

STAND. COM. REP. NO.

110

Honolulu, Hawaii

FEB 09 2007

RE: S.B. No. 1039

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

Madam:

Your Committees on Transportation and International Affairs and Tourism and Government Operations, to which was referred S.B. No. 1039 entitled:

"A BILL FOR AN ACT RELATING TO INTERNATIONAL TRADE AGREEMENT,"

beg leave to report as follows:

The purpose of this measure is to prohibit the future binding of the State to government procurement rules contained in an international trade agreement without legislative action.

Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that a number of today's international free trade agreements contain policy obligations and restrictions that would take precedence over state and local government provisions relating to state purchasing laws and preferences. These trade agreements may contain provisions that undermine provisions of the State's public procurement code and other state preference and set-aside policies established to promote and protect various sectors and groups of our local economy. However, questions relating to the State's public procurement code or decisions relating to state preference and set-aside policies are within the legislative domain and should require legislative action.

Your Committees note that the Governor vetoed H.B. No. 2199, C.D. 1, 2006, relating to international trade agreements. This

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measure addresses those veto considerations to the extent possible by legislative action.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1039 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on  
behalf of the members of the  
Committees on Transportation  
and International Affairs and  
Tourism and Government  
Operations,



CLARENCE K. NISHIHARA, Chair




J. KALANI ENGLISH, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Transportation and International Affairs**  
**TIA**

Bill / Resolution No.:* <b>SB 1039</b>	Committee Referral: <b>TIA/TSG, JDL</b>	Date: <b>2/7/07</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	✓			
INOUE, Lorraine R. (VC)				✓
ESPERO, Will	✓			
HOOSER, Gary L.	✓			
TANIGUCHI, Brian T.				✓
TSUTSUI, Shan S.	✓			
GABBARD, Mike	✓			
<b>TOTAL</b>	<b>5</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original     Yellow     Pink File with Committee Report     Clerk's Office     Drafting Agency				

\*Only one measure per Record of Votes

