Honolulu, Hawaii

Felg, 2006

RE: H.B. No. 1971

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1971 entitled:

"A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY,"

begs leave to report as follows:

The purpose of this bill is to improve efficiency in the operations of the Natural Energy Laboratory of Hawaii Authority (NELHA) by providing NELHA with more flexibility in its procurement process. Specifically, this bill exempts NELHA from compliance with the public procurement code under Chapter 103D, Hawaii Revised Statutes, unless required by a project agreement, provided that it adopts a conflict of interest policy.

The Executive Director of NELHA testified in support of this bill. The State Procurement Office opposed the bill. The Department of Accounting and General Services commented on the measure.

Members of your Committee raised concerns regarding the perception of government secrecy and unfair competition among businesses and the general public, regarding a quasi-governmental body housed on public lands. However, your Committee also recognizes that the daily operations of NELHA and the business and research activities that occur on its campus are unlike a typical governmental agency. Therefore, your Committee believes that this measure deserves further discussion in subsequent committees despite the concerns raised. Further, your Committee also finds

HB1971 HSCR EEP HMS 2006-1559



that rather than allowing NELHA to adopt a conflict of interest policy based on a disclosure form that the Legislature should just require NELHA to follow a specified policy.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1971 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

Respectfully submitted on behalf of the members of the Committee on Energy & Environmental Protection,

Hermun Frontes

HERMINA MORITA, Chair

## State of Hawaii House of Representatives The Twenty-third Legislature

## Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:	1971	Date:	(	2-2-	06	
Committee Referral: EEP EDB, FIN			The committee is reconsidering its previous decision on the measure.			
The recommendation is to:	Pass, unamended	☐ Pass, with amendments				
	☐ Hold		Recommit			
EEP Members		Ayes	Ayes (WR)	Nays	Excused	
1. MORITA, Hermina M.	(C)	<i>\( \)</i>				
2. EVANS, Cindy (VC)						
3. BERG, Lyla B., Ph.D.						
4. CARROLL, Mele						
5. HARBIN, Bev					V	
6. KANOHO, Ezra R.						
7. SCHATZ, Brian						
8. WATERS, Tommy						
9. PINE, Kymberly						
10. THIELEN, Cynthia						
	:			-		
					. /	
TOTAL		4	2		4	
The recommendation is:	Adopted				-	
	☐ Not Adopted					
If joint referral, did not support recommendation.  committee acronym(s)						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committed Duplicate (Yellow) – Clerk's Office						