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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Labor and Public Employment  
Tuesday, February 5, 2019  
9:30 a.m.  
State Capitol, Conference Room 309**

**On the following measure:  
H.B. 554, RELATING TO EXPENSES OF NEIGHBOR ISLAND RESIDENT  
PUBLIC UTILITIES COMMISSIONERS**

Chair Johanson and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department supports this bill.

The purpose of this bill is to require payment of travel expenses plus a \$225 per diem allowance to Public Utilities Commission (Commission) members who are residents of a county other than the City and County of Honolulu for travel authorized by the Commission.

The Consumer Advocate believes that it is reasonable and in the public interest to find the most qualified individuals to perform the role of Public Utilities Commissioner, regardless of the island on which they reside. Encouraging neighbor island representation on the Commission is a reasonable objective. Currently, the absence of any allowance to offset or mitigate the costs to travel between islands may discourage

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qualified neighbor island candidates considering an appointment. Thus, the Consumer Advocate encourages the Committee pass this measure.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF  
JAMES P. GRIFFIN, Ph.D.  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII

TO THE  
HOUSE COMMITTEE ON  
LABOR AND PUBLIC EMPLOYMENT

February 5, 2019  
9:30 a.m.

Chair Johanson and Members of the Committee:

**MEASURE:** H.B. No. 554

**TITLE:** RELATING TO EXPENSES OF NEIGHBOR ISLAND RESIDENT PUBLIC UTILITIES COMMISSIONERS.

**DESCRIPTION:** Requires payment of travel expenses plus a \$225 per diem allowance to Public Utilities Commission members who are residents of a county other than the City and County of Honolulu for travel authorized by the commission.

**POSITION:**

The Public Utilities Commission is in **support** of this measure and offers the following comments for consideration.

**COMMENTS:**

The Public Utilities Commission ("Commission") is in support of this measure to provide for travel and other expenses for members of the Commission who are residents of the neighbor islands.

Members of the Commission who are residents of the neighbor islands are not provided any reimbursement for travel expenses, such as airfare, board, lodging, and incidental expenses. For members who are not residents of the City and County of Honolulu, these expenses can be significant, as frequent travel to Oahu is necessary to serve on the Commission. Furthermore, members of the Commission serve full-time, and are prohibited by law from holding any other employment while serving on the Commission.

In addition to airfare, neighbor island Commissioners incur expenses related to lodging, utilities, and transportation on Oahu, which can exceed \$30,000 per year, or more than 25% of a Commissioner's annual salary.

This bill would permit members who are not residents of the City and County of Honolulu to receive an allowance sufficient to cover reasonable expenses related to travel. By permitting an allowance, the State can relieve neighbor island Commissioners from this burden and may be able to attract qualified candidates from neighbor islands and diversify Commission's representation in the future.

Thank you for the opportunity to testify on this measure.

**LATE**

## **CITIZENS' CAUCUS**

**Testimony in Opposition to HB554**  
**Before the House Committee on Labor and Public Employment**  
**February 5, 2019 at 9:30a.m.**  
**Conference Room 309**

Good Morning Chair Johanson, Vice Chair Eli, and members of the Committee:

**CITIZENS' CAUCUS**, a public advocacy group, strongly opposes HB554 because it is too costly to the State and not fair to other members of State Boards and Commissions.

The proposed stipend of \$225 in addition to travel expenses for a Public Utilities Commission member that is not a resident of the City and County of Honolulu is too excessive. Why should the Tax Payers of Hawaii pay for a member of the PUC daily food, lodging and incidental expenses? Even if this person did not travel to Honolulu, they would still have to eat, have rent/mortgage, and buy incidentals, so why do taxpayers have to foot the bill for these normal daily expenses? This proposal is plain excessive and another burden on the Hawaii Tax payer.

If the Legislature is so intent on spending taxpayer money, why don't you use this proposed money to fund another staff position at the PUC.

When a non-Honolulu resident accepts a position on the PUC, we would hope it is to provide public service, instead of a moneymaking venture.

Finally, why is the PUC being treated so special, do all State Board members that are non-Honolulu residents receive a \$225 per diem? We don't think so. In a survey that we conducted last year, we found that some State Board members don't even get reimbursed for travel. So why the sweetheart deal for the PUC?

**We strongly oppose this bill** and would ask the State auditor to investigate.