species, agricultural, conservation or other law; and

- (3) Any other conditions or protocols the governor deems necessary and appropriate to protect the State's environment; provided that any such conditions or protocols established under this paragraph shall be executed by the governor, by means of an executive order, and without regard to chapter 91, Hawaii Revised Statutes, or any other provision of law.

In accordance with Act 2, Section 4(a)(3), the Governor signed Executive Order 07-10 on November 4, 2007, establishing over 40 conditions and protocols on large capacity ferry vessel company operations while environmental studies are conducted and prepared. The conditions and protocols established by the Governor are incorporated herein by reference in their entirety and attached hereto as Attachment "C."

OTF members used the first meeting on December 14, 2007 to obtain necessary documents, including Act 2, Executive Order 07-10, the Hawaii Superferry Operating Agreement and Hawaii Superferry public notices. Members also used the first meeting to receive a compliance briefing from Hawaii Superferry, as well as tour the Alakai and study Hawaii Superferry operations in Honolulu at Piers 19 and 20.

Conclusion

As of this report date, OTF members have made no determinations as to the efficacy of mitigation measures implemented via Act 2 and/or Executive Order 07-10. OTF members intend to begin the review process which may result in findings and recommendations to the legislature and governor at their January 10, 2008 meeting.

AGENDA
Act 2 Temporary Hawaii Inter-Island Ferry
Oversight Task Force Meeting

Friday, December 14, 2007

12:30 p.m.

Honolulu International Airport, Inter-Island Terminal,
7th Floor DOT Airports Conference Room C

- I. Call to Order
- II. Introduction of members; discussion of Task Force mission, organization, reporting requirements, and schedule

At approximately 1:30 p.m. meeting will recess and reconvene at approximately 1:45 p.m. at Pier 19, Honolulu Harbor

- III. Tour of passenger terminal and briefing by Hawaii Superferry
- IV. Observe Superferry arrival from Kahului (pending schedule)
- V. Tour of Pier 20
- VI. Tour of Superferry
- VII. Adjournment

Notes:

- 1. For security purposes, access to Piers 19-20 and/or the Hawaii Superferry requires Government issued picture identification.
- 2. Public parking is not available at Piers 19-20. The public should plan ahead for parking in the vicinity.
- 3. Persons with disabilities who need accommodation should call (808) 587-3651 at least 3 business days prior to the meeting.



Act 2 & Executive Order No. 07-10

Overview of Hawaii Superferry Compliance



Act 2 and E.O. 07-10 Preparation

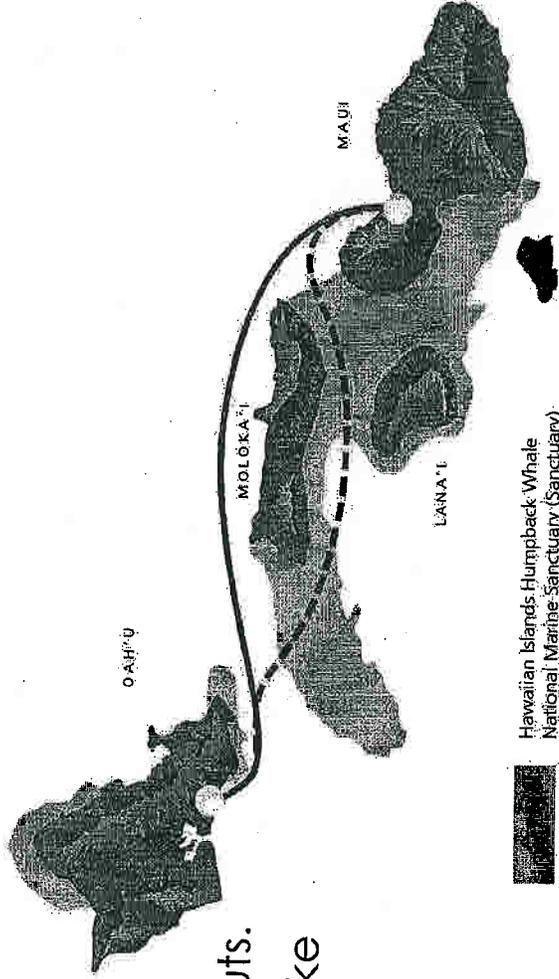
In planning for compliance with Act 2 and Executive Order 07-10 Hawaii Superferry:

- Communicated with Federal, State and County agencies.
- Developed policies and procedures to comply with Act 2 and E.O. requirements.
- Modified ports and vessel with appropriate signage.
- Implemented notification processes for passengers regarding regulations and restrictions.
- Trained port staff and vessel crew on new policies and procedures.



Ocean Life & Marine Animals & Plants

- Avoid Hawaiian Islands Humpback Whale National Marine Sanctuary waters from January 1 to April 30.
- Slow down when in whale dense areas.
- Added two crew dedicated as whale lookouts.
- Begun NOAA Incidental Take Permit process.



Hawaiian Islands Humpback Whale National Marine Sanctuary (Sanctuary)

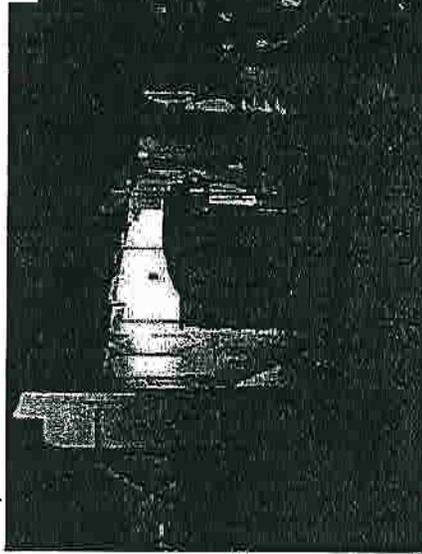
Regular Route

Alternate Route: Used only when sea conditions on regular route compromises comfort and safety (traveling a maximum of 25 knots in Sanctuary; will slow further or stop, if necessary, when whales are spotted).

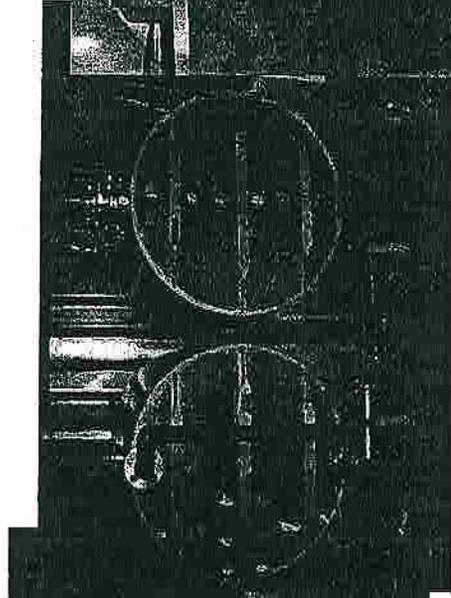


Water Resources & Quality

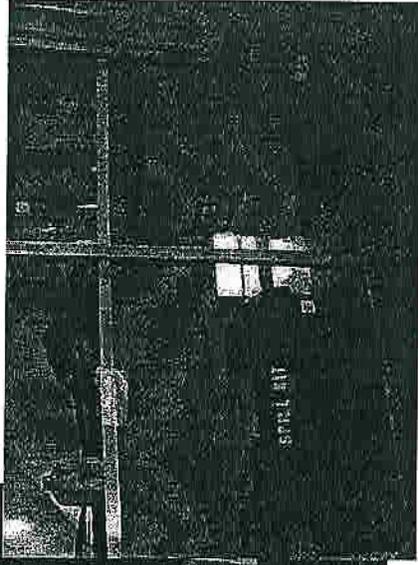
- Water pollution compliance includes no discharge of wastewater into the ocean.
- DOH Clean Water Branch conducted an inspection to ensure that the Alakai complies with water pollution regulations.
 - The inspection proved that HSF and the Alakai are in compliance with water pollution regulations.



**Bilge Water Container
(Main Deck)**



**Smudge & Bilge
Holding Tanks**

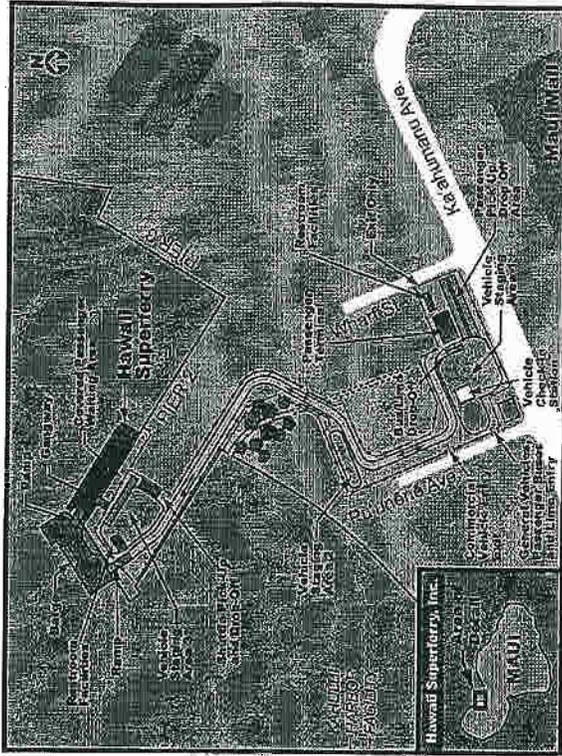
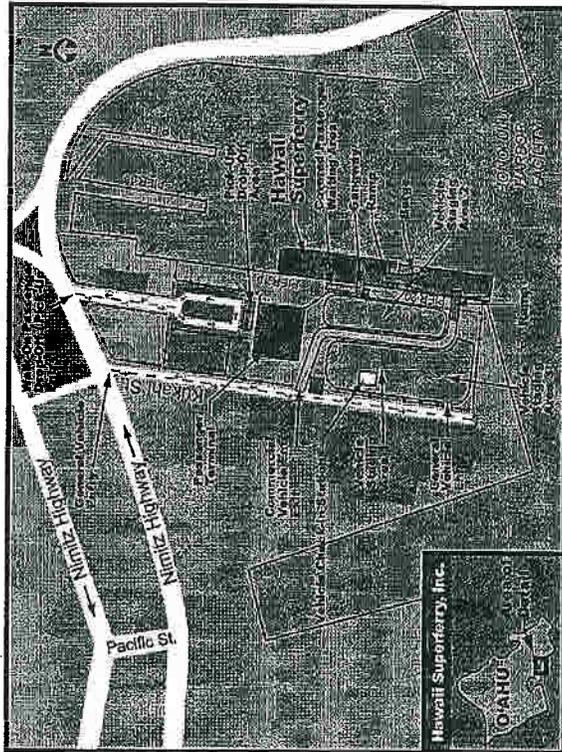


Spill Response Kits



Vehicular Traffic

- Completed traffic studies and implemented a vehicle movement and management plan.
- Revised arrival and departure schedules to avoid the busiest traffic times and minimize impacts.
- Designed facilities to hold all arriving and departing vehicles within terminal and not on roadways.





Public Safety & Security

Operates under a United States Coast Guard approved Facility Security Plan and Vessel Security Plan

- HSF has coordinated both plans with county police and fire departments.

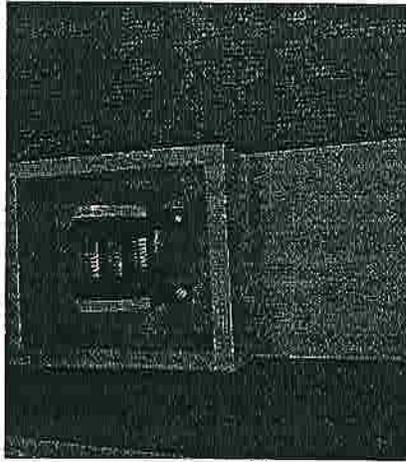
Security plans address in detail:

- The process and procedures to be applied at different USCG Maritime Security threat levels.
- The required clear zones, secured areas and inspection areas, and procedure to establish these areas.
- The procedures for interface with the State, USCG, FBI, and other law enforcement agencies.
- The personnel and equipment to be used in meeting all necessary security requirements.

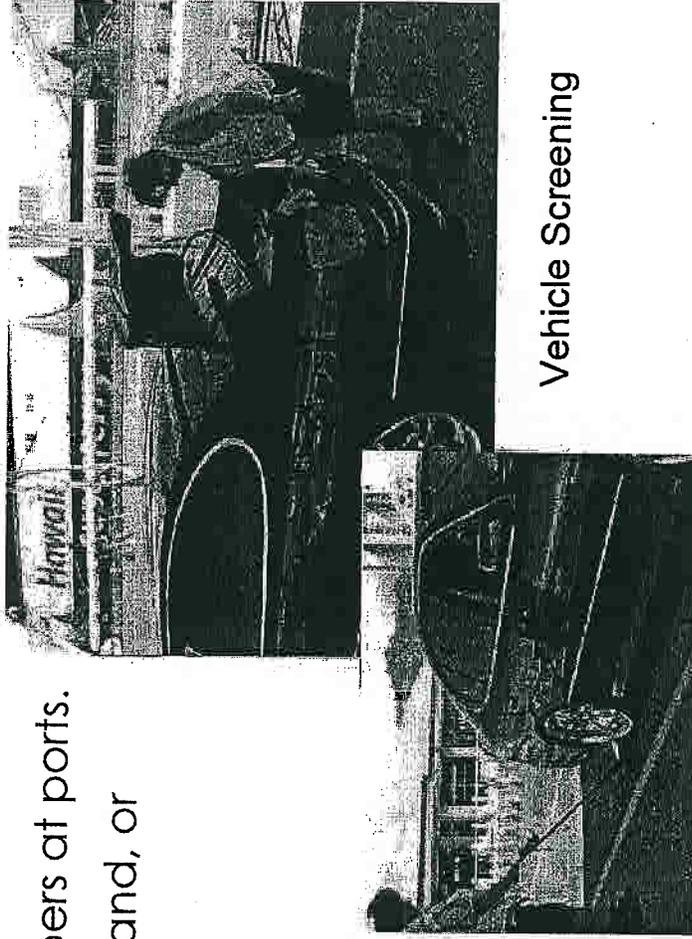


Invasive Species

- Agricultural screenings of passengers and all vehicles.
- Excessively dirty or muddy vehicles are not allowed to board the vessel.
- Complies with HDOA regulations on transporting domestic animals and livestock.
- DOA approved boot scrubbers at ports.
- Transport of rocks, soil, dirt, sand, or coral prohibited.



Boot Scrubber



Vehicle Screening



Cultural & Natural Resources

- Passengers notified of prohibited items (iwi or human bones, opihi, lobster, or other crustaceans, cut logs, trees, or tree limbs) via website, reservation email confirmation, and signage.
- Passengers and vehicles, including coolers screened at check-in.
- Valid commercial marine license issued by DLNR required for transport of live or dead fish.
- Recreational fishers notified that DLNR has fishing rules and regulations.
- Website links added to State and County agencies for fishing, hunting and camping regulations.
- Will include briefing on Hawaii's cultural and natural resources in onboard programming.

EXECUTIVE ORDER NO. 07-10

WHEREAS, it has been determined that it is in the public interest that a large capacity ferry vessel service should commence as soon as possible to provide inter-island ferry service between the islands of Oahu, Maui, Kauai, and Hawaii, using state harbor facilities on each island while harbor improvements continue to be constructed and used while any environmental studies, including any environmental assessments or environmental impact statements, are conducted and prepared; and

WHEREAS, section 4(a) of Act 2, Second Special Session Laws of Hawaii 2007 ("Act 2"), permits a large capacity ferry vessel company to operate if it complies with conditions enumerated in section 4(a) of Act 2 and any other conditions or protocols the Governor of Hawaii deems necessary and appropriate to protect the State's environment, and establishes by executive order pursuant to section 4(a)(3) of Act 2; and

WHEREAS, section 4(c) of Act 2 provides that the Governor of Hawaii may establish by executive order conditions and protocols to mitigate significant environmental effects that the Governor determines, in the Governor's judgment, are likely to be caused by a large capacity ferry vessel company's inter-island operations ("conditions and protocols"); and

WHEREAS, the Governor of Hawaii has considered the effects that operations of a large capacity ferry vessel may have on:

- (1) Ocean life and marine animals and plants, including a whale avoidance policy and procedures;
- (2) Water resources and quality;
- (3) Harbor infrastructure;
- (4) Vehicular traffic;
- (5) Public safety and security;
- (6) Controlling the spread of invasive species;
- (7) Cultural resources, including hunting, fishing, and native Hawaiian resources; and
- (8) Economic consequences and impact; and

WHEREAS, the Governor of Hawaii has considered other natural resource and community concerns that the Governor deemed it appropriate to consider; and

WHEREAS, the Governor of Hawaii has considered establishing conditions and protocols that would require State of Hawaii Department of Agriculture (DOA) inspectors and State of Hawaii Department of Land and Natural Resources (DLNR) conservation and resources enforcement personnel on each inter-island voyage conducted by a large capacity ferry vessel company, but has not found the same to be necessary and appropriate; and

WHEREAS, the Governor of Hawaii has considered such other facts and matters as required by Act 2;

NOW, THEREFORE, I, LINDA LINGLE, Governor of the State of Hawaii, pursuant to the provisions of section 4(c) of Act 2, do hereby establish the following conditions and protocols:

A. Ocean Life and Marine Animals and Plants

1. The large capacity ferry vessel company ("company") shall agree to request that National Marine Fisheries Service (NMFS) certified fisheries observers, currently residing in Hawaii, such as graduates and members of Alu Like's Marine Stewardship Program, be onboard its vessels to help monitor and document all marine life sightings and potential impacts to marine life by its vessels, to warn the bridge in a timely manner about potential impacts, to collect data on appropriate NMFS forms of general and unusual marine life observations, to appropriately document observations, and, in the event of an interaction with an endangered species by one of its vessels, to document and follow applicable federal requirements, if any.

2. (a) The company shall agree that company vessels shall avoid operating within the boundaries of the Hawaiian Islands Humpback Whale National Marine Sanctuary or in waters less than 100 fathoms from January 1 to April 30 of each calendar year unless: (i) the Master of the vessel

determines that this operation is in the interest of passenger safety and comfort or vessel safety; or (ii) the vessel is making an immediate approach to or departure from the ports of Honolulu, Kahului, Nawiliwili or Kawaihae.

(b) The company shall agree that if the Master of a vessel makes a determination that operation within the boundaries of the Hawaiian Islands Humpback Whale National Marine Sanctuary or in waters less than 100 fathoms from January 1 to April 30 of each calendar year other than when the vessel is making an immediate approach to or departure from the ports of Honolulu, Kahului, Nawiliwili, or Kawaihae ("said operation") is in the interest of passenger safety and comfort or vessel safety, the Master shall, when feasible, refer to and consider existing data on aerial and shore-based systematic surveys of whale densities to select areas of lesser densities.

(c) The company shall agree that if the Master of a vessel makes a determination that "said operation" is in the interest of passenger safety and comfort or vessel safety, the vessel shall not exceed twenty-five knots at any time during "said operation."

(d) The company shall agree that if the Master of a vessel makes such a determination that "said operation" is in the interest of passenger safety and comfort or vessel safety; the Master shall, with respect to "said operation": (i) document this determination in the vessel's log book with a certification by the Master that the vessel did not exceed twenty-five knots during "said operation," (ii) document the time, location, course and any evasive actions taken by the vessel, and (iii) provide a copy of the vessel log book entry(ies) to the Director of Transportation and the Chairperson of the Board of Land and Natural Resources.

3. The company shall agree to post two persons to act as whale lookouts on any vessel and allow for direct communications between the lookouts and the Master of the vessel, and the observers identified in Section A.1 may serve as these whale lookouts.

4. The company shall agree that each vessel shall maintain a minimum of 500 meters distance from whales whenever possible when whales are sighted.

5. The company shall agree to utilize radar, night vision equipment, and bow-mounted cameras to detect whales and to try to avoid collisions.

6. The company shall agree that any vessel's Master shall document and report any collision or whale approach less than 100 meters from the vessel, that in the event of a collision, the company shall document observable damage or injury to the whale and, if safe and possible, remain on scene with the whale until rescue response arrives, and within twenty-four hours of any whale collision, provide a detailed written report of the collision to the Director of Transportation and the Chairperson of the Board of Land and Natural Resources.

7. The company shall agree that it shall designate a crew member or crew members to be trained by the Department of Land and Natural Resources to monitor its vessel for downed seabirds. Between September 15 and December 15 of each calendar year, prior to evening departures from the ports of Nawiliwili, Kahului and Honolulu and prior to morning departures from any harbor after being docked overnight, the company shall agree to retrieve and care for any and all downed seabirds on a vessel in accordance with DLNR policies and procedures, if any.

B. Water Resources and Quality

1. The company shall agree to comply, at all times, with HRS chapter 342D, "Water Pollution," and such other laws, rules or regulations adopted by the State of Hawaii, Department of Health (DOH), Clean Water Branch, if any, as may apply to vessel operations in the State of Hawaii.

2. The company shall agree that it will not, at any time, discharge wastewater into the ocean, including but not limited to the coastal waters of the State of Hawaii, and that in the event of any discharge, the company shall

document and report said discharge to the Director, DOH, within twenty-four hours of discharge.

C. Vehicular Traffic

1. The company shall agree to complete traffic studies, including traffic counts, with the first studies to be furnished to the State Department of Transportation (DOT) by January 1, 2008, but furnishing such studies shall not be a condition precedent to commencing operations before January 1, 2008.

2. The company shall agree to implement a vehicle movement and management plan for each port of operation as may be directed by the DOT.

3. The company shall agree that the traffic studies shall be used to adjust vessel arrival and departure schedules as necessary to lessen the impact of ferry vehicular traffic on local traffic patterns in the immediate vicinity of each operating port (with any adjustments to vessel arrival and departure schedules subject to advance DOT approval).

4. The company shall agree to: (a) design its harbor facilities to, insofar as practicable, hold departing vehicles within the terminal area; (b) employ trained staff to manage traffic entering and exiting each port terminal facility; (c) permit vehicles to enter each port terminal facility a minimum of two hours prior to the departure of the vessel to reduce local traffic impacts; and (d) as required by DOT, retain and post security guards or off-duty police officers to direct traffic, control signals, and respond to unforeseen traffic problems during vehicle loading or unloading in ports of operation.

D. Public Safety and Security

1. The company shall agree that, prior to the commencement of operations, a Facility Security Plan (FSP), by operational port, and a Vessel Security Plan (VSP) shall have been submitted for approval to the United States Coast Guard, and if necessary for operation, approved by the United States Coast Guard.

2. The company shall agree to coordinate its operational plans as necessary with county fire and police departments.

E. Invasive Species

1. The company shall agree to conduct agricultural screenings of its passengers and visual inspections and agricultural screening of all vehicles, including visual inspection of engines, interiors, undercarriages, wheel wells, trunks, beds of pickup trucks, and trailered equipment and vehicles.

2. The company shall agree that vehicles that have not been inspected and screened will not be allowed to board, and that vehicles containing prohibited items will not be allowed to board.

3. The company shall agree that passengers will be notified in advance that all vehicles, camping, hiking, hunting, snorkeling, diving, fishing, and boating equipment (including boats and trailers) should be thoroughly washed with fresh water and be free of any debris.

4. The company shall agree that passengers will be notified in advance that all vehicles, including "off road" or four-wheel drive vehicles, including trucks, dirt bikes, and all-terrain vehicles, will be subject to screening and inspection, including for dirt or mud.

5. The company shall agree that it will not permit boarding of any vehicles that are excessively dirty, muddy, or have caked-on mud on a vehicle and/or its tires.

6. The company shall agree that it will allow living plants and propagative plant parts (e.g., roots and root stock) on the vessel only if accompanied by a valid DOA certificate of inspection, and that the company shall permit no other living plants on the vessel.

7. The company shall agree to permit DOA inspections of cut or harvested flowers, foliage, fruits, vegetables and/or other non-propagative plant parts.

8. The company shall agree to permit only the following animals on the vessel without a DOA certificate: Domestic cats, dogs, pigeons, and rabbits.

9. The company shall agree to permit domestic livestock and poultry, limited to domestic cattle, horses, donkeys, goats, sheep, chickens and roosters, on the vessel only if accompanied by a valid DOA certificate.

10. The company shall agree not to permit swine of any kind on the vessel, including but not limited to, pigs, pot-bellied pigs, hogs, boars, and sows.

11. The company shall agree to notify passengers in advance that valid hunting licenses are required by DLNR in the State of Hawaii, prior to hunting.

12. The company shall agree that transport of fishing nets of any kind is prohibited and to notify passengers that transport of fishing nets of any kind is prohibited.

13. The company shall agree that transport of rocks, soil, sand, dirt, or dead coral, except for soil or dirt in potted plants inspected and cleared for transport by the DOA, is prohibited, and to notify passengers that transport of such items is prohibited.

14. The company shall agree to provide boot scrubbers approved by DOA at each of its port terminal facilities.

15. The company shall agree to require passengers to declare, orally or in writing, all plants, fruits, seeds, and any other biological medium.

16. The company shall agree to confiscate any "pests for control or eradication purposes" and invasive species, and to work with the DOA on learning how to screen for and identify the same.

17. The company shall agree to fully cooperate in any risk assessment that may be performed by DOA, including but not limited to any Maritime Risk Assessment with USDA's Western Region and Center for Plant Health Science and Technology.

18. The company shall agree to fully cooperate with any monitoring or inspections by any state officials, employees, or contractors.

F. Cultural and Natural Resources

1. The company shall agree that transport of iwi or human bones is prohibited and to notify passengers that transport of iwi or human bones is prohibited.

2. The company shall agree that transport of opihi, lobster, or other crustaceans is prohibited and to notify passengers that transport of opihi, lobster, or other crustaceans is prohibited.

3. The company shall agree: (a) that live or dead fish or live coral, may only be transported with a valid commercial marine license issued by DLNR except that recreational fishers may transport fish subject to any limitations established by DLNR and, (b) to notify passengers that marine life, including live or dead fish or live coral, may only be transported with a valid commercial marine license issued by DLNR except that recreational fishers may transport fish subject to any limitations established by DLNR.

4. The company shall agree to provide to passengers information provided by the State of Hawaii and/or the counties concerning restrictions on the use of cultural and natural resources, including but not limited to hunting and fishing rules and camping permit requirements.

5. The company shall agree that transport of cut logs, cut trees, and tree limbs is prohibited, and to notify passengers that the transport of cut logs, cut trees, and tree limbs is prohibited.

6. The company shall agree to consider adding a cultural briefing on Hawaii's cultural and natural resources to its on-board programming and education.

G. OTHER

1. The company shall agree to consider whether to establish a special transport rate for agricultural products.
2. The company shall agree to fully cooperate with any risk assessment conducted by or authorized by the State of Hawaii Department of Transportation.

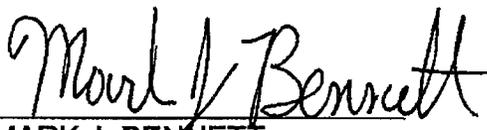
IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Hawaii.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 4th day
of November, 2007.



LINDA LINGLE
Governor of Hawaii

APPROVED AS TO FORM:



MARK J. BENNETT
Attorney General