

JOSH GREEN, M.D.
GOVERNOR



TESTIMONY BY:
EDWIN H. SNIFFEN
DIRECTOR

Deputy Directors
DREANALEE K. KALILI
TAMMY L. LEE
ROBIN K. SHISHIDO
JAMES KUNANE TOKIOKA

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

February 23, 2023
10:00 AM
State Capitol, Room 415 & Videoconference

S.B. 382 S.D. 1
RELATING TO MOTOR VEHICLES

Senate Committee on Commerce and Consumer Protection

The Department of Transportation (DOT) **supports with an amendment** S.B. 382 S.D. 1 to prohibit motor vehicle manufacturers from charging subscription fees for the use of certain services that employ equipment already installed in a motor vehicle at the time of sale.

We request SECTIONS 2 be revised to read as follows:

No manufacturer shall charge to any consumer in the State a subscription fee for the use of any service that employs equipment already installed in the applicable motor vehicle at the time of sale as a new motor vehicle; provided that this section shall not apply to entertainment streaming subscriptions, vehicle navigation, traffic information, and safety-related services.

Thank you for the opportunity to provide testimony.



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 21, 2023

TO: Senator Jarrett Keohokalole
Chair, Committee on Commerce and Consumer Protection

FROM: Tiffany Yajima

RE: **S.B. 382, S.D.1 – Relating to Motor Vehicles**
Hearing Date: Wednesday, February 23, 2023 at 10:00 a.m.
Conference Room: 229

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee on Commerce and Consumer Protection:

On behalf of the Alliance for Automotive Innovation (“Auto Innovators”) we submit this testimony in **opposition** of S.B. 382, S.D.1, which prohibits motor vehicle manufacturers from charging subscription fees for services that employ equipment already installed in new motor vehicles at the time of sale.

From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – the Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. The association is committed to a cleaner, safer and smarter personal transportation future.

As new vehicle technology continues to advance and software is developed with each new model year, this bill would prohibit new and used car owners from benefiting from software advancements after purchasing their vehicles.

Today, all vehicles are manufactured to be equipped with the same hardware and are sold with this hardware installed in a car. Subscription services give consumers the ability to purchase additional features based on their personal preferences. This customization allows manufacturers to offer products to consumers at a lower price point than offering all features in a bundle at a higher price point but containing features that not every consumer wants.

This measure has the unintended consequence of limiting consumers from taking advantage of future technological advances. As new technology is developed and consumer preferences shift over time, automakers can use the existing technology in a car to roll out new features that were not available when the car was purchased. Autonomous vehicles, for example, are manufactured to employ automated driving systems but manufacturers would be prohibited from offering subscription services related to advanced safety features after the vehicle is purchased. Under this bill,

WI-FI hot spots and telematic emergency response features could not be fully utilized after a vehicle is sold. This also precludes any updates or advancements to existing technologies after the vehicle is sold.

In addition, this measure also disadvantages used car buyers which represent three times the number of vehicles sold in the state compared to new cars by preventing second-hand owners from selecting the newest and safest vehicle technology available even though their vehicles have the capability. This demographic would not be able to take advantage of their car's technology to subscribe to the newest technological advances, enhancements and upgrade features to meet their own consumer preferences, and would create an inequity between new car purchasers who can afford to choose features and second-hand buyers who cannot afford the price of a new car. This inequity will only increase as future cars rely more heavily on software.

For these reasons, we strongly oppose this bill and respectfully ask the committee to hold this measure.

Thank you for the opportunity to submit testimony on this measure.

Big Island Electric Vehicle Association

hawaiidriveelectric@gmail.com

bigislandev.org



February 18, 2023

COMMENTS ON SB382 SD1 - RELATING TO MOTOR VEHICLES.

Dear Chair Keohokalole, Vice Chair Fukunaga, and Commerce and Consumer Protection Committee members,

Big Island EV Association offers comments on SB382 SD1, which ***“Prohibits motor vehicle manufacturers from charging subscription fees for certain services that employ equipment already installed in the motor vehicle at the time of sale as a new motor vehicle...”***

It’s unclear what problem this bill is intending to solve.

Today’s automobiles incorporate significantly more sophisticated functionality controlled via software and, in some situations, enabled through hardware. **This allows for flexibility in offering features based on customer preferences.** Some may want more performance, while others prefer efficiency. Some may desire driver-assist features, while others may not.

Consumers ultimately benefit from being able to pay for the functionality that meets their requirements. Importantly, they may be able to enhance their vehicle feature set easily should their preferences change with this manufacturer strategy.

Thank you for this opportunity to testify on SB382 SD1.

Sincerely,

A handwritten signature in black ink, appearing to read 'Noel Morin', with a long horizontal flourish extending to the right.

Noel Morin - President

Big Island Electric Vehicle Association (bigislandev.org), established in 2011, is a grassroots non-profit group dedicated to accelerating EV adoption on Hawaii Island. Our members are EV owners and supporters.