

Aloha,

Mahalo for letting me say a little about ethanol and how great it is and help clear up the air about the bad info. Ethanol does not damage rubber, plastic, fiberglass, or gum up engines. Ethanol is a clean burning fuel with no smoke or bad smell like gas does. Yes we can make it in Hawaii and we have tried for years but investors only want to invest and sell it, never for the people of Hawaii. Hawaii needs to have ethanol as a safety net if oil should run out in the world. Just think what would happen to the people of Hawaii if one day there was no oil. As you always said we need to get away from oil and go green, now what better fuel to have then ethanol. I have used ethanol over 10 years in all my cars and trucks with no problems and get really great mileage. One of the reasons why the people of Hawaii get less gas mileage when ethanol came into the picture is the oil company was allowed to lower the octane in all gas grades by three numbers and the ethanol percent is not 10% but at the most 6% if not 2% and never at the full 10%. Why has the state allow then to lower the octane level? I tested the gas mileage with 10% ethanol before the 06 change over and got really good mileage from all brands of gas. I did this for over 6 months just to see if would be the same, well it wasn't as you can see. On the price of gas you say that with ethanol it's higher but why is the ethanol free gas higher? How can you just say let's take ethanol out of the gas with no test or study done on the ethanol side. Brazil for one has been on 100% ethanol over 56 years and have no problems. Indy race cars have run on 100% ethanol for the last 4 years and they get really great mileage on ethanol. Hawaii can use the ethanol project for more jobs and cheaper fuel. The group that should be protesting ethanol is the auto repair industry cause there will be far less repair work for them. I would like to see all of you try 20% ethanol in your cars to see how great it is, Senator Donna Mercado Kim is the only one that is running 20% ethanol in her car for the last 3 months or more. So please before you cut out ethanol do the test or the study and see the real truth about ethanol. Mahalo for your time.

George Nitta
Nitta's Auto Repair Inc.



LATE TESTIMONY

guy munechika gmunechika@hawaiiantel.net

1:24 AM (6 hours ago)

Guy Munechika/ 50th State Ethanol Inc.

To the Committees of TRN, EEP, FIN*

Feb. 9, 2012 8:30 a.m.

HB 2322

Distinguished Representatives and Chairs,

I am opposed to HB 2322. The resurrection of the negative propaganda against ethanol in this bill is tiresome and detrimental to the goal of 70% oil independency by 2030. The negative language in this bill is repeated every year as if it was totally factual..., but it's not. Please be mindful that gasoline and crude oil are cancerous and pollutive chemicals..., yes, this is a health and safety issue as well. At least, the up to 10% ethanol containing gasoline is protecting our health by up to 10%.

HB 2322 states:

'Prices are high because we have to import ethanol.' I'd say, if you import ethanol from or through the Caribbean islands, there is no import duty tax, hence, tremendous savings. And yes, transportation (diesel) costs are rising because we are selling our diesel supplies internationally causing an upsurge in demand which is boosting shipping costs. But if you're making your own diesel, isn't this just a business expense?

'Planning occurred, abundance of sugar land, but still no ethanol.' I'd say, the negative propaganda has skewed potential investors away. This would include partnerships in pooling agricultural land resources, as on Kauai. Also, large portions of Hamakua has trees that need to be uprooted to become viable. Waialua is a tourist attraction. Maui's plant is determined to sell sugar and is privately owned, so far.

'Ethanol needs subsidies.' I'd say, the oil cartels of the U.S. thrives on subsidies and are inflation proof businesses. Exxon pays nothing in taxes.

'Federal tax credits expired.' I'd say, so what..., Business's always pass down costs if they can get away with it. There is a cost to going green until everyone gets on the same page.

'Lower gas mileage with ethanol.' I'd say, if the PUC and Ag. Dept. had the initiative to follow HRS 486J-10 to the letter of the law, we would have 10% or more ethanol in our gasoline than this up to 10% currently available, which is unacceptable. Actually, my car runs better at 16% to 20% ethanol, which produces the same gas mileage as the old non-ethanol gasoline. Go ask Mr. George Nitta on the percentages of ethanol in our present gasoline.

'Damaging to boats and small engines.' I'd say, go look at the sample bottles of all the materials said to melt in ethanol provided by Mr. George Nitta.

'fuel crops will increase food crops'. I'd say, corn growers only grow corn unless they rotate crops. Corn is mostly sold as animal feed internationally and is highly competitive. Sales are dependent on which country has the best weather per growing season. The crop in demand will determine ag land usage. Also, The amount of arable land in the United States is limited. Development is slowly taking over available farm land and raising the cost of what is left.

No net energy gain with producing ethanol'. I'd say, the study in question dealt with corn and not sugar cane. According to the Hawaii Reporter, Harry de Gorter, a professor at Cornell University says sugarcane produces twice the amount of ethanol than corn per land unit.

In conclusion, I wish I had more time to do this response. I became aware of this on the evening news this week. I can back up all of my comments with references if asked.

Mahalo,



February 9, 2012

Rep. Denny Coffman, Chair and Committee Members
Committee on Energy & Environmental Protection
State Capitol, Rm. 325
Honolulu, Hi 96813

RE: HB 2322 Relating to Ethanol

Dear Chair Coffman and Committee Members:

My name is Kevin Berner. I am the CEO of Phycal, Inc., testifying in opposition to HB 2322.

Hawaii is blessed with many renewable resources. The State Legislature passed a measure in 2006 to include ethanol as an additive in gasoline. The measure was intended to improve the environment, as ethanol is an excellent oxygenate, which improves the combustion of gasoline. It also was intended to encourage the growth of crops for ethanol production, and the building of ethanol production facilities in the State.

The law has achieved its expected contribution to the environment. To date, however, it has not called forth the ethanol crops or the construction of an ethanol plant. My company, among others, is working to make affordable biofuels, including ethanol, a reality in the State of Hawaii, supporting local agriculture and creating local jobs. We expect that local production of ethanol will reduce the cost of ethanol relative to its current imported cost. We are making steady progress. Changes to the underlying regulatory structure will hurt those efforts and slow that progress.

We urge the State of Hawaii to continue to use ethanol as a viable form of alternative energy, now and in the future. I urge you to hold HB 2322 Relating to Ethanol in committee. Thank you for this opportunity to testify. I would be happy to discuss this further with you.

Sincerely,

A handwritten signature in black ink that reads "J. Kevin Berner".

J. Kevin Berner
President & Chief Executive Officer

PHYCAL, INC.

51 Alpha Park, Highland Heights, Ohio 44143 | p. 440.460.0586
1005 N. Warson Road, Suite B01, St. Louis, Missouri 63132 | p. 314.993.2122

PHYCAL HAWAII R&D LLC

Seven Waterfront Plaza, 500 Ala Moana Blvd., Suite 400, Honolulu, Hawaii 96813 | p. 808.543.6440

Contact: Carol Hopkins
ph: 528-7355

Distributed by 50th State Ethanol

LATE TESTIMONY

What is Ethanol?

- Alcohol – that's all it is, only alcohol.
- Can be made from almost anything, but sugar cane from Hawaii makes the best!

Why use ethanol?

- It improves gas mileage and better functioning of your car.
- While in use, it automatically cleans your car's engine and system.
- It emits clean exhaust, so does not pollute the air. It does NOT emit carbon dioxide like gasoline does.
- If the correct amount and good quality is used, it is more economical than gas.

What proof is there, that it works?

- The entire country of Brazil has been growing sugar cane to make ethanol and using it instead of gasoline for their vehicles for more than 45 years! It is so good and successful, that they are now selling and exporting it to other countries like China.
- The Indianapolis 500 (Indy 500) races are using ethanol as the fuel for their race cars, instead of gasoline. Ethanol **DOUBLES** their gas mileage, is more efficient, cleaner, gives more power, and lasts longer in their tanks than gas.
- A few local drivers have been using it here, in Honolulu, for several years, and can attest to how much greater mileage and performance they have gotten with ethanol.

If it's so good, why don't we have it here – or do we?

- Many years ago on the Mainland, when farmers started to sell corn to make ethanol, the big oil companies did not want competition, so they began to put out gossip and advertising to make ethanol sound like a bad thing. Many people still believe that, and are so convinced, that they are not willing to open their minds to the possibilities of ethanol. Such is the case here, in Hawaii.
- We did get ethanol here when a law was passed in 2006, to put 10% ethanol into the gasoline, but its very small use has been sabotaged by the oil companies in Hawaii, even to the point of putting so little an amount of ethanol (only 2% to 6%) in the gas, that it doesn't do anything. The oil companies then got permission from the State to cut down the octane (power) of the gas you buy by **THREE** points (making the gas weaker), and then they put an additive in the gas, which ruins the rubber hoses and some plastic components in your car (can be a danger to your life!). That additive can destroy your car, boat, lawnmower, and any other equipment that uses gasoline. Also, breathing it is bad for your health.

We can make ethanol in Hawaii!!!

- We already have the land growing sugar cane – ethanol can save those lands on Maui and Kauai. We have heard that a foreign country is going to buy those lands next year, so they can export **OUR** sugar cane to **THEIR** country **TO MAKE THEIR OWN ETHANOL!!!** You can help us stop that.
- If ethanol refineries are built on Maui and Kauai, we can supply the whole State so we don't have to depend on the oil companies for gasoline. It would create 6,000 jobs and provide great income for the State, and for us.

YOU'RE INVITED TO JOIN US – Phone: 847-5554 or Email: georgenitta@hotmail.com

Distributed by 50th State Ethanol

Did you know that you are being lied to and cheated every time you put gasoline in your car and in any other gas-operated equipment you have? We believe you are, and here's why:

It is our understanding that in 2006, when the law was passed here in Hawaii to add 10% ethanol into the gas, the oil companies asked for and received permission from the State to lower the octane of the gas they produced by 3 points.

What that means is:

- 1) The 3 numbers on all service station gas pumps are 87, 89, & 92 – that is how the “strength” or “power” of the gas is rated; it's called 87 octane, 89 octane, and 92 octane.
- 2) When the State allowed the oil companies to lower the octane by 3 points, that means the “power” of the gas is now 84 octane, 86 octane, and 89 octane, even though the numbers on all gas pumps still read 87, 89, and 92 (what you see on the pump is a lie).
- 3) You are being cheated with the lowered octane. Your car's engine, over time, will be damaged by it, especially if you are using the 87 & 89, which are really 84 & 86. When the octane, or “power” of the gas, is that low, instead of the pistons pumping up and down smoothly in their cylinders in your engine, they “rattle” and hit the sides of the cylinder as they move. That causes loss of gas as it leaks out of the cylinders which are rocking back and forth as they go up and down, chipping tiny pieces of metal off, which pass throughout the engine, causing more damage. Thus, it all causes a great loss of power in how your car moves, especially at higher speeds and uphill! How are your starting and idling, too? That kind of engine damage cannot be repaired – you can only replace your engine – at a huge cost. The proof is the increased number of cars being brought to repair shops with engine damage since after 2006.
- 4) The manuals for some new European cars specifically say you MUST use gas at 87 or higher octane. So if you're not using 92 (which is really 89), then what do you think you are doing to your new expensive car with gas that is really only 84 & 86 octane? (The cheaper gas is junk for all other cars, too!)
- 5) Wait! – Isn't the ethanol supposed to make the gas better? Yes, IF the oil companies really did put in 10%. When the oil companies asked the State to let them lower the octane 3 points, they said it was because when they add the 10% ethanol, it will make the gas more powerful, and they did not want to give away that much power; it would cost them money. So the State told them okay if the ethanol would make up for the lower octane of the gas.

BUT – INSTEAD of putting 10% ethanol in the gas, the different brands are putting in LESS than that! Different stations have only 2% to 4%, with Shell being the highest at 6% ethanol added. But since Aloha bought out Shell a few months ago here, Shell does not have 6% any more – it's lower. Look at the stickers on the gas pumps – they say

“...UP TO 10% ethanol”. The first few weeks after the law was put into effect, the stickers said “...Contains 10% ethanol”, but after that, they changed the stickers to the ones on the pumps now. So, NO WAY can that small amount of ethanol make up for 3-point lower octane! Thus, you have low gas mileage. (You are being cheated!)

- 6) THEN people started seeing deterioration with the rubber hoses in their engine compartments. The blame was put on ethanol (another lie), since rubber hose damage never happened before the ethanol was added. But after some investigation and testing, we have found that ethanol is not the culprit, and we have samples showing it's not.

The cause of rubber hose damage is an additive the oil companies have been putting in the gas since 2006, which they did not put into the gas before 2006. The oil companies put that additive into the gasoline to buffer the damage that the lowered gas is causing to your engine. Unfortunately, though, that additive is also what is melting the rubber hoses; it's NOT the ethanol. Ethanol is only alcohol – it cannot melt rubber. In fact, when Henry Ford started building cars, it was during Prohibition, so he bought up all the alcohol (whiskey, moonshine)-making stills in Detroit and used that as the fuel to run in his cars because there was no such thing as gasoline in those early days – people drank that alcohol which was called whiskey! Straight ethanol CANNOT melt rubber! It is only alcohol. It does not even put carbon dioxide into the air like gasoline does; exhaust from ethanol cleans the air, instead of polluting it.

Melted rubber hoses are not only damaging to your engines and costs you more money for repairs, but we believe they are also a threat to your life – causing accidents with your car, with any gas-operated equipment like generators you need for emergencies, and other equipment, and especially if you are in a boat, miles out in the ocean. DO NOT believe the lies – Ethanol DOES NOT melt rubber hoses – or damage plastics.

The multi-million dollar racing cars at the Indianapolis 500 race use straight ethanol as their fuel because it is more efficient and powerful than gasoline – the ethanol has not caused any damage to anything in those engines!!! Don't you think those race car mechanics and owners would know what's the best – and safest?

NOTE: Did your State Representatives and Senators truly want 10% ethanol in the gas because they wanted to help us, or did they not really care, and thought that ANY amount UNDER 10% was okay? They, and the Governor, are the ones allowing the oil companies and the State DBED&T (Dept. of Business, Economic Development, & Tourism) to get away with this lying and cheating, and costing each one of us a LOT of money. Is your legislator honest or wishy-washy, or brainwashed and close-minded, and doesn't even want to hear about this?

Call and come in to see the rubber hoses that have been soaking in ethanol for a long time, and the results of both gasoline and ethanol in cups. See the piston damaged by the lowered gas. Help us stop the lying and cheating – you can spread the truth to everyone you know.

YOU'RE INVITED TO JOIN US:

Call George Nitta at: 847-5554 or Email: georgenitta@hotmail.com