

MAR 10 2010

SENATE CONCURRENT RESOLUTION

REQUESTING A STUDY ON THE ECONOMIC AND ENVIRONMENTAL IMPACTS ON
BUSINESSES AND COMMUNITIES AS A RESULT OF THE REDUCTION IN
SERVICES PROVIDED BY THE DEPARTMENT OF AGRICULTURE'S PLANT
QUARANTINE BRANCH AND COMMODITIES BRANCH STATEWIDE.

1 WHEREAS, in August and September 2009, a Senate Ad Hoc
2 Committee conducted five informational briefings to gather
3 information on the potential impacts of the anticipated
4 reduction in services for the Department of Agriculture's Plant
5 Quarantine Branch and Commodities Branch throughout the State;
6 and

7
8 WHEREAS, nearly ninety per cent of Hawaii's consumer goods
9 are imported and ships alone bring in 500,000 sea containers
10 carrying 25,000,000 cartons - inspectors at harbors and airports
11 are the first line of defense in stopping invasive species; and

12
13 WHEREAS, in addition, the export value of agricultural
14 products is in excess of \$160,000,000 and the scheduled layoffs
15 will have a severe impact on Hawaii businesses due to the
16 resulting reduction in exports; and

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18 WHEREAS, California already imposes strict guidelines for
19 the importation of Hawaii's agricultural products and any
20 decline in meeting those requirements may result in an embargo
21 by California; and

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23 WHEREAS, small businesses in particular are vulnerable, as
24 any additional difficulty in achieving nursery certifications
25 has a proportionately larger financial impact on smaller
26 operations; and

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28 WHEREAS, the Plant Quarantine Branch's Biosecurity Program
29 is responsible for controlling the introduction and interisland
30 spread of invasive species in Hawaii; and

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1 WHEREAS, initially, the Plant Quarantine Branch listed
2 seventy-two general funded positions and forty special funded
3 positions, with fifty-two of the general funded positions
4 scheduled for layoffs, and as a result of the briefings and
5 increased community attention, on September 24, 2009, the
6 Department of Agriculture announced temporary restoration of
7 twenty-two of the Plant Quarantine Inspector positions slated
8 for layoffs to support core inspection services at ports
9 statewide; and

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11 WHEREAS, the \$1,800,000 funding for the twenty-two
12 positions includes \$600,000 earmarked for the Hawaii Invasive
13 Species Council and \$1,200,000 from fees collected in the pest
14 inspection, quarantine, and eradication fund, which comes from
15 maritime and airline companies that bring in cargo to Hawaii and
16 pay 50 cents per 1,000 pounds of cargo for inspection,
17 quarantine, and eradication of invasive species that may be
18 transported into the State; and

19
20 WHEREAS, the Department's Commodities Branch provides fee-
21 for-service certification and auditing; enforces laws regarding
22 the quality and condition of agricultural products; issues
23 licenses for dealers in farm produce; conducts feed
24 registration, sampling, and enforcement for label guarantees;
25 and administers the milk control section; and

26
27 WHEREAS, the Branch is also responsible for seafood
28 inspections, seed certification, federal-state certification of
29 eggs, and food safety; and

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31 WHEREAS, the Commodities Branch is projected to lose fifty
32 per cent of its full time staff, and on Hawaii island, the
33 layoffs will directly impact the papaya and coffee industries
34 and increase certification times from days to weeks; statewide,
35 over 1,800,000 pounds of papaya were checked and over 6,300,000
36 pounds of coffee certified in fiscal year 2009; and

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38 WHEREAS, agriculture is a \$4,720,000,000 industry in Hawaii
39 and accounts for 38,000 jobs or five per cent of the statewide
40 total, and the proposed layoffs affect not only growers, but
41 have a substantial "trickle down" effect on other related
42 industries, such as packaging and fertilizer producers; and
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1 WHEREAS, larger agribusinesses may be able to pay for
2 private inspectors, small farmers will not be able to afford
3 this alternative; and
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5 WHEREAS, aquaculture is one of the fastest growing industry
6 segments - valued at \$34,700,000 in 2008 - and cuts in inspector
7 services will impact both imports and exports; and
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9 WHEREAS, seafood inspections account for nearly the same
10 volume as florals, and play a vital role in the stability of the
11 restaurant industry; and
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13 WHEREAS, Hawaii's seed industry - valued at \$250,000,000 in
14 annual spending and currently the leading commodity in the
15 agricultural industry - faces a possible shutdown if inspectors
16 are not available to process research imports and exports; and
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18 WHEREAS, invasive pests can cause millions of dollars in
19 crop losses, the extinction of native species, the destruction
20 of native forests, the spread of diseases, and the quarantine of
21 exported agricultural crops; and
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23 WHEREAS, Plant Quarantine Inspectors must be able to
24 identify over 150 prohibited animals, 1,800 restricted animals,
25 1,800 conditionally approved fish, 600 general and nearly 22,000
26 species of grasses, as well as 100,000 hybrids of orchids that
27 require quarantine, and inspectors need a relevant academic
28 degree and three years of training, and currently, all branch
29 staff require overtime to meet inspection needs; and
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31 WHEREAS, the projected cuts will reduce the staff by nearly
32 half, making adequate inspection impossible, and the loss of
33 these services will have a detrimental economic and
34 environmental ripple effect for businesses and communities
35 throughout the State; now, therefore,
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37 BE IT RESOLVED by the Senate of the Twenty-fifth
38 Legislature of the State of Hawaii, Regular Session of 2010, the
39 House of Representatives concurring, that the Office of the
40 Auditor is requested to conduct a study on the economic and
41 environmental impacts on businesses and communities as a result
42 of the reduction of services for the Department of Agriculture's
43 Plant Quarantine Branch and Commodities Branch statewide; and
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1 BE IT FURTHER RESOLVED that the Auditor is requested to
2 analyze the environmental impacts, including:

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- 4 (1) The number and types of inspections, certification and
5 auditing, registration and enforcement, and other
6 services directly affected by the layoffs;
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- 8 (2) The adequacy of the workforce prior to the current
9 reductions;
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- 11 (3) The shortage of entomologists on each island, and the
12 impacts on timely responses;
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- 14 (4) A review of the pest inspection, quarantine, and
15 eradication fund and compliance by cargo carriers that
16 are required to pay into the fund;
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- 18 (5) A review of the impact of using \$600,000 earmarked for
19 the Hawaii invasive species council to fund inspector
20 services, particularly the consequences for "on the
21 ground" eradication and management programs of
22 invasive species; and
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- 24 (6) Other environmental impacts, particularly on
25 communities and businesses that previously relied on
26 these services; and
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28 BE IT FURTHER RESOLVED that the Auditor is requested to
29 analyze the economic impacts, including:

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- 31 (1) The estimated annual dollar value of the loss to
32 businesses and other entities;
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- 34 (2) The estimated dollar value of the impact on other
35 businesses and other providers of secondary goods and
36 services;
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- 38 (3) Other economic impacts, such as higher unemployment
39 and reduced levels of services;
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- 41 (4) The impact on smaller areas, such as Kauai where the
42 Department is scheduled to lose the only office
43 person, leaving farmers without a point of contact in



1 order to schedule and coordinate inspections and other
2 services and obtain information;

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4 (5) Layoffs of Aquaculture Branch staff, and the resulting
5 impacts on the industry; and

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7 (6) Other financial impacts, particularly on communities
8 and businesses that previously relied on these
9 services; and

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11 BE IT FURTHER RESOLVED that the Auditor is requested to
12 consult with, at minimum, the Department of Agriculture; the
13 Hawaii Invasive Species Council; the counties, and other
14 government and private sector agencies as deemed appropriate by
15 the Auditor, and legislators; and

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17 BE IT FURTHER RESOLVED that the Auditor shall submit a
18 study of its findings to the Legislature no later than twenty
19 days prior to the convening of the Regular Session of 2011; and

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21 BE IT FURTHER RESOLVED that certified copies of this
22 Concurrent Resolution be transmitted to the Chairperson of the
23 Board of Agriculture, the Auditor, each county Mayor, and the
24 Hawaii Invasive Species Council Coordinator.

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