



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

H.B. 451, RELATING TO FOSSIL FUELS

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health

February 7, 2013
9:00 A.M.

1 **Department's Position:** The Department of Health strongly supports this measure since it will further
2 the State goals of energy and food self-sufficiency and environmental response activities. We
3 recommend that the administrative bill, HB 857, that increases DOH's share of the Barrel tax be used as
4 a vehicle for the amendments made in this bill.

5 **Fiscal Implications:** The measure will result in the potential additional revenue to the agricultural
6 development and food security special fund; the energy security special fund; the energy systems
7 development fund and the environmental response revolving fund. The Department defers to the
8 Department of Taxation (TAX), Department of Agriculture (AG), and the Department of Business,
9 Economic Development, and Tourism (DBEDT) to determine more specific details of the potential
10 revenues.

11 **Purpose and Justification:** The Department uses the environmental response revolving fund to
12 respond to and clean up hazardous material releases to the environment which may also affect public
13 health. Other uses of the fund include protection of state waters and regulation of solid and hazardous
14 wastes. Over the last several years, there has been a steady decrease in the environmental response

1 revolving fund revenues due to various factors, such as the global recession, an increase in more fuel
2 efficient and hybrid vehicles, and the trend towards alternative non-petroleum-based energy sources.
3 The current 5 cents per barrel that goes to the environmental response revolving fund will not provide
4 sufficient funding to support the Departments' statutorily mandated mission of protecting human health
5 and the environment given the decline in funding. Therefore the proposed measure to include imported
6 liquefied natural gas (LNG) as part of the environmental response, energy, and food security tax is
7 critical to providing the necessary resources and to reduce the state's dependence on imported energy
8 resources.

9 Thank you for the opportunity to testify on this important measure.