

TESTIMONY
HB 2409, HD2
LATE

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17 March 2010

To: Committee on Agriculture

Re: HB 2409, rev. 2409 H.D.2

Aloha Kakou,

My name is David Takaki and I am a resident of Hawaii. Although I am not presently engaged in mariculture or aquaculture operations, I have tracked and kept current with research and programs in Hawaii and elsewhere since the days of Tap Pryor. That is, since the late sixties - early seventies.

I have also been active with various environmental nongovernmental organizations over the decades.

My support of Hawaiian First Nation issues and rights also goes back to the late sixties. I do not see my support for this bill to be antithetical to the concerns and interests of "First Nation People" in our state. Some of you are more familiar with the moniker 'Native Hawaiian'. For this presentation I prefer the more direct, historically descriptive Canadian term.

I state this so that you understand the personal context within which I present today's testimony. Since I am not physically present to testify, I believe my personal bias and ethos is relevant and germane to committee members whom I trust will peruse this testimony.

I support the intent and passage of House Bill 2409 as amended and before the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

It reflects an astute understanding of the limitations of HRS Section 171-59

In further support of House Bill 2409 I would like to address issues and concerns that may be benefited by this legislation.

The University of Hawai'i at Manoa is one of the original Sea Grant Colleges. In 1988 the University established the School of Ocean and Earth Science and Technology, commonly known as SOEST. Hawai'i is a world-class locus for ocean related research. Graduates and researchers from SOEST have fanned out across our planet and have had a strong influence on ocean sciences and technology. And therein lies the rub. Like graduates from other departments and colleges at Manoa, our investment in people leaves Hawai'i in the economic diaspora that has sent our best and brightest to benefit other states and countries.

I know of a young man, a Native Hawaiian from Moloka'i who has recently returned from Chile where he worked in mariculture because of no opportunity in

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Hawai'i. I know of another Native Hawaiian from Keanae on Maui, a veteran who is now a doctoral candidate at Scripps in San Diego who would like nothing better than to return to Hawai'i to work and help build a world class mariculture industry with Native Hawaiian involvement. And then there is another Hawai'i native, this time Japanese American, who recently returned from South East Asia who is looking for opportunity in mariculture. Unfortunately this dearth of opportunity in the mariculture sector is what sent him away to begin with.

Shall I tell you about the young Native Hawaiian woman at the University of Hawai'i at Hilo who is studying microalgae culture. Will she too leave home to find opportunity?

Yes, the Hilo campus is also involved in Mariculture research and development, as is Hawai'i Pacific University.

Our state continues to do research that serves to benefit other states and countries. What's the sense in this if we don't support development in Hawai'i?

Currently, the National Oceanic and Atmospheric Administration is engaged in developing regulations for offshore mariculture in US waters 200 to 3 miles offshore. If Hawai'i remains in neutral, the industry might develop 3+ miles offshore with untethered technologies being developed in Hawai'i, Massachusetts, and Puerto Rico (ironically, with expatriate SOEST graduates' participation). If this occurs, expect commercial entities to obtain leases under the structure of a foreign C corporation, say from Nevada, where there is no corporate tax. Product would then transship thru Hawai'i, and aside from sales in our state, the only direct revenue benefit we will get will be taxing the profits of a transshipment subsidiary. We will again have shot ourselves in the foot.

There is more at stake in the passage of this bill than simply facilitating federal loan guarantees.

Mahalo nui loa.

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**West County Farm Bureau
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Water, Land, Agriculture, and Hawaiian Affairs Committee
Senator Clayton Hee, Chair
Senator Jill N. Tokuda Vice-Chair

Wednesday March 17, 2010
TIME: 2:45pm
PLACE: Conference Room 229

RE: Testimony In Strong Support of HB2409 HD2- Relating to Aquaculture

Chair Hee, Vice-Chair Tokuda, and Committee Members,

West County Farm Bureau represents farmers, ranchers and aquaculture farmers from the Waianae Coast, Central Oahu and the North Shore of Oahu. strongly supports HB2409 HD2 as written because it would increase lease terms for aquaculture to 45 years; it would provide lessees in good standing the right of first refusal; and it would allow additional supportive aquaculture activities such as aquaponics, which would reuse aquaculture effluent water to grow additional plant products.

We respectfully request your support of HB 2309 HD 2 for our aquaculture farmers who have worked so hard to grow this industry over 30 years and contributed to the diversification of our economy by encouraging increased investment in land-based, coastal, and ocean aquaculture ventures.

Mahalo for your support of Hawaiian Agriculture.

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TO: Committee on Agriculture

FROM: Bruce S. Anderson, Ph.D.

RE: **Testimony Supporting HB2409 HD2- Relating to Aquaculture**

Aloha Chair Hee, Vice-Chair Tokuda, and Committee Members,

This testimony is in **support** of HB2409 HD2 as it will help to stimulate and diversify our economy by encouraging increased investment in land-based, coastal, and ocean aquaculture ventures in Hawaii. More specifically, the bill would:

1. Increase lease terms for aquaculture to 45 years thereby encouraging increased investment in expensive aquaculture infrastructure and equipment requiring long-term financing, and encourage multi-generational commitment to aquaculture farming;
2. Provide lessees in good standing the right of first refusal such that their years of financial investment in the aquaculture farming operation are not put on the auction block and potentially lost to a higher bidder who may not have the commitment or experience of the lessee who has already demonstrated such commitment and experience; and
3. Allow additional supportive aquaculture activities, such as aquaponics, which would reuse aquaculture effluent water to grow additional plant products thereby improving the overall financial viability of the operation, or the generation of renewable energy, which could improve the long-term sustainability of the operation.

Aquaculture and aquaponics are relatively new and rapidly growing industries in Hawaii. They have the potential to meet a significant portion of the need for fresh food and produce while helping to stimulate and diversify our economy. Considerable investment and commitment is required to build the necessary facilities to support these operations. These measures are necessary to give farmers and investors the opportunity to recoup their investments and to take a long-term view in their development and operations.

Thank you for the opportunity to testify in support of this bill.

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