

STAND. COM. REP. NO.

692

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 98  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 98, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WATER CARRIERS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Public Utilities Commission to hold public hearings, subject to specified notice requirements, before approving a water carrier's application for a certificate of public convenience and necessity; and
- (2) Specify the findings required to support the issuance of a certificate of public convenience and necessity to a water carrier.

Your Committee received testimony in support of this measure from Young Brothers, Limited. Your Committee received comments on this measure from the Public Utilities Commission of the Department of Budget and Finance.

Your Committee finds that water carrier service is vital to the economy of this State, particularly to the economic growth and sustainability of the neighbor islands. Your Committee further finds that reliable water carrier service is essential to the State's goal of developing diversified, sustainable agriculture by enabling farm-to-market transportation of agricultural products among the islands. Your Committee also finds that the current



approval process for new water carrier service lacks transparency and the opportunity for participation by the resident individuals and businesses affected by proposed new services and changes to existing services. Accordingly, your Committee finds that the changes to the approval process for water carriers' certificates of public convenience and necessity contained in this measure increase transparency and provide opportunities for public participation in the process.

Your Committee has amended this measure by:

- (1) Specifying that notice of a public hearing regarding a water carrier's application for a certificate of public convenience and necessity shall be effective upon the provision of notice on each island affected by the proposed water carrier service as specified by statute;
- (2) Specifying that a water carrier shall demonstrate that a proposed service will provide quantifiable benefits with respect to reliability, affordability, and security of the service line in order to qualify for a certificate of public convenience and necessity;
- (3) Removing a requirement that a water carrier demonstrate in an application for a certificate of public convenience and necessity whether a proposed service will diminish an existing water carrier's ability to realize its allowable rate of return;
- (4) Adding a new provision to require that the Public Utilities Commission (Commission) post a link on the Commission's website to a publicly accessible electronic version of each application for a certificate of public convenience and necessity submitted by a water carrier and each order of the Commission related to the posted applications and to specify requirements for the type, method, and duration of postings; and
- (5) 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. 98, S.D. 1, as amended herein, and recommends



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that it pass Third Reading in the form attached hereto as S.B.  
No. 98, S.D. 2.

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

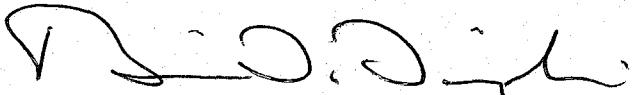


ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 98, SDI	TIA, CPN	3-1-11		
<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
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood				✓
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.				✓
SOLOMON, Malama	✓			
SLOM, Sam				✓
<b>TOTAL</b>	4	0	0	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes