

Honolulu, Hawaii

March 19, 2008

RE: S.B. No. 1793  
S.D. 1  
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 Economic Development & Business Concerns,  
to which was referred S.B. No. 1793, S.D. 1, 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 governance of the  
Natural Energy Laboratory of Hawaii Authority (NELHA) by adding to  
NELHA's board of directors, two members chosen from NELHA's  
tenants and three members of the general public, and requiring  
seven or more members to vote in the affirmative on issues  
relating to lease rents or water rates.

Your Committee made available to the public on the  
Legislature's website a proposed H.D. 1 of this bill. The  
proposed H.D. 1 replaces the substance of this bill with  
provisions that streamline NELHA operations by exempting NELHA  
from certain requirements for administrative supervision of boards  
and commissions. These exemptions allow NELHA to:

- (1) Directly communicate with the Governor and Legislature,  
instead of through the Department of Business, Economic  
Development, and Tourism (DBEDT);



- (2) Make all decisions regarding employment without the approval of DBEDT and in compliance with all applicable laws; and
- (3) Purchase supplies, equipment, and furniture without the approval of DBEDT.

The Hawaii Aquaculture Association, Keahole Point Association, and a concerned individual supported the proposed bill. The Department of Budget and Finance opposed the proposed bill. A concerned individual commented.

Your Committee finds that NELHA is in a unique position. It is supported by public funds and is administratively attached to DBEDT, yet its goal is to become self-sustaining as it serves its private small business tenants. To provide reliable services to those tenants, it is imperative that NELHA has the ability to quickly procure goods and services. However, since NELHA is publicly funded, it is accountable to the public for its expenditures and must comply with procurement and other procedures, including DBEDT oversight. Your Committee believes that a restructuring of NELHA's board could be considered, which serves to make NELHA more accountable to the public and at the same time allows NELHA to be given greater independence.

Upon consideration of these issues, your Committee has amended this bill by replacing its substance with that of the proposed H.D. 1, and adding a sunset date of July 1, 2013, to allow a reevaluation of the exemptions.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1793, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1793, S.D. 1, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business  
Concerns,

A handwritten signature in black ink, appearing to read 'K. Yamashita', written over a horizontal line.

KYLE T. YAMASHITA, Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

1211-08

**Record of Votes of the Committee on Economic Development & Business Concerns**

<b>Bill/Resolution No.:</b> SB 1793, SD1	<b>Committee Referral:</b> EDB, FIN	<b>Date:</b> 3/13/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	✓			
2. WAKAI, Glenn (VC)	✓			
3. BERG, Lyla B., Ph.D.		✓		
4. BROWER, Tom	✓			
5. CHANG, Jerry L.	✓			
6. HANOHANO, Faye P.	✓			
7. HERKES, Robert N.	✓			
8. MANAHAN, Joey	✓			
9. TSUJI, Clift	✓			
10. YAMANE, Ryan I.	✓			
11. CHING, Corinne W.L.		✓		
12. MARUMOTO, Barbara C.		✓		
<b>TOTAL (12)</b>	9	3	0	0
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">(committee acronym)</small>				
<b>Vice Chair's or designee's signature:</b> _____				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office				