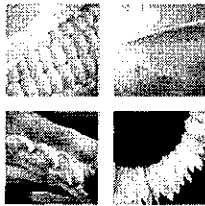


**TESTIMONY**  
**HB 2294 HD2**



# Hawaii Crop Improvement Association

*Growing The Future of Worldwide Agriculture in Hawaii*

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Testimony By: Alicia Maluafiti  
HB 2294 HD2, Relating to Agriculture

The Senate Committee on Water, Land, Agriculture, and Hawaiian Affairs  
Friday, March 12, 2010  
Room 229, 2:45 pm

**Position: Support**

Aloha Chair Hee, Vice Chair Tokuda and members of the Committee:

My name is Alicia Maluafiti, Executive Director of the Hawaii Crop Improvement Association. HCIA is a nonprofit trade association representing the agricultural seed industry in Hawaii. Now the state's largest agricultural commodity, the seed industry contributes to the economic health and diversity of the islands by providing high quality jobs in rural communities, keeping important agricultural lands in agricultural use, and serving as responsible stewards of Hawaii's natural resources.

The seed industry appreciates – and has testified in support – of most legislative solutions to generate revenue and address the loss of the agricultural inspectors and other staff at the Hawaii Department of Agriculture. Our dialogue with the HDOA these past few months as well as our role at the state legislature demonstrates our sincere commitment to seek out solutions that are fair and balanced. We do this in recognition of the growth of the seed industry in Hawaii, our responsibility to support the regulatory authority of the HDOA, and our collective ability to absorb some of the financial burden on behalf of the agricultural industry - as best we can.

HB 2294 HD 2 is another important and collaborative legislative solution involving a number of allies and stakeholders from the agricultural industry to provide the Dept. of Agriculture with efficient and reliant alternatives to fiscally sustain their department.

Mahalo for the opportunity to comment.

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**From:** LesnLouise Yee Hoy [yeehoyl001@hawaii.rr.com]  
**Sent:** Tuesday, March 09, 2010 8:36 PM  
**To:** WTLTestimony  
**Subject:** support hb2294 3-12-2010 2:45pm

Aloha Chair Hee and committee members:

My name is Les Yee Hoy and i'm a taro farmer. After reading the testimonies from the prior hearings, at least everybody seems to agree that we don't want or need more invasive species coming to the islands. The comments made for and against this bill all made sense. Bottom line: The DOA needs more resources to do their job effectively. I fully support the intent of this bill.

Mahalo

Les Yee Hoy



The Senate  
Committee on Water, Land, Agriculture, and Hawaiian Affairs  
Friday, March 12, 2010  
2:45 p.m., Conference Room 229  
State Capitol

### **Testimony in Support of the Intent of HB 2294 HD2**

Aloha Chair Hee, Vice Chair Tokuda, and Members of the Committee,

The Coordinating Group on Alien Pest Species (CGAPS) **supports the intent of HB 2294 HD2, *Relating to Agriculture***, and submits the following comments:

CGAPS is uncomfortable with exempting cargo from the inspection fee because these types of cargo are viewed as less likely to carry pests. This policy would ignore the other types of inspection and treatment that may be needed. For example, if the vessels themselves are loaded in Guam, then they pose a risk of carrying brown tree snakes and they must be inspected, which comes at a cost. Despite federal quarantine measures to stop the spread of Red Imported Fire Ants on vehicles on U.S. highways, they have spread to nearly every southern state—the vehicles themselves are the vectors for the spread of pests. In addition, the State Aquatic Invasive Species Plan calls for additional measures at Hawaii ports to deal with pests brought in ballast water and via hull fouling, two pest issues that are not adequately addressed presently. Providing a blanket exemption for certain commodities does not let the transportation company or importer take responsibility for the fact that ALL arrivals pose a risk. CGAPS suggests that instead of exempting these commodities entirely, that a different fee structure be put in place that would allow HDOA to continue to address pests in vessels, in their ballast and on their hulls.

CGAPS supports the other needs that this bill would address, including a late fee for non-payment pest inspection, quarantine, and eradication fund, and expanding the types of activities for which these funds may be expended.

Mahalo for your time and consideration.

Sincerely,

Christy Martin  
CGAPS PIO, on behalf of CGAPS



## HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)

1188 Bishop St., Suite 608, Honolulu, Hawaii 96813  
Phone (808)533-1292 - Fax (808)599-2606 - Email: hawaiifoodind@aol.com

Friday, March 12, 2010 @ 2:45 p.m. in CR 229

To: Senate Committee on Water, Land, Agriculture, and Hawaiian Affairs  
Senator Clayton Hee, Chair  
Senator Jill N. Tokuda, Vice Chair

By: Richard C. Botti, President  
Lauren Zirbel, Government Relations

Re: HB 2294, HD2 RELATING TO AGRICULTURE

### Chairs & Committee Members:

We support all shipments into Hawaii being required to pay a **reasonable** fee to cover the costs of administering inspections of imports for invasive species. However, when the 2008 Legislature passed the current law, it created an unreasonable fee for imports of non agricultural products, and agricultural products that are canned goods or frozen goods, where there may be a slight risk, but it is very low. Yet the price went from \$1 per 20 feet per container to over \$20 per container for many containers, since the fees went from length of container to 50¢ per 1,000 pounds. While this is fine for air freight, it is not fine for water shipments of containers that can weight upwards to 40,000 pounds. In fact, we would say that the nexus does not warrant this type of taxation for a shipment of say motor oil, frozen food, or plastic bags coming from a manufacturing plant. We are talking upwards to a 1,000% increase.

We need to create categories of risk, and have a fee schedule that matches the risk factor rather than one size fits all. A load of car batteries does not have the same risk as Christmas Trees, and a load of cement does not have the same risk factor as a load of cattle feed. These commodities should not be all taxed at the same rate.

The Dept. of Agriculture already defines container shipments into priority categories such as high risk and low risk. Industry is working with the Department to simplify inspections and to control costs. We need the Legislature to realize that whatever costs are incurred in feeding the people of Hawaii is going to be paid for by the people of Hawaii, since the food industry already has one of the lowest profit margins on any business, and can't exist by absorbing costs required by unfunded mandates.

With that said, we support SECTION 2 of the bill.

**SENATE COMMITTEE ON  
WATER, LAND, AGRICULTURE AND HAWAIIAN AFFAIRS**

March 12, 2010

House Bill 2294, HD 2 Relating to Agriculture

Chair Hee and members of the Senate Committee on Water, Land, Agriculture and Hawaiian Affairs, I am Rick Tsujimura, representing AES Hawaii, Inc (“AES”).

AES supports House Bill 2294, HD 2 Relating to Agriculture to the extent that it exempts “coal bulk freight” as that term is defined in the bill from inspection under Chapter 150A, HRS. AES operates an electricity generating unit at Kalaeloa, Oahu, which is fueled by coal brought from foreign sources. Such shipments are governed by the United States Department of Agriculture (USDA) and inspected by the USDA. AES has maintained that such shipments are exempt under federal law and therefore supports the exemption contained in the instant bill. We request that the effective date be changed to “upon approval”. We urge passage of the measure.

Thank you for the opportunity to present this testimony.



## Conservation Council for Hawai'i

Testimony Submitted to the Senate Committee on Water, Land, Agriculture, and Hawaiian Affairs

HB 2294 HD 2

Hearing: Friday, March 12, 2010 2:45 pm Room 229

### Opposition to Exemption of Bulk Freight from Inspection Fee

Aloha. Conservation Council for Hawai'i opposes exempting aggregate bulk freight, cement bulk freight, coal bulk freight, and liquid bulk freight from the Pest Inspection, Quarantine, and Eradication Service fee. Bringing in these items from domestic and foreign sources could be pathways for invasive species. We understand that spiders were found in aggregate from China last year. What is going to be done to prevent this from happening again? We cannot rely on certification from the source that the material is clean. Other industries are watching this bill and lining up to request exemptions from the fee in the future. Exempting materials from the inspection fee is a bad idea, especially when we do not have enough agricultural inspectors, and will lead to further exemptions down the road. At some point, the legislature is going to find it difficult to say "no" to exemptions.

We support the intent of the remainder of HB 2294 HD 2.

Mahalo nui loa for the opportunity to testify.

Marjorie Ziegler



**Hawai'i's Voice for Wildlife – Ko Leo Hawai'i no na holoholona lohiu**

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President: Maura O'Connor \* Treasurer: Kim Ramos \* Secretary: Douglas Lamerson  
Directors: Madelyn D'Enbeau \* Maka'ala Ka'aumoana \* Hannah Springer  
Executive Director: Marjorie Ziegler

**MONSANTO HAWAII**  
2104 Lauwiliwili Street, Suite 101k  
Kapolei, Hawaii 96707

March 12, 2010

HEARING BEFORE THE  
SENATE COMMITTEE ON WATER, LAND, AGRICULTURE,  
AND HAWAII AFFAIRS

TESTIMONY ON  
HB 2294  
RELATING TO AGRICULTURE

Chair Hee and committee members:

My name is Alan Takemoto and I am the Community Affairs Manager for Monsanto.

We support HB 2294 which makes various amendments to the agricultural inspection and biosecurity laws.

As the economy continues to struggle, the agricultural industry is confronted by a substantial decrease in agricultural inspection services statewide. The ability to move products in and out of the state as well as interisland is critical to our industry and our economy. With the anticipation of reduced agricultural inspections services, we appreciate all that the legislature and the HDOA has done in seeking alternatives and solutions.

As part of the farming community, we want to support every effort in making the Hawaii Department of Agriculture capable of meeting the needs of all farmers and related industries. We hope that by establishing a special fund specifically for the services rendered, the HDOA can provide the necessary services that are required to protect Hawaii's agricultural industry.

We know there is much more to be done and we want to help in facilitating the process by which we all can be a partner during these difficult times.

Thank you for the opportunity to submit testimony.





The Nature Conservancy  
Hawai'i Program  
923 Nu'uuanu Avenue  
Honolulu, HI 96817

tel (808) 537-4508  
fax (808) 545-2019  
[www.nature.org/hawaii](http://www.nature.org/hawaii)

Testimony of The Nature Conservancy of Hawai'i  
Supporting H.B. 2294, HD2 Relating to Agriculture  
(Provided by Mark Fox, Director of External Affairs)  
Senate Committee on Water, Land, Agriculture and Hawaiian Affairs  
Friday, March 12, 2010, 2:45pm, Rm. 229

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*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 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. We also work closely with government agencies, private parties and communities on cooperative land and marine management projects.*

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The Nature Conservancy of Hawai'i supports H.B. 2294, HD2 and submits the following comments:

- **We support reasonable service fees and meaningful fines (Section 2) for failure to pay such fees** for the Hawai'i Department of Agriculture's (HDOA) invasive species inspection activities. This is an appropriate way to support the critical functions of the HDOA to protect our economy, environment, health, and lifestyle from the introduction of pests and diseases.
- **While we remain a bit concerned about creating a variety of exemptions (Section 3) to the service fees**, we understand that the Legislature may wish to provide limited exemptions for certain non-containerized bulk freight of great weight. We also appreciate the effort to craft these exemptions such that they apply only to certain processed bulk freight types that may have a reduced risk of pest introduction.

Thank you for the opportunity to comment.

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Senator Clayton Hee, Chair  
Senate Committee on Water, Land, Agriculture and Hawaiian Affairs

Friday, March 12, 2010; 2:45 p.m.  
Hawaii State Capitol, Conference Room 229

**RE: HB 2294 HD2 – Relating to Agriculture**

Chair Hee, Vice Chair Tokuda and Members of the Committee:

I'm Robert Creps, Senior Vice President of Grace Pacific Corporation ("Grace Pacific"). Grace Pacific supports HB 2294 HD2 to the extent it exempts aggregate bulk freight from the inspection fee.

Section 436 of the federal Agriculture Risk Protection Act of 2000, preempts the states from regulating items in foreign commerce. This bill acknowledges that and clarifies that cement, coal and aggregate bulk freight are exempted from the inspection, quarantine and eradication service fee and charge. The exemption language in HB 2294 HD2 will make state law consistent with federal law.

Grace Pacific has been importing crushed granite aggregate from British Columbia for use in hot-mix asphalt and manufactured C-33 sand from British Columbia for use in ready-mix concrete and hot-mix asphalt since 2007. The manufacturing process for the C-33 sand involves the excavation of glacial deposits of granite with large scrapers, and then crushing and washing to the finished product specifications. The manufacturing process for the crushed aggregate is similar, with the excavation conducted by drilling and blasting the hard rock granite. Both processes are subject to strict quality control standards of the American Society for Testing and Materials, designed to detect and prevent deleterious and organic material in the finished product.

The sand and aggregate are shipped on bulk freighters with the product being the sole cargo of the voyage. These ships are inspected for cleanliness at the load port by an independent inspector. The ship's cargos are subject to inspection and cleared by the United States Department of Agriculture prior to discharge in Hawaii.

Thank you for the opportunity to testify on this measure. We ask for your support in maintaining the exemption language and to pass HB 2294 HD2 with an amendment to change the effective date to "upon approval".



## **HAWAIIAN CEMENT**

A subsidiary of Knife River Corporation

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Senator Clayton Hee, Chair  
Senate Committee on Water, Land, Agriculture and Hawaiian Affairs

Friday, March 12, 2010; 2:45 p.m.  
Hawaii State Capitol, Conference Room 229

**RE: HB 2294 HD2 - Relating to Agriculture**

Chair Hee, Vice Chair Tokuda and Members of the Committee:

My name is John DeLong, President of Hawaiian Cement testifying in support of this bill to the extent it exempts cement and aggregate bulk freight from the inspection fee.

HB 2294 HD2 recognizes Section 436 of the federal Agriculture Risk Protection Act of 2000, preempting the states from regulating aggregate and cement bulk freight imported from other countries, among other things, and clarifies that aggregate and cement bulk freight are exempted from the inspection, quarantine and eradication service fee and charge. The exemptions in this bill will make state law consistent with federal law.

Hawaiian Cement imports dry bulk cargo including cement, pre-processed aggregate and sand that meet the stringent requirements of the American Society of Testing Materials. These dry bulk commodities typically take up an entire bulk freighter, a ship specially designed to transport unpackaged bulk cargo.

Before leaving for its destination, our pre-processed bulk cargo goes through a sampling and inspection process to ensure clearance by USDA Animal and Plant Health Inspection Service (APHIS) upon arriving into Hawaii.

Cement cargo is not a compatible environment to invasive species. When introduced to moisture, cement develops a high pH, which renders it incapable of sustaining most living organisms.

Thank you for the opportunity to provide comments. We ask for your support in maintaining the exemption language for aggregate and cement bulk freight and, to pass this measure with an amendment to change the effective date to "upon approval".



**Hawaii Farm Bureau**  
F E D E R A T I O N

2343 Rose Street, Honolulu, HI 96819  
Phone: (808) 848-2074; Neighbor Islands: 1-800-482-1272  
Fax: (808) 848-1921; e-mail: [info@hfbf.org](mailto:info@hfbf.org)

**TESTIMONY**

**HB 2294 HD2 RELATING TO THE DEPARTMENT OF AGRICULTURE**

Chair Hee and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of our farmer and ranch families and organizations **supports HB 2294 HD2** clarifying the Hawaii Biosecurity Law.

The Hawaii Biosecurity Law passed in 2008 provides a valuable roadmap to increasing Hawaii's level of self sufficiency while protecting the environment. As most new laws, clarifications are often required.

This measure seeks to clarify those goods that require collection of fees. The intent of the fees is to pay for the necessary inspection of goods. There are imported products which we know have a very low risk of harboring invasive species so do not require regular inspections. We agree and support the exclusion of these items from the cargo fee.

We also support the expansion of tasks covered under this measure. Biosecurity includes a wide range of activities and this language will address that need.

HFBF strongly requests your support of this measure, with an **amendment to enact this measure at time of passage**. We recognize and appreciate the Legislature's efforts to implement the Hawaii Biosecurity Law. If there are any questions, please contact Luella Costales at 848 2074. Thank you

**TESTIMONY**  
**HB 2294 HD2**  
**(END)**