

LINDA LINGLE  
Governor



State of Hawaii  
DEPARTMENT OF AGRICULTURE  
1428 South King Street  
Honolulu, Hawaii 96814-2512

74 1000 11  
SANDRA LEE KUNIMOTO  
Chairperson, Board of Agriculture

DUANE K. OKAMOTO  
Deputy to the Chairperson

TESTIMONY OF SANDRA LEE KUNIMOTO  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON  
ENERGY & ENVIRONMENTAL PROTECTION  
THURSDAY, FEBRUARY 5, 2009  
9:00 AM  
ROOM 325

HOUSE BILL NO. 1271  
RELATING TO GOVERNMENT

Chairperson Morita and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 1271 which proposes to establish the Hawaii energy and food security authority to plan, coordinate, and address Hawaii's energy and food security needs; repeals the state program for energy planning and conservation; imposes the environmental response and energy and food security tax; makes the executive director of the authority the energy resources coordinator; repeals the energy resources coordinator duties; and abolishes the agribusiness development corporation (ADC) on 7/1/2011. The Hawaii Department of Agriculture (HDOA) opposes this bill and defers to the Department of Taxation as to the construction of the Environmental Response and Energy and Food Security Tax.

HDOA does not see any financial or strategic benefit accruing to the State or the agricultural industry by the actions proposed in this bill. Particularly in these difficult economic times, we do not believe that this is a good time to make changes that will degrade the efficiency of the HDOA and the Department of Business, Economic Development and Tourism (DBEDT) and eliminate the Agribusiness Development Corporation for no obvious reason. If anything, we believe that this measure will seriously disrupt the momentum and damage the relationships that DBEDT has

established as it moves forward with the Hawaii Clean Energy Initiative. This bill, as written, will achieve nothing by removing functions from the HDOA or eliminating the ADC.

Also, this is not the time to impose a new tax on the consumers of Hawaii. Particularly a tax that will create and fund an authority that is not restricted in the salaries paid to its officers, agents, and employees and that will have access to as much as \$50 million annually from the proposed tax. If such a tax were to be imposed in the future, it would be better used to fund the energy initiatives of DBEDT and the food self-sufficiency efforts of HDOA and ADC rather than to create a new authority.

LINDA LINGLE  
Governor



ALFREDO A. LEE  
Executive Director

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**  
235 S. Beretania Street, Room 205  
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**TESTIMONY OF ALFREDO LEE  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION**

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

Thursday, February 5, 2009  
9:00 a.m.

Conference Room 325

**HOUSE BILL NO. 1271  
RELATING TO GOVERNMENT**

Chair Morita, Vice Chair Coffman, and Members of the Committee:

Thank you for the opportunity to testify on House Bill 1271. The Agribusiness Development Corporation (ADC) strongly opposes this bill. We agree with the need for Hawaii to become more energy and food self-sufficient. However, the elimination of the ADC serves no purpose in this regard.

The ADC's mission is to facilitate the transition of the State of Hawaii's former plantation land and water systems to diversified agriculture. In doing so our primary focus has been the acquisition and management of large scale agricultural land and water systems, for the benefit of local farmers and agribusinesses. We are a self-sustaining agency and currently fund all ongoing and future projects through revenue generated by the assets we manage.

Additional projects we fund are in support of solutions to agriculture industry bottleneck issues.

We don't see how the ADC is significantly related to the functions given for the proposed new authority, which according to this bill would take over our activities. Furthermore, the ADC has evolved into an agency that is very effective and successful in carrying out its mission, having broad support from the Hawaii agricultural community and stakeholders.

We also disagree with the formation of a new authority to replace functions of existing agencies that already have highly qualified personnel. In this regard, we believe the Board of Agriculture and the ADC Board of Directors are more than capable of managing food security issues. We defer to the Department of Business, Economic Development, and Tourism, as to how this legislation would affect their own existing energy programs.



TESTIMONY OF WAYNE K KATAYAMA  
PRESIDENT  
KAUAI COFFEE COMPANY, INC.  
CHAIRPERSON  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE COMMITTEE ON  
ENERGY & ENVIRONMENTAL PROTECTION

Thursday, February 5, 2009  
9:00 a.m.  
Conference Room 325

HOUSE BILL NO. 1271  
RELATING TO GOVERNMENT

Chair Morita, Vice Chair Coffman, and Members of the Committee:

I am unavailable to attend today's hearing, however I would like to provide written testimony on House Bill 1271. I am strongly oppose this bill that contains language to eliminate the Agribusiness Development Corporation (ADC). I agree and will support the need for Hawaii to become more energy and food self-sufficient. However, the elimination of the ADC serves no purpose in this regard and will create a hardship on ADC's current programs.

ADC is a SELF-SUSTAINING agency with the mission of employing former sugar and pineapple land into diversified agriculture. Examples of ongoing ADC initiatives are:

- The acquisition and management of large scale agricultural land and water systems, for the benefit of local farmers and agribusinesses on Kauai.
- The acquisition and management of large scale water system on Oahu.
- Re-start of a post harvest processing facility on Kauai.
- Study on providing irrigation for Ka'u, Big Island
- Potential of agricultural development on Central Oahu.
- Maintaining a beef industry on the Neighbor Islands.

ADC is a self-sustaining agency and serves as an efficient agency to receive Federal, State or County funds in support of the agriculture industry.

ADC has evolved into an agency that is very effective and successful in carrying out its mission, having broad support from the Hawaii agricultural community and stakeholders.

**EEPttestimony**

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**From:** Chris Manfredi [cmanfredi@kaufarmandranch.com]  
**Sent:** Wednesday, February 04, 2009 8:22 PM  
**To:** EEPtestimony  
**Cc:** Robert N Herkes; Alfredo A. Lee; Bradley Westervelt  
**Subject:** HB1271

Aloha esteemed representatives,

I am writing today in opposition to HB 1271.

While I support the goals of attaining energy and food sustainability are worthy and honorable, I believe the approach of HB 1271 is flawed.

First:

As president of the Ka'u Farm Bureau and having nearly 300 acres in coffee production in Ka'u, I can say that a 200% tax increase on fuel would not be welcome by farmers. Agriculture requires fuel to exist. Farmers need tractors, trucks and equipment to farm, to transport supplies and goods to market, and in some cases haul water. An additional tax would break the backs of many farmers who are now barely hanging on. Many, challenged by VOG, are barely surviving. Some have already failed. Creating an additional tax will saddle an undue burden upon farmers. In Ka'u, our fuel costs more, and we use more of it due to our remoteness. But, it is her remoteness that makes Ka'u a good place to farm. The cost of fuel and fertilizers have skyrocketed in the past year. At the same time, markets for high-priced specialty coffee are drying up. Rising labor, fertilizer, and transportation costs have made it harder than ever for Hawaii's farmers to compete. Please don't burden farmers with additional taxes.

Second:

As a founding member of the Ka'u Agricultural Water Cooperative District Steering Committee, I can unequivocally say that the ADC has been indispensable in helping to expand agriculture in our district as farmers transition from a plantation economy to a diversified agricultural model. We need more water, not more bureaucracy, to grow successfully. The ADC has been in the trenches in Ka'u, where the rubber meets the road, more than any other government agency. It is through the ADC's support, expertise and the tenacious efforts of its dedicated staff that has I can say, without any doubt, the ADC has been the single most driving force in expanding agriculture in our district.

Third:

I am a strong supporter of alternative energy as a path toward attaining energy independence. It was largely due to environmental and cultural concerns that geothermal energy was not more aggressively pursued in years past. Geothermal energy is arguably Hawaii's most viable alternative energy source; producing zero emissions and is 100% renewable. Incentivizing geothermal energy for mass generation of electricity combined with solar, wind turbines, wave generation, hydro-electric and bio-fuels would make a significant dent in Hawaii's energy dependency. Incentives can come in the form of rebates, tax breaks and expedited permitting, and working with the PUC to encourage the utilities to purchase excess power.

Fourth:

A Statewide plan is not the best approach. Issues on Hawai'i are different than Kauai, Maui and Oahu. Government cannot be everywhere, all the time. Inadequate representation is often influenced by politics. Government must rely more on the private sector to implement change. In order for that change to take place, government should incentivize the private sector to implement the change we all agree is necessary. The economics of change must work, or the change will fail, and so will the people who strive to effect that change .

In closing, rather than taxing farmers, dismantling the ADC and creating additional unproven bureaucracy, I believe a focus on incentives for projects that utilize renewable energy and appropriating more funds to the ADC will have a more dramatic and immediate effect. Raising taxes to grow government is not the answer. We need less regulation and more funding.

Thank you for taking the time to review my testimony.

Aloha,

Christopher A. Manfredi

Ka'u Farm and Ranch Company, LLC

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# Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803  
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## HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 5, 2009, 9:00 A.M.

*(Testimony is 1 page long)*

### TESTIMONY IN SUPPORT OF HB 1271

Chair Morita and members of the Committee:

The Sierra Club, Hawaii Chapter, with 5500 dues paying members statewide, supports the concept of HB 1271, which takes concrete steps towards addressing Hawaii's energy and food security needs.

Hawaii is the most dependent state in the nation on imported oil. Some 50 million barrels are imported annually, nearly 80% of which originate from foreign sources. In addition, over 805,000 tons of coal are imported into our state. These sources provide power for over 92% of Hawaii's electricity generation. The combustion of these resources also contributes over 23 million tons of climate changing greenhouse gas into our atmosphere annually.

Hawaii's economic, environmental, and energy security demand that we reduce the amount of fossil fuel imported and consumed in Hawaii. Imposing a fee on fossil fuel consumption -- while oil prices are currently low -- and investing this money into increasing the development of clean, renewable energy makes long-term economic sense.

The Sierra Club takes no position, *at this time*, with respect to the other elements of HB 1271.

Thank you for this opportunity to provide testimony.

February 4, 2009

Energy & Environmental Protection Committee  
State of Hawai'i, House of Representatives

Transmitted electronically

Re: Support for HB1271

Aloha Chair Morita, Vice Chair Coffman, Members of the Energy & Environmental Protection Committee:

Kanu Hawai'i is a growing movement of more than 6,400 islanders who believe that Hawai'i must model sustainability, compassion, and self-reliance for the world. Our members are ordinary citizens, from every Hawai'i community and every walk of life. We are united by a belief that our islands' unique strengths might help solve some of the world's most pressing problems – from climate change to ethnic conflict and the risks of globalized production.

Hawai'i has exceptional methods for dealing with conflict drawn from our rich cultural diversity; a keen understanding of the need for home-grown industriousness to counteract dependence and isolation; and traditions of environmental stewardship based in island realities of fragile ecosystems and limited resources. Islanders live with an acute sense of these things, and we strive use these perspectives to encourage "island living" for an increasingly island-like world. Kanu's members walk this talk by committing publicly to sustainable action steps in our own lives.

Although Kanu Hawai'i's members are deeply concerned with issues of climate change, food security, and renewable energy, and though I am among the leaders of this movement, I am writing here as an individual. I do not claim to speak for the entire Kanu membership, however in the coming weeks, I will be working hard to raise our collective awareness and voice on this issue and this bill.

I am writing in support of HB1271.

As we know from the experience of the past two years, higher oil prices create a powerful incentive to move away from fossil fuels that contribute to climate change and toward investment in cleaner alternatives. We saw high gas prices change consumer behavior on a massive scale. We also saw investment in renewable energy projects increase, since the price of renewable energy became attractive relative to fossil fuels, offering investors potential for healthy returns.

The "environmental response and energy and food security tax" (hereafter, "barrel tax") can help preserve and stabilize these incentives, even during temporary dips in the price of oil. It could encourage consumers to take steps to conserve electricity, take mass

transit, reduce driving, and other actions that reduce climate-changing emissions. It could help create a stable investment environment – assuring investors that renewable energy projects will not become unattractive due to sporadic and temporary dips in oil prices.

However, to accomplish these important aims, a few changes to the bill may be necessary. I would humbly suggest two:

First, the barrel tax should be structured to set a "floor price" on oil of \$100 per barrel. At the current market price of \$40 per barrel, the tax would be \$60 per barrel. The tax would change as the market price of oil changed, keeping the effective price of oil at \$100 per barrel for Hawai'i oil users. When the market price of oil reaches or exceeds \$100 per barrel, the tax would be \$0.

Setting a floor on the price of oil is the best way to sustain incentives that shift consumer behavior toward energy conservation, and investor dollars toward renewable energy projects. The effective price of \$100 per barrel is important because at \$100 per barrel consumer and investor behavior begins to shift. At any lower price, say \$60 or \$80 per barrel, behavior and investment shifts back toward oil-dependent fuels and products.

With roughly 50 million barrels of oil imported to Hawai'i annually, and at current oil prices of \$40, the barrel tax would generate \$3 billion in its first year if structured in this way. Naturally, as demand for oil dropped, so would tax revenues. Indeed, we would expect declining tax revenues in subsequent years reflecting decreasing demand for oil in the islands.

Setting the barrel tax to create a floor price of \$100 may seem like a big step – and a large tax – given that the current price of oil is so low. But, consider that consumers have lived through sustained periods of oil at \$140 per barrel or more. Moreover, the tax is likely to be temporary and will only exist until oil's market price rises back above \$100, which it is certain to do as the global economy recovers and global demand rebounds. So, the tax imposes a burden that Hawai'i consumers are already familiar with, and only a temporary burden at that.

Second, revenues from the barrel tax should be used, in part, to offset the disproportionate financial burden on low-income families, and the disproportionate physical impact on communities where renewable energy infrastructure is sited. The principal downside of a barrel tax is that it is highly regressive – hitting the poor hardest because they spend a larger portion of their small incomes on things like gas and electricity. Revenues from a barrel tax should therefore be used, in part, to offset the impact on low-income families – perhaps through funding a State Earned-Income Tax Credit or a refund to those below a certain income threshold.

Revenues should also be used to compensate communities that are burdened by new energy infrastructure (e.g., wind farms, inter-island cables, or transfer stations) through community benefits packages. A high estimate of these costs (both a low-income tax credit and community benefits packages) is \$50 million, leaving a hefty sum for other investments like those described in the bill.

I cannot stress enough the importance of this measure. Even without the suggested changes above, it represents our best hope for a clean, secure energy future in Hawai'i. It would also drive a giant leap forward in the battle against climate change – one that would place Hawai'i at the forefront of solution-seekers, and make good on our potential as a model of island living for an island world.

As I said, my colleagues and I at Kanu Hawai'i will be working hard to educate ourselves and our 6,400 members on this important measure, and raise our collective voices on this issue.

I apologize that I could not be at the hearing in person to answer questions. If you would like to discuss this testimony, feel free to contact me directly.

Mahalo for your consideration.



James T. Koshiba  
Executive Director  
Kanu Hawaii

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HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
 February 5<sup>th</sup>, 2008, 9:00 A.M.  
 Room 325

(Testimony is 3 pages long)

**TESTIMONY IN SUPPORT OF HB 1271**

Chair Morita and members of the committee:

The Blue Planet Foundation supports the intent of House Bill 1271, providing for funding of food and energy security through a surcharge on each barrel of oil imported into Hawaii.

Hawaii is the most dependent state in the nation on imported oil. Some 50 million barrels are imported annually, nearly 80% of which originate from foreign sources<sup>1</sup>. In addition, over 805,000 tons of coal are imported into our state<sup>2</sup>. These sources provide power for over 92% of Hawaii's electricity generation. The combustion of these resources also contributes over 23 million tons of climate changing greenhouse gas into our atmosphere annually<sup>3</sup>. Hawaii's economic, environmental, and energy security demand that we reduce the amount of fossil fuel imported and consumed in Hawaii. To that end, new policies are critically needed that will dramatically increase energy efficiency, build our smart energy infrastructure with storage, and develop clean, renewable, and indigenous energy sources.

Blue Planet supports the establishment of an energy authority to be tasked with all areas of energy planning and implementation. We have no position at this time on coupling those duties with food security issues, although we understand and appreciate the motivation behind joining those issues. Blue Planet does, however, strongly support levying an additional surcharge on each barrel of oil imported to Hawaii and applying those funds to energy efficiency and clean energy investments. **We believe a \$5 surcharge should be levied on each barrel of oil imported into Hawai'i for these purposes.**

House Bill 1271 is smart tax-shifting policy to foster greater energy independence by tapping into the source of our problem to fund our preferred future. The concept behind the measure is

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<sup>1</sup>The State of Hawaii Data Book, 2007

<sup>2</sup>Ibid.

<sup>3</sup>ICF International. Inventory of Greenhouse Gas Emissions and Sinks in Hawaii: 1990 and 2007. December 2008.

to help "internalize" the external costs of certain activities; in this case, charge a fee for products that are damaging to the environment and use that money to help mitigate the damage. The link is quite clear between the use of petroleum products and corresponding impacts on our fragile island environments—not only in oil spills, which was the original impetus for the environmental response tax, but also in runoff from the roads our cars drive on, in degraded air quality, and in greenhouse gas emissions and climate change.

Such a "clean energy" surcharge on a barrel of oil of \$5 is approximately the same as a carbon tax of \$10.45 per ton of carbon dioxide (CO<sub>2</sub>)<sup>4</sup>. It would have a marginal impact on petroleum users, yet significantly increase the state's ability to deliver energy efficiency investments and clean energy project funding. A \$10.35 "carbon fee" is average. Many European countries have carbon taxes that exceed \$10.00 per ton. Last year, the Canadian province of British Columbia enacted a carbon fee that started at approximately \$8.00 per ton (English) in July, 2008, and increases to \$24 per ton by 2012.

The impact of CO<sub>2</sub> emissions alone from one barrel oil is much greater than the proposed tax. The Gas Company, in their Integrated Resource Plan, attempted to quantify the externalities (impacts not reflected in the market costs of an activity) per ton of pollutant. They examined environmental, energy security, macroeconomic and employment, and social and cultural externalities. Their results are shocking: the low estimate was \$10/ton CO<sub>2</sub>, the mid-range was \$27/ton CO<sub>2</sub>, and the high was \$77/ton CO<sub>2</sub><sup>5</sup>. Again, the approximate carbon tax equivalent of this measure is \$10.35.

While we all likely agree that we need to aggressively increase our clean energy use in Hawaii and decrease our reliance on imported crude, we cannot do it with funding for planning, implementation, development, and funding. House Bill 1271 wisely taps the source of our problem—imported oil—to fund clean energy programs.

We encourage the Committee to amend this measure to contain a \$5 per barrel surcharge that is then used to fund:

1. Energy security projects and development to increase Hawaii's energy self-sufficiency;
2. Demand side management programs by the existing public benefits fund administrator;
3. Energy systems development for renewable energy and energy efficiency technology projects that will reduce Hawaii's dependence on fossil fuel, managed by the Hawaii natural energy institute;
4. the state energy office and public utilities commission;
5. a clean energy investment revolving fund, operated by the public utilities commission (and used in conjunction with on-bill financing), to enable residents, businesses, and non-profits statewide to make aggressive energy efficiency, infrastructure, and clean energy investments.

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<sup>4</sup> At 23 lbs CO<sub>2</sub> produced per gallon oil and 42 gallons per barrel.

<sup>5</sup> The Gas Company, 1999. The Gas Company Integrated Resource Plan Report, Jan 28, 1999 Draft, Honolulu.

House Bill 1271 can be a smart tax-shifting policy that encourages energy conservation while providing critical funding for a diversity of clean energy and energy efficiency investments statewide. It works by making the "polluter pay." As we dramatically expand our clean energy capacity in Hawaii, the real economic benefits of this carbon surcharge will far outweigh the additional burden it may present. This common sense policy will foster greater energy independence by tapping into the source of our problem to fund our preferred future.

Thank you for the opportunity to testify.

February 4, 2009

Hawaii State legislature  
State Capital  
Honolulu, Hawaii 96813

Support Testimony on  
H.B. NO. 1271

**Relating To Hawai'i Food & Energy Security**

House Committee on Energy & Environmental Protection  
Representative Hermina Morita, Chair  
Representative Denny Coffman, Vice Chair

Thursday, February 5, 2009, 9:00 a.m., Conference Room 325

Enterprise Honolulu, the Oahu Economic Development Board, strongly **supports H.B. 1271**, – to create a new governing authority for Hawai'i's food and energy security. This legislation gives Hawai'i the ability to turn two of Hawai'i's biggest problems and threats to Hawai'i citizens into two of Hawai'i's most significant new opportunities to achieve food and energy security and real sustainability.

Today there can be no more vulnerable place on earth than Hawai'i with 100% imported oil and 85% imported food dependency. Hawai'i now imports 100% of our oil, (33%) for electricity production, (33%) ground and marine transportation and (33%) aviation.

The Department of Energy and the National Renewable Energy Lab reported that in 2008, the yearly cost of this imported oil to every man, women and child in Hawai'i is over \$2,000 per capita. That's over \$8,000 a year for every household of 4. Hawai'i imports +/- 50 million barrels of oil annually. In 2007 the average cost was \$73 a barrel. That equals \$3.5B a year total or \$7,000 per Hawai'i household. In 2008 the average cost of oil was \$100 a barrel. Imported oil dropped to 41MBY which is about \$8,000 per Hawai'i household (500,000 households). When you add oil at \$4.1 Billion plus food at \$4.5 Billion, Hawaii exported \$8.6 Billion dollars in 2008 that could have been invested here.

HB 1271 provides a \$1.00 a barrel tax on all oil imported to Hawai'i annually. It is estimated this will create a \$40M to \$50M annual fund depending on the amount of oil imported and processed each year. With this fund the Hawai'i Food and Energy Security Authority will have the capacity to invest in renewable energy and local food production infrastructure and projects which can accelerate Hawai'i's transition to food and energy security.



**ENTERPRISE**  
HONOLULU

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THE BUSINESS CLIMATE OF PARADISE





The following projects are necessary to accelerate Hawai'i's transition to renewable energy and food security:

- Build the smart grid including the interisland marine cables.
- Align Hawai'i's land use and water use by designating Important Agriculture Lands, which land is best for food production, which for energy crops and renewable energy projects.
- Align the permitting, licensing and EIS processes to expedite simultaneous development of the smart grid, while siting renewable energy projects and expanding food production.
- Repair water systems and designate water use capacity for energy and food production.
- Support farmers in diversified agriculture to grow both food and energy crops in an integrated system.
- Convert Hawai'i households and businesses to solar hot water heating systems and P.V. (this can reduce Hawai'i's electricity use by 20%) and employ hundreds of workers.
- Expedite the use of smart metering on every Hawai'i home, business, school, university and government building. This can also employ hundreds, perhaps thousands of workers annually with good paying "green collar" jobs.
- Accelerate the infrastructure development and incentives for electric cars.
- Resolve land use access for increased agriculture food production.
- Increase support for growers to lease land and equipment and intensify marketing, transportation, storage and sales of local food purchasing by families, restaurants, hotels, schools and the military.
- Assist growers to develop new production models that integrate renewable energy production with food production for maximum efficient water and land use, creation of fertilizer, silage feed stock and new food products.

These are some of the most immediate and essential activities that the Authority proposed in HB 1271 can make happen.

Without the capacity, oversight, strategies and implementation of the Authority it is doubtful these tasks will be completed expeditiously in a coordinated and integrated manner that moves Hawai'i as quickly as possible to food and energy security.

Other benefits that come from this initiative over time:

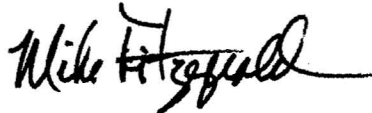
- Import substitution reduces the dollars we export and fundamentally improves our state economy. Each import dollar retained in state generates \$2-\$3 in positive local economic impact.
- Abundant, stable, inexpensive surplus renewable energy is created.
- New specialty food products and surpluses for export.

- Intellectual property from new renewable energy and organic agriculture, technology and processing designs.
- Millions of dollars of new investment in renewable energy and agriculture enterprises.
- Hundreds, perhaps thousands of new green collar and clean tech jobs and careers over the next two decades.
- New demand and opportunities for support services for these new industries, i.e. legal, accounting, A&E, marketing, communication, advertising, exporting, finance, management consulting, training and education.
- Niche tourism: agriculture, energy, recreation, eco, sports, adventure, health/wellness, education, authentic Native Hawaiian culture experiences will continue to grow if Hawai'i provides organization and structure for visitors desiring these experiences and, if we're cautious and don't homogenize Hawai'i to look and feel like everywhere else. It's Hawai'i's authenticity and uniqueness that is our highest value.

But time is of the essence and without a secure funding source and the knowledgeable resources to move these projects forward Hawaii will continue to pay dearly for our own vulnerability. The time for this action is now and we commend the Energy Chair and Committee for taking this bold step.

Enterprise Honolulu, the Oahu Economic Development Board, supports HB 1271. We are committed to work with you to help make this legislation a reality.

Sincerely,

A handwritten signature in black ink that reads "Mike Fitzgerald". The signature is written in a cursive, flowing style with a long horizontal stroke extending to the right.

Mike Fitzgerald  
President & CEO



# KAUAI ECONOMIC DEVELOPMENT BOARD, INC

4290 Rice Street • Lihue, HI 96766 • Phone: (808) 245-6692 • Fax: (808) 246-1089 • www.kedb.com

Date: February 4, 2009

Committee: Committee on Energy & Environmental Protection  
Rep. Hermina M. Morita, Chair  
Rep. Denny Coffman, Vice Chair

RE: **HB 1271, Relating to Government**

Hearing Date: **Thursday, February 5, 2009**  
**9:00 am, Conference Room 325, State Capitol**

As President and CEO of the Kauai Economic Development Board, Inc., whose membership represents a broad cross section of Kauai's business community, I would like to offer my **strong support of HB No. 1271**, which establishes the Hawaii energy and food security authority. This move is an essential step in focusing attention to our State's critical need to provide leadership and accelerate investment towards energy independence and food sustainability.

We all know of the gravity of Hawaii's vulnerability and dependence on external sources to fulfill our basic needs. Addressing this critical problem is overdue and its negative impact to the growth and stability of Hawaii's economy needs to be duly recognized and dealt with in a coordinated fashion.

I do, however, have a concern with the language contained in the bill regarding abolishing the agribusiness development corporation (ADC). While I do support the proposed authority's interdisciplinary approach and an assessment of duplicative and redundant functions be identified in the State Department of Agriculture and the ADC, the ADC does play a vital and important role in the Kauai agriculture community and in my opinion, be very difficult to replicate under the auspices of this authority.

Thank you for the opportunity to provide this testimony and stand committed in working with you should this important legislation be signed into law.

With warm regards,

Mattie A. Yoshioka  
President & CEO