

**NEIL ABERCROMBIE**  
Governor



**RUSSELL S. KOKUBUN**  
Chairperson, Board of Agriculture

**JAMES J. NAKATANI**  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
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**TESTIMONY OF RUSSELL S. KOKUBUN  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON FINANCE  
THURSDAY, FEBRUARY 24, 2011  
12:00 P.M.  
CONFERENCE ROOM 308**

**HOUSE BILL NO. 325, H.D. 1  
RELATING TO AGRICULTURE**

Chairperson Oshiro and Members of the Committee:

Thank you for the opportunity to comment on House Bill No. 325, H.D. 1. The Department of Agriculture supports the intent of the bill to appropriate funds to establish a refrigerated food storage facility at the Hilo International Airport.

The Department appreciates your committee's interest in establishing the facility to support our local agricultural producers. However, facilities sited on lands under the primary jurisdiction of the Department of Transportation (DOT) require concurrence and are typically constructed by DOT. Thus, the Department would defer to the comments of the Department of Transportation.

Thank you for the opportunity to testify on this bill.



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
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February 24, 2011

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE COMMITTEE ON FINANCE

HOUSE BILL NO. 325, H.D. 1

The Department of Transportation understands and appreciates the need for agricultural support facilities at the state's airports. In this regard, the DOT would conditionally support House Bill 325, H.D. 1 since the Hilo International Airport is an ideal site for a food storage facility as proposed. A new refrigerated food storage facility would enhance and support the large emerging diversified agricultural farming industry on the island of Hawaii.

The conditions of support are: 1) There is adequate space at the airport for such a facility in a location that will work in conjunction with the airport master plan, and 2) Operators of the facility pay fair market value rent under a lease with DOT set by appraisal.

The reason for condition number 2 is the DOT cannot provide any subsidies for such a facility since Federal law prohibits the use of airport revenue for expenses unrelated to the capital and operating costs of the airport, the airport system, or facilities devoted to air transportation. A food storage facility as proposed falls outside the scope of permitted airport activities.

Additionally, the DOT-Airports Division has executed grant agreements to construct airport facilities with federal funds. All grant agreements mandate that airport revenue be expended only for capital or operating costs of the airport that are directly and substantially related to the actual air transportation of passengers or property. A food storage facility as proposed falls outside this definition. As such, the use of airport revenue for this type of facility may result in the breach of this provision thereby jeopardizing the ability to receive future federal funds.

Based on the above, the DOT supports House Bill 325, H.D. 1.



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

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February 24, 2011

**TESTIMONY**

**Re: HB 325HD1 HD1 RELATING TO AGRICULTURE**

Chair Oshiro and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of commercial farm and ranch families and organizations in the State provides the following comments on HB325 appropriating funds for a refrigerated food storage facility at Hilo International Airport.

Facilities to maintain the integrity of products at ports and harbors during transportation is important to the viability of our farmers and ranchers. At the same time, we recognized the importance of protecting ourselves from invasive species (including avoid delays in harbor/port improvement projects due to lack of ability to prevent Invasives). During the last few years, we have seen great uneasiness from the community when YB announced the possibility of discontinuing LCLs. All of this pointed to a need – a joint use facility used for inspections, consolidation, deconsolidation and short term storage for goods awaiting transport. HDOA with HFBF support has been working towards a Federal-State partnership to achieve this end with the support of all of the Counties.

**We respectfully request discussion HDOA regarding their Joint Use Facility Plans as this measure moves forward.** We do not have the resources to develop projects such as this in isolation.

We appreciate this opportunity to provide our opinion on this important matter. If there are questions, please contact Warren Watanabe at 2819718. Thank you