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CHARLES K.Y. KHIM

Attorney-At-Law

Royal State Center
819 S. Beretania St. Suite 207
Honolulu, HI 96813

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ADMIN & RESEARCH
BUDGET & FINANCE

Telephone: (808) 537-5305
Facsimile: (808) 599-6218
E-mail: ckhim@royalstate.com

Via Facsimile (838-8734) and U.S. Mail

February 10, 2003

Mr. Davis Yogi
EUTF Trustee
State of Hawaii
Dept. of Transportation - Airports Division
4000 Rodgers Boulevard, Suite 700
Honolulu, Hawaii 96819

RE: Adoption of Administrative Rules for EUTF

Dear Trustee Yogi:

I am writing to you regarding the adoption of the procedure for promulgating Administrative Rules for the Hawaii Employers-Union Health Benefits Trust Fund ("EUTF"), and the subsequent adoption of the Administrative Rules for the EUTF.

I notice that the Agenda for the February 11, 2003 meeting of the EUTF Board of Trustees lists, among other things, both the adoption of the procedure for the promulgation of Administrative Rules, and also the actual adoption of Administrative Rules.

As you will please recall, the proposed procedure for the promulgation of administrative rules provides in subsection (g) thereof that new rules must be submitted to the Governor for approval and filed with the Lt. Governor's Office. Subsection (h) of that provision further provides that "unless some other date is expressly selected by the Board, a new rule . . . shall be effective the first day after the rule, . . . is filed with the Lt. Governor's Office."

Since the proposed rule-making procedures, even if adopted by the EUTF Board at its February 11, 2003 meeting, will not be effective until after it is approved by the Governor and subsequently filed with the Lt. Governor's Office, it is inappropriate to consider the proposed Administrative Rules until the procedure for adopting

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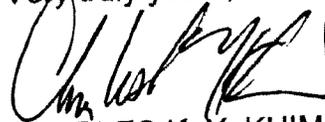
Administrative Rules is signed by the Governor and filed with the Lt. Governor's Office, events that cannot occur on February 11, 2003.

Moreover, the consultation process provided for in the rule-making procedures has not yet been validly engaged in. Obviously, until the rule-making procedure is adopted, the EUTF cannot have engaged in the consultation required in the rule-making procedure.

Therefore, I suggest that the Administrative Rules cannot be discussed or adopted at the February 11, 2003 meeting of the EUTF Board of Trustees, and must, instead, be taken up at a later date.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me.

Very truly yours,



CHARLES K. Y. KHIM

cc: Board of Trustees of the EUTF (via Facsimile - 586-1583)