

GOV. MSG. NU. 888

EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE GOVERNOR

June 5, 2007

The Honorable Colleen Hanabusa, President and Members of the Senate Twenty-Fourth State Legislature State Capitol, Room 409 Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 5, 2007, the following bill was signed into law:

HB791 HD1 SD1 CD1

A BILL FOR AN ACT RELATING TO GASOLINE. (ACT 130)

Sincerely,

LINDA LINGLE

on JUN 5 2007

HOUSE OF REPRESENTATIVES TWENTY-FOURTH LEGISLATURE, 2007 STATE OF HAWAII ACT 130 H.B. NO. 791 S.D. 1 C.D. 1

A BILL FOR AN ACT

RELATING TO GASOLINE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that diversification of
- 2 fuel supplies and a transition towards renewable energy sources
- 3 is in the long-term interest nationally and for the people of
- 4 Hawaii. Gasoline containing ten per cent ethanol has been an
- 5 approved fuel for use in automotive spark ignition engines since
- 6 1978. Currently, about fifty per cent of the gasoline in the
- 7 United States contains ethanol. In some areas of the United
- 8 States, all of the available motor gasoline contains ethanol.
- 9 Some of the affected states do not impose labeling requirements
- 10 for fuels containing ten per cent ethanol.
- 11 Hawaii's existing ethanol content statute and
- 12 implementation rules provide for significant flexibility in
- 13 allowing the private sector to supply approximately seventy
- 14 million gallons of non-ethanol gasoline per year for old,
- 15 incompatible, or non-standard equipment that is not listed or
- 16 tested by Underwriters Laboratory. Nevertheless, there are
- 17 areas of the State in which the private sector has not taken



- 1 initiative to address the needs of niche markets, including
- 2 certain boats, small gasoline-driven tools, and experimental and
- 3 light-sport aircraft that are in need of non-ethanol gasoline.
- 4 In 1987, the Coast Guard issued a directive to recreational
- 5 boat builders to install fuel hoses compatible with gasoline
- 6 containing aromatics and alcohols. However, some boats have
- 7 fiberglass fuel tanks that are not ethanol compatible and will
- 8 cause fiberglass softening or tank leaks. There have been
- 9 reports of boats with older fiberglass tanks sustaining engine
- 10 damage due to fiberglass resin compounds being carried by the
- 11 fuel into the engine and deposited onto intake valves. Although
- 12 in other states, boat owners with these problems have replaced
- 13 their tanks, boat owners in Hawaii are seeking another solution.
- 14 The Underwriters Laboratory listing and testing for fuel
- 15 system parts has included compatibility with gasoline containing
- 16 ten per cent ethanol since the 1980s. However, at the time
- 17 certain types of power equipment were manufactured, the owner's
- 18 manuals for the equipment did not explicitly describe or allow
- 19 the use of ethanol-blended gasoline.
- 20 Further, the Federal Aviation Administration has strict
- 21 regulations in place that require only aviation grade fuels to
- 22 be used in certificated aircraft. There are supplemental type



- 1 certificates in use that allow some "properly altered" aircraft
- 2 to use automotive grade fuels. Federal Aviation Administration
- 3 Special Airworthiness Information Bulletin CE 07-06, dated
- 4 October 27, 2006, states that gasoline containing ethanol is not
- 5 acceptable unless specifically approved by the type certificate
- 6 or supplemental type certificates. This also affects light
- 7 sport aircraft that use Rotax engines. Rotax has issued a
- 8 notice not to use gasoline containing lead or ethanol in their
- 9 engines. Although the quantity of motor gasoline used in
- 10 aviation is small, because motor gasoline refueling of aircraft
- 11 has not generally been available at airfields in the State, the
- 12 owners of affected aircraft on Oahu and the Big Island do not
- 13 yet have convenient access to non-ethanol fuel. Additionally,
- 14 owners of affected aircraft on Maui and Kauai are unable to fly
- 15 for the foreseeable future unless non-ethanol gasoline becomes
- 16 available on these islands.
- 17 Finally, the legislature finds that non-automobile demand
- 18 for gasoline that does not contain ethanol may be less than one
- 19 tenth of a per cent of the total amount of gasoline sold
- 20 throughout the State. Typically, the Hawaii Before Oxygenate
- 21 Blend gasoline manufactured conforms to all ASTM base-gasoline
- 22 standards for automobile use only. Nonetheless, small non-

- 1 automobile use consumer groups seek gasoline that does not
- 2 contain ethanol, and an attempt should be made to allow the free
- 3 market to fill the need for these niche markets prior to the
- 4 imposition of mandates upon the market. This objective needs to
- 5 be achieved without appreciably reducing the energy
- 6 diversification goals of the State.
- 7 The purpose of this Act is to require fuel distributors to
- 8 report to the department of business, economic development, and
- 9 tourism on the distribution and availability of gasoline that
- 10 does not contain ethanol in order to provide information to the
- 11 legislature to be used in determining future policy for these
- 12 niche gasoline markets.
- SECTION 2. On or before December 1, 2007, all distributors
- 14 shall report to the department of business, economic development
- 15 and tourism, in a format prescribed by the department, on their
- 16 distribution and availability of gasoline that does not contain
- 17 ethanol. The department of business, economic development, and
- 18 tourism shall report its findings to the legislature no later
- 19 than twenty days prior to the convening of the regular session
- 20 of 2008. For the purposes of this section, "distributor" shall
- 21 have the same meaning as in 486J-1, Hawaii Revised Statutes.
- 22 SECTION 3. This Act shall take effect upon its approval.

APPROVED this 5 day of

JUN , 2007

GOVERNOR OF THE STATE OF HAWAII