

Honolulu, Hawaii

March 22 2011

RE: S.B. No. 1326  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committees on Transportation and Consumer Protection & Commerce, to which was referred S.B. No. 1326, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO COSTS OF RELOCATION AND UNDERGROUNDING OF UTILITY FACILITIES,"

beg leave to report as follows:

The purpose of this bill is to improve the efficiency of contracting for utility work along state and federally funded roads by expanding the cost sharing in state or county projects, which is currently limited to projects involving relocation of utility facilities, to include work such as undergrounding and installation of new facilities.

Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company testified in support of this bill.

In the past, when costs for the removal, relocation, replacement, or reconstruction of private utility facilities on State or county highways exceeded \$10,000, the utility and government entity were required by law to equally share the costs of the excess amount. However, differing opinions about the payment process and disagreements as to whether certification requirements of contracts under the Hawaii Public Procurement Code related to situations involving shared costs between a government entity and a utility often resulted in the government entity being required to provide the utility's share before the construction



project could be certified and move forward. These funds were thus unavailable for use on other projects, at times for a period from one to two years, until the utility work was started. Act 140, Session Laws of Hawaii 2010 (Act 140), was passed to address this issue.

By allowing the payment process established under Act 140 to apply to other utility work on state or county projects rather than only on the relocation of utility facilities, the efficiency of contracting for utility work along state and federally funded roads will increase, which benefits both the public and state agencies.

Your Committees have amended this bill by:

- (1) Changing its effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

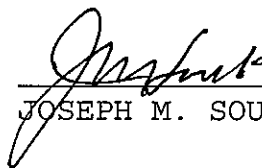
As affirmed by the records of votes of the members of your Committees on Transportation and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1326, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1326, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Transportation  
and Consumer Protection &  
Commerce,



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ROBERT N. HERKES, Chair



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JOSEPH M. SOUKI, Chair





