

## FORTY-FOURTH DAY

Tuesday, April 1, 2003

The Senate of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 11:41 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by Father Allen DeLong, President, St. Louis School, after which the Roll was called showing all Senators present.

The President announced that he had read and approved the Journal of the Forty-Third Day.

At this time, the following introductions were made to the members of the Senate:

Senator Hooser introduced Paul Booth, founder and executive director of the Hawaii Student Film Festival, and commended him for his continued good work with young filmmakers.

Senator Aduja introduced and recognized Dr. Maureen Fitch for her invaluable contributions to science, biotechnology, and Hawaii's agriculture industry. Accompanying Dr. Fitch were Dr. Paul Moore and Ken Kamiya.

Senator Sakamoto recognized the following representatives from various branches of the military who have participated in the Joint Venture Education Forum, a corporate venture between the military community in the Pacific and the Department of Education: Kristina Noriega-Artis, Col. Bruce Grathwohl, Lt. Col. Frederick Fogel, COL. Thomas Gibbons, Lt. Col. Robert Boyles, Rogers Patrick, and LCDR Gary Jones.

At 12:06 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:15 o'clock p.m.

## MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 257 to 259) were read by the Clerk and were placed on file:

Gov. Msg. No. 257, letter dated March 28, 2003, transmitting proposed changes to the General Appropriations Act, H.B. No. 200.

Gov. Msg. No. 258, letter dated March 28, 2003, transmitting proposed changes to the General Appropriations Act, H.B. No. 200.

Gov. Msg. No. 259, letter dated March 28, 2003, requesting the Senate to restore budget adjustments to H.B. No. 200 made by the House of Representatives.

## DEPARTMENTAL COMMUNICATION

Dept. Com. No. 29, from the State Auditor dated March 28, 2003, transmitting its 2002 Annual Report, was read by the Clerk and was placed on file.

## STANDING COMMITTEE REPORTS

Senator Kawamoto, for the Committee on Transportation, Military Affairs, and Government Operations, presented a report (Stand. Com. Rep. No. 1240) recommending that S.C.R. No. 5 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1240 and S.C.R. No. 5, entitled: "SENATE CONCURRENT RESOLUTION EXPRESSING SUPPORT FOR THE MILITARY AFFAIRS COUNCIL OF THE CHAMBER OF COMMERCE OF HAWAII IN ITS EFFORTS TO IMPROVE THE QUALITY OF LIFE FOR MILITARY PERSONNEL STATIONED IN HAWAII," was deferred until Wednesday, April 2, 2003.

Senator Kawamoto, for the Committee on Transportation, Military Affairs, and Government Operations, presented a report (Stand. Com. Rep. No. 1241) recommending that S.C.R. No. 27, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1241 and S.C.R. No. 27, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE HAWAII CONGRESSIONAL DELEGATION TO ASK THE UNITED STATES DEPARTMENT OF JUSTICE TO CONSIDER AND REPORT WHETHER HAWAIIAN AND ALOHA AIRLINES CAN DISCUSS FLIGHT SCHEDULING TO BETTER ACCOMMODATE TRAVELERS," was deferred until Wednesday, April 2, 2003.

Senator Kawamoto, for the Committee on Transportation, Military Affairs, and Government Operations, presented a report (Stand. Com. Rep. No. 1242) recommending that S.R. No. 16, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1242 and S.R. No. 16, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE HAWAII CONGRESSIONAL DELEGATION TO ASK THE UNITED STATES DEPARTMENT OF JUSTICE TO CONSIDER AND REPORT WHETHER HAWAIIAN AND ALOHA AIRLINES CAN DISCUSS FLIGHT SCHEDULING TO BETTER ACCOMMODATE TRAVELERS," was deferred until Wednesday, April 2, 2003.

Senator Kawamoto, for the Committee on Transportation, Military Affairs, and Government Operations, presented a report (Stand. Com. Rep. No. 1243) recommending that S.C.R. No. 29 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1243 and S.C.R. No. 29, entitled: "SENATE CONCURRENT RESOLUTION URGING THE STATE, COUNTIES, AND PARTICIPATING PRIVATE ENTITIES TO SUPPORT THE DEVELOPMENT AND ESTABLISHMENT OF AN OFFICIALLY RECOGNIZED URBAN SEARCH AND RESCUE TEAM IN HAWAII," was deferred until Wednesday, April 2, 2003.

Senator Kawamoto, for the Committee on Transportation, Military Affairs, and Government Operations, presented a report (Stand. Com. Rep. No. 1244) recommending that S.R. No. 17 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1244 and S.R. No. 17, entitled: "SENATE RESOLUTION URGING THE STATE, COUNTIES, AND PARTICIPATING PRIVATE ENTITIES TO SUPPORT THE DEVELOPMENT AND ESTABLISHMENT OF AN OFFICIALLY RECOGNIZED URBAN SEARCH AND RESCUE TEAM IN HAWAII," was deferred until Wednesday, April 2, 2003.

Senators Chun Oakland and Kanno, for the Committee on Human Services and the Committee on Labor, presented a joint

report (Stand. Com. Rep. No. 1245) recommending that S.C.R. No. 130, as amended in S.D. 1, be referred to the Committee on Ways and Means.

The President then announced:

"Members, Stand. Com. Rep. No. 1245 will be recommitted because the recommendation from the Committee on the referral was incorrectly listed."

By unanimous consent, Stand. Com. Rep. No. 1245 and S.C.R. No. 130, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION ESTABLISHING AN AWARDS PROGRAM TO RECOGNIZE BUSINESSES WITH PARENT-FRIENDLY POLICIES," were recommitted jointly to the Committee on Human Services and the Committee on Labor.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1246) recommending that S.C.R. No. 94, as amended in S.D. 1, be adopted.

By unanimous consent, Stand. Com. Rep. No. 1246 and S.C.R. No. 94, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION DECLARING APRIL 9 AS 'SAFE RETURN DAY' FOR INDIVIDUALS WITH ALZHEIMER'S DISEASE IN THE STATE OF HAWAII," was deferred until Wednesday, April 2, 2003.

Senator Menor, for the Committee on Commerce, Consumer Protection and Housing, presented a report (Stand. Com. Rep. No. 1247) recommending that S.C.R. No. 31 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1247 and S.C.R. No. 31, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII TO INVESTIGATE AND QUANTIFY ECONOMIC DIFFERENCES BETWEEN THE WORKING POOR AND FAMILIES ON PUBLIC ASSISTANCE IN FEDERAL LOW INCOME HOUSING," was deferred until Wednesday, April 2, 2003.

Senator Menor, for the Committee on Commerce, Consumer Protection and Housing, presented a report (Stand. Com. Rep. No. 1248) recommending that S.R. No. 19 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1248 and S.R. No. 19, entitled: "SENATE RESOLUTION REQUESTING THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII TO INVESTIGATE AND QUANTIFY ECONOMIC DIFFERENCES BETWEEN THE WORKING POOR AND FAMILIES ON PUBLIC ASSISTANCE IN FEDERAL LOW INCOME HOUSING," was deferred until Wednesday, April 2, 2003.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1249) recommending that S.C.R. No. 154, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1249 and S.C.R. No. 154, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE REVISION OF PUBLIC ASSISTANCE FORMULAS," was deferred until Wednesday, April 2, 2003.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1250)

recommending that S.R. No. 102, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1250 and S.R. No. 102, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE REVISION OF PUBLIC ASSISTANCE FORMULAS," was deferred until Wednesday, April 2, 2003.

Senator Menor, for the Committee on Commerce, Consumer Protection and Housing, presented a report (Stand. Com. Rep. No. 1251) recommending that H.B. No. 731, H.D. 1, as amended in S.D. 1, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1251 and H.B. No. 731, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," was deferred until Thursday, April 3, 2003.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1252) recommending that S.C.R. No. 114, be referred to the Committee on Ways and Means.

On motion by Senator Kawamoto, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 114, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO RESEARCH OPTIONS FOR ESTABLISHING A DEDICATED FUNDING MECHANISM TO IMPLEMENT THE PUBLIC PURPOSE AND RESPONSIBILITIES AS SPECIFIED IN ACT 77, SESSION LAWS OF HAWAII 1997, RELATING TO EARLY CHILDHOOD EDUCATION AND CARE," was referred to the Committee on Ways and Means.

**ORDER OF THE DAY**

**REFERRAL OF HOUSE CONCURRENT RESOLUTION**

**MATTER DEFERRED FROM MONDAY, MARCH 31, 2003**

The President made the following committee assignment of a House concurrent resolution that was received on Friday, March 28, 2003:

House Concurrent Resolution	Referred to:
No. 62, H.D. 1	Committee on Transportation, Military Affairs, and Government Operations

**HOUSE COMMUNICATIONS**

**MATTERS DEFERRED FROM MONDAY, MARCH 31, 2003**

H.C.R. No. 43 (Hse. Com. No. 305):

By unanimous consent, action on H.C.R. No. 43, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE EXPLORATION OF OPTIONS FOR REDESIGNING THE BENEFIT LEVELS OF 'A' STATUS PLANS DEFINED UNDER HAWAII'S PREPAID HEALTH CARE ACT," was deferred until Wednesday, April 2, 2003.

H.C.R. No. 58 (Hse. Com. No. 306):

By unanimous consent, action on H.C.R. No. 58, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A SUNRISE REVIEW OF THE REGULATION OF CONDOMINIUM ASSOCIATION MANAGERS," was deferred until Wednesday, April 2, 2003.

#### ADVISE AND CONSENT

Stand. Com. Rep. No. 1219 (Gov. Msg. No. 14):

Senator Fukunaga moved that Stand. Com. Rep. No. 1219 be received and placed on file, seconded by Senator Kim and carried.

Senator Fukunaga then moved that the Senate advise and consent to the nomination of TED LIU as Director of the Department of Business, Economic Development, and Tourism, term to expire December 4, 2006, seconded by Senator Kim.

Senator Fukunaga rose to speak in support of the nominee as follows:

"Mr. President, I rise to speak in support of Gov. Msg. No. 14.

"Your Committees on Economic Development and Tourism, to which was referred Gov. Msg. No. 14, held two joint hearings and questioned Mr. Liu on his qualifications for this position. Ted Liu brings a great deal of international business experience to the position of Director of the Department of Business and Economic Development. He is the co-founder of Pacific Gap Group, a Hawaii-based private equity firm focused on venture capital investment. He was formerly managing director of Morgan Stanley & Company, Inc.; a Senior Associate and head of the China Practice Group for a Wall Street law firm; Chief Executive Officer of Public International Investments Ltd./First Shanghai Investments Ltd.; advisor to the New York Stock Exchange on financial markets in China; and part of the founding staff of China Daily, the first English language newspaper in China.

"Mr. Liu talked about his formative sales experiences as a newspaper boy, hawking newspapers on a street corner and waiting tables in a Chinese restaurant. In these early jobs, he quickly determined that exceptional customer service was the key component to success in sales and marketing.

"His goals and objections for DBEDT similarly emphasize a customer service orientation, such as returning phone calls and e-mails with dispatch, efficiency and accountability, coupled with relevant data and analysis. He has proposed to restructure the department to engage DBEDT's constituencies, build the department's internal capacity, facilitate solutions, and provide leadership.

"Ted is also pursuing ideas on how to make Hawaii truly competitive and to produce products or services that can be effectively marketed to the widest possible audience. Thinking outside the box to generate ideas for Hawaii's future business development, he plans to utilize his contacts in China, Taiwan and Japan to promote deals and markets for Hawaii.

"As he has pointed out, economic growth becomes the primary measure for success and we should all collaborate to ensure that our marketing and promotional programs attract visitors that contribute to the economic well being of the industry and the State. DBEDT will work with the business community on tourism infrastructure to remain competitive as well.

"For all of the foregoing reasons, I support Mr. Liu's devoting his considerable talent, energies, and enthusiasm to business creation and development here in the State of Hawaii. I therefore urge your support for Ted Liu's nomination as Director of the Department of Business and Economic Development.

"Thank you."

Senator Hemmings rose to speak in favor of the nomination as follows:

"Mr. President, I rise to speak in favor of Gov. Msg. No. 14, the nomination and confirmation of Ted Liu to head the Department of Business, Economic Development and Tourism.

"Oftentimes, there are different ways to measure leadership, and certainly, measuring one's leadership abilities in times of duress or stress are a good indicator of the character of the person. In recent past, we have seen on numerous occasions, scathing audits by Marion Higa of various departments. And quite frankly, the reaction by the departments have uniformly been, she's wrong and other ways to deflect the criticism.

"What is really refreshing is the attitude of Mr. Liu. In a recent audit, the DBEDT was . . . not attacked, but criticized for the way it had done things in the past. And unlike others who have tried to deny the audit, the reaction of Ted Liu reflects the character of this man, and I'd like to quote the Advertiser, 'DBEDT director Ted Liu said he plans to work with the Auditor's Office to address the concerns raised. 'It's got the type of information that will be very useful to us,' he said of the audit.' And this is the kind of attitude that is really refreshing and it's going to bring the dramatic changes that this State so desperately needs in the executive branch of government to have the people's needs served better.

"Therefore, I think it's incumbent upon us to all join in unanimously supporting this nomination in its vote today. Thank you, Mr. President."

Senator Slom rose to support the nominee and said:

"Mr. President, I rise, also, in support of Gov. Msg. No. 14, Ted Liu.

"On behalf of the Minority Caucus, I want to add a few remarks because truly if there's any individual that has been appointed in recent years that is overqualified, it certainly is Mr. Liu. When everybody is talking about 'you only get what you pay for,' and they call for raising salaries, we are getting a real bargain. We're getting much more than we paid for in Mr. Liu's appointment.

"There was only one negative thing, however, that the Caucus had to go over. In his resume he stressed that he speaks fluent Mandarin but his Portuguese was only passable. But we were able to huddle on that, and with the concurrence of the Minority Leader, we were able to overlook that at this time, if he works on that. (Laughter.)

"As one who has been critical and skeptical of the Department of Business in the past because of its seemingly blind and deaf ear, oftentimes, to small business needs and issues in this community, I'm very heartened and very encouraged by the approach that Mr. Liu has taken. He's already on the job. He has been doing a good job. He's been trying to be more inclusive and get people in the community involved. I have not seen of any of the candidates in recent years, a more complete vision statement of what he intends to

do with that department. I think he's got the energy, he's got the focus, he's got the leadership abilities to make these things happen.

"So we certainly listen as he listens and we will be watching to see and help him in any way to make this department a very positive department in our State's economic future. So we're very happy to support the nomination of Mr. Liu and encourage all of our colleagues to do likewise. Thank you."

The motion was put by the Chair and carried on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Ige).

At this time, Senator Fukunaga introduced Mr. Liu and his family to the members of the Senate. (Mr. Liu, who was seated in the gallery, rose to be recognized.)

At 12:25 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:30 o'clock p.m.

**ADOPTION OF RESOLUTIONS**

**MATTERS DEFERRED FROM  
MONDAY, MARCH 31, 2003**

Stand. Com. Rep. No. 1220 (S.C.R. No. 62):

On motion by Senator Kawamoto, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 62, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A SUNRISE ANALYSIS OF THE REGULATION OF CONDOMINIUM ASSOCIATION MANAGERS," was adopted.

Stand. Com. Rep. No. 1221 (S.C.R. No. 106):

On motion by Senator Kawamoto, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 106, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO RECOGNIZE ON-LINE COURSES FROM ACCREDITED INSTITUTIONS," was adopted.

Stand. Com. Rep. No. 1222 (S.R. No. 74):

On motion by Senator Kawamoto, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.R. No. 74, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO RECOGNIZE ON-LINE COURSES FROM ACCREDITED INSTITUTIONS," was adopted.

Stand. Com. Rep. No. 1223 (S.C.R. No. 96):

On motion by Senator Kawamoto, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 96, entitled: "SENATE CONCURRENT RESOLUTION SUPPORTING THE HAWAII HOMEOWNERSHIP CENTER," was adopted.

Senator English, Chair of the Committee on Energy and Environment, requested a waiver of the notice requirement pursuant to Senate Rule 21 for H.B. No. 1294.

Senator English noted:

"Mr. President, this bill makes clarifying amendments to the environmental impact statement law, and we've received a late request for a hearing on the bill."

The Chair then granted the waiver.

**ADJOURNMENT**

At 12:32 o'clock p.m., on motion by Senator Kawamoto, seconded by Senator Hogue and carried, the Senate adjourned until 11:30 o'clock a.m., Wednesday, April 2, 2003.

Respectfully submitted,

Clerk of the Senate

Approved:

President of the Senate