



Case Statement to the Full House of Representatives on the Introduction of the Fair Shipping for Non-Contiguous Areas Act July 24, 2023

I rise today to introduce a bill to end the exclusionary and discriminatory practices of private shipping services to Hawai'i and the other non-contiguous parts of our country.

My home state of Hawai'i is located almost 2,500 miles off the West Coast. We depend on shipping more than many other locations in our country, importing well over 90 percent of our life necessities, yet people living in Hawai'i have encountered three unfair shipping practices.

First, when ordering essentials online, we often learn that a particular online store or item doesn't even ship to Hawai'i at all. The Federal Trade Commission (FTC) reviewed this issue and confirmed that "some companies . . . are unwilling to ship products to Alaska, Hawaii, Puerto Rico, and the other territories." This exclusion prevents a few million Americans in the non-contiguous states from obtaining key products that should be available to them.

Second, as many of my constituents know, those who live in Hawai'i are often denied free shipping options from online retailers. It is so painful when a website advertises free shipping and you fill up your shopping cart and input your address only for a red error message to pop up with the news that Hawai'i, Alaska, Guam and elsewhere are not included in the free shipping deal.

Third, even when companies do ship to Hawai'i, the prices bears no reasonable relationship to the distances involved. The cost to ship to and from anywhere in the United States depends on several factors, including the weight and size of your package and service class. However, according to the FTC, private shipping companies' delivery options may cost considerably more for a destination in Alaska, Hawai'i, Puerto Rico and the other U.S. territories

than for the contiguous states. For example, a 2-pound package sent from Los Angeles to Hawai‘i costs \$45.33, but the same shipment from Los Angeles to New York is just \$14.28. This outrageous price is from a private shipping company that categorizes shipping to Hawai‘i as an international shipment. It is hard to believe that over 60 years after becoming a state and over 120 years after becoming part of America, Hawai‘i is still treated as a foreign country.

These price discrepancies also bear no relation to the product and are included regardless of the distance between the sender and the recipient. For example, one private shipping company charges approximately \$150 to ship a small package from Seattle to Juneau in two days, whereas the same package would cost approximately \$65 to ship a much greater distance from Seattle to Washington, D.C. in two days.

We – the non-contiguous areas of our country – are bearing the burden of these three discriminatory shipping practices. My bill, the Fair Shipping for Non-Contiguous Areas Act, addresses all three problems. It would require shippers to support all locations within our country. It would also end the exclusionary and discriminatory pricing practices of private shipping companies to and from my home state of Hawai‘i and elsewhere – excluding them from free shipping or charging exorbitated rates. In doing so, we will break these shipping companies’ stranglehold on exposed communities and address another contributor to the sky-high living costs in Hawai‘i and other non-contiguous locations. I urge my colleagues to support this bill as a matter of fairness for the people of Hawai‘i and all other Americans who do not live in the continental United States.

###