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Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
**SENATE COMMITTEES ON WAYS AND MEANS
AND JUDICIARY**

Wednesday, February 26, 2020
1:10 PM
State Capitol, Conference Room 211

in consideration of
SB 2629 SD1
RELATING TO THE ENVIRONMENT.

Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and Members of the Senate Committees on Ways and Means and Judiciary:

The Office of Planning offers the following **comments** on SB 2629 SD1. In accordance with Act 16, Session Laws of Hawai'i 2018, the Office of Planning investigated and recently published the *Feasibility and Implications of Establishing a Carbon Offset Program for the State of Hawai'i* twenty days prior to the convening of the 2020 regular session, on December 26th, 2019. The publication was electronically provided to the Hawai'i State Legislature and the Hawai'i Climate Change Mitigation and Adaptation Commission, and physical copies of the feasibility report were provided to your respective offices. The publication may also be found at the Office of Planning's website:

http://files.hawaii.gov/dbedt/op/sustainability/feasibility_and_implications_of_establishing_a_carbon_offset_program_for_the_state_of_hawaii_finalweb.pdf.

The Office of Planning also hosted a Carbon Offset Symposium on April 10th, 2019 at the Hawai'i State Capitol. For those interested in learning about the complexity of the carbon market, and the criteria associated with carbon offsetting and generating carbon offset credits; the PowerPoint presentations and video of the Carbon Offset Symposium are available on the Office of Planning's website at: <http://planning.hawaii.gov/sustainability/carbon-offset-program/carbon-offset-symposium/>

The Office of Planning notes that sections 7.2 (pages 49-51) and 7.4 (pages 52-53) of the feasibility report describe the requirements of developing a carbon offset program for the State of Hawai'i. The Office of Planning notes that a Carbon Offset Program Administrator is not necessary to derive revenue from the offset market. Offset programs are intentionally separate from the offset market financial transactions. Instead, a Carbon Offset Program Administrator

would serve as a credible offset certification body, this is separate from carbon offset project development.

For the purposes of SB 2629 SD1, the Office of Planning recommends the replacement of the word “offset” with “removal”¹ or “sequestration.”² This is because the use of the word “offset” in terms of the carbon market, is often used to identify a very specific mechanism, to reference a credit to mitigate 1 metric ton of carbon dioxide (CO₂) equivalent. Carbon offset credits are monetarily tradeable and must be evaluated and certified by an offset standard, which provides an established set of rules and criteria to ensure that the “offset” meet stringent requirements to ensure transparency and credibility within the carbon market.

The Office of Planning recommends that the program name mentioned in SB 2629 SD1 be amended to a “carbon removal” or a “carbon sequestration program,” to not confuse the intent of this program with the carbon market’s definition of carbon offsetting and the role of carbon offset credits.

The Office of Planning recommends that a flat-fee be assessed to: 1. inter-island travel, 2. continental travel, and 3. international travel, to match the carbon dioxide (CO₂) equivalent of the greenhouse gases emitted and the length of the employees’ air travel. A similar model to this concept is the San Francisco Carbon Fund, primarily funded through local legislation calling for 13% of the costs of San Francisco municipal employees’ air travel for city business to be invested in local projects that mitigate and sequester travel-related greenhouse gas emissions.

The Office of Planning appreciates the opportunity to provide comments on SB 2629 SD1.

¹ The International Organization of Standards (ISO 14064-3:2019) defines “greenhouse gas removal (GHG removal)” as: the withdrawal of a greenhouse gas from the atmosphere by greenhouse gas sinks.

² The International Organization of Standards (ISO 27919-1:2018) references to “sequestration” as an alternative use to the term “storage,” since “sequestration” is more generic and can also refer to the biological processes (absorption of carbon by living organisms).

DAVID Y. IGE
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**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
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**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS
and
JUDICIARY**

**Wednesday, February 26, 2020
1:10 PM
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 2629, SENATE DRAFT 1
RELATING TO THE ENVIRONMENT**

Senate Bill 2629, Senate Draft 1 proposes to require state agencies to participate in a carbon offset program to offset carbon emissions caused by their employees' air travel, and would require the Department of Land and Natural Resources (Department) to establish and administer a carbon offset program. **The Department supports this measure and provides the following comments.**

The State of Hawaii's commitment to uphold the Paris Climate Accord and progressive move towards carbon neutrality by 2045 requires that we actively invest in reducing our emissions and mitigate greenhouse gases (primarily carbon dioxide - CO₂). Trees are the most efficient method for removing CO₂ from the atmosphere, and investing in planting trees is one of the most effective ways to start mitigating our carbon footprint.

The Department recognizes that air travel by state employees' produces carbon dioxide and other greenhouse gas emissions that contribute to global climate effects. Reforestation projects can sequester substantial amounts of carbon dioxide, as well as provide a variety of ecological, cultural, recreational, educational, and economic benefits.

The Department notes that establishing and administering a carbon offset program would require operational funding as well as personnel resources (2 FTE professional foresters for statewide rollout). As the program is implemented, fees paid to the Department could be used to cover a portion of the program costs and serve as a revenue stream to accelerate the number of trees planted and maintained. The Department suggests integrating these costs when contemplating the establishment of this program.

Thank you for the opportunity to comment on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS



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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEES
ON
WAYS AND MEANS
AND
JUDICIARY

February 26, 2020, 1:10PM

SB 2629, SD1
RELATING TO THE ENVIRONMENT

Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and members of the committees, thank you for the opportunity to submit testimony on SB 2629, SD1. The State Procurement Office (SPO) appreciates the intent of the bill and offers the following concerns and comments.

1. Comment: Section 2, Page 2, Lines 13-21, and Page 3, Lines 1-3 requires the employee's agency to pay a fee for a carbon offset undertaken by an employee of an agency in performance of the employee's official duties.

Concern: Without a statewide financial system or central automated travel system there is no efficient way to track or capture employee travel. Each agency would need to be responsible for manually tracking their employee travel and determining the offset owed. Currently, travel approval is a manual process and labor intensive. This would put an additional responsibility on agencies on an already burdensome process.

2. Comment: On page 3, Lines 7-14 the department of land and natural resources will be required to establish a procedure for determining the amount of carbon dioxide emissions in metric tons that result from air travel by a single airline passenger, based on the average fuel consumption and corresponding carbon dioxide emission per kilometer traveled for the aircraft in which the single airline passenger traveled, passenger capacity of the aircraft, and distance traveled.

Concern: Calculating emissions per passenger requires employees to keep track of the type of aircraft they traveled on, the capacity of the plane, and the distance travelled. Then there are modifications to this formula for changes in itinerary or multiple plane changes. Once again demonstrating the additional burdens placed on agency and employees.

3. Comment: Based on a recent SPO survey, there doesn't appear to be any statewide carbon offset program. There are a few universities, but those organizations have central online travel booking programs or a central travel office.

Concern: Without a central travel agency or an automated travel expense program, this imposed offset program will be an excessive burden on all state agencies and employees.

4. Comment: The University of California at Los Angeles (UCLA), one of the first universities in the country to establish a program to reduce greenhouse gas emissions (GHG), did a study in 2015, culminating in a two-year flat fee (\$9.00 for domestic round trip or \$25.00 for international flight) pilot program; 2018 to 2020. UCLA's study found that computing greenhouse gas emissions by miles traveled had slowed and sometimes stalled similar programs at other universities. The flat fee program was found to be easier to implement. Arizona State University also established a flat fee (\$10 per round trip) program in FY 2019. The University of Utah has a voluntary carbon offset program that travelers can check a box to deduct \$10.00 from their travel reimbursement.

Concern: No research or studies have been made to determine what process would be in the best interest of the state, nor any cost/benefit effect or resource drain has been considered with the logistical requirements or manually tracking all travel by state employees.

5. Comment: Based on the website, <https://www.cooleffect.org/content/travel-offset>, provided by the department of land and natural resources (DLNR), the SPO would have paid approximately \$277.00 in fees for 15 employee trips in 2019.

Concern: The carbon offset fee paid by the SPO is miniscule compared to the travel by other departments. The carbon offset amounts could be substantial over a long period and there is no sunset date in the bill. According to a paper published by Richard Kim and Benjamin Pierce, purchasing carbon offsets is a good short-term strategy for mitigating climate effects. It should not replace a more comprehensive plan to reduce carbon emissions. Employees don't have an alternative option when travelling intra-state or out-of-state for business; air travel is the ONLY means of transportation. A carbon offset would do nothing to curtail air travel. Also, SPO cautions Department Heads choosing to have contract management personnel not travel for regular site visits of the areas they are responsible for conducting government oversight. Successful contract management very rarely works from the desk of the contract administrator.

Recommendation:

The Office of the Comptroller, Enterprise Technology Services (ETS), and SPO are researching automated travel expenditure programs that would ultimately tie into the State's financial system. SPO recommends waiting until there is an automated travel expenditure program and a central travel agency when it would be easier to capture flight information.

In addition, SPO cautions making any overly-complex policy, requiring expensive contractor monitoring and additional resources. Instead, an easy flat rate to be added to all travelers, should appease those who feel this program is appropriate, and it ensures government employees are not having to collect voluminous information every time they travel. However, SPO reminds the reader of our Point 5, when considering if this 'expense' is really a disincentive to travel.

Other options: Appropriate funds to the DLNR to fund a carbon offset program or apply a one-time flat rate to each department as part of their travel budget.

Thank you.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON WAYS AND MEANS AND JUDICIARY
ON
SENATE BILL NO. 2629, S.D. 1

February 26, 2020
1:10 p.m.
Room 211

RELATING TO THE ENVIRONMENT

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 2629, S.D. 1.

S.B. No. 2629, S.D. 1: 1) requires State agencies to participate in a carbon offset program to offset carbon emissions caused by their employees' air travel; and 2) requires the Department of Land and Natural Resources (DLNR) and B&F to establish and administer a carbon offset program.

B&F has serious concerns regarding the department's role in administering the carbon offset program and projects with DLNR as described in the bill. B&F does not have any expertise in the following: 1) determining the amounts of carbon dioxide emission that result from air travel; 2) implementing carbon dioxide-reducing projects, which may include, but are not limited to, the reforestation of degraded areas by planting native trees; 3) creating methodologies to determine the amount of carbon dioxide to be eliminated from future emissions and related administrative and other costs; 4) creating a procedure for calculating the fee to be assessed to an agency for

the amount of carbon offset related to a specific airline trip by an employee of an agency; and 5) creating/maintaining a record system to track the allocation of carbon emission reductions from offset program projects to specific offset requests for employee trips and the remaining offset capacity of any project for future offset requests.

Thank you for your consideration of our comments.

SB-2629-SD-1

Submitted on: 2/24/2020 2:30:47 PM

Testimony for WAM on 2/26/2020 1:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Climate Protector	Testifying for Climate Protectors Coalition	Support	No

Comments:



LATE

183 Pinana St., Kailua, HI 96734 • 808-262-1285 • info@350Hawaii.org

To: The Senate Committees on Ways and Means, and Judiciary
From: Brodie Lockard, Founder, 350Hawaii.org
Date: Wednesday, February 26, 2020, 1:10 pm

In strong support of SB 2629 SD1

Dear Chairs Dela Cruz and Rhoads, and members:

350Hawaii.org strongly supports SB 2629 SD1. Carbon offsets for government flights would help decrease Hawaii's carbon footprint and set an excellent example for others.

Global air travel into and out of Hawaii in 2017 produced as much CO₂ as generating electricity for almost 1.1 million homes for a year [1].

Transportation has become the largest portion (29%) of total U.S. greenhouse gas emissions [2], and airplane flights are drawing increasing attention as a considerable contributor.

Until zero-emission airplanes are a reality, planting native trees is an effective way to compensate for the significant CO₂ that our 102,465 flights emit every day around the globe [3]. Because plane emissions involve other states and countries, they can't be easily regulated. But a carbon offset requirement would at least counteract the emissions from our State's government airplane travel.

Carbon offsetting should bring Hawaii officials' attention to whether any given plane trip is really necessary. It will encourage cleaner alternatives like conference calls and videoconferencing. Flights for neighbor island legislators must be considered carefully.

As the most remote islands in the world, Hawaii can and should set an example for other governments, companies, NGOs, foundations, and all manner of groups.

Please pass this bill and help to reduce Hawaii's total GHG emissions.

Brodie Lockard
Founder, 350Hawaii.org

[1] <https://www.civilbeat.org/2019/08/air-travels-carbon-footprint-takes-a-big-environmental-toll-in-hawaii/>

[2] <https://www.epa.gov/greenvehicles/fast-facts-transportation-greenhouse-gas-emissions>

[3] <https://garfors.com/100000-flights-day-html/>

SB-2629-SD-1

Submitted on: 2/24/2020 6:58:27 PM

Testimony for WAM on 2/26/2020 1:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support SB2548. Collection of marine debris would encompass in large part plastic debris, which leach suspected carcinogens and neurotoxins. Studies show some of these toxins are slowly accumulating in the fatty tissues of humans and other animals.

Plastics also tend to degrade into smaller and smaller pieces, and studies also show they are contaminating the lowest levels of the food web, including fish larvae.

Thank you for your time and the opportunity to present my testimony.

Andrea Quinn

Kihei, Maui

SB-2629-SD-1

Submitted on: 2/24/2020 10:26:16 PM

Testimony for WAM on 2/26/2020 1:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dyson Chee	Individual	Support	No

Comments:

LATE

SB-2629-SD-1

Submitted on: 2/26/2020 12:58:09 AM

Testimony for WAM on 2/26/2020 1:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Gerard Silva	Individual	Oppose	No

Comments:

This is a Waste of Time and Money. Tax Payer Money that we are tired of you wasteing on Stupied things. this just like when Al Gore siad in 1989 we would all be under water by the year 2000 and this is 2020 and we are all still above water.

Stop believeing in all these Ideiots use your Commonsens and do the right things.