

Honolulu, Hawaii

Feb 3, 2010

RE: H.B. No. 2603  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2603 entitled:

"A BILL FOR AN ACT RELATING TO COST SHARING IN THE RELOCATION AND UNDERGROUNDING OF UTILITY FACILITIES,"

begs leave to report as follows:

The purpose of this bill is to reduce costs for the Highways Division of the Department of Transportation (DOT) by requiring:

- (1) Utilities whose facilities occupy state highway rights-of-way to provide their share of relocation costs up front; and
- (2) The cost differential between underground and overhead facilities to be shared equally by the utility and DOT.

DOT testified in support of this bill. Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company testified in opposition to this measure. The Gas Company and Hawaiian Telcom opposed this measure in part. The Public Utilities Commission provided comments.

Currently, when utility relocations or undergrounding of utility facilities occur in state highway projects, the utility is required to cost share with DOT. However, according to DOT, various interpretations of the law have resulted in inconsistent applications of the law which has resulted in a wide range of cost



sharing to occur. Passage of this measure will help clarify the cost sharing requirements for the relocation and undergrounding of utility facilities and ultimately result in cost savings for DOT.

However, your Committee understands the concerns raised by Hawaiian Telcom that this measure may provide an unfair advantage to their telecommunication competitors. Accordingly, your Committee has amended this bill by exempting telecommunication companies from the cost-sharing requirements.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2603, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,



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JOSEPH M. SOUKI, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 58-10

**Record of Votes of the Committee on Transportation**

<b>Bill/Resolution No.:</b> HB 2603	<b>Committee Referral:</b> TRN, CPC, FIN	<b>Date:</b> 2/01/2010		
<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)				
<b>TRN Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. SOUKI, Joseph M. (C)	/			
2. AWANA, Karen Leinani (VC)	/			
3. AQUINO, Henry J.C.	/			
4. HANOHANO, Faye P.	/			
5. KEITH-AGARAN, Gilbert S.C.	/			
6. LEE, Marilyn B.	/			
7. NAKASHIMA, Mark M.	/			
8. RHOADS, Karl	/			
9. SAIKI, Scott K.	/			
10. TAKUMI, Roy M.	/			
11. YAMASHITA, Kyle T.	/			
12. PINE, Kymberly Marcos	/			
<b>TOTAL (12)</b>	12	∅	∅	∅
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b>				
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