

JOSH GREEN, M.D.
GOVERNOR



THOMAS WILLIAMS
EXECUTIVE DIRECTOR

KANOE MARGOL
DEPUTY EXECUTIVE DIRECTOR

**STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM**

**TESTIMONY BY THOMAS WILLIAMS
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON LABOR & GOVERNMENT OPERATIONS
ON
HOUSE BILL NO. 1013
February 9, 2023
9:30 A.M.
Conference Room 309 and VIA Videoconference**

RELATING TO THE REPEAL OF ACT 192, SESSION LAWS OF HAWAII 2007.

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee,

The Employees' Retirement System (ERS) Board of Trustees strongly supports and respectfully requests that H.B. 1013 be passed out of the Committee.

H.B. 1013 proposes to repeal Act 192, Session Laws of Hawaii 2007. Act 192 requires the ERS to report annually on, and divest itself of investments in, companies that are complicit with or provide significant support for genocide in Darfur, Sudan, until such time that the condition for repeal of the Act is met. Section 8 of Act 192 provides that the Act "shall be repealed" upon the occurrence of any of four events, including but not limited to, "[t]he United States revok[ing] all sanctions imposed against the government of Sudan," or "the Congress or President of the United States declar[ing] that the government of Sudan has honored its commitments to cease attacks on civilians, demobilize and demilitarize the Janjaweed and associated militias, grant free and unfettered access for deliveries of humanitarian assistance, and allow for the safe and voluntary return of refugees and internally displaced persons[.]"

Based on reporting by the U.S. Department of State regarding the United States' relations with Sudan, the ERS concludes that the conditions for the repeal of Act 192 have been met by the occurrence of at least two of the four events. First, in 2017, the



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United States revoked longstanding economic sanctions against Sudan, allowing U.S. persons to trade and do business with individuals and entities in Sudan. Second, in an October 26, 2020 Presidential Memoranda, President Trump issued a Certification Pursuant to Section 6(e) of the Comprehensive Peace in Sudan Act of 2004 as Amended by the Darfur Peace and Accountability Act of 2006, in which he certified that Sudan has taken demonstrable steps to, among other things, “ensure that the armed forces of Sudan and any associated militias are not committing atrocities or obstructing human rights monitors or the provision of humanitarian assistance;” and “allow full and unfettered humanitarian assistance to all regions of Sudan, including the Darfur region[.]” Sudan was subsequently removed from the U.S. list of "Countries of Particular Concern" for International Religious Freedom and the list of State Sponsors of Terrorism in December 2020.

Inasmuch as the condition for the repeal of Act 192 has been satisfied, the ERS Board of Trustees respectfully requests the passage of H.B. 1013. Repealing Act 192 would relieve ERS and its investment managers of a significant monitoring and reporting burden and associated expenses.

Thank you for the opportunity to provide testimony on H.B. 1013.