

SB2955

Measure Title: RELATING TO ZERO-EMISSION VEHICLES.

Report Title: Zero-emission Vehicles; Rental Motor Vehicles; Lessors
Requires rental motor vehicle lessors with more than two hundred light duty passenger vehicles, to expedite the incorporation of at least 50% of zero-emission vehicles into the lessor's fleet by 2030.

Description: Requires all rental motor vehicle lessors to report a list of the make, model, license plate number, and fuel type of each rental motor vehicle in the lessor's fleet to the Director of the Commerce and Consumer Affairs. (SD1)

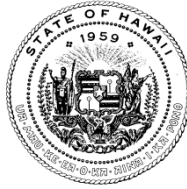
Companion:

Package: None

Current Referral: TRE, CPH

Introducer(s): ESPERO, INOUYE, Harimoto

DAVID Y. IGE
GOVERNOR



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STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

February 20, 2018
9:00 a.m.
State Capitol, Room 229

S.B. 2955, S.D. 1
RELATING TO ZERO EMISSION VEHICLES

Senate Committee on Commerce Consumer Protection and Health

The Department of Transportation **opposes** the Renter Motor Vehicle Emission Surcharge Tax bill.

Although we support environmental and sustainable initiatives and setting goals to incorporate zero-emission vehicles by mandated timelines, levying fines of \$1000.00 per month to lessors who are found to have fewer than the required number of zero-emission vehicles in their rental motor vehicle fleet within the prescribed schedule is a cost burden that may decrease demand and will affect rental car concession revenues, which is by far our largest concessionaire revenue generator at \$64.5 million. This proposal may require additional capital to redesign/retrofit the existing Consolidated Rental Car Facilities (currently under construction) so the zero-emission fleet requirements can be accommodated.

Lastly, the rental car industry may lose revenues due to uncertain rentals of zero-emission vehicles. Zero emission vehicles are still an emerging trend that has not materialized into full awareness potential with the general public.

Thank you for the opportunity to provide testimony.



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GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 19, 2018

TO: Senator Rosalyn Baker
Chair, Committee on Commerce, Consumer Protection, and Health
Submitted Via Capitol Website

RE: **S.B. 2955, S.D.1 Relating to Zero-Emission Vehicles**
Hearing Date: Tuesday, February 20, 2018 at 10:00 a.m.
Conference Room: 229

Dear Chair Baker and Members of the Committee on Commerce, Consumer Protection, and Health:

We submit this testimony on behalf of Enterprise Holdings, which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, Enterprise CarShare and Enterprise RideShare (Van Pool).

Enterprise Holdings respectfully **opposes** S.B. 2955 S.D. 1, which requires rental motor vehicle lessors with more than two hundred light duty passenger vehicles to expedite the incorporation of zero-emission vehicles into the lessor's fleet by 2030. The bill also requires all rental motor vehicle lessors to report a list of the make, model, license plate number, and fuel type of each rental motor vehicle in the lessor's fleet to the Director of the Department of Commerce and Consumer Affairs.

Enterprise has been a leader in sustainability in its industry and has been committed to making efforts to incorporate sustainable transportation into its fleet. When electric vehicles came onto the market, Enterprise launched a new program locally to incorporate electric vehicles into their fleet and put them out for rent. Enterprise has also invested in sustainable transportation by incorporating fuel efficient vehicles, as well as car sharing and ride sharing services.

While Enterprise appreciates the amendments made in the prior committee to delay the implementation dates due to infrastructure concerns, we have concerns regarding a mandate to incorporate up to 50% electric vehicles into our fleet. The bill requires that rental car companies incorporate electric, hybrid, or fuel cell vehicles in their fleet and meet a 10 percent requirement by 2026, 25 percent by 2028, and 50 percent by 2030. For every vehicle that does not meet this requirement, the companies would be penalized \$1,000 per month per vehicle.

Enterprise tried to encourage its customers to rent electric vehicles, but was unsuccessful. As a practical matter, the rental car industry is driven by market demand. When Enterprise incorporated several electric vehicles into their fleet, the vehicles were ultimately not selected by consumers to rent. Rental car companies

cannot force customers to choose cars they do not want to rent. Due to their construction, electric vehicles tend to have small trunk space, so the cars are naturally less desirable for families who come to the islands on vacation.

This mandate is problematic for the industry and, even with delayed implementation dates, there will be infrastructure issues. Although Enterprise cannot know the exact reasons why its customers did not rent its electric vehicles, there are some logistical and practical reasons. Consideration needs to be given to whether the state will have the infrastructure needed to support electric vehicles by the dates contemplated in the bill. Given that 85% of renters are tourists, if electric vehicles start to become a larger part of the fleet, it is unclear where tourists would charge their cars. Charging stations would need to be installed everywhere they are not now -- airport facilities (including the new consolidated facilities being planned), hotels, and other tourist destinations. None of these locations have enough charging stations to handle the influx of these vehicles on the road, nor do they have the capacity to install the significant numbers of charging stations in their parking lots that would be needed.

For the above reasons, we respectfully oppose this measure and ask that it be held in committee.

Thank you for the opportunity to submit testimony.

SB-2955-SD-1

Submitted on: 2/19/2018 9:21:02 PM

Testimony for CPH on 2/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Pollack	Individual	Support	No

Comments: