

STAND. COM. REP. NO.

580

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 1223  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1223 entitled:

"A BILL FOR AN ACT RELATING TO HAWAII MADE PRODUCTS,"

begs leave to report as follows:

The purpose of this measure is to preserve the integrity of the "Made in Hawaii" brand in order to protect Hawaii's local artisans from unfair trade practices that flood the handcrafted market with counterfeit, imported, and mass produced goods.

Your Committee received testimony in support of this measure from Moanalua Gardens Foundation, Creations of Hawaii, and four private citizens. Testimony in opposition to this measure was received from Hawaii Food Industry Association, Retail Merchants of Hawaii, Hawaiian Host, Inc., Hawaii Coffee Association, and Hawaii Coffee Company. Testimony with comments on this measure was received from the Department of Agriculture. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the "Made in Hawaii" label is an important designation and should be a clear indication that a product was produced in Hawaii and is substantially composed of materials from Hawaii. Your Committee further finds that preserving the integrity of the "Made in Hawaii" label is important from an economic standpoint as well as to honor the local artisans who keep native traditions alive through art. A meaningful "Made in Hawaii" label benefits local artisans and



craftspersons who are currently forced to compete at an unfair disadvantage in the marketplace against unethical producers who unfairly imply that mass-produced, imported, or counterfeit goods are made in Hawaii through labeling or other means. The "Made in Hawaii" label also benefits the tourism industry when high-quality unique goods are presented across the world as examples of Hawaii's culture.

Your Committee has amended this measure by:

- (1) Restoring the portion of wholesale value added required to qualify as "Made in Hawaii" to the current law's requirement of fifty one per cent;
- (2) Directing the Department of Agriculture to convene a working group of stakeholders including artisans, merchants, government agencies, and others to collaborate to resolve any remaining issues, especially those relating to enforcement, surrounding this matter;
- (3) Deferring the effective date of this measure to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1223, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,

  
ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB 1223</b>	Committee Referral: <b>CPN</b>	Date: <b>3/3/2009</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
GREEN, M.D., Josh				✓
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓			
HEMMINGS, Fred	✓			
<b>TOTAL</b>	<b>6</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">David Y Ige</div>				
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\*Only one measure per Record of Votes