

Honolulu, Hawaii

March 2, 2012

RE: H.B. No. 1454
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1454 entitled:

"A BILL FOR AN ACT RELATING TO THE PETROLEUM INDUSTRY,"

begs leave to report as follows:

The purpose of this measure as received by your Committee is to increase the minimum distance between dealer-operated gasoline stations and new stations owned and operated by a manufacturer or wholesaler, from one-eighth of a mile to one mile.

Prior to the public hearing, a Proposed H.D. 1 was circulated for public review and comment.

The purpose of the Proposed H.D. 1 is to ensure that Hawaii's high fuel prices remain competitive and are not artificially inflated from a lack of competition by:

- (1) Requiring motor vehicle fuel wholesalers and similar entities that offer volume discounts to any retail service station to offer the same volume discounts to all retail service stations; and
- (2) Allowing gasoline dealers to enter into cooperative purchasing agreements to acquire discounts on gasoline purchases.

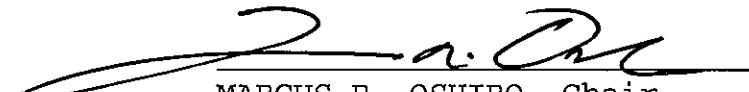


An individual testified in support of the Proposed H.D. 1. The Western States Petroleum Association testified in opposition to the Proposed H.D. 1. An individual provided comments on the Proposed H.D. 1.

Your Committee has amended the Proposed H.D. 1 by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1454, H.D. 1, and be placed on the calendar for Third Reading.

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


MARCUS R. OSHIRO, Chair



