CONFERENCE COMMITTEE REP. NO.

Honolulu, Hawaii

APR 2 1 2011 , 2011

RE: S.B. No. 98

S.D. 2

H.D. 1

C.D. 1

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

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Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 98, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WATER CARRIERS,"

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 measure is to clarify the existing requirement for a finding of present or future public convenience and necessity for the issuance of a certificate of public convenience and necessity to a water carrier.

Your Committee on Conference finds that applications for entry into the regulated water carrier market require in-depth analyses of specific issues of public convenience and necessity to ensure that successful applications serve the public interest and protect communities from the risk of harm. CONFERENCE COMMITTEE REP. NO.
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In reviewing applications to offer new services within the existing regulatory environment, the Public Utilities Commission must ensure that the entry of new services and service providers does not erode the underpinnings of the regulatory framework or threaten future investment in service and infrastructure in a manner that risks the loss of existing services.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Commission shall not make a finding of public convenience and necessity nor issue a certificate if the evidence in the record indicates that the issuance of the certificate would diminish an existing water carrier's ability to realize its allowed rate of return or if the certificate would allow an applicant to serve only high-margin or high-profit ports or lines of service that are currently served by an existing carrier;
- (2) Inserting an effective date of July 1, 2011; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 S.B. No. 98, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 98, S.D. 2, H.D. 1, C.D. 1.

ON THE PART OF THE HOUSE

ØSEPH M. SOUKI, Co-Chair

ROBERT N. HERKES, Co-Chair

MARCUS R. OSHIRO, Co-Chair

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Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

Chair ALANI ENGLISH,

ROSAL Chair

Hawaii State Legislature

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Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.:		-			Date/Time:				
SB 98, SD 2, HD 1				April 20, 2011	<u>l:3</u>	<u>5 pu</u>	<u>n</u>		
The recommendation of the Ho	ouse and S	Senate	mana	lgers	is to pass with amendments (CD).				
The Committee is reconsiderin	g its prev	ious de	ecisio	n.			_		
The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure				The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.					
Senate Managers	A	WR	N	Е	House Managers	A	WR	N	E
ENGLISH, J. Kalani, Chr.					SOUKI, Joseph M., Co-Chr.				
BAKER, Rosalyn H., Co-Chr.					HERKES, Robert N., Co-Chr.				+
KAHELE, Gilbert					OSHIRO, Marcus R., Co-Chr.				
					CHONG, Pono				
					ICHIYAMA, Linda				
					TOKIOKA, James Kunane				
					JOHANSON, Aaron Ling				
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TOTAL	3	h	-		TOTAL	17			
$\mathbf{A} = Aye$	WR = Aye	with F	Reserv	ations	N = Nay	E = Excu	ised		
Senate Recommendation is:				House Recommendation is:					
Adopted Not Adopted				Adopted D Not Adopted					
Senate Lead Chair's or Designee's Signature:				House bead Chair's or Designee's Signature:					
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