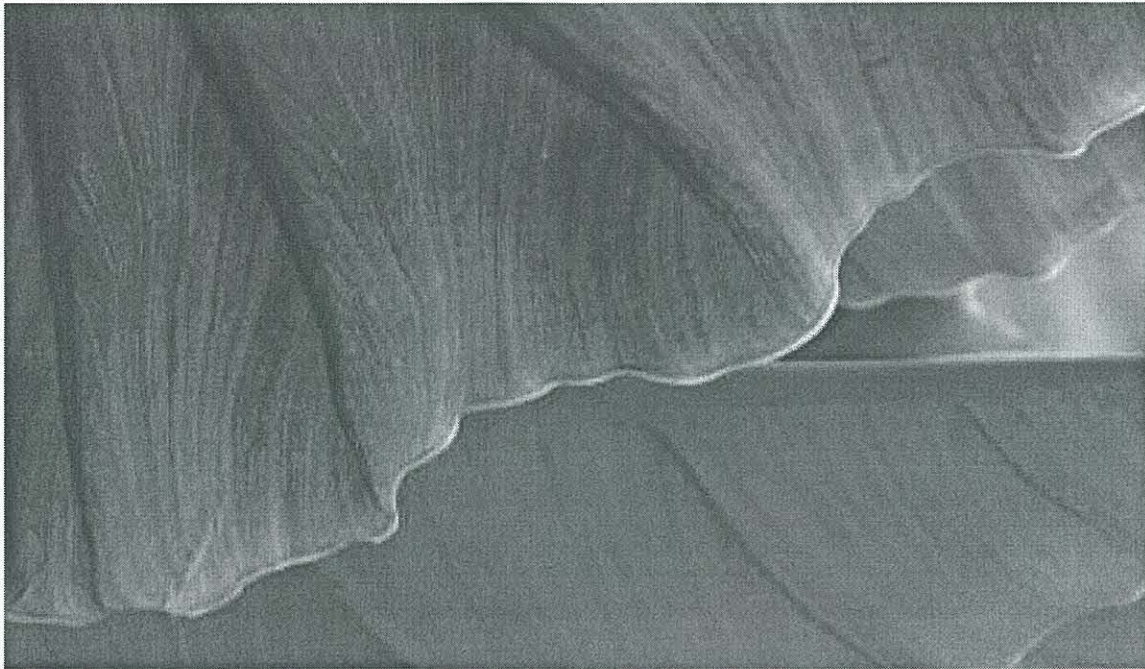


SB 2331

Late
Testimony

LATE



State Democratic Headquarters ♦ 1050 Ala Moana Boulevard, D26 ♦ Honolulu, Hawai'i, 96814
(808) 596-2980 ♦ <http://EnvironmentalCaucusoftheDemocraticPartyofHawaii.com>

February 7, 2012

Testimony to Oppose of Senate Bill 2331

Aloha Chairman Clarence Nishihara, Vice Chair Gilbert Kahele and agricultural committee members. My name is Mrs. Juanita C. Kawamoto Brown, Subcommittee Chair of Food and Farm Sustainability of the Environmental Caucus of the Democratic Party of Hawaii, Executive Board member at Large and a Hawaii citizen advocate.

I am here to testify in opposition to SB2331 because of my organization's concerns with placing so much fiscal and administrative responsibility into an entity that was originally formed as a management tool for irrigation systems that were abandoned by large agricultural land owners who were no longer able to maintain these systems. We are concerned that the ADC is being utilized to form a quasi public entity within the Department of Agriculture and therefore will limit the people of Hawaii from review and oversight of their agricultural business activities.

The need for a boat or ferry system to provide access for local farmers from all over the islands is way past due. We want this ferry program to become a successful and state run program that should be managed by a agency that would be more adept and historically experienced in transportation and shipping endeavors. We do not believe

that expertise exists within the ADC..

Please oppose this bill and thank you for the opportunity to provide testimony.

Juanita C. Kawamoto Brown
Subcommittee Chair
Environmental Caucus of the Democratic Party of Hawaii
Democratic State Headquarters
1050 Ala Moana Blvd, D26
Honolulu, Hawaii 96814



STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
235 S. Beretania Street, Room 205
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Phone: (808) 586-0186 Fax: (808) 586-0189

LATE

TESTIMONY OF JAMES NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEES ON
AGRICULTURE AND TRANSPORTATION AND INTERNATIONAL AFFAIRS

Tuesday, February 7, 2012
2:45 P.M.
Conference Room 229

SENATE BILL NO. 2331
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Chairpersons Nishihara, English, and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill No. 2331. The purpose of this bill is to appropriate funds to the Agribusiness Development Corporation (ADC) for the operation of a boat or ferry to assist with interisland shipping of livestock and produce. ADC supports the intent of this bill with the following comments.

It is significant that 68 percent of the consumers of the state are on Oahu while Oahu accounts for less than 6 percent of the total state farm land. This current supply and demand dynamic has been in place for decades and has become unsustainable due primarily to the rising cost of fuel.

This bill proposes that ADC be appropriated funds for a boat or ferry operation to assist with shipping of livestock and produce. ADC agrees that an appropriation to help solve the cost of interisland shipping is needed and believes that the challenges facing the current surface transportation providers will be the same challenges ADC would have if tasked to begin a boat or ferry operation.

It is estimated that the proposed operation would require from seven to 10 million dollars to purchase a used medium barge and a used tug, which would cost approximately six to eight million dollars, with the additional funds for equipment and operations. ADC believes the funds could be used to support alternative solutions, for example, a containerization station that would provide a location for companies to consolidate, load/unload and prepare documents necessary for compliance with security and regulatory agencies, or a subsidy for freight forwarders to move livestock and produce, or a program similar to the "essential air service" model for underserved areas, or work with the current service providers to offset costs for the agriculture industry.

Thank you for the opportunity to comment on this bill