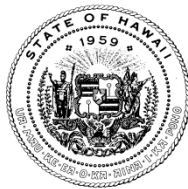


NEIL ABERCROMBIE
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IN REPLY REFER TO:

February 23, 2012

SB 3040, SD 1
RELATING TO TRANSPORTATION

SENATE COMMITTEE ON WAYS & MEANS

The Department of Transportation (DOT) supports the intent of this bill, which proposes to exempt from the rental motor vehicle and tour vehicle surcharge tax vehicles that are rented by a car-sharing organization to members of its membership program on an hourly basis for up to six hours per day per vehicle.

The DOT recommends that the definition of car-sharing organization for tax purposes be further clarified. The DOT recommends that the bill exempt non-profit car-sharing organizations from the rental motor vehicle and tour vehicle surcharge tax for vehicles that are rented by a member of the organization.

Thank you for the opportunity to provide testimony.





SENATE COMMITTEE ON WAYS AND MEANS

February 23, 2012, 9:00 A.M.

Room 211

(Testimony is 2 pages long)

TESTIMONY IN SUPPORT OF SB 3040 SD1

Chair Ige and members of the Ways and Means Committee:

The Blue Planet Foundation supports SB 3040 SD1, a measure which exempts car sharing organizations from the rental vehicle surcharge tax for hourly rentals. We believe this measure will help remove a barrier to the establishment of car sharing organizations and services in Hawaii.

Blue Planet Foundation's mission is to end the use of fossil fuels on Earth, starting by making Hawai'i a role model for energy independence. While much of our work has been focused on renewable energy and reducing electricity use, transportation in Hawaii (cars, trucks, ships, and planes) accounts for approximately two-thirds of the oil consumed. In 2011, Hawaii cars burned over 470 million gallons of gasoline. For a typical car, that's enough gasoline to cover the distance equivalent to over 21,000 round trips to the moon. As of January 2012, there are 987,927 registered passenger vehicles in Hawaii¹. If these vehicles were put bumper-to-bumper it would form a line approximately from Honolulu to Las Vegas.

Many individuals and households in Hawaii don't need to own a car, they would just like access to a vehicle when needed. Similarly, many folks own a low fuel economy truck because they need the capacity for work (or play), but then end up using the larger vehicle mostly for passenger or in-town use. Car sharing programs would provide another mobility alternative for individuals and households, and perhaps for some, obviating the need to purchase and own a vehicle. Car sharing provides the benefits of having a vehicle when needed while avoiding the cost and hassle of car ownership. Senate Bill 3040 SD1 helps to remove a cost barrier to carsharing by exempting such programs from the rental vehicle surcharge tax.

Car sharing is designed to replace car ownership for people who do not need to drive to work every day, and to reduce congestion and fossil fuel consumption. Car Sharing pilot projects like Witkar began as early as the 1960's and 1970's, but modern car sharing programs launched in

¹ Department of Business, Economic Development, and Tourism, "January 2012 Monthly Energy Trends"

1987 in Switzerland and later in 1988 in Germany, and came to North America via Quebec City in 1994. (The first successful car share in the United States was Portland, Oregon's CarSharing-PDX.) As of July 1, 2011 (based on an analysis by Susan Shaheen of the University of California, Berkeley) 26 U.S. car sharing programs claimed 560,572 members sharing 10,019 vehicles; and 78,840 members shared 2,605 vehicles among 20 car sharing organizations in Canada².

While Blue Planet has not analyzed the legal aspects of car sharing in Hawaii, we understand that California enacted car sharing enabling legislation in 2010. It may be worth considering amendments to this measure that include some of the policy changes enacted in California to remove other possible hurdles to car sharing. Blue Planet is more than happy to help the Committee with these amendments.

Thank you for the opportunity to testify.

² <http://www.carsharing.net/>