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Governor



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Chairperson, Board of Agriculture

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WRITTEN TESTIMONY OF SANDRA LEE KUNIMOTO  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS  
THURSDAY, FEBRUARY 18, 2010  
9:30 A.M.

SENATE BILL NO. 2236, S.D. 1  
RELATING TO INVASIVE SPECIES

Chairperson Mercado Kim and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2236, S.D. 1. The purpose of this bill is to establish fines for failing to pay, bill, or remit the inspection, quarantine and eradication fee. The department supports this measure and would like to provide additional supporting comments on this bill.

When Act 3 passed in the 2008 special session, it broadened the imposition of a fee for the inspection, quarantine, and eradication of invasive species contained in any freight to include not only commercial container shipments, but air freight, or any other means of transporting freight, whether foreign or domestic, that is brought into the State. However, the 2008 legislation did not provide for the enforceability of collecting these fees from the person responsible for paying the freight charges, nor did it address the collection of said fees by the transportation company and the failure by the transportation company to forward them to the department. By providing for a penalty for failure to pay or remit the service fee as proposed in this bill, accountability is established for the collection and remittance of said fees to the department. Therefore, the proposed provisions in this bill should assure the proper collection and deposit of the inspection, quarantine, and eradication service fee for incoming commercial freight.

FEB 17 2010

**SB 2236 SD1  
RELATING TO INVASIVE SPECIES**

**PAUL T. OSHIRO  
MANAGER – GOVERNMENT RELATIONS  
ALEXANDER & BALDWIN, INC.**

**FEBRUARY 18, 2010**

Chair Kim and Members of the Senate Committee on Ways & Means:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) and Matson Navigation Company, Inc. (a subsidiary of A&B) on SB 2236 SD1, "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES."

In 2008, amendments were enacted to broaden the scope of the invasive species user fee from one that assessed fees only on freight brought into Hawaii by maritime containers to one that assessed fees on all modes by which commercial freight is brought into the State, including air and maritime containerized and non-containerized freight. We understand that at present this invasive species user fee is utilized to fund the agricultural inspection and biosecurity programs, which includes invasive species inspection services for both maritime and air freight entering into the State. We support the present broad based application of the invasive species user fee that requires all shippers to pay for these inspection services through the payment of this fee.

Matson has dedicated a considerable amount of time, effort, and expense to implement the assessment, collection, and disbursement of this new fee by the effective date of August 1, 2008. We were successful in starting up the collection of this new fee by the effective date and have since been diligently proceeding with its implementation.

This bill establishes fines for a transportation company who fails to bill the person responsible for paying the freight charges and for a transportation company who fails to remit the invasive species user fees collected to the State. Matson is very much aware of the importance of our role in the billing, collection, and the remittance to the State for the invasive species user fee and we have set as a priority our compliance with these statutory provisions. Matson supports the general intent of this bill to enhance and strengthen the enforcement of the invasive species user fee. We would sincerely appreciate your consideration to ensure that the fines are appropriate for the violations to which they are imposed, in particular for entities who exhibit a concerted effort to comply with these statutory provisions in a timely manner.

Thank you for the opportunity to testify.



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# Hawaii Crop Improvement Association

*Growing the Future of Worldwide Agriculture in Hawaii*

Testimony By: Alicia Maluafiti  
SB 2236 SD1, Relating to Invasive Species  
The Senate Committee on Ways and Means  
Thursday, February 18, 2010  
Room 211, 9:30 am

**Position: Support with Amendments**

Aloha Chair Kim, Vice Chair Tsutsui 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.

**We support SB 2236 with a proposed amendment using language from HB 2294 – section (2) (A):**

**“§150A- Failure to pay or remit the inspection quarantine, and eradication service fee; fines. (a) The following fines shall be imposed for failure to pay, bill, or remit the inspection, quarantine, and eradication service fee as provided for in section 150A-5.3:**

**(1) A person responsible for paying the freight charges to the transportation company who does not pay the fee shall be assessed a fine of \$ \_\_\_\_\_ for every one thousand pounds of freight or part thereof; and**

**(2) A transportation company that does not:**

**(A) Bill the fee to the person responsible for paying the freight charges to the transportation company within fifteen days of the delivery of the freight;  
or**



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(B) Remit the fee to the department within forty-five days of collecting the fee from the person responsible for paying the freight charges to the transportation company,

shall pay a fine of \$ \_\_\_\_\_ for every one thousand pounds of freight or part thereof.

The seed industry has always supported payment of the inspection fees and in fact, we were only made aware that the transportation companies were derelict in payment of those fees to the HDOA when the seed industry initiated meetings in the fall to discuss the impact of the reduction in force and furloughs on the department. The fees for inspection are traditionally included in the freight charges when the transportation company invoices the seed company. Those fees are then transmitted directly to the HDOA by the transportation company.

Mahalo for the opportunity to comment.

Testimony of The Nature Conservancy of Hawai'i  
Supporting S.B. 2236, SD1 Relating to Invasive Species  
Senate Committee on Ways and Means  
Thursday, February 18, 2010, 9:30am, Rm. 211

The Nature Conservancy of Hawai'i supports S.B. 2236, SD1 and submits the following comments:

- **We strongly support reasonable service fees, and the meaningful fines including in this bill for failure to pay such fees**, for the Hawai'i Department of Agriculture's (HDOA) invasive species inspection, quarantine and eradication 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 and spread of pests and diseases.
- **We are very concerned about creating a variety of precedent setting exemptions to the service fees** collected by the HDOA for invasive species inspections. So, we are pleased that the bulk freight exemptions were removed from this bill.

While the exemptions that had been proposed in the original version of S.B. 2236 appear to attempt to cover cargo that are perceived as low-risk pathways for invasive species, HDOA's inspectors still may need to conduct inspections of this cargo or its means of conveyance depending on its point of origin to ensure that indeed no pests are present. If this Committee does consider fee exemptions, we suggest a significantly reduced fee (*e.g.*, 10¢ per 1000lbs.) to account for the significant weight of this cargo and the fact that this non-containerized cargo is somewhat easier to inspect than containerized cargo.

In recent years, the Hawai'i Department of Agriculture (HDOA) developed a multi-faceted Biosecurity Plan to enhance pest prevention efforts with more inspectors, more efficient and effective inspection services, joint state-federal inspection facilities, and agreements with importers and producers for improved sanitary protocols before items are shipped to Hawai'i. Unfortunately, the current general fund budget conditions in the State have caused drastic—and potentially catastrophic—reductions in the Department's capability to inspect incoming cargo. The Department's inspection capacity has dropped so far below anything that can reasonably be expected to be effective that there is a good chance that we won't know what new pest has arrived in Hawai'i until there is an outbreak of some kind. This could include a human disease outbreak. Sufficient funding for inspectors and related prevention services is critical.

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