

LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

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

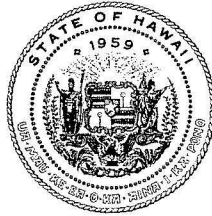
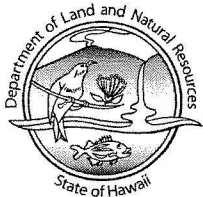
**BEFORE THE HOUSE COMMITTEE ON FINANCE
THURSDAY, FEBRUARY 21, 2008
11:30 A.M.**

**HOUSE BILL NO. 2843, H.D. 1
RELATING TO INVASIVE SPECIES**

Chairperson Oshiro and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2843, H.D. 1. The purpose of this bill is to impose an invasive species fee for all incoming non-containerized freight into the State and to require the Hawaii Department of Agriculture (HDOA) to assess fines for violations of section 150A-5.3, HRS, for inspection, quarantine, and eradication services fees, pursuant to rules. We appreciate the interest of the legislature to address all aspects of the movement of invasive species into the state. At this time, we would like to encourage your support for passage of HB 3033, an administration bill, which will provide HDOA with the ability to identify types of incoming cargo to the State, assess the level of risk posed by the cargo, and deploy our resources accordingly.

LINDA LINGLE
GOVERNOR OF HAWAII



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

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

on House Bill 2843 House Draft 1- RELATING TO INVASIVE SPECIES

**BEFORE THE HOUSE COMMITTEE ON
FINANCE**

February 21, 2008

House Bill 2843 House Draft 1 authorizes the Department of Agriculture (DOA) to impose an unspecified service fee for the inspection of all incoming non-containerized freight in to the State. This bill proposes a solution to the loophole created by the establishment of a cargo service fee that only addressed containerized marine cargo. The lack of a single point of contact for carriers and shippers is problematic for the effective collection of the inspection cost recovery fee and a single point of contact for all transactions may improve the implementation. The Department of Land and Natural Resources (Department) supports the intent of this measure, but defers to DOA as to the magnitude, structure and mechanism of the funding necessary to carry out their vital quarantine functions as outlined in their Biosecurity Plan.

Preventing new invasive species from establishing in Hawaii provides the greatest long term protection for Hawaii and the Department supports strong import quarantine measures. Invasive species inspections and quarantine are needed for all types of commercial freight. Providing an equitable and comprehensive system for inspection of all commercial freight, enforcement authority and having the staff and needed airport and harbor facilities to allow for efficient cargo quarantine inspections and processing will protect Hawaii's economy and environment from invasive species.

As a co-chair of the Hawaii Invasive Species Council, the Department approved a resolution on January 19, 2006 in support of the invasive species recommendations of the Governor's Economic Momentum Commission (Commission). The first of the two recommendations by the Commission was to review user fees from importers/shippers to ensure these fees are adequate to properly fund the needed prevention and quarantine programs.

Lack of adequate, sustainable funding is the single greatest problem that State, Federal, and private agencies face in the fight to protect Hawaii from harmful invasive species. The Hawaii Invasive Species Council founded in 2003 and associated statewide plan and budget implemented in 2004 and 2005 are making great strides in identifying ways to improve Hawaii's response to invasive species. These programs include prevention funding for DOA as well as

creating a comprehensive program to provide control, encourage research and develop outreach programs on invasive species carried out by a partnership of all participating agencies.

The development of sustained, scalable funding for Hawaii's quarantine system was also one of the priorities recognized by the 2002 Legislative Reference Bureau Report "Filling the Gaps in the Fight Against Invasive Species" and three of the seven suggested mechanisms relate directed to the user fees developed by this bill.

By examining similar systems elsewhere it is clear that a reasonable service charge to fund an adequate quarantine program will not place an undue burden on transport or visitors. For the equivalent of \$3 per passenger, New Zealand is able to generate approximately \$25,000,000 to support a comprehensive quarantine program that includes X-ray screening, inspector dogs and targeted inspections of high risk goods. In Hawaii, only 20% of all containers are considered high risk. By charging these high-risk containers \$30 per 20-foot container equivalent, \$2,640,000 could be raised for these efforts if the service fee was structured so as to allow actual cost recovery rather than a fixed flat fee. The Department supports DOA in developing an equitable and adjustable cost recovery mechanism to implement the Hawaii Biosecurity Program.

House of Representatives
Twenty-Fourth Legislature
Regular Session of 2008

COMMITTEE ON FINANCE

Hearing
Thursday, February 21, 2008
11:30 a.m.

Testimony by: Ralph C. Boyea, Legislative Advocate, Hawai'i County Council

Testimony in favor of HB 2843, HD1 RELATING TO INVASIVE SPECIES

Chairperson Oshiro and Honored Representatives,

On behalf of the Hawai'i County Council, I ask that you to pass House Bill 2843, HD1. This Bill expands the collection of the inspection, quarantine and eradication service fee to include any freight transported into the State of Hawai'i.

The Hawai'i County Council is very supportive of any efforts by the State Legislature to control invasive species. In recent years Hawai'i County has been subjected to invasion by coqui frogs, fire ants and apple snails, to name just a few invasive species. All of these species have created significant impact financially, emotionally and culturally. We are also very concerned about a possible future invasion of honey bee mites which could be devastating to our bee farmers and our agricultural industry. Hawaii County has also been invaded by numerous plant species that have literally taken over areas of our land and adversely affected our crops.

We are well aware that the Department of Agriculture needs additional financial support to increase it's efforts in maintaining our biosecurity and controlling invasive species. We applaud the State Legislature for looking for ways to finance those efforts.

We urge you to pass HB 2843, HD1.



Hawaii Agriculture Research Center

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

HOUSE BILL 2843 HD1

RELATING TO INVASIVE SPECIES

February 21, 2008

Chairman Oshiro and Members of your Committee:

My name is Stephanie Whalen. I am President and Research Director of the Hawaii Agriculture Research Center (HARC). I am testifying today on behalf of the center, our research and support staff, and our members and clients.

HARC supports the intent of House Bill 2843 HD1, Relating to Invasive species.

With the increasing number of invasive species slipping into the state unnoticed legislation that helps to focus inspections on high risk cargo to and within the state must be a high priority for the sustantation of not only agriculture but our environment.

Thank you for this opportunity to testify in support of this important measure.

L E G I S L A T I V E

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SUBJECT: MISCELLANEOUS, Invasive species inspection fee

BILL NUMBER: HB 2843, HD-1

INTRODUCED BY: House Committees on Agriculture and Transportation

BRIEF SUMMARY: Amends IIRS section 150A-5.3 to extend the invasive species inspection fee to include air freight or any other means of transporting freight.

The fee charged for each 20-foot equivalent unit per marine commercial container shall be \$ _____. The department of agriculture shall assess a fee pursuant to HRS chapter 91 for freight transported in the state that is not in a container. Also permits the department to assess a fine for violations of this section.

EFFECTIVE DATE: Upon approval

STAFF COMMENTS: The legislature by Act 9, SSLH 2007, adopted an inspection fee of \$1 for each 20-foot equivalent per maritime container for the inspection, quarantine, and eradication of invasive species in any marine commercial container shipment. This measure would change the amount of the fee for marine containers and it authorizes the department of agriculture to establish a fee by rule for freight that is transported into the state that is not in a container. While the bill does extend the fee to air freight and other means of transporting freight into the state, it fails to address imposing a fee on containers used to import freight into the state in containers other than marine containers.

It should be remembered that since Hawaii is an island state, all goods must either be transported by air or water making the cost of transporting those goods more costly as compared to the lower 48 states where goods may be transported by ground transportation. Any additional cost imposed on the transportation of goods into the state will be passed on and be reflected in the higher prices of goods.

While the intent of funding a program to combat invasive species is commendable, the fee represents yet another tax to fund a special program as opposed to using general funds to fund such a program. Thus, in one sense, attacking this problem with a new fee is an indication that this is not a problem of high priority so as to garner general fund financing, it is also a way for lawmakers to avoid being held accountable for growing government even larger and allowing government to grow beyond its means and the ability of the taxpayer to afford government in Hawaii. Note well, that the new fee is imposed on freight coming into the state and, as such, the cost of the fee will be buried in the cost of all goods and services purchased by consumers and businesses in Hawaii. Again yet another contribution to the higher cost of living and doing business in Hawaii.

It is also curious that the often favorite target of lawmakers escapes the hit of this new fee, the visitor or for that matter residents traveling between islands. The SuperFerry controversy highlighted the invasive species issue for travelers going between islands. If there is a more accountable way to assess possible transfer of invasive species into the state or between the islands, it should be travelers into the state or

HB 2843, HD-1 - Continued

between islands. With nearly 8 million visitors and residents moving between the islands the fee imposed could be much smaller as the base would be much larger than the couple of million freight containers. Regardless, the marked propensity of the legislature to resort to user fees when programs that are of a general benefit should be funded with general funds is an indication that this program is not of a high priority to most lawmakers.

This measure should be recognized for what it is, the expansion of government funded by another "user fee." It should be noted that the proposed fee amounts to nothing more than a replacement for general fund financing. In the long run, the consuming public will pay these fees as the cost will be passed on to those who are subject to these fees. Because the fees will be imbedded in the price of the product, the public will not hold government accountable, rather they will vent their anger at the businesses for increasing the costs. The fees proposed in this measure should be viewed no differently than a tax increase.

Digested 2/20/08

**HAWAII FARM BUREAU FEDERATION
2343 ROSE STREET
HONOLULU, HI 96819**

FEBRUARY 21, 2008

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

Agenda #3

TESTIMONY ON HB 2843, HD 1
RELATING TO INVASIVE SPECIES

Chair Oshiro and Members of the Committee:

My name is Alan Takemoto, Executive Director, of the Hawaii Farm Bureau Federation, which is the largest non-profit general agriculture organization representing approximately 1,600 farm and ranch family members statewide.

The Hawaii Farm Bureau Federation supports HB 2843, HD 1, which expands the items subject to the inspection fee and makes other amendments.

Invasive species have become one of the most devastating problems impacting Hawaii's agricultural industry. Invasive species have negatively impacted both Hawaii's environment and economy. The demise of the native wili wili tress, the recent infestation of imported Christmas trees, coqui frog, and others pests and diseases chronically devastate our agricultural crops. DOA's biosecurity program is a comprehensive plan to address our food security and invasive species control in Hawaii.

Thank you for allowing us to testify on this measure.

Testimony of The Nature Conservancy of Hawai'i
Supporting H.B. 2843 HD 1 Relating to Invasive Species
House Committee on Finance
Thursday, February 21, 2008, 11:30AM, Room 308

The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of Hawaii's native plants, animals, and ecosystems. The Conservancy has helped to protect nearly 200,000 acres of natural lands for rare and endangered native species in Hawai'i. Today, we actively manage more than 32,000 acres in 11 nature preserves on O'ahu, Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i and also work closely with government agencies and private landowners on cooperative land and marine management projects.

The Nature Conservancy of Hawai'i strongly supports H.B. 2843 HD 1 Relating to Invasive Species.

Invasive insects, diseases, snakes, weeds, and other pests are one of the greatest threats to Hawaii's economy, natural environment, and the health and lifestyle of its people.

The Hawai'i Department of Agriculture (HDOA) is responsible for the inspection of domestic cargo and passengers arriving at Hawaii's ports to protect the state from introduction of unwanted plant and animal pests and diseases. The HDOA also inspects interisland shipments to prevent movement of pests between islands. Pest risk assessments conducted by the Department at ports of entry across the state have helped the Department identify high-risk pathways for pest introductions and prioritize the allocation of departmental resources. The Department has also developed a multi-faceted Biosecurity Plan to enhance its efforts with more inspectors, more efficient and effective inspection services, joint state-federal inspection facilities, and agreements with importers and producers for improved sanitary protocols before items are shipped to Hawai'i. The financial and personnel support provided by the Legislature, has been essential to implementing this plan.

Providing the HDOA with authority to assess a reasonable service charge on its invasive species inspection, quarantine and eradication activities provides an appropriate and useful source of funds to achieve the goal of enhanced prevention systems at ports of entry for the state. This bill appropriately expands the authority of the Department to assess a reasonable fee on all incoming cargo into the state, including containerized and non-containerized, and both sea and air cargo.

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Conservation Council for Hawai'i

Testimony Submitted to House Committee Finance

Hearing: Thursday, February 21, 2008
11:30 am
Room 308

Support for HB 2843 HD 1 Relating to Invasive Species

Aloha. The Conservation Council for Hawai'i strongly supports HB 2843 HD 1 which imposes a invasive species fee for all incoming non-containerized freight into the State and adding air freight to the inspection fee provision. Currently, only containerized marine shipments are assessed a \$1 fee per 20-foot container.

We recommend that the fee be increased from \$1 to \$10. The \$1 fee is not enough to provide adequate inspections at our ports of entry in order to keep invasive species from entering Hawai'i.

Mahalo nui loa for the opportunity to testify.

Sincerely,

Marjorie Ziegler



Working Today for the Nature of Tomorrow!

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P.O. Box 2923 • Honolulu, HI 96802 • Office: 250 Ward Ave., Suite 212 • Honolulu, HI 96814

Hawai'i Affiliate of the National Wildlife Federation

President: Julie Leialoha * Vice-President: Nelson Ho * Secretary/Treasurer: Kim Ramos * Directors: Fred Kraus, Ph.D. * Douglas Lamerson,
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**HB 2843 HD1
RELATING TO INVASIVE SPECIES**

**PAUL T. OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

FEBRUARY 21, 2008

Chair Oshiro and Members of the House Committee on Finance

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) and Matson Navigation Company, Inc. (a subsidiary of A&B) on HB 2843 HD1, "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES."

While we strongly support programs to control the spread of invasive species in Hawaii, we are very concerned that the present scope of the marine commercial container fee unfairly discriminates against the marine containerized cargo industry. In particular, we have concerns with the following aspects of the fee as presently contained in statute:

1. The fee is only imposed on marine container shipments that are brought into the State. No fee is imposed on other means by which invasive species can enter our State, such as via non-containerized marine cargo, non-containerized automobiles, and cargo brought into the State by air transportation.
2. Funds derived from this fee (imposed only on marine container shipments) may be used for invasive species programs that are unrelated to marine container shipments, such as the inspection of other modes of cargo transportation into the State.

PRESENT FEE IS ONLY APPLICABLE TO MARINE CONTAINER SHIPMENTS

Invasive species can enter Hawaii through several different means or pathways, including but not limited to ocean transportation (container, non-container, and automobile shipments; passenger baggage), air transportation (cargo shipments; passenger baggage), and the mail.

The present fee is imposed only on marine container shipments, despite several other possible invasive species entry modes into our State. In the cargo transportation marketplace, this directly increases the cost of marine container shipments while having no direct financial impact on any of the other modes of cargo transportation into the State of Hawaii despite the fact that they, too, could harbor invasive species. Not only is there the cost of the fee itself, but the affected marine companies also shoulder additional administrative costs to implement the fee system.

We believe that by assessing the present statutorily imposed fee only on marine container shipments, that this fee is discriminatory and results in an unfair burden and competitive disadvantage on entities that transport cargo to Hawaii via marine container shipments as opposed to entities that transport cargo to Hawaii via other modes of shipment and other modes of transportation.

PRESENT FEE MAY BE UTILIZED FOR OTHER MODES OF CARGO SHIPMENT

Use of funds derived from the present fee is targeted for the operation of pest inspection, quarantine, eradication, and monitoring programs, related facilities, and the execution of emergency remedial measures when pests are detected in the course of inspection and quarantine by the Department of Agriculture. However, the present law does not restrict the use of funds collected from this new marine container shipment fee

to only marine container related invasive species programs. Thus, these fees, derived solely from the transport of marine containers, could be used, for example, for the inspection and other invasive species programs for non-containerized marine cargo, non-containerized automobiles, and cargo/baggage shipped by air transportation--for which no fee is imposed. Thus, we do not believe that the present fee represents a comprehensive, fair, and equitable means of financing invasive species programs.

This bill proposes to expand the scope of the present invasive species fee to include cargo transported into the State by air freight or by any other means of freight transportation. While the fee for the transportation of marine commercial cargo containers will continue to be imposed by statute, this bill requires that the fees for all other modes of transportation be determined by rules.

While we support the general intent of this bill to broaden the applicability of the invasive species fee to include all modes by which commercial cargo is transported into the State, we believe that the fee assessed for the transportation of all commercial cargo should either be entirely set by statute or by rules. Your consideration to incorporate appropriate amendments would be greatly appreciated.

Thank you for the opportunity to testify.



COORDINATING GROUP ON
ALIEN PEST SPECIES

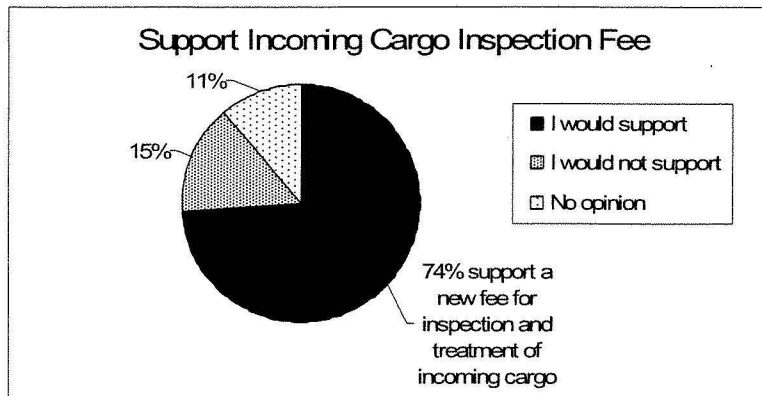
The House of Representatives
Committee on Finance
Thursday, February 21, 2008
11:30 a.m., Conference Room 308
State Capitol

Testimony in Support of HB 2843, HD1

Aloha Chair Oshiro, Vice Chair Lee, and Members of the Committee,
The Coordinating Group on Alien Pest Species (CGAPS) **supports HB 2843, HD1, Relating to Invasive Species.**

In February 2007, QMark Research & Polling conducted a statewide public awareness survey via telephone on behalf of CGAPS in an effort to gauge public awareness of invasive species issues and public support for better protection.

One of the questions revealed that 74% of residents support a fee for inspection and quarantine services so that funding for these services can keep up with the rising amount of cargo entering Hawai'i.



The margin of error for a sample of this size (n=500) is +/- 4.38 percentage-points with a 95% confidence level.

HB 2843, HD1 would expand the inspection fee to be applied to all incoming cargo, not just incoming 20ft. marine container cargo. Without the ability to set reasonable fees for inspection services on all incoming cargo, HDOA would need to continue to request, year after year, funds to cover these essential services that benefit the entire state. CGAPS respectfully requests your support of HB 2843, HD1. Mahalo.

CGAPS--Coordinating Group on Alien Pest Species
Ph: (808) 722-0995