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GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the House Committee on
FINANCE**

**Wednesday, February 26, 2014
11:15 AM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 2622, HOUSE DRAFT 1
RELATING TO MARINE RESOURCES**

House Bill 2622, House Draft 1 proposes to establish a coral reef and marine life conservation Special Fund within the Department of Land and Natural Resources (Department). **The Department opposes this measure as it is too broad.**

The Department recommends an alternative, and more narrowly tailored, approach as outlined in the proposed House Draft 2 (attached).

Proposed House Draft 2 removes special funds and simply directs the Department to

1. Establish an "Aquatic Restoration and Mitigation Policy,"
2. Develop an "Aquatic Restoration and Mitigation Plan," and
3. Submit a progress report to the 2016 Legislature.

Restoring and mitigating losses to Hawaii's aquatic resources is at the core of the Department's responsibilities. It should be addressed in its own right and not conflated with other duties.

The Department strongly urges this Committee to replace House Draft 1 with the new proposed House Draft 2.

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

A BILL FOR AN ACT

RELATING TO MARINE RESOURCES

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Legislature finds that Hawaii’s aquatic resources, including its coral
2 reefs, are being depleted from adverse effects of both 1) planned impacts (actions authorized and
3 permitted by regulatory agencies), and 2) unplanned impacts (such as ship groundings). In
4 addition, coral is coming under increasing stress from climate change, pollution, acidification,
5 and land based sedimentation.

6 Coral and coral reefs are public trust resources of the State and must be preserved,
7 protected, and, where possible, enhanced. The Legislature recognizes and reaffirms the
8 responsibility of the Department of Land and Natural Resources to protect and conserve these
9 resources in the best interests and for the citizens of the Hawaii now and for future generations.

10 SECTION 2. Therefore, the Legislature directs the Department Land and Natural
11 Resources to

12 1. Establish an “Aquatic Restoration and Mitigation Policy” that will guide the restoration
13 and conservation of aquatic (coral) resources to offset the losses associated with planned
14 and unplanned impacts. The goal of this policy will be to aim for a “no net loss of
15 resources.”

16 2. Develop an “Aquatic Restoration and Mitigation Plan” to guide the Department’s actions
17 (both pro-active and responsive) regarding damage and loss of the state’s aquatic (coral)
18 resources.

1 SECTION 3. The Department shall submit a progress report to the Legislature twenty
2 (20) days prior to the convening of the 2016 Legislative session.

3 SECTION 4. This Act shall take effect on approval.

4

INTRODUCED BY: _____

5



HB2622 HD1
RELATING TO MARINE RESOURCES
House Committee on Finance

February 26, 2014

11:15 a.m.

Room 308

The Office of Hawaiian Affairs (OHA) **SUPPORTS WITH AMENDMENTS** HB2622 HD1, which would provide a vehicle for generating and dedicating much-needed revenues for the protection and conservation of our natural aquatic resources.

Hawai‘i’s ocean resources form the bedrock of our islands. Hawai‘i’s marine environment and natural resources serve as a cultural, economic, social, scientific and recreational foundation for these islands. OHA notes that economic studies in 2002 and 2003 found an overall contribution of \$800 million in revenue generated from our coral reefs and coastal resources, with an added recreational, amenity, fishery, biodiversity and educational value of \$364 million per year. A more recent report released in 2011 utilizing “innovative economic survey techniques” found that across U.S. households, the economic value of protecting Hawai‘i’s nearshore environment could be estimated at \$34 billion a year. While our ocean waters clearly hold cultural, spiritual and biological significance beyond any monetary value, these economic analyses clearly reflect the critical nature of our marine environment to Hawai‘i nei.¹

This measure provides an opportunity to better ensure that planned and unplanned impacts to Hawai‘i’s fragile ocean environment result in appropriate compensation, dedicated to the rehabilitation of our marine resources. Over the last few decades, it has become abundantly clear that Hawai‘i’s ocean environment is subject to constant and ever-growing threats from a variety of sources, ranging from human overuse,

¹ See Carlie S. Weiner, Mark D. Needham, & Paul Wilkinson, Hawaii's real marine life park: interpretation and impacts of commercial marine tourism in the Hawaiian Islands, 12 CURRENT ISSUES IN TOURISM 489, 489-90 (2009) citing P.J. van Beukering & H.S. Cesar, Ecological economic modeling of coral reefs: Evaluating tourist overuse at Hanauma Bay and algae blooms at the Kihei Coast, Hawai'i 58 PAC. SCIENCE 243 (2007); A.M. Friedlander et. al., The state of coral reef ecosystems of the main Hawaiian Islands in THE STATE OF CORAL REEF ECOSYSTEMS IN THE UNITED STATES AND PACIFIC FREELY ASSOCIATED STATES 222-269 (2005), K. DAVIDSON, M. HAMNET, & C. MINATO, ECONOMIC VALUE OF HAWAII'S NEARSHORE REEFS (2003), available at [http://nature.forestry.oregonstate.edu/sites/default/files/2009-2%20CIT%20-%20Wiener%20Needham%20Wilkinson%20\(2009\).pdf](http://nature.forestry.oregonstate.edu/sites/default/files/2009-2%20CIT%20-%20Wiener%20Needham%20Wilkinson%20(2009).pdf); HERMAN CESAR ET. AL, ECONOMIC VALUATION OF THE CORAL REEFS OF HAWAII FINAL REPORT 74 (2002), available at http://www.coralreef.gov/meeting18/evhcri_samoa_2007.pdf; RICHARD C. BISHOP ET. AL., TOTAL ECONOMIC VALUE FOR PROTECTING AND RESTORING HAWAIIAN CORAL REEF ECOSYSTEMS: EXECUTIVE SUMMARY (2011), available at http://coralreef.noaa.gov/aboutcrp/news/featuredstories/oct11/hi_value/resources/protecting_restoring_hawaiian_cre.pdf.

to land- and water-based pollution, to climate change, to development projects and vessels groundings. The special fund created by this measure will enable and encourage the Department of Land and Natural Resources (DLNR) to pursue adequate compensation for environmental impacts from a number of these threats, such as vessel groundings and other administrative violations of our ocean resource laws, as well as planned development projects involving damage to the marine environment. Insofar as the compensation received from such impacts will be dedicated to the rehabilitation, protection and management of our invaluable ocean resources, OHA believes that this measure may be an important step forward in ensuring that these resources can continue to support our present and future generations.

OHA urges the committee to amend this measure's special fund, to include revenues generated from user fees from our most popular marine life conservation districts. OHA notes that this measure may be significantly enhanced by authorizing the DLNR to establish user fees for some of our most popular marine life conservation districts that are primarily utilized by nonresident visitors to our islands. Many of these visitors come specifically to appreciate our marine resources, and while their collective activity carries a broad range of impacts that may degrade our ocean environment, they generally do not have the opportunity to pay income taxes that could otherwise support our state's natural resources management programs. Even a modest fee of one dollar at a single marine life conservation district, namely Hanauma Bay in Waimānalo, could have the potential to significantly increase the state's annual investment in aquatic resources management. Accordingly, OHA urges the committee to add the following language to page 2, line 17 of this measure:

- (4) Monies collected as user fees, established pursuant to chapter 91, for entry into marine life conservation districts with an annual nonresident visitor count of over 500,000 visitors per year, provided that counties may collect a portion of such fees for actual administrative costs related to regulating entry and charging fees to any such marine life conservation district.

Accordingly, OHA urges the Committee to **PASS WITH AMENDMENTS** HB2622 HD1. Thank you for the opportunity to testify on this important measure.



Ocean Tourism Coalition

The Voice for Hawaii's Ocean Tourism Industry
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timlyons@hawaiiintel.net

February 26, 2014

Testimony To: House Committee on Finance
Representative Sylvia Luke, Chair

From: Tim Lyons, CAE
Executive Director

Subject: H.B. 2622, HD 1 - RELATING TO MARINE RESOURCES.

Chair Luke and Members of the Committee:

I am Tim Lyons, Executive Director of the Ocean Tourism Coalition and we support this bill.

Although we generally have a philosophical problem in establishing special funds, we think that in this case an exception should be made. Marine resources are vitally important to us. Money is also important but it is not to be found. In order to support MLCD's, it seems only appropriate then, that fine money from violations that occur within an MLCD go to further enhance the existence of that MLCD.

Based on the above, we support this bill and recommend your adoption.

Thank you.

finance1

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 25, 2014 10:42 AM
To: FINTestimony
Cc: teresamlee.51@gmail.com
Subject: Submitted testimony for HB2622 on Feb 26, 2014 11:15AM

HB2622

Submitted on: 2/25/2014

Testimony for FIN on Feb 26, 2014 11:15AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Teresa L. Nakama	BIFA	Oppose	No

Comments: This bill is a complete waste of our hard earn taxpayers money. DLNR and DAR division already has zone protected areas, contracts with conservationist, and college students from all over the United States that come here for their research papers and the list goes on. Do not waste our hard earn taxpayers money on repetitive projects that already is being done by many others. We already have more rules and regulations and revised HAR and revised HRS that covers these areas of concern. Please oppose this bill and send the funds to serve the overall general public with vital concerns of public education, health and welfare, housing, and elderly care.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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BILL NO. HB2622 HD1
TITLE: CORAL REEF AND MARINE LIFE CONSERVATION SPECIAL FUND
HEARING DATE: February 26, 2014
TIME: 11:15 am
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

FROM: Roy N. Morioka

TESTIMONY IN OPPOSITION

Honorable Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the House Committee on Finance:

Thank you for this opportunity to provide testimony in opposition to this bill. While I can appreciate the intent of the bill, it serves to negatively limit the DLNR's ability to effectively conserve and manage our precious marine resources. The DLNR, like most other departments within our State are faced with limited fiscal resources and to specify and preserve these scarce dollars to a very narrowly focused use is extremely short sighted.

Coral reef monies are already generally tied to federal funds with specific guidelines. I strongly hold that all marine resources, not only corals and those in MLCs must be effectively monitored, assessed and managed via access to all departmental funds. The DLNR's need to access all funds is amplified and necessary to respond to marine resource emergencies when they occur. The DLNR's limited ability to effectively monitor, assess and manage our marine resources today is demonstrated by their use of surveys, non-science-based assessments, and non-Hawaii generated science and data, instead of peer-reviewed, consistently administered contemporary and empirical science conducted in Hawaii for the development of our State's marine resource conservation and management measures.

Respectfully submitted,

Roy N. Morioka

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 25, 2014 10:33 AM
To: FINTestimony
Cc: hfacte@gmail.com
Subject: *Submitted testimony for HB2622 on Feb 26, 2014 11:15AM*

HB2622

Submitted on: 2/25/2014

Testimony for FIN on Feb 26, 2014 11:15AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Edwin Watamura	Individual	Oppose	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 25, 2014 1:32 PM
To: FINTestimony
Cc: nanihawaii@aol.com
Subject: Submitted testimony for HB2622 on Feb 26, 2014 11:15AM

HB2622

Submitted on: 2/25/2014

Testimony for FIN on Feb 26, 2014 11:15AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
nani pogline	Individual	Oppose	No

Comments: The conservation efforts have reached an imbalance in Hawaii. Public access and usage of coastal areas have become too restricted and locked up with "conservation" agendas.

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