

## THIRTY-THIRD DAY

Monday, March 10, 1986

The Senate of the Thirteenth Legislature of the State of Hawaii, Regular Session of 1986, convened at 11:38 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by the Reverend Chikai Yosemite of the Jikoen Hongwanji Mission, after which the Roll was called showing all Senators present.

The President announced that he had read and approved the Journal of the Thirty-Second Day.

The following introductions were then made to the members of the Senate:

The following participants of the Family Community Leadership Career "Shadowing" Program, sponsored by the Cooperative Extension Service of the University of Hawaii and the Extension Homemaker Council, were introduced by their respective Senators:

Senator A. Kobayashi - Sue Berg and Julia Duarte;

Senator Cobb - Winifred Hee;

Senator Toguchi - Marian Lee;

Senator Yamasaki - Allison Matsumoto and Pacita Pladera;

Senator McMurdo - Elsie Kahalewai;

Senator Young - Pamela Kutara;

Senator B. Kobayashi - Lahapa Bray;

Senator Machida - Rita Chun and Haruko Kanemitsu;

Senator Hagino - Debbie Sarsona; and

Senator Chang - Harriet Fukuoka.

Senator Fernandes Salling then introduced the Kaaui Family from the Island of Kauai, who was selected as the 1985 "Hawaii Family of the Year," as follows: Levinia Kaaui, mother; Jocelyn "Mokihana" Kaaui, daughter; Gwendolyn "Maile" Kaaui, daughter; Elena Kaaui, daughter; Sam Kaaui Jr., son; Heather Kaaui Braun, daughter; Royce Kaaui, son; and Iwalani Kaaui, daughter, who were accompanied by Ms. Patti Lyons of the Child and Family Service. Senator Fernandes Salling read portions of the Senate Certificate honoring the family.

The honorees rose to be recognized and were presented the Senate Certificate and leis.

At 11:49 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:54 o'clock a.m.

## STANDING COMMITTEE REPORTS

Senator Machida, for the Committee on Labor and Employment, presented a report (Stand. Com. Rep. No. 507-86) recommending that the Senate advise and consent to the nomination of Robert C. Gilkey as Director of Labor and Industrial Relations, in accordance with Gov. Msg. No. 112.

In accordance with Senate Rule 33, action on Stand. Com. Rep. No. 507-86 and Gov. Msg. No. 112 was deferred until Tuesday, March 11, 1986.

Senator Machida, for the Committee on Labor and Employment, presented a report (Stand. Com. Rep. No. 508-86) recommending that the Senate advise and consent to the nomination of Ronald Y. Kondo to the Labor and Industrial Relations Appeals Board, in accordance with Gov. Msg. No. 213.

In accordance with Senate Rule 33, action on Stand. Com. Rep. No. 508-86 and Gov. Msg. No. 213 was deferred until Tuesday, March 11, 1986.

Senator Solomon, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 509-86) recommending that Senate Concurrent Resolution No. 21 be adopted.

Senator Solomon then moved that Stand. Com. Rep. No. 509-86 be adopted and S.C.R. No. 21 be adopted, seconded by Senator Hagino.

Senator Solomon rose to speak in support of the resolution and remarked:

"Mr. President, I'd like to urge this body to support these two resolutions, S.C.R. No. 21 and S.R. No. 43.

"These resolutions are intended to express the strong support of this Legislature and the government of the State of Hawaii for a loan guarantee being sought by the Hawaiian Abalone Farms located at the Natural Energy Laboratory of Hawaii (NELH) at Ke-ahole Point on the Big Island. This loan guarantee is being requested from the Farmers Home Administration of the U.S. Department of Agriculture for the purpose of constructing deep water pumping facilities and other improvements by this

Big Island aquaculture farm.

"The Hawaiian Abalone Farms began initial pilot testing at NELH in 1982 of an advanced aquaculture technology they had developed on the Mainland for growing abalone, a prized shellfish that enjoys strong demand here in Hawaii, as well as on the Mainland, in Japan, and in other Pacific rim countries. In 1984, the first phase of construction was commenced along with initial operations. First sales of abalone began to Kona resorts in 1985 and the company is now seeking financing for its second phase of construction which will allow it to fully utilize their 20-acre sublease from the state. This Phase II construction program will include the installation of badly needed deep seawater pipeline and associated pumping equipment.

"In order to obtain the necessary financing for Phase II, the company is seeking a \$3 million loan guarantee from the Farmers Home Administration, and in these negotiations, the Farmers Home Administration declined the requested loan guarantee because, in their opinion, the 20-acre leasehold and its associated improvements on this state-owned land provide no collateral value to support the loan and loan guarantee. Through Senate Resolutions 21 and 43, and a similar letter from Governor Ariyoshi, we wish to clarify and establish before the Farmers Home Administration that this lease, and its associated improvements, would have considerable value in the development of NELH and the Hawaii Ocean Science Technology Park.

"As you know, Mr. President, NELH has critical need for expanded deep ocean water pumping capabilities through several redundant pipelines. The risks inherent in relying upon a single pipeline, as is now the case, were clearly demonstrated during the week of February 23 when a major storm damaged the sole NELH deep ocean water source. As a result, Hawaii Abalone Farms suffered major losses. In view of the fact that both NELH and HOST are planning an integrated expansion of the seawater system in future years, the additional capacity provided by Hawaiian Abalone Farms with proceeds from this proposed loan will be of major significant value to the state. In addition, the long-term development plans for energy and aquaculture at Ke-ahole Point include the construction of onshore seawater ponds identical to those being constructed by Hawaiian Abalone Farms and these ponds also are of significant value. I therefore believe, Mr. President, that these resolutions demonstrate to the Farmers Home Administration that collateral values necessary to secure the requested loan are indeed present.

"Thank you."

The motion was put by the Chair and carried and S.C.R. No. 21, entitled: "SENATE CONCURRENT RESOLUTION SUPPORTING A PROPOSED LOAN GUARANTEE BY THE FARMERS HOME ADMINISTRATION OF THE U.S. DEPARTMENT OF AGRICULTURE FOR THE CONSTRUCTION OF DEEP OCEAN WATER PUMPING FACILITIES, AND OTHER IMPROVEMENTS, BY HAWAIIAN ABALONE FARMS AT THE NATURAL ENERGY LABORATORY OF HAWAII," was adopted.

Senator Solomon, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 510-86) recommending that Senate Resolution No. 43 be adopted.

On motion by Senator Solomon, seconded by Senator Hagino and carried, S.R. No. 43, entitled: "SENATE RESOLUTION SUPPORTING A PROPOSED LOAN GUARANTEE BY THE FARMERS HOME ADMINISTRATION OF THE U.S. DEPARTMENT OF AGRICULTURE FOR THE CONSTRUCTION OF DEEP OCEAN WATER PUMPING FACILITIES, AND OTHER IMPROVEMENTS, BY HAWAIIAN ABALONE FARMS AT THE NATURAL ENERGY LABORATORY OF HAWAII," was adopted.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 511-86) recommending that Senate Bill No. 2048-86, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Yamasaki, seconded by Senator Mizuguchi and carried, the report of the Committee was adopted and S.B. No. 2048-86, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS," passed Second Reading and was placed on the calendar for Third Reading on Wednesday, March 12, 1986.

## ORDER OF THE DAY

### RE-REFERRAL OF HOUSE BILLS

The President made the following re-referral of House Bills that were received:

House Bills	Referred to:
No. 2254-86	Jointly to the Committee on Higher Education and the Committee on Health, then to the Committee on Ways and Means
No. 2786-86	Committee on Higher Education, then to the Committee on Ways and Means

The President then remarked:

"The Chair would like to make one observation before adjournment. I would like to thank Senator Yamasaki and the Ways and Means Committee for keeping within the bond ceiling. The Chair appreciates it very much."

## ADJOURNMENT

At 12:09 o'clock p.m., on motion by Senator Cobb, seconded by Senator Soares and carried, the Senate adjourned until 11:30 o'clock a.m., Tuesday, March 11, 1986.