



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committees on Transportation and International Affairs  
and  
Higher Education  
February 11, 2014 at 1:21pm  
by  
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### SB 3062 – RELATING TO TRANSPORTATION

Chairs English and Taniguchi, Vice Chairs Dela Cruz and Kahele and members of the committees:

Thank you for the opportunity to provide testimony on SB 3062 which requires the Department of Transportation and the University of Hawai'i to complete negotiations and execute an agreement to relocate the University of Hawai'i marine center no later than July 1, 2015. The bill specifies that current lease at gratis between the DOT and the UH shall be deemed terminated as a matter of law on that date.

The Snug Harbor facility is a key element of the School of Ocean and Earth Science and Technology of UH. The ships and facility support more than 40 employees (crew and support personnel), and the school's programs based on ocean science research bring in extramural research support (income) of \$100 million dollars annually to the state, which is invested directly in faculty and staff salaries and goods and services. This is a many-fold increase over the state's own funds used to support SOEST.

The UH's ocean research, as enabled by UH's work at Snug Harbor, is important not only to UH but the entire State of Hawai'i. Land was donated to the State of Hawai'i by the Federal Government for the express purpose of constructing the subject facility to support UH-managed ocean research and education. The initial 65-year lease from the State was gratis, and intended to be so in perpetuity.

UH absolutely understands the importance of DOT's harbor modernization plan, has cooperated fully in the development of the relocation plan and has agreed to it in writing. UH's relocation plan requires UH to split its operations into two sites so it does not involve just DOT and UH, which covers one site for large vessels operations, but also DLNR for the 2nd site for small vessels operations. Thus UH cannot relocate its entire operations without both agencies on board. The BLNR approved in January 2014 a right of entry and approval in principle for a lease for small boat operations on Sand Island.

UH is actively negotiating in good faith with DOT for its relocation of large vessel operations. The final construction plans were approved by DOT in early 2013 and UH fully agrees to the

plan, for which DOT subsequently has received construction bids. Notice to proceed for the construction has been postponed by DOT until a formal agreement between DOT and UH is executed. On December 28, 2013 UH provided a revised memorandum of agreement to DOT, and subsequently on January 21, 2014 DOT responded with comments that resurrected previously resolved issues regarding post-2049 lease details. The current lease for Pier 45 is gratis, as is the lease offered for 35 years by DOT. Language inserted by DOT addressing market rates post-2049 is inappropriate and should be deferred to those who will negotiate the new lease at that time. UH is committed to paying for all maintenance, utilities and inspection costs, thus having UH pay DOT with State funds serves no real purpose.

UH is committed to finalize the DOT memorandum of agreement and is scheduled to meet with DOT next week to do so.

UH strongly opposes this measure, which would unfairly place the burden to complete a complex negotiation on one party only.

Thank you for the opportunity to testify on SB 3062.