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

February 3, 2020
1:16 p.m.
State Capitol, Room 225

S.B. 3111
RELATING TO ELECTRIC VEHICLES.

Senate Committee(s) on Energy, Economic Development & Tourism
and Transportation

The Department of Transportation **supports** this bill which attempts to define "alternative fuel vehicle".

The DOT recommends, "alternate fuel vehicle" means a vehicle equipped to be powered by a non-petroleum based fuel, but excludes an electric, electricity recharged or hybrid electric motor vehicle.

Thank you for the opportunity to provide testimony.



STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
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Testimony of
Anukriti Hittle
Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission

Before the Senate Committees on
ENERGY, ECONOMIC DEVELOPMENT AND TOURISM
and
TRANSPORTATION

Monday, February 3, 2020
1:16 PM
State Capitol, Conference Room 225

In consideration of
SENATE BILL 3111
RELATING TO ELECTRIC VEHICLES

Senate Bill 3111 attempts to clarify the definition of alternative fuel vehicles. **On behalf of the Hawaii Climate Change Mitigation and Adaptation Commission (Commission) I offer the following comments on this measure.**

The Hawaii Climate Change Mitigation and Adaptation Commission “recognizes the urgency of climate threats and the need to act quickly. It promotes ambitious, climate-neutral, culturally responsible strategies for climate change adaptation and mitigation in a manner that is clean, equitable and resilient.” The Commission, established by Act 32 SLH 2017 to uphold the United States’ pledges under the Paris Agreement, is the coordinating body for policies on climate change mitigation and adaptation for the state. It is a high-level multi-jurisdictional body that guides the priorities of the state’s climate response. Co-chaired by DLNR and Office of Planning, it consists of 20 members—chairs of four legislative committees, and executive department heads at the county and state levels.

Transportation (air and ground) is the single largest source of greenhouse gas emissions (GHG) in Hawaii, and mirrors a nationwide trend--according to EPA, transportation was the largest source of GHG emissions in 2017. Reducing emissions from ground transportation is one of two major focuses of the Commission, and a transition to clean renewable fueled vehicles is a crucial strategy to achieve state goals. While I appreciate SB3111’s attempt to clarify the definition of alternative fuel vehicles, the adoption of such vehicles, provided they are fueled by renewable sources, should be encouraged, not discouraged --by the levy of a surcharge. Further, electric vehicles --provided they are high occupancy vehicles--are a central component of such a transition, and I encourage

Co-Chairs:
Chair, DLNR
Director, Office of Planning

Commissioners:
Chair, Senate AEN
Chair, Senate WTL
Chair, House EEP
Chair, House WTH
Chairperson, HTA
Chairperson, DOA
CEO, OHA
Chairperson, DHHL
Director, DBEDT
Director, DOT
Director, DOH
Chairperson, DOE
Director, C+C DPP
Director, Maui DP
Director, Hawai'i DP
Director, Kaua'i DP
The Adjutant General
Manager, CZM

the committee to consider repeal of a registration surcharge, as outlined in HB2397 and SB2977 if these bills are heard.

While it may seem that repealing registration surcharges can cause decreased revenue for certain departments, Hawaii's traditional ownership of personal vehicles needs to be reconsidered entirely in order for the state to make progress towards its clean energy and climate change goals. Taking a lesson from Singapore, a land-scarce island country, revenue is generated from vehicle ownership quotas. While such a system sky rockets the price of personal car ownership to four times that paid by consumers in the U.S., it restricts personal vehicle ownership, and therefore the number of cars on the roads. As a result, personal car ownership is only 11 percent in Singapore, as compared to 80 per cent in the U.S., and heavy investments in the public transit system helps alleviate congestion and pollution.¹ Similar measures would allow Hawaii to make headway in addressing its climate change, congestion, and possibly even equity problems.

Thank you for the opportunity to comment on this measure.

¹Bloomberg Opinion, "Tesla Unplugged: In Singapore, It's Just Another Unwelcome Car", by Adam Minter, August 17, 2019.



John Uekawa, President
Dave Rolf, Executive Director

HADA Testimony in SUPPORT of SB3111
RELATING TO ELECTRIC VEHICLES

Presented to the Senate Committee On Energy Economic Development and Tourism
and the Senate Committee on Transportation

at the Public Hearing 1:16 p.m., Monday, February 3, 2020

in Room 225 Hawaii State Capitol

by David H. Rolf for the members of the Hawaii Automobile Dealers Association,
*Hawaii's franchised new car dealers, who provide sales, warranty work and other factory-certified
maintenance service for Hawaii's privately-owned and fleet-owned cars and light trucks*

Chairs Wakai and Inouye, Vice Chairs Taniguchi and Harimoto and members of the committees:

HADA members support SB3111 which defines "alternative fuel vehicles."

Our members appreciate the committees moving quickly this session to amend the statute enacted last year that added \$50 to the charge for the initial and subsequent motor vehicle registrations of electric vehicles and alternative fuel vehicles.

We believe that the objective of the legislation last year was to have motorists who operated alternative fuel vehicles on the roadways in Hawaii (e.g. battery electric vehicles, hydrogen fuel cell electric vehicles), and thus did not pay road taxes through the State's gasoline tax, to bear some of the cost of roadway maintenance.

We learned recently, however, that State officials included flex-fuel vehicles in the definition of alternative fuel vehicles. These vehicles, of which there are many in Hawaii, operate interchangeably on gasoline or a renewable fuel like E85, which is a blend of 85% ethanol and 15% gasoline. But since the closest E85 pump is 2,500 miles away in California, these Hawaii flex-fuel vehicles, in practice, operate solely on gasoline only and thus their owners are paying their road tax through the State of Hawaii motor vehicle fuel tax.

This bill seeks to add language that will clarify that flex-fuel vehicles are exempt from paying the \$50 fee. The proposed language states that

For the purposes of this section "alternative fuel vehicle" means a vehicle equipped to be powered by a combustible gas, liquid, or other source of energy that can be used to generate power to operate a highway vehicle and that is neither a motor fuel nor electricity used to recharge an electric motor vehicle or a hybrid electric motor vehicle."

HADA testimony in SUPPORT of SB3111, RELATING TO ELECTRIC VEHICLES, page 2

Since flex-fuel vehicles are equipped to be powered by a motor fuel, it is felt that the addition of this language will exempt their registered owners from the \$50 additional fee because motor vehicle fuel taxes are being paid through these owners' gasoline purchases.

HADA appreciates the opportunity to testify in support of SB3111, and respectfully requests the committees pass the bill and forward to its next committee for favorable consideration.

Respectfully submitted,

David H. Rolf

For the members of the Hawaii Automobile Dealers Association