

Honolulu, Hawaii

FEB 06 2008

RE: S.B. No. 2292

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 2292 entitled:

"A BILL FOR AN ACT RELATING TO AUTOMATED TELLER MACHINES,"

begs leave to report as follows:

The purpose of this measure is to create parity between
United States and non-United States cardholders and new source of
revenue for automated teller machine (ATM) operators in Hawaii by
allowing ATM operators in Hawaii to assess a customer transaction
fee at the point of sale for ATM cash withdrawals made by
international cardholders.

Testimony in support of this measure was received from the
Financial Institutions Division, Department of Commerce and
Consumer Affairs; Central Pacific Bank; the Hawaii Credit Union
League; and the Hawaii Bankers Association.

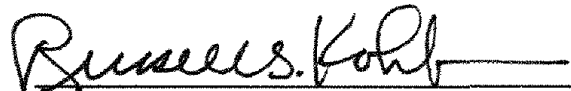
Your Committee finds that an ATM domestic cardholder from a
financial institution located in the mainland or Hawaii can be
assessed a transaction fee, but that international cardholders are
not assessed a fee due to international surcharge rules in VISA
International and Mastercard International agreements.
Transaction fees are the primary source of revenue for ATM units
and are typically waived for the customers of the financial
institutions operating the ATM. Exempting international
cardholders from transaction fees will result in higher pricing
for ATM transactions in heavy visitor traffic areas in order to
offset the reduced revenue sources at a cost to Hawaii residents
and domestic cardholders. Your Committee believes that overriding



restrictions on assessing international cardholders ATM transaction fees will fulfill the intent of this measure, which is to create parity between domestic and international cardholders and a new source of revenue for ATM operators in Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2292 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



RUSSELL S. KOKUBUN, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:* SR 2292	Committee Referral: CPH	Date: 1/31/08
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The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓			
TANIGUCHI, BRIAN T.	✓			
TRIMBLE, Gordon	✓			
TOTAL	6			1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: *Will Espero*

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*Only one measure per Record of Votes