

Honolulu, Hawaii  
Feb 9, 2006

RE: H.B. No. 1971

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1971 entitled:

"A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY,"

begs leave to report as follows:

The purpose of this bill is to improve efficiency in the operations of the Natural Energy Laboratory of Hawaii Authority (NELHA) by providing NELHA with more flexibility in its procurement process. Specifically, this bill exempts NELHA from compliance with the public procurement code under Chapter 103D, Hawaii Revised Statutes, unless required by a project agreement, provided that it adopts a conflict of interest policy.

The Executive Director of NELHA testified in support of this bill. The State Procurement Office opposed the bill. The Department of Accounting and General Services commented on the measure.

Members of your Committee raised concerns regarding the perception of government secrecy and unfair competition among businesses and the general public, regarding a quasi-governmental body housed on public lands. However, your Committee also recognizes that the daily operations of NELHA and the business and research activities that occur on its campus are unlike a typical governmental agency. Therefore, your Committee believes that this measure deserves further discussion in subsequent committees despite the concerns raised. Further, your Committee also finds



that rather than allowing NELHA to adopt a conflict of interest policy based on a disclosure form that the Legislature should just require NELHA to follow a specified policy.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1971 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



---

HERMINA MORITA, Chair



