

Honolulu, Hawaii

April 27, 2007

RE: S.B. No. 990
S.D. 2
H.D. 3
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 990, S.D. 2, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO PETROLEUM INDUSTRY MONITORING,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to increase the transparency of petroleum industry pricing by:

- (1) Requiring the Public Utilities Commission (PUC) to refer to the Attorney General for prosecution, deceptive, false, or misleading statements, and unlawful profiteering discovered in connection with PUC's regulation under chapter 486H, Hawaii Revised Statutes (HRS), Gasoline Dealers, or chapter 486J, HRS, the Petroleum Industry Information Reporting Act (Reporting Act);



- (2) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to use the information obtained under the Reporting Act to support the DBEDT Director's role as the State Energy Resources Coordinator and conduct strategic and systematic energy planning and emergency preparedness activities; and
- (3) Appropriating funds to allow the PUC to hire staff and administer the Reporting Act and DBEDT to fulfill its analysis and planning responsibilities as State Energy Resources Coordinator under the Reporting Act.

Your Committee on Conference finds that there is a need for more transparency in the petroleum industry and this measure seeks to address this issue by requiring the PUC to report petroleum industry profiteering or false or deceptive statements to the Attorney General, requiring DBEDT to use the information to conduct strategic and systematic energy planning and emergency preparedness activities, and allowing the PUC to examine and investigate distributors.

Your Committee on Conference has amended this measure by:

- (1) Removing section 1, the purpose section, of this measure;
- (2) With regard to the filing requirements of section 486J-3, HRS, removing the language allowing filing at other appropriate time intervals and on dates to be determined by the PUC;
- (3) Amending section 9 of the measure to require that the PUC publicly report information within fourteen days rather than thirty days and by removing the language giving the PUC the discretion to disclose the information as soon as practically and technically feasible;
- (4) Appropriating \$1,200,000 out of the general fund for fiscal year 2007-2008 to be deposited into the Petroleum Industry Monitoring, Analysis, and Reporting Special Fund;
- (5) Appropriating \$1,200,000 out of the Petroleum Industry Monitoring, Analysis, and Reporting Special Fund for fiscal year 2007-2008 to administer, implement, and maintain the Petroleum Industry Monitoring, Analysis, and Reporting Program; and



(6) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 990, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 990, S.D. 2, H.D. 3, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



HERMINA MORITA, Co-Chair



BRIAN T. TANIGUCHI, Chair



ROBERT N. HERKES, Co-Chair



SHAN S. TSUTSUI, Co-Chair



MELE CARROLL, Co-Chair



