

STAND. COM. REP. NO. 810

Honolulu, Hawaii

**MAR 03 2023**

RE: S.B. No. 477  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 477 entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Public Utilities Commission (PUC) to complete its review and issue a decision within nine months from the date that a public utility, other than an investor-owned electric utility company, files its completed application seeking approval for a merger, consolidation, acquisition, or other change of control, and within twelve months from the date of the application for an investor-owned electric utility company.

Your Committee received testimony in support of this measure from Hawaiian Telcom. Your Committee received testimony in opposition to this measure from Life of the Land. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Public Utilities Commission.

Your Committee finds that the telecommunications market in the State is highly competitive both in terms of consumer and business service offerings and workforce talent. There are currently more than two hundred companies authorized by the Public Utilities Commission to provide telecommunications services in the



State. Greater certainty on the maximum length of time it takes to process change of control or merger applications would be beneficial to telecommunications companies to minimize loss of customers and employees. This measure requires the PUC to complete its review within nine months for certain public utility applications seeking approval for a merger, consolidation, acquisition or other change of control or within twelve months for investor-owned electric utility companies.

Your Committee acknowledges the concerns raised in testimony that placing a time restriction on the PUC's application review may hamper the PUC's ability to make an informed decision on what could be a complicated merger. Thus, amendments to this measure are necessary to address this concern.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that, rather than completing its review and issuing a decision within the prescribed time period, the PUC shall make every effort to complete its review of applications for merger, consolidation, acquisition, or other change of control, within the prescribed time;
- (2) Inserting a provision requiring the PUC to, if a decision is rendered after the relevant nine- or twelve-month period, submit a report to the Legislature in writing, on paper or electronically, detailing the reasons for failing to meet the prescribed time period within thirty days after rendering the decision;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 477, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 477, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,




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JARRETT KEOHOKALOLE, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB477</b>	Committee Referral: <b>CPN</b>	Date: <b>2/21/23</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.				✓
RICHARDS, III, Herbert M. "Tim"		✓		
AWA, Brenton	✓			
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes