

Honolulu, Hawaii

MAR 22 2007

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

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

Madam:

Your Committees on Transportation and International Affairs
and Judiciary and Labor, to which was referred H.B. No. 34
entitled:

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

beg leave to report as follows:

The purpose of this measure is to require the Employees'
Retirement System (ERS) to:

- (1) Identify and scrutinize companies having business operations in Sudan in which the ERS has direct or indirect holdings or could possibly have such holdings in the future; and
- (2) Require the ERS to follow specified notice procedures to warn such companies of a possible divestment of stock by the ERS, and ultimately to require the divestment if companies do not take corrective action to refrain from doing business in Sudan.

Your Committees received testimony in support of this measure from the Japanese American Citizens League; Hawaii Coalition for Darfur; Hawaii Catholic Conference; The League of Women Voters of Hawaii; University of Hawaii Professional Assembly; Hawaii Family Forum; Americans for Democratic Action; Hawaii Reserves, Inc.; Juniroa Productions Inc.; and seven individuals. Testimony in opposition was received from the Employees' Retirement System.



Your Committees find that genocide 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 the Darfur region of Sudan. At present, approximately 400,000 people have been killed in the region, with another 2.5 million people being displaced from their homes despite calls from the international community that the Sudanese Government put an end to these atrocities.

To date, according to a *Honolulu Advertiser* article of March 19, 2007, seven states have adopted divestment strategies toward Sudan, and it has been estimated that twenty other states are considering new laws to that effect this year. Your Committee believes that 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. This similar action was taken against the country of South Africa during the 1980s as a means of ending the policy of apartheid.

Testimony on this measure indicated that the stock portfolio value of the Employees' Retirement System actually increased greatly following a 1983 divestment in South Africa, pursuant to a legislative concurrent resolution to that effect.

Your Committees have amended this measure to make technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 34, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 34, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Transportation
and International Affairs and
Judiciary and Labor,



CLAYTON HEE, Chair

J. KALANI ENGLISH, Chair

The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Transportation and International Affairs
TIA

Bill / Resolution No.:* <div style="text-align: center;">HB 34 (HSCR 1143)</div>	Committee Referral: <div style="text-align: center;">TIA/JDL, WAM</div>	Date: <div style="text-align: center;">3-20-07</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	/			
INOUE, Lorraine R. (VC)				/
ESPERO, Will	/			
HOOSER, Gary L.				/
TANIGUCHI, Brian T.				/
TSUTSUI, Shan S.	/			
GABBARD, Mike	/			
TOTAL	4	0	0	3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="text-align: center; margin-top: 10px;"> </div>				
Distribution: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> </div>				

*Only one measure per Record of Votes

The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:
<i>HB34</i>	<i>TIA/JDL, W & M</i>	<i>3/20/07</i>
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>		
Members	Aye	Aye (WR)
HEE, Clayton (C)	✓	
KOKUBUN, Russell S. (VC)		
INOUE, Lorraine R.		
NISHIHARA, Clarence K.	✓	
GABBARD, Mike	✓	
TOTAL	<i>3</i>	<i>2</i>
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>		
Chair's or Designee's Signature: <div style="text-align: center; margin-top: 10px;"> </div>		
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