

ED CASE  
1ST DISTRICT, HAWAII

2210 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
TELEPHONE: 202-225-2726  
FAX: 202-225-0688

1132 BISHOP STREET, SUITE 1100  
HONOLULU, HI 96813  
TELEPHONE: 808-650-6688  
FAX: 808-533-0133

WEBSITE: [CASE.HOUSE.GOV](http://CASE.HOUSE.GOV)

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES:  
DEFENSE  
HOMELAND SECURITY

COMMITTEE ON NATURAL  
RESOURCES

SUBCOMMITTEES:  
OVERSIGHT AND INVESTIGATIONS  
INDIAN AND INSULAR AFFAIRS  
WATER, WILDLIFE AND FISHERIES

April 18, 2023

The Honorable Alejandro Mayorkas  
Secretary  
Department of Homeland Security  
301 7<sup>th</sup> Street, SW, Mail Stop 0020  
Washington, D.C. 20528

Subject: Request for Advance Waiver from Jones Act and Government-Impelled Cargo Requirements to Expedite Department of Defense Mission to Defuel Red Hill Bulk Fuel Storage Facility, Pearl Harbor, Hawai'i

Dear Secretary Mayorkas:

I write to urge an advance waiver from the Jones Act and government-impelled cargo requirements to provide for the safe, cost-effective, dependable and expedited execution of the Department of Defense's (DoD) critical defueling of the Red Hill Bulk Fuel Storage Facility (Red Hill) at Joint Base Pearl Harbor-Hickam, Hawai'i.

By way of background, Red Hill is a DoD 200 million gallon capacity bulk fuel storage facility located just one hundred feet over the principal aquifer for the City and County of Honolulu. In November 2021, Red Hill sustained a major leak, polluting the aquifer, sickening thousands of residents and dislocating tens of thousands from their homes. As a result, Secretary of Defense Lloyd Austin, at the strong urging of Hawaii's Congressional delegation and residents, committed DoD to the safe and expedited defueling, closure and decommissioning of Red Hill. To date, over \$2 billion has been directly appropriated to this critical mission.

As part of this process, the over one hundred million gallons of bulk fuel now stored in the Red Hill tanks must be removed and distributed to other storage facilities under a plan supervised by the U.S. Environmental Protection Agency and State of Hawai'i Department of Health. The current plan requires ten oceangoing bulk petroleum tankers to transport the fuel from a pier at Joint Base Pearl Harbor-Hickam to both domestic and foreign locations, ranging in distance from ten miles away at Kalaeloa, also on O'ahu, to storage sites thousands of miles overseas.

A series of highly organized and sequenced events is critical to the plan, which must achieve not only the safe and efficient removal of the fuel but also maintain military operational tempo and readiness in Hawai'i and beyond. The plan anticipates some twelve consecutive weeks of full utilization of the ten tankers, with each tanker contracted in advance on a time-chartered basis to assure availability and sequencing. Tanker contracting and movement must be closely coordinated with the transport of the fuel from Red Hill to the departure pier and loading of the fuel. Subject to pending plan review and removal processes, fuel removal could commence as early as October 2023, requiring all tankers to be contracted no later than July 2023. The failure

to contract or deliver any one tanker in the timing and sequence required disrupts the plan and increases risk of interrupting fuel removal and movement to alternative storage on land.

Under existing law, tanker movements for the simple transport of fuel ten miles from Joint Base Pearl Harbor-Hickam to Kalaeloa are subject to Jones Act requirements, and are further subject to government-impelled cargo requirement for overseas movements. As a practical matter, Jones Act ships are functionally unavailable for this timeframe and prohibitively expensive due to the very limited number of fuel tankers in the Jones Act fleet, which are fully committed elsewhere. Additionally, requirements on government-impelled cargo, to the extent available for a committed and predictable period, are administratively complicated and similarly prohibitively expensive. Current time charter rates are estimated at \$40,000 per day for international shipping, \$70,000 per day for cargo preference and \$100,000 per day for Jones Act. Assuming each committed charter availability at ninety days, total cost for all service by international shipping would be about \$36 million, versus about \$66 million for cargo preference plus Jones Act tankers (assuming just one Jones Act tanker, which may not be the case depending on other domestic destinations for the fuel).

The safe, efficient, dependable and cost-effective removal of fuel from Red Hill is a critical mission of the DoD for several reasons:

1. Fuel must be moved as fast as safely possible for the maintenance of military contingency fuel storage in the Indo-Pacific.
2. DoD has committed to the people of Hawai'i, whose confidence and trust in the military is already deeply shaken, an expedited and safe removal to help protect the Island of O'ahu's major source of drinking water.
3. The cost of Red Hill's closure alone will exceed \$1 billion, so any cost savings should be vigorously pursued.

It is critical to DoD and the people of Hawai'i that an advance waiver from the Jones Act and government-impelled cargo requirement be issued to provide DoD with the fullest possible range of options to contract internationally available fuel tanker transport on a predictable and cost-effective basis. To allow for the full range of options as to timing and sequencing of defueling, which require contracting to be complete by July 2023 in the event of an October 2023 removal commencement, this waiver should be issued now.

Thank you very much for your time and attention to this critical matter. Please call me directly with any questions or needs.

With aloha,

A handwritten signature in blue ink that reads "Ed Case".

Congressman Ed Case  
Hawai'i-First District