
SENATE RESOLUTION

REQUESTING FAVORABLE ACTION ON HAWAII'S APPLICATION TO ESTABLISH
A FOREIGN-TRADE ZONE AT THE NATURAL ENERGY LABORATORY OF
HAWAII SITE AT KAILUA-KONA ON THE ISLAND OF HAWAII.

1 WHEREAS, Act 7, Session Laws of Hawaii 1963, provided for
2 the establishment of Foreign-Trade Zones in accordance with
3 federal law; and
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5 WHEREAS, Hawaii's Foreign-Trade Zone No. 9, at Honolulu
6 Harbor, was authorized by the United States Foreign-Trade Zones
7 Board in February, 1965; and
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9 WHEREAS, there are currently seven active Foreign-Trade
10 Zone (FTZ) sites throughout the Hawaiian Islands; and
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12 WHEREAS, Hawaii's strong economy, a significant rise in
13 petroleum prices, and increased fueling activity pushed overall
14 FTZ activity up over eighty percent in the past two years,
15 resulting in the total value of merchandise received and
16 forwarded in all activated FTZ sites in Hawaii reaching
17 \$6,500,000,000 in the past fiscal year; and
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19 WHEREAS, in 2005, 278 companies used the FTZ program,
20 handling 188 types of merchandise from 33 countries; and
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22 WHEREAS, these seven active sites provide direct and
23 indirect employment for approximately 2,400 persons, and last
24 year boasted capital improvements exceeding \$31,000,000 and
25 exports of approximately \$632,000,000; and
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27 WHEREAS, business activities such as manufacturing,
28 assembly, storage, distribution, exhibiting, testing, sampling,
29 and modifying of goods or products may be undertaken in a FTZ
30 without deposit of government fees; and
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32 WHEREAS, a FTZ is an attractive and effective incentive for
33 economic development and the creation of job opportunities; and



1 WHEREAS, it is the mission of Hawaii's FTZ program to make
2 the benefits of the FTZ program available to as many qualifying
3 companies as possible; and

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5 WHEREAS, the County of Hawaii is actively pursuing
6 strategies to expand and diversify its economic base and
7 currently has sufficient natural and infrastructural resources
8 to facilitate a substantial increase in business activity; and

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10 WHEREAS, the Natural Energy Laboratory of Hawaii Authority
11 (NELHA) is one of Hawaii's most successful economic development
12 projects and NELHA's tenants have had success in dramatically
13 increasing Hawaii's exports, primarily due to the growth of deep
14 seawater bottling companies and aquaculture firms; and

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16 WHEREAS, the Hawaii FTZ program has been working closely
17 with officials from NELHA and the County of Hawaii Department of
18 Research and Development to help Hawaii businesses compete in
19 external markets and have identified businesses at NELHA's
20 870-acre science and ocean technology park in Kailua-Kona on the
21 Island of Hawaii as potential new users for the program; now,
22 therefore,

23
24 BE IT RESOLVED by the Senate of the Twenty-Third
25 Legislature of the State of Hawaii, Regular Session of 2006,
26 that the Director of Business, Economic Development, and Tourism
27 and NELHA are requested to continue their efforts to seek
28 authorization from the United States Foreign-Trade Zones Board
29 to establish, operate, and maintain a Foreign-Trade Zone at
30 NELHA's 870-acre science and ocean technology park; and

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32 BE IT FURTHER RESOLVED that the United States Foreign-Trade
33 Zones Board is requested to act favorably upon such application;
34 and

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36 BE IT FURTHER RESOLVED that certified copies of this
37 Resolution be transmitted to the Governor, the Director of
38 Business, Economic Development, and Tourism, the Chief Executive
39 Officer of the Natural Energy Laboratory of Hawaii Authority,



1 and the Executive Secretary of the United States Foreign-
2 Trade Zones Board.
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OFFERED BY: Joseline G. Brown
Pat White
Will Gray

