

Written Testimony

By

Russell Honma

SB-2400

Senate Joint Committee

EDT/TIA/TSM/WAM

February 15, 2012

Good Afternoon State Senators! My name is Russell Honma, International Transportation and Business Consultant. I have retired from the State Department of Transportation, Statewide Planning Office. Whereas, the State Department of Business, Economic Development and Tourism (DBEDT) in conjunction to the US Commerce, International Trade Administration (ITA) should be involved with the International Governmental Policy Making Procedure. The collaboration between the Federal Agencies and the State of Hawaii Governmental Agencies is vital to make this China-Hawaii Strategic Plan Working Group to be successful.

As you know the recent APEC Hawaii 2011 Conference in Honolulu, Hawaii has heighten the interest of International Relations and Economic Development in the Asia Pacific Region because of the APEC, ABAC Working Group and their delegates submitting their working papers. We can use the APEC, ABAC Working Group as a role model and attract other players in the Asia Pacific Region.

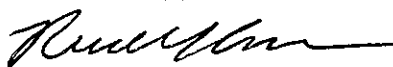
The China-Hawaii Economic Strategic Plan Working Group must consist of different players whom understand s the dynamics of Asia Pacific Region and has the connections to "Net Work" within the International Businesses and Foreign Governments

Whereas, Mr. Xi the new Premier and President of China is visitng the U.S. currently and the Relationship between Sino China and U.S. is very vital to our economy. The China-Hawaii Economic Strategic Plan Working Group must address the following concerns:

- 1.) The Humantarim issue and Women Equal Rights Issue;
- 2) Intellectual Property Rights and Infringements of Copy Rights;
- 3) Meets the standards of the World Trade Organization (WTO);
- 4) China needs to Invest more in the International Economic Development Aids and Projects such as in N.G.O. and O.D.A.;
- 5) Technology Transfers and International Joint Ventures, Consortium Projects;

For thoses reasons I support the SB-2400 and I hope the Working Group will consider the above measures and concerns. If you have any questions please contact me at E-mail:[Russell Honma@yahoo.com](mailto:RussellHonma@yahoo.com). Or call (808) 265-5261. I would be more than happy to be on the Working Group.

Very truly yours,
Russell Honma



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Testimony Re: Hawaii SB 2400

February 15, 2012

Hawaii SB 2400 should not be passed in its present form for the following reasons:

1. SB 2400 only targets China. The emphasis should at least be on East Asia including the countries of Japan, Korea, Russia AND China. There are profitable interlocking trade relationships developing within this region that Hawaii can benefit from than simply focusing on China. In addition, there are several global markets outside of East Asia that are easier and more profitable for Hawaiian companies to enter.
2. SB 2400 calls for a Hawaii – China strategic plan to be completed by December 30, 2012 with implementation by 2020. This is not feasible. China is a dynamic and fast-changing economy in which companies doing business there need to frequently update strategic plans to stay relevant to the market. The timetable called for in SB 2400 is incompatible with facts on the ground in China. A strategic plan finished by 2012 should be implemented in 2013 with provisions for updating every two years.
3. The product and service mix targeted in SB 2400 is subject to severe government regulation in China and prospects for realizing profitable gain are minimal. Those products and services that may be feasible are already reaching saturation in some local and regional Chinese markets provisioned by both Chinese and foreign companies. Hawaii should be identifying what products and services will be in demand (that people are willing to pay for) over the next three to four years and determine if Hawaiian companies can meet this demand. For investment into China, Hawaiian planners should consult China's recently updated, "Catalogue of Industries For Guiding Foreign Investment" which details those business and industry sectors in China that are "encouraged", "restricted" or "prohibited" for foreign investment.
4. Any strategic plan for doing business with China should declare an unshakeable commitment to the practices of reciprocity, equal access and equal treatment. SB 2400 does not contain this essential principle. Without it, two-way trade between Hawaii and China will quickly become skewed in favor of China.

There are profitable opportunities for bi-lateral trade with China but SB 2400 is not the vehicle for delivering the benefits of this relationship to Hawaii's citizens.

Respectfully,

A handwritten signature in black ink that reads "Michael Sacharski". The signature is written in a cursive, flowing style.

Michael Sacharski

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