

STAND. COM. REP. NO.

2465

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 3173
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Energy, Environment, and International Affairs, to which was referred S.B. No. 3173 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLES,"

begs leave to report as follows:

The purpose of this measure is to establish an alternative fuels portfolio standard, requiring a percentage of all new motor vehicles sold in the State to be powered by alternative fuels, starting in 2008.

The Rocky Mountain Institute, the Conservation Council for Hawaii, and the Sierra Club Hawaii Chapter submitted testimony in support of this measure. The Alliance of Automobile Manufacturers and the Hawaii Automobile Dealers' Association submitted testimony in opposition. The Department of Business, Economic Development and Tourism, the Department of Budget and Finance, the Public Utilities Commission, and the Office of Information Practices submitted comments.

Your Committee finds that the State's dependence on imported petroleum for its transportation energy needs makes it extremely vulnerable to an oil embargo, supply disruption, international market dysfunction, and other factors beyond the control of the State. It is critical that Hawaii moves beyond its near total dependency on imported petroleum for its transportation needs.

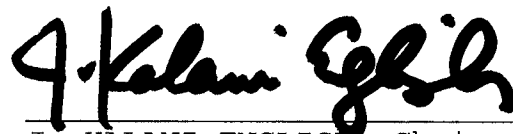
Upon further consideration, your Committee amended this measure by:



- (1) Deleting all of the original provisions;
- (2) Requiring the counties to establish and issue a special license plate designating an energy-efficient or alternative fuel vehicle;
- (3) Exempting those energy-efficient or alternative fuel vehicles from the motor vehicle registration fee for a period of five years;
- (4) Amending the procurement policy for state fleets to require energy-efficient vehicles; and
- (5) Making an appropriation of an undesignated amount to the counties to assist the counties in implementing the special license plate portion of the Act.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3173, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Commerce, Consumer Protection, and Housing and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy,
Environment, and International
Affairs,



J. KALANI ENGLISH, Chair



