

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Thursday, January 31, 2008
8:30 A.M.
State Capitol, Conference Room 312

in consideration of

HB 2506
RELATING TO REORGANIZATION OF STATE AGENCIES.

Chair Morita, Vice Chair Carroll, and Members of the
Committee.

House Bill No. 2506, Relating to Reorganization of State Agencies, directs the Legislative Reference Bureau to conduct a study to determine the most effective and efficient options for reorganizing the state agencies responsible for issues relating to energy and environmental protection, including commissions, boards, councils, offices, and task forces, such as: the Department of Agriculture, DBEDT, the Department of Health, the Department of Land and Natural Resources, the Public Utilities Commission, the Natural Energy Laboratory of Hawaii, the Hawaii Invasive Species Council, the Office of Environmental Quality Control, and the Hawaii Energy Policy Forum.

The Department of Business, Economic Development, and Tourism supports the concept behind HB 2506. However, we oppose this bill because of the cost implications of such a study, knowing that such funds will of necessity be diverted from the programs and mission areas around which the aforementioned agencies are together driving our State toward a significant reduction of its dependence on fossil fuels for electricity generation and for transportation in a manner that makes the maximum, appropriate use of the state's diverse natural resources with the minimum negative impact upon the state's unique environment. Further, the responsibility for energy and environmental protection is already within the scope of the departments, commissions, boards, councils, offices, and task forces mentioned above. Experience has proven that reorganization and consolidation within agencies is always an option, but realigning these agencies simply recreates new requirements for collaborating beyond the immediate organizational structure.

Governor Lingle supports the transformation of Hawaii's economy away from one based on fossil fuels towards an economy that is based on the talents and values of Hawaii's people.

Moreover, as the Governor committed in her State of the State address, to further speed our progress toward energy security and a clean energy future, DBEDT is being reorganized to re-establish an Energy Division. Finally, the Governor has directed all her department heads to implement her vision of preservation of Hawaii's cultural and natural resources.

Therefore, the Legislature's goal of finding a systematic approach to transforming Hawaii's economy, from one that is fossil fuel-based to one that is not, can be accomplished by working together within our existing organizational structures.

Thank you for the opportunity to offer these comments.

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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CONSERVATION AND RESOURCES ENFORCEMENT
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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

on House Bill 2506 – Relating To Reorganization Of State Agencies

**BEFORE THE HOUSE COMMITTEE
ON
ENERGY & ENVIRONMENTAL PROTECTION**

January 31, 2008

House Bill 2506 directs the Legislative Reference Bureau to conduct a study of agencies relating to environmental protection and energy self-sufficiency and to identify the most effective and efficient options of reorganizing state agencies tasked with issues related to energy and environmental protection appropriately. The Department of Land and Natural Resources (Department) understands the intent of this measure, but is nonetheless concerned that there are other initiatives that might accomplish what the measure intends, that have not yet come to fruition.

The Department recognizes that there are ongoing actions that are addressing planning and sustainability on multiple fronts. One example is that the Department of Business, Economic Development, and Tourism (DBEDT) is currently developing a comprehensive renewable biofuels framework, pursuant to Act 253, Session Laws of Hawaii, 2007. Additionally, an agreement was signed January 28, 2008 for a partnership between Hawaii & United States Department of Energy to make Hawaii a world model for a clean energy economy. It is unclear how the establishment of a new department would affect such ongoing initiatives.

LINDA LINGLE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
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SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

**WRITTEN TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON
ENERGY & ENVIRONMENTAL PROTECTION**
January 31, 2008
8:30 A.M.

**HOUSE BILL NO. 2506
RELATING TO REORGANIZATION OF STATE AGENCIES**

Chairperson Morita and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2506 that directs the Legislative Reference Bureau to conduct a study on Hawaii's options to reorganize state agencies tasked with issues relating to energy self-sufficiency and security and environmental protection. The Department of Agriculture believes that the bill is premature and recommends that Act 253 be allowed to proceed to completion before a reorganization study is commissioned.

The Department of Business, Economic Development and Tourism (DBEDT) is currently developing a comprehensive renewable biofuels framework, pursuant to Act 253 that was passed by the 2007 legislature. Upon completion, the master plan will include a Hawaii renewable biofuels program to manage the State's transition to energy self-sufficiency based in part on biofuels for power generation and transportation. The components of the plan include establishing strategic partnerships for the research, development, testing, and deployment of renewable biofuels technologies and production of biomass crops; evaluation of Hawaii's potential to rely on biofuels as a significant renewable energy resource; supporting biofuels demonstration projects, including infrastructure for production, storage, and transportation of biofuels; promoting

Hawaii's renewable biofuels resources to potential partners and investors for development in Hawaii as well as for export purposes; and developing a plan or roadmap to implement commercially viable biofuels development. Completion of the plan will identify many of the key issues that need to be addressed and should be the basis for changes in government operations to support energy self-sufficiency and environmental protection.

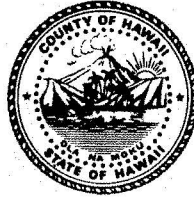
BOB JACOBSON

Councilmember

Chair, Environmental Management Committee

Vice-Chair, Finance Committee

Vice-President Hawai'i State Association of Counties



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HAWAI'I COUNTY COUNCIL

County of Hawai'i

January 30, 2008

To: COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION,

Rep. Hermina M. Morita, Chair and Members

Rep. Mele Carroll, Vice Chair, Rep. Ken Ito, Rep. Roland D. Sagum, III

Rep. Jon Riki Karamatsu, Rep. Scott K. Saiki

Rep. Michael Y. Magaoay, Rep. Cynthia Thielen

DATE: Thursday, January 31, 2008, TIME: 8:30 am

Testimony in favor of:

HB 2506

**RELATING TO REORGANIZATION OF
STATE AGENCIES.**

Directs the Legislative Reference Bureau to
conduct a study on Hawaii's most effective and
efficient options to reorganize state agencies
tasked with issues relating to energy and
environmental protection.

Aloha Chair Morita and Members,

I want to express my support for HB 2506. Again, it is clear that our current systems for promoting clean sustainable energy need support and accountability. I am hopeful that this bill will help accomplish those goals. The LRB has the resources to accomplish this long overdue examination of our options and current practices. Please pass this bill.

Mahalo!

*District 6 ~ Upper Puna, Ka'ū, and South Kona
Hawai'i County Is An Equal Opportunity Provider And Employer*

Ken H. Takayama
Acting Director

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LEGISLATIVE REFERENCE BUREAU
State of Hawaii
State Capitol
Honolulu, Hawaii 96813

HB2506

RELATING TO REORGANIZATION OF STATE AGENCIES

**Presented to the House Committee on Energy & Environmental Protection
Twenty-fourth State Legislature, Regular Session of 2008**

**By Ken H. Takayama, Acting Director
or Charlotte A. Carter-Yamauchi, Assistant Director**

**Legislative Reference Bureau
Thursday, January 31, 2008**

Chair Morita and Members of the Committee:

Thank you for this opportunity to testify on H.B. No. 2506. The Bureau takes no position for or against the measure but submits the following concerns and comments.

This bill calls for the Legislative Reference Bureau (Bureau) to conduct a study "to determine the most effective and efficient options for reorganizing the state agencies responsible for issues relating to energy and environmental protection, so that government will be prepared for the future." The elements of the study are listed over approximately three and one-half pages. The bill also appropriates funds to enable the Bureau to hire a contractor for the study. Findings and recommendations are required to be submitted prior to the convening of the 2009 regular session of the Legislature.

As always, if the Legislature really wants us to do this study, we will do it to the best of our abilities with the resources that we have and are otherwise provided us.

To say the least, this appears to be a very broad, ambitious, and time consuming study, particularly in light of the deadline. We understand, however, that the primary area of interest in this study is the functions and duties of state agencies as they apply to energy, and to look into the feasibility of implementing in Hawaii some general work done in the past by the National Conference of State Legislatures (NCSL).

Accordingly, we request modifying the bill in the following two ways to make the scope of the study more manageable and increase the likelihood of a timely response:

- (1) Focus the study on its apparent original intent—i.e., namely the functions and duties of state agencies as they apply to energy; and
- (2) Exempt the contract for the study from chapter 103D, Hawaii Revised Statutes.

While both of the foregoing proposed amendments to the bill will be extremely helpful, we are under no illusion that they constitute any sort of "magic button" that will make the difficulties disappear. Both the scope and deadline of the required study will likely require greater amounts of time and effort by Bureau staff than may meet the eye.

Thank you very much for this opportunity to testify.