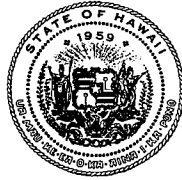


**SB 1260**

LINDA LINGLE  
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.  
DIRECTOR OF HEALTH

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
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In reply, please refer to:  
File:

**SENATE COMMITTEE ON WAYS AND MEANS**  
**S.B. 1260, RELATING TO AIR POLLUTION FEES**

**Testimony of Chiyome Leinaala Fukino, M.D.**  
**Director of Health**

**March 2, 2009**  
**9:30 a.m.**

1 **Department's Position:** The Department of Health (DOH) acknowledges this measure has merit,  
2 however, given the current economy, it would not be prudent to pursue enactment at this time.

3 **Fiscal Implications:** We estimate that about \$230,000 additional revenues will be collected depending  
4 on the actual amount of pollutants emitted by the affected sources. Revenues go to the clean air special  
5 fund which has restricted uses under federal law.

6 **Purpose and Justification:** This bill removes the maximum limit on annual fees assessed to any one  
7 air pollution covered source. Covered sources are presently charged an annual fee based on the amount  
8 of air pollutants emitted in the previous year up to 4,000 tons for any one pollutant. This measure  
9 removes the 4,000-ton emissions cap which is felt to be inequitable for the smaller sources and a  
10 disincentive for very large sources to reduce emissions.

11 The fee program was established in 1992 to support air program activities pursuant to Title V of  
12 the Clean Air Act. The emissions cap was an option that Title V made available to states in designing  
13 their fee program to lessen the annual fee burden on the very large sources. Retaining the cap provides

1 continued relief for the electric generating facilities, and also their customers for which increased fees  
2 are ultimately charged.

3 Records indicate that at most times only the HECO Kahe Generating Station on Oahu would be  
4 affected by the removal of the emissions cap. Kahe's fees would increase about 45%, roughly from  
5 \$510,000 to \$740,000 per year, depending on the actual amount of emissions emitted.

6 Thank you for this opportunity to testify.

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