STAND. COM. REP. NO. <u>240</u> Honolulu, Hawaii

RE: S.B. No. 304 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii Sir:

Your Committees on Transportation and Agriculture and Environment, to which was referred S.B. No. 304 entitled: "A BILL FOR AN ACT RELATING TO CARBON OFFSETS,"

beg leave to report as follows:

The purpose and intent of this measure is to establish a voluntary program that allows air travelers going to or from Hawaii to purchase carbon offset credits.

Your Committees received testimony in support of this measure from Blue Planet Foundation. Your Committees received comments on this measure from the Department of Transportation.

Your Committees find that climate change is one of the most pressing issues of our time. And while there are many contributors to greenhouse gas emissions, air transportation remains one of the largest offenders. Since air travel is essential to tourism, offsetting the carbon emissions associated therewith will be a key element to achieving the zero emissions clean economy target set by the Legislature.

Your Committees note their desire to work with the Department of Land and Natural Resources to determine what is the verified CO2 offset of air travel emissions and how to maximize public outreach to best implement this measure in a meaningful way.

Your Committees have amended this measure by:

- (1) Removing the requirement that the Department of Transportation maintain and staff kiosks at airports for the purpose of assisting travelers with purchasing carbon offset credits;
 - (2) Inserting an effective date of January 1, 2050, to encourage further discussion; and
 - (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 304, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 304, S.D. 1, and be referred to your Committee on Ways and Means.

| Respectfully submitted on behalf of the members of the Committees on Transportation and Agriculture and Environment, |
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| CHRIS LEE. Chair |
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