

Honolulu, Hawaii

**Feb 2**, 2012

RE: H.B. No. 2322

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2322 entitled:

"A BILL FOR AN ACT RELATING TO ETHANOL,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal the ten percent ethanol by volume requirement for gasoline sold in Hawaii for use in motor vehicles; and
- (2) Require the Hawaii State Energy Office to submit reports on local ethanol production including whether the amount of ethanol produced in the State is sufficient to ensure that gasoline sold in the State for use in motor vehicles contains ten percent ethanol by volume and whether the ten percent ethanol requirement for gasoline sold in the State should be reenacted.

No testimony was received on this measure.

The intent of Hawaii's requirement that gasoline for internal combustion engines sold in the State contain at least ten percent ethanol was to reduce statewide gasoline consumption, to establish industrial plants to produce ethanol locally, and to achieve independence from foreign oil. However, since enacting the ethanol content requirement in 2006, the expected benefits have yet to be realized. To the contrary, the economic feasibility of

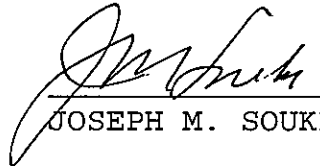


producing ethanol in Hawaii and whether or not establishing ethanol contents in gasoline have reduced Hawaii's dependence on foreign oil have been brought into question. Also, questions and concerns have been raised regarding whether the use of ethanol-treated gasoline in marine engines and small gasoline engines have resulted in expensive repairs for individuals who own boats and watercraft. Additionally, on the global level, the production of fuel crops has replaced the production of food crops in the agricultural industry, thus causing the price of staple foods to increase.

While the goal of reducing Hawaii's dependence on fossil fuel is laudable, your Committee finds that studying the economic feasibility of the requirement that gasoline sold in the State contain ten percent ethanol deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2322 and recommends that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,

  
\_\_\_\_\_  
JOSEPH M. SOUKI, Chair



State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

HSCR 57-12

Record of Votes of the Committee on Transportation

Bill/Resolution No.: HB 2322	Committee Referral: TRN, EEP, FIN	Date: 1/30/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	/			
2. ICHIYAMA, Linda (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. LEE, Marilyn B.	/			
6. LUKE, Sylvia	/			
7. OKAMURA, Tom	/			
8. SAIKI, Scott K.	/			
9. TAKUMI, Roy M.	/			
10. YAMASHITA, Kyle T.	/			
11. FONTAINE, George R.	/			
12. JOHANSON, Aaron Ling	/			
TOTAL (12)	12			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: <u>Linda Ichiyama</u>				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				