

STAND. COM. REP. NO.

474

Honolulu, Hawaii

Feb 15, 2007

RE: H.B. No. 1595

H.D. 1

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

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1595 entitled:

"A BILL FOR AN ACT RELATING TO PETROLEUM PRICE GOUGING,"

begs leave to report as follows:

The purpose of this measure is to protect Hawaii consumers from price gouging in the purchase of petroleum products during periods of abnormal disruptions in the marketplace caused by extraordinary adverse conditions.

Specifically, this measure would make the sale or offer of sale of petroleum products at an amount that represents an unconscionably excessive price during any abnormal disruption of the market, an unfair or deceptive act in the conduct of any trade or business under section 480-2, Hawaii Revised Statutes.

Your Committee has received comments from the Department of Commerce and Consumer Affairs and Western States Petroleum Association. Your Committee also received testimony from one individual in support of this measure.

Your Committee finds that H.B. No. 1333 mirrors the instant measure, but is more precisely drafted, focusing on gasoline rather than petroleum and specifically defining the term gasoline for the purposes of determining an unfair or deceptive trade practice.

HB1595 HD1 HSCR LRB 07-2198-1.doc



However, the title of this measure allows this Committee to address another related potential problem. Presently in Hawaii, there are many residents that must rely on propane gas for cooking in non-permanent shelters. Propane gas is another commodity that may be subject to excessive price gouging, targeting a segment of our State's population that is the most vulnerable to such practices.

Your Committee has amended this measure by:

- (1) Substituting the contents of H.B. No. 1333; and
- (2) Making technical nonsubstantive changes for purposes of clarity and consistency.

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. 1595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1595, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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



HERMINA MORITA, Chair



