

**NEIL ABERCROMBIE**  
Governor



**SCOTT E. ENRIGHT**  
Chairperson, Board of Agriculture

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF SCOTT E. ENRIGHT**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**  
**MONDAY, FEBRUARY 24, 2014**  
**ROOM 325**  
**2:10 P.M.**

**HOUSE BILL NO. 1938**  
**RELATING TO MEASUREMENT STANDARDS**

Chairperson McKelvey and Members of the Committee:

Thank you for this opportunity to provide testimony on House Bill 1938, which proposes to stipulate that current standards as published by the American Society for Testing and Materials (ASTM) and the Society of Automotive Engineers (SAE) are adopted for use by the Hawaii Department of Agriculture (HDOA).

The Department adopts ASTM and SAE standards through the Hawaii Administrative Rules. In lieu of updating the standards by statute, we respectfully request deferral of the bill so that we may be able to work with the automotive fuel industry to update the applicable standards through rulemaking pursuant to chapter 91.

Thank you for the opportunity to testify on this measure.





**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

**NEIL ABERCROMBIE**  
GOVERNOR

**RICHARD C. LIM**  
DIRECTOR

**MARY ALICE EVANS**  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [www.hawaii.gov/dbedt](http://www.hawaii.gov/dbedt)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**RICHARD C. LIM**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON  
CONSUMER PROTECTION & COMMERCE**  
Monday, February 24, 2014  
2:10 p.m.  
State Capitol, Conference Room 325  
in consideration of  
**HB 1938**  
**RELATING TO MEASUREMENT STANDARDS.**

Chair McKelvey, Vice Kawakami, and Members of the Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) supports amending the fuels specification standards to align with those currently set by the American Society for Testing and Materials (ASTM) and Society of Automotive Engineers (SAE).

HB 1938 is in response to a finding of the Refinery Task Force Interim Report as reported to Gov. Abercrombie on November 15, 2013, calling for modification of Hawaii's gasoline specifications to mitigate the impacts of a potential refinery closure. This is a housekeeping measure addressing inconsistencies in Hawaii gasoline specifications, current overall U.S. requirements and other laws and administrative rules in effect in Hawaii.

This measure also updates rules adopted by the Department of Business, Economic Development & Tourism in 2006 and fuel specification rules currently in effect under the Department of Agriculture. The state law requiring a 10% blend ethanol blend for motor gasoline was adopted into statute to promote the agriculture industry in 1994. Subsequently, DBEDT adopted administrative rules requiring 85% of all motor gasoline distributed in Hawaii contain 10% ethanol (E10). The Department of Agriculture fuels specification rules were not updated to current/accurate ASTM standards and therefore it is not feasible to comply with both the outdated fuel specifications and the current ethanol mandate.

We support Chevron's amendment to change to the specific ASTM reference.

Thank you for the opportunity to offer these comments on HB1938.



**Chevron Products Company**  
91-480 Malakole Street  
Kapolei, HI 96707  
Tel 808 682 2313  
Fax 808 682 3116

Monday, February 24, 2014 / 2:10 p.m.  
Hawaii State Capitol, Room 325

House Bill 1938: Relating to Measurements Standards

Aloha Chair McKelvey and Vice Chair Kawakami and members of the House committee on Consumer Protection & Commerce,

We are writing in support of House Bill 1938 and to propose amendments to the bill.

HB 1938 is intended as a housekeeping measure and provides that current standards as published by the American Society for Testing and Materials and the Society for Automotive Engineers are adopted for use by the Measurement and Standards Branch of the Department of Agriculture. This bill seeks to clarify Section 486-56, Hawaii Revised Statutes, by adding the word "current" to the existing language of law.

This bill is necessitated by an inconsistency between rules adopted by the Department of Business, Economic Development & Tourism in 2006 and fuel specifications rules then (and now) in effect under the Department of Agriculture.

The state law requiring a 10% blend ethanol blend for motor gasoline was adopted into statute to promote the agriculture industry in 1994, 20 years ago. Subsequently, DBEDT adopted administrative rules requiring 85% of all motor gasoline distributed in Hawaii contain 10% ethanol (E10) was adopted by DBEDT. Allowing for an 18-month transition period, E10 was started in Hawaii in April 2006.

The Department of Agriculture fuels specification rules were not updated to current/accurate ASTM standards and therefore it is not feasible to comply with both the outdated fuel specifications and the current ethanol mandate.

Governor Neil Abercrombie's Refinery Task Force has discussed the inconsistency and recommended that revisions be made to update the fuel specifications. Members of the industry have been requesting just such a change dating back over half a dozen years.

It is crucial that Hawaii gasoline specifications be consistent with current overall U.S. requirements and with other laws and administrative rules in effect here in Hawaii.

This bill references the “current” ASTM specifications. We respectfully propose an amendment to confine the change just to that which is necessitated by the ethanol blending mandate – the specific ASTM reference, ASTM D4814, noted below and in the interest of clarity to specify that the 2013 version is adopted.

“The ~~current~~ standards is published by the American Society for Testing and Materials (ASTM) and the Society of Automotive Engineers (SAE) are adopted except as amended or modified by rule of the board pursuant to chapter 91. The board may also adopt rules on the advertising, labeling, standards for, handling, storing, dispensing, and selling of petroleum products.

Notwithstanding the foregoing, rules adopted by the board specifically referring to ASTM D4814 shall be deemed to refer to the version ASTM D4814-13b adopted in 2013, as modified by the version of NIST Handbook 130, Part G, Section 2.1 adopted in 2013.”

SECTION 2. Statutory material to be repealed as bracketed and stricken. New statutory material in underscored.

SECTION. This Act shall take effect upon its approval.”

We look forward to participating collaboratively with the legislature and stakeholders to address the inconsistency currently existing between the DBEDT and Department of Agriculture rules.