

**HB 2294,  
HD2, SD1  
Testimony**

**SENATE COMMITTEE ON  
WAYS AND MEANS**

March 24, 2010

House Bill 2294, HD 2, SD 1 Relating to Agriculture

Chair Kim and members of the Senate Committee on Ways and Means, I am Rick Tsujimura, representing AES Hawaii, Inc (“AES”).

AES supports House Bill 2294, HD 2, SD 1 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 urge passage of the measure.

Thank you for the opportunity to present this testimony.



Senator Donna Mercado Kim, Chair  
Senate Committee on Ways and Means

Wednesday, March 24, 2010; 9:30 a.m.  
Hawaii State Capitol, Conference Room 211

**RE: HB 2294 HD2 SD1 – Relating to Agriculture**

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I'm Robert Creps, Senior Vice President of Grace Pacific Corporation ("Grace Pacific"). Grace Pacific supports HB 2294 HD2 SD1 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 SD1 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 comment on this measure. We ask for your support in maintaining the exemption language.



# **HAWAIIAN CEMENT**

**A subsidiary of Knife River Corporation**

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Senator Donna Mercado Kim, Chair  
Senate Committee on Ways and Means

Wednesday, March 24, 2010; 9:30 a.m.  
Hawaii State Capitol, Conference Room 211

**RE: HB 2294 HD2 SD1 - Relating to Agriculture**

Chair Kim, Vice Chair Tsutsui 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 SD1 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.

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

March 24, 2010

HEARING BEFORE THE  
SENATE COMMITTEE ON WAYS & MEANS

TESTIMONY ON  
HB 2294, HD 2, SD 1  
RELATING TO AGRICULTURE

Chair Kim and committee members:

My name is Alan Takemoto, 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  
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Testimony of The Nature Conservancy of Hawai'i  
Supporting the Intent of H.B. 2294, SD1 Relating to Agriculture  
(Provided by Mark Fox, Director of External Affairs)  
Senate Committee on Ways and Means  
Wednesday, March 24, 2010, 9:30am, Rm. 211

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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 the intent of H.B. 2294, SD1 and submits the following comments:

- **We support reasonable service fees and meaningful fines 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 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.
- **We prefer the current text of S.B. 2523, HD1** that has a more appropriate level of fines and a more specific definition for "aggregate bulk freight" than in the text of H.B. 2294, SD1 before this Committee.

Thank you for the opportunity to comment.

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**kim2 - Jo Ann**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 22, 2010 7:18 PM  
**To:** WAM Testimony  
**Cc:** Luella@hfbf.org  
**Subject:** Testimony for HB2294 on 3/24/2010 9:30:00 AM

Testimony for WAM 3/24/2010 9:30:00 AM HB2294

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Luella Costales  
Organization: HFBB  
Address:  
Phone:  
E-mail: [Luella@hfbf.org](mailto:Luella@hfbf.org)  
Submitted on: 3/22/2010

**Comments:**

Enforcement is needed to implement laws and therefore, we support the fines. The exemptions include low risk commodity items that will help contain costs for consumer.