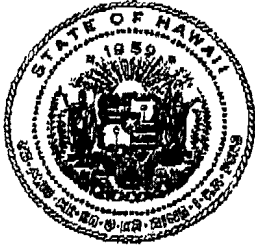


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SMALL BUSINESS REGULATORY REVIEW BOARD

Department of Business, Economic Development & Tourism
 No. 1 Capitol District Bldg., 250 South Hotel St. 5th FL, Honolulu, Hawaii 96813
 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

RECEIVED
 Tel 808 586 2594
 Fax 808 586 2548

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HAWAII COMMUNITY
 DEVELOPMENT
 AUTHORITY

January 18, 2006

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To: Daniel Dinell, Executive Director
 Hawaii Community Development Authority

From: Lynne Woods, Chairperson *Lynne Woods*
 Small Business Regulatory Review Board

Subject: REVIEW OF HAWAII ADMINISTRATIVE RULES
 HAR Chapter 15-211, "Rules for Kewalo Basin"

This memorandum is in response to the Hawaii Community Development Authority's (HCDA's) proposed rule changes to HAR Chapter 15-211, entitled "Rules for Kewalo Basin."

As you are aware, the Small Business Regulatory Review Board (Board) provides recommendations to agencies on proposed rules and proposed rule amendments, pursuant to the Small Business Regulatory Flexibility Act, Act 168, SLH 1998, revised as Chapter 201M, HRS 2002, and the Governor's Administrative Directive No. 99-02.

Please be advised that the Board reviewed the subject rule amendments and heard from Mr. Richard Kuitunen, Asset Manager at HCDA, at its January 10, 2006 board meeting. After much discussion, the Board recommends that procedures on "how to" become a Kewalo Basin tenant be established; such procedures may include the allocation of a certain number of slips for various categories of vessels; i.e., catamarans, cruise boats, etc.

The Board also believes that certain changes and/or clarifications, outlined below, are essential before the rules proceed to public hearing.

§15-211-73 Absence of vessel for more than fourteen days: effect on the leases.
 This has a potentially huge impact on business, particularly with regards to the paperwork. The Board would like to see a lesser impact in place, if possible.

§15-211-74 Inspection.

Because this may be perceived as an "unannounced visit," it is recommended that a reason for the inspection be established as well as notification for such an inspection before boarding a commercial vessel.

§15-211-92 Emergency conditions.

It is recommended that specific criteria to "deviate" be established as well as the kind of notice one would have to give to "deviate" be included in the rules.

Daniel Dinell
January 18, 2006
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The Board thanks you for your consideration regarding these recommendations. They will look forward to receiving a "final" draft of the proposed rules prior to public hearing.

Cc: The Honorable Linda Lingle
Mr. Richard Kuitunen, Asset Manager, HCDA
Ms. Jeanette Otsuka Chang, SBRRB Discussion Leader