

Honolulu, Hawaii

Apr: 127 , 2007

RE: H.B. No. 34  
S.D. 2  
C.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 34, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to voice Hawaii's opposition to the humanitarian crisis presently occurring in the Darfur Region of Sudan by prohibiting the Employees' Retirement System (ERS) from investing in securities of companies that have active business operations with Sudan.

Your Committee on Conference finds that a tragedy is currently occurring in the Darfur Region of Sudan. The United States, along with the international community and hundreds of humanitarian and faith-based organizations, have all agreed that genocide is occurring in this region of the world. At present, over 400,000 people have been killed in the region, with another 2.5 million

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people being displaced from their homes despite calls from the international community that the Sudanese Government put an end to these atrocities. Placing economic pressure on the Sudanese Government by prohibiting the ERS from investing in companies that do business with Sudan is but one step that can be taken to remedy this tragic situation, as similar action taken against the country of South Africa during the 1980s, as a means of ending the policy of apartheid, had a profound effect on the policies of that country.

However, your Committee on Conference understands the concerns raised by the ERS. Accordingly, your Committee on Conference has amended this measure by:

- (1) Stipulating that only companies with direct holdings be identified and scrutinized by the public trust and eliminating scrutiny for indirect holdings or possible future holdings;
- (2) Requiring the fund to assemble a "scrutinized companies list" which contains all scrutinized companies identified in which the public fund has direct holdings;
- (3) Eliminating the requirement that the public fund continue a semi-annual correspondence informing a company with and encouraging the company to continue to refrain from initiating active business operations in Sudan until it is able to avoid scrutinized business operations;
- (4) Requiring that, for each company newly identified with active business operations in which the public fund owns direct holding, the public fund send a written notice informing a company of its scrutinized company status and that it may become subject to divestment from the public fund;
- (5) Deleting the requirement that the public fund submit letters to the managers of actively managed investment funds with indirect holdings in companies with scrutinized active business operations requesting that the manager consider removing the companies from the fund or create a similar actively managed fund with indirect business holdings devoid of such companies; and
- (6) Changing the effective date to July 1, 2007.





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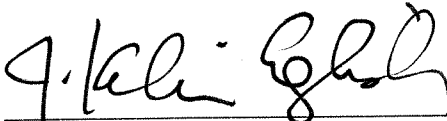
Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

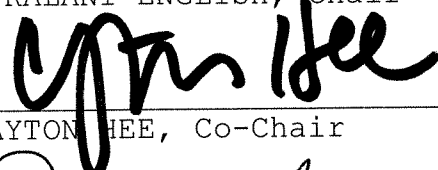
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 34, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 34, S.D. 2, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

  
\_\_\_\_\_  
J. KALANI ENGLISH, Chair

  
\_\_\_\_\_  
CLAYTON HEE, Co-Chair

  
\_\_\_\_\_  
ROSALYN H. BAKER, Co-Chair

  
\_\_\_\_\_  
ALEX M. SONSON, Co-Chair

  
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RIDA T.R. CABANILLA, Co-Chair

  
\_\_\_\_\_  
BOB NAKASONE, Co-Chair





# Hawaii State Legislature

CR 86

## Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: HB 34, SD 2					Date/Time: <i>April 26, 2007 11:30</i>				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
ENGLISH, J. Kalani, Chr.	✓				SONSON, Alex M., Co-Chr.	✓			
HEE, Clayton, Co-Chr.	✓				CABANILLA, Rida T.R., Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.				✓	NAKASONE, Bob, Co-Chr.	✓			
GABBARD, Mike	✓				WARD, Gene, Ph.D.				✓
TOTAL	3			1	TOTAL	3			1
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
<i>J. Helen English</i>									
<div style="display: flex; justify-content: space-between;"> <div> <b>Distribution:</b>            Original  <i>File with Conference Committee Report</i> </div> <div> <b>Yellow</b>  <i>House Clerk's Office</i> </div> <div> <b>Pink</b>  <i>Senate Clerk's Office</i> </div> <div> <b>Goldenrod</b>  <i>Drafting Agency</i> </div> </div>									