

THE
FOURTEENTH LEGISLATURE
STATE OF HAWAII
REGULAR SESSION OF 1987
JOURNAL OF THE SENATE

FIRST DAY

Wednesday, January 21, 1987

In accordance with the provisions of Section 10 of Article III of the Constitution of the State of Hawaii, the Senate of the Fourteenth Legislature of the State of Hawaii, Regular Session of 1987, was called to order at 10:00 o'clock a.m., Wednesday, January 21, 1987, by the Honorable Richard S.H. Wong, Temporary Chairman of the Senate.

The members of the Senate and audience then rose for the National Anthem and "Hawaii Pono!" sung by the Kamehameha Schools Glee Club.

The Temporary Chairman then appointed Senators Nakasato, J. Wong and Ikeda to escort Father Robert J. O'Donnell, Associate Pastor of St. Philomena Church, Honolulu, to the dais for the invocation.

The Senators escorted Father O'Donnell to the dais and were discharged with thanks.

The Divine Blessing was then invoked by Father O'Donnell.

Nominations now being in order for a temporary clerk, Senator Yamasaki nominated T. David Woo Jr., seconded by Senator McMurdo.

On motion by Senator Fernandes Salling, seconded by Senator Chang and carried, the nominations were closed and T. David Woo Jr. was appointed as Temporary Clerk of the Senate.

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 1 and 2) were read by the Clerk and were disposed of as follows:

Gov. Msg. No. 1, informing the Senate that he appointed Donna R. Ikeda to the Senate to fill the vacancy of W. Buddy Soares, effective December 26, 1986, and pursuant to Sec. 17-3, HRS, Representative Ikeda shall succeed and complete the term of Senator Soares as State Senator from the Eleventh Senatorial District in the Fourteenth Legislature of the State of Hawaii, was referred to the Committee on Credentials.

Gov. Msg. No. 2, informing the Senate that he appointed James K. Wong to the Senate to fill the vacancy of Charles T. Toguchi, effective January 20, 1987, and pursuant to Sec. 17-3(1), HRS, Representative Wong's term will expire on General Election Day of 1988, was referred to the Committee on Credentials.

Senator Hagino then moved that a Committee of three be appointed by the Chair as a Committee on Credentials to examine the certificates of election of the newly elected members of the Senate and to submit a report of its findings to the Senate, seconded by Senator Aki.

The motion was put by the Chair and carried and Senators Young, Hagino and George were thereupon appointed by the Chair to serve on the Committee on Credentials.

At 10:20 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:23 o'clock a.m.

SPECIAL COMMITTEE REPORT

Senator Young for the Committee on Credentials presented a report (Spec. Com. Rep. No. 1) which was read by the Temporary Clerk as follows:

"The Honorable Richard S.H. Wong
Temporary Chairman of the Senate
The Fourteenth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Chairman Wong:

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Fourteenth Legislature of the State of Hawaii, Regular Session of 1987, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The newly elected Senators whose respective terms of office will expire on

November 8, 1990 are:

Third Senatorial District

Malama Solomon

Fifth Senatorial District

Rick Reed

Sixth Senatorial District

Ron Menor

Seventh Senatorial District

Gerald T. Hagino

Thirteenth Senatorial District

Bertrand Kobayashi

Sixteenth Senatorial District

Russell Blair

Seventeenth Senatorial District

Anthony K.U. Chang

Nineteenth Senatorial District

Dennis M. Nakasato

Twenty-Second Senatorial District

Joseph T. Kuroda

Twenty-Fourth Senatorial District

James Aki

Twenty-Fifth Senatorial District

Lehua Fernandes Salling

Your Committee on Credentials begs further leave to report that it has examined the Letters of Appointment of the Honorable Donna R. Ikeda and the Honorable Jimmy Wong and finds that they are qualified to fill the respective vacancies in the Senate created by the resignations of Senators W. Buddy Soares and Charles T. Toguchi for the Fourteenth Legislature of the State of Hawaii, Regular Session of 1987.

Respectfully submitted,

Patsy K. Young
Gerald T. Hagino
Mary George"

Senator Young moved that Special Committee Report No. 1 be adopted, seconded by Senator George and carried.

The Committee was thereupon discharged

with thanks.

At this time, the Chair recognized Senator Cobb who rose to remark:

"Mr. Chairman, I note we now have two Senator Kobayashis and two Senator Wongs in the Senate but please remember, two 'Wongs' don't make a right."

The Temporary Chairman then appointed Senators Blair, Menor and Reed to escort Chief Justice Herman T.F. Lum of the Hawaii Supreme Court to the dais to administer the oath of office to the newly elected members of the Senate.

The Senators escorted Chief Justice Lum to the dais and were thereupon discharged with thanks. .

Chief Justice Lum then administered the oath of office to the newly elected members of the Senate, standing at their respective desks.

At this time, the Roll was called showing all Senators present.

Nominations of officers of the Senate being next in order, Senator Cobb placed in nomination the name of Senator Richard S.H. Wong as President of the Senate, seconded by Senator Henderson.

Senator Kuroda then moved that the nominations be closed, seconded by Senator Mizuguchi. The motion to close the nominations was put by the Chair and carried unanimously, and the Temporary Clerk was directed to cast a unanimous ballot for Senator R. Wong as President of the Senate.

The ballot having been so cast, Senator R. Wong was declared unanimously elected as President of the Senate of the Fourteenth Legislature of the State of Hawaii, Regular Session of 1987.

At this time, the President welcomed and introduced the following distinguished guests to the members of the Senate and guests:

Governor John Waihee and Mrs. Lynne Waihee;

Former Governor George R. Ariyoshi and Mrs. Jean Ariyoshi; and

Lt. Governor Benjamin J. Cayetano and Mrs. Lorraine Cayetano.

The President then addressed the members of the Senate and guests as follows:

"Governor Waihee, Lt. Governor Cayetano, Chief Justice Lum, distinguished

guests, members of the Senate, ladies and gentlemen — good morning and aloha to you.

"My fellow Senators, once again you have honored me by selecting me to be President of this honorable body. To you, my deepest mahalo. You have my pledge that I will do my best to merit the faith and confidence that you have placed in me.

"As I look about me in these chambers today, I feel a powerful sense of the change of times. This is the first time since I have been in the Senate that there has been a new governor of the State of Hawaii. Governor John Waihee represents a new generation coming into political maturity. Welcome, governor. I am sure I speak for all the Senators in saying that we look forward to working with you and your administration during the coming session.

"Reflecting again on the change of times, I note the changes taking place right here in this body. Of the Senators that I served together with when I first came to the Senate, there are only six of us remaining.

"Today, we are welcoming that same number of new members to this honorable body. I know today is a day of special pride and happiness for our new colleagues and for their families. I would like to extend special recognition to them. I am going to ask them to stand so everybody can see what a good-looking new group of Senators we have. Ladies and gentlemen, may I present Senator Russell Blair, Senator Donna Ikeda, Senator Ron Menor, Senator Dennis Nakasato, Senator Rick Reed and Senator Jimmy Wong. Senators, welcome to the Senate. We know you want to be full participants and contributors in the workings of this body. We will certainly give you every opportunity to do just that.

"As Senate President, I am expected to outline what I perceive as some of the major issues before the current legislative session. Everyone expects me to put in a word for my pet bill, the lottery, so I will just mention it now so you know I have not forgotten. Now that that's done, let's go on to those issues that will be taking up much of our attention this year:

- First, action on upgrading our educational system is certainly a major priority for this year. We will give priority to meeting the needs of the individual school. We want resources to reach the teachers and students of the individual school and to help make each school a better environment where teaching and learning flourish. We will also review what progress has been made to implement educational reform in response to what the National Commission on Excellence in

Education has recommended. We will encourage and support school reform proposals in pursuit of the goal of developing our children to their highest educational potential.

- Second, the impact of the federal tax reform on our own state tax system needs to be addressed; additionally, we need to decide on the utilization of the revenues from the hotel room tax which has just gone into effect; the fiscal constraints which had restricted the state's actions over the last several years have eased and we can now give some consideration to new and innovative programs to meet the needs of our people.
- Third, a review of our corrections system, with the possibility of a new administrative department for this very critical area will occupy an important part of our agenda.
- Fourth, strengthening the role of the Health Department -- both in the delivery of health care and in the environmental protection area -- will have to be addressed by the Legislature over the coming weeks; additionally, I would like to see some thought given to the very serious catastrophic illness problem which confronts many of our people and their families.
- Fifth, the advancement of Hawaii's economy, in terms of creating jobs, promoting business and trade, and strengthening Hawaii's international role will, I expect, be a major area of focus; I fully expect a lot of attention will be devoted during the session to the concerns of business and the improvement of Hawaii's business climate.
- Sixth, Hawaii's role as an island state in the middle of one of the world's great resources, the Pacific Ocean, has the potential for great advances. We need to work aggressively to realize that potential.

"I believe that Hawaii's role in the Pacific community — in terms of trade, cultural interchange, telecommunications, fisheries, ocean technology and development — needs to be nurtured and developed. Hawaii is in a very advantageous position to capitalize on regional trading possibilities with U.S. Senator Spark Matsunaga now chairing the key Finance Subcommittee on International Trade. We should actively work together with him to promote Hawaii's future. The Pacific community is where our future lies.

"I am pleased that many of my fellow legislators share my dream for Hawaii and

the Pacific. In the next several weeks and months, the Legislature will be moving forward to advance Hawaii's leadership role in the Pacific Region. We are strengthening our ties with legislators from our fellow American-flag island neighbors — American Samoa, Guam and the Northern Marianas. We are working together with the West Coast states — Alaska, California, Oregon and Washington — on ocean issues of mutual concern.

"The Western Legislative Conference, comprised of legislators from the entire Western Region -- 16 states and territories in all -- will be meeting here this September and the conference program -- which we are helping to prepare -- will concentrate heavily on ocean resource and Pacific regional issues. Over 500 delegates are expected to attend -- state legislators, government officials and business leaders.

"I see the conference as our opportunity to showcase Hawaii's role in ocean and Pacific regional affairs. It will be more than just another convention. It will be a catalyst for change, for Hawaii to move forward and demonstrate leadership and initiative. Hopefully, this will strengthen our state's chances for leadership in both the Pacific and Western Regions and for being on the leading edge of the vast changes -- technological, cultural, economic, social and political -- which are coming in the Pacific.

"Very shortly, I expect to appoint a special committee to work together with the House to prepare for this important conference. The Legislature has already been devoting much time and effort in preparing for this conference over the last two years. There is much work yet to be done and we need to proceed ahead. The committee is charged with making sure the conference is a success.

"The age of the Pacific is fast approaching and I am extremely excited about the possibilities and the potentialities. I had mentioned my interest in this area at this time last year and I am gratified at the advances which have been made just in the past year -- with foreign language education in the schools, with programs at the university for international careers, with research and development activities, a notable internationally-recognized example being at Keahole.

"These are very exciting times here at the Legislature. The momentum for Pacific regional development and for ocean resources looks very promising. I am really looking forward to even further advances during the coming session.

"With these new developments, and with

the new governor and new administration, the sense of change that I feel will, hopefully, become a reality.

"Hawaii has firmly moved into the era of the 1980's now and firmly moving towards the 21st century.

"There is a new age, a new time. The time is right for change. I am reminded of the words from Ecclesiastes:

'To everything there is a season, and a time to every purpose under the heaven:

A time to be born, and a time to die;

A time to plant, and a time to pluck up that which is planted;

A time to kill, and a time to heal;

A time to break down, and a time to build up;

A time to weep, and a time to laugh;

A time to mourn, and a time to dance;

A time to cast away stones, and a time to gather stones together;

A time to embrace, and a time to refrain from embracing;

A time to get, and a time to lose;

A time to keep, and a time to cast away;

A time to rend, and a time to sew;

A time to keep silence, and a time to speak;

A time to love, and a time to hate;

A time of war, and a time of peace.'

"To everything there is a season, and we are entering into a time for change -- a time for bringing on the new and moving away from the old.

"A new governor, a new spirit, a new legislature, a new time -- let's get them all together to accelerate and direct the change.

"Again, mahalo and aloha."

Senator Henderson, Minority Leader, then responded as follows:

"Governor and Mrs. Waihee, Lt. Governor Cayetano and Mrs. Cayetano, Chief Justice Lum, former Governor and Mrs. Ariyoshi, Mr. President, distinguished guests, fellow Senators, ladies and gentlemen.

"I have been a member of this Legislature for 16 years, and I am still moved by the ceremonies of the opening day. It marks the beginning of a sixty-day period, where we gather for the purpose of discussion and deliberation, to deal with new problems and solve old ones.

"In preparing my remarks for today, I went back into the Senate Journals and looked up some of my previous opening day speeches. It seems as if each year I speak on the same issues, and I fear that my comments are beginning to sound recycled. However, there is hope, because this year, our new governor has expressed some of the same concerns, and it looks like we're going to get executive support on these matters we have long advocated.

"For example, for years we have introduced bills calling for tax reform. Now, with the passage of the Federal Tax Reform Act of 1986, we are forced to examine and restructure our income tax brackets and rates which have not been changed since the mid-1960's. Without affecting the fiscal soundness of our state, we must strive to provide our citizens with equity and fairness in our state tax structure. We also support the governor's belief that there should be a repeal of the general excise tax on food. Two weeks ago, Time magazine ran an article which included Hawaii as one of the highest taxing states in the country. This is a situation which must be corrected.

"Attention to taxes does not end here. The transient accommodations tax requires earmarking provisions. We support the administration's belief that part of the revenues be returned to the industry. Specifically, we propose that they be earmarked for the HVB, but we also propose provisions which would include a division of the proceeds between the convention center and the counties. After all, the convention center was the original impetus for the tax, and that is where a good part of these revenues belong.

"In addition, Hawaii continues to receive negative publicity for its poor business climate. In order to attract new businesses to the state and to foster the viability of existing ones, this perception must be overcome.

"It is gratifying that Governor Waihee has recognized this problem and has espoused the idea of exempting capital and exported goods from the general excise tax. We would also recommend that an exemption for transactions between affiliated corporations be included in order that businesses not be penalized for operating in a certain form.

"Our business climate would also benefit

if we finally close the book on workers' compensation. If you look at the numbers on frequency and benefit levels nationwide, you will see that Hawaii suffers from the highest frequency rates in the country, but average or lower benefit levels. Our costs are high because our frequency is high. The solution is to decrease our frequency levels so that we can increase the benefits.

"We will also continue to support tort reform. Specifically, the abolishment of joint and several liability except in cases of collusion or joint action. We feel that the return to a system based on fault is essential to controlling the rising insurance costs which burden our businesses in the state.

"Last year, we created a form of alternate disputes resolution in an effort to alleviate the problems faced by our overburdened courts. No less an authority than Warren Burger, former Chief Justice of the United States has said:

'Our system is too costly, too painful, too destructive and too inefficient for a truly civilized society. To continue to use the adversarial process for the resolution of conflicting claims is a mistake -- that is his word -- a mistake -- that simply must be corrected.'

"While we recognize the importance of the judicial process, we strongly feel that serious consideration be given to expanding the use of alternate methods of dispute resolution.

"Tort reform, in and of itself, is not adequate without effective insurance regulation. We need to provide the insurance commissioner with adequate staffing and equipment to do his job. New York State, for example, appropriates \$41 million a year to its commissioner's office. Texas has a budget of \$37 million. In contrast, our insurance commissioner is funded at \$1.3 million and does not even have a full-time actuary. It is clear that the funding and staffing is inadequate, making it difficult, if not impossible, for the commissioner to carry out his duties effectively.

"A good business climate is essential for our islands' economic development. It will attract a greater quantity and quality of businesses, providing us with a more diversified economic base. In addition, it will create more jobs for our children.

"In order to secure our children's futures, we also have to improve the quality of our education. This requires two things: good teachers and a good educational system.

"First, to obtain good teachers, we have to offer them better pay, and we support

the governor's proposal to substantially increase teachers' salaries.

"Second, a system based at the district level is best equipped to educate our students and respond to their needs. Decentralization of the school system will bring money out of the bureaucracy and into the classroom.

"As we place emphasis on our youth, let us not forget our elderly who also require greater consideration by this Legislature. Our older citizens are finding it more difficult to obtain long-term health care, and too often the financial burden of long-term care is an economic disaster. Already on fixed incomes, and especially vulnerable to inflation, these citizens must be protected against any unforeseen costs. It is tragic that people who have worked hard all of their lives preparing for their retirement cannot be provided with greater protection. It is clearly our responsibility to deal with this issue.

"During the past campaign, Governor Waihee stated that he supports establishing a separate department of corrections. This has been a long standing position of our caucus, and we are hoping that this year it will become a reality. Corrections is a major operation, and it needs to be removed from the Department of Social Services and Housing.

"We will also continue to support home rule proposals. Each county should be given greater roles in land use, water regulation, and development. In addition, the counties require additional monies. The real property tax is no longer an adequate source of funding. This session we need to examine various methods for giving the counties different means to collect revenues. These include: transferring general excise tax revenues from the construction activities of resort projects to the counties where the projects are located; earmarking a portion of the transient accommodations tax for the counties; and, certainly, eliminating the general excise tax on the sale of goods and services to the counties.

"Finally, we cannot forget our environment. What do we think when we think of Hawaii? We think of beautiful beaches and parks, which makes this state such an attractive place to live in and visit. Hawaii, however, suffers from litter problems. On our shorelines, in our water, on our streets and in our parks, empty bottles, cans, and food containers are discarded by careless and irresponsible people. Unless we begin a program of litter control, our beautiful paradise will turn into a garbage dump.

"In the past, Governor Waihee has stated that the day after the elections there will

be no partisan politics -- and that, my friends, is as it should be. All of us here are legislators representing the people of this state. Naturally, we will disagree on various issues because we all represent different segments of the community. This is part of the process of a representative democracy. But the bottom line is that we need to do what is good for our beautiful state, for its people, and for its businesses.

"Mr. President, we, the members of the Minority, pledge our support towards the achievement of this goal. Let us go to work, so that in April, when we leave this Capitol, we can say we came here to do a job, and we did it well.

"Mahalo and aloha."

At 10:52 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:37 o'clock a.m.

The President, at this time, announced that nominations were in order for the office of Vice President of the Senate.

Senator Solomon then placed in nomination the name of Senator Patsy K. Young as Vice President of the Senate, seconded by Senator A. Kobayashi.

Senator Holt moved that the nominations be closed, seconded by Senator Matsuura.

The motion to close the nominations was put by the Chair and carried unanimously, and the Temporary Clerk was directed to cast a unanimous ballot for Senator Patsy K. Young as Vice President of the Senate of the Fourteenth Legislature of the State of Hawaii, Regular Session of 1987.

SENATE RESOLUTION

A resolution (S.R. No. 1) pertaining to the election of officers of the Senate was offered by Senators Hagino and Henderson, and was read by the Clerk.

On motion by Senator B. Kobayashi, seconded by Senator Henderson and carried, S.R. No. 1 was adopted.

The President then administered the oath of office to the elected officers of the Senate as follows: T. David Woo Jr., Clerk; Richard K. Perkins, Assistant Clerk; and Bienvenido C. Villaflor, Sergeant-at-Arms.

At 11:40 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:29 o'clock p.m.

HOUSE COMMUNICATION

A communication from the House (Hse. Com. No. 1), transmitting House Concurrent Resolution No. 1, which was adopted by the House of Representatives on January 21, 1987, was read by the clerk and was placed on file.

On motion by Senator Blair, seconded by Senator Hee and carried, H.C.R. No. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO ADDRESS THE LEGISLATURE ASSEMBLED IN JOINT SESSION," was adopted.

At this time, the members of the Senate and guests rose and joined hands to sing "Hawaii Aloha."

The President then extended appreciation and thanks to Kimo Kahoano, Brother O'Brien Eselu and his "Nawai Eha Opuna" dancers, Danny Kaleikini, Sam Kapu, accompanied by "Hanapaa," Karen Keawehawaii, the Cazimero Brothers and Leinaala Heine for the fine entertainment provided the members of the Senate and guests on this Opening Day.

ADJOURNMENT

At 12:35 o'clock p.m., on motion by Senator Blair, seconded by Senator George and carried, the Senate adjourned until 11:30 o'clock a.m., Thursday, January 22, 1987.