

Honolulu, Hawaii

February 15, 2008

RE: H.B. No. 3407
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 3407 entitled:

"A BILL FOR AN ACT RELATING TO GASOLINE DEALERS,"

begs leave to report as follows:

The purpose of this bill is to foster a competitive market in the petroleum industry by repealing the gasoline service station anti-encroachment laws under chapter 486H, Hawaii Revised Statutes (Gasoline Dealers Law).

The Department of Business, Economic Development, and Tourism, Aloha Petroleum, Ltd., Western States Petroleum Association, and several concerned individuals testified in support of this bill.

Currently, service station anti-encroachment laws restrict the ability of oil manufacturers and wholesalers to open stations near dealer-operated stations, or to convert dealer-operated stations. By repealing the anti-encroachment laws, this bill attempts to increase market competition to help lower the price of gasoline.

Your Committee has amended this bill by:

- (1) Restoring the definition of "good faith" in the Gasoline Dealers Law; and



- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3407, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 3407, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



