

Honolulu, Hawaii
February 6, 2014

RE: H.B. No. 1765
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 1765 entitled:

"A BILL FOR AN ACT RELATING TO SANDALWOOD,"

begs leave to report as follows:

The purpose of this measure is to provide for the conservation of native sandalwood species by requiring the Department of Land and Natural Resources to issue licenses and enforce conditions for sandalwood harvesting and by providing administrative and criminal penalties for violations.

The Foundation for Islands of Harmony submitted testimony in support of this measure. Hawai'i Forest Industries Association and Forest Solutions, Inc. submitted testimony in opposition. The Department of Land and Natural Resources; Haloa Aina, LLC; and two individuals submitted comments.

Your Committee finds that Hawaii's endemic species of sandalwood, iliahi, is in immediate threat due to the possible destruction of many of its last remaining stands. Trees that are hundreds of years old may be cut without impunity because of a lack of regulation. Regulating sandalwood harvesting to preserve old-growth trees, incentivize cultivation of new trees, and promote sustainable use will contribute to conservation and to developing both large-scale and cottage industries.



Your Committee further finds that the House of Representatives has previously requested the creation of a task force to investigate regulating the harvesting of Hawaiian sandalwood through the passage of House Resolution No. 147 (2012). However, that task force was not able to conduct its requested duties because of budget constraints in the Board of Land and Natural Resources. Your Committee finds that this issue has remained important and timely, particularly in light of current state initiatives to protect Hawaii's irreplaceable mauka watersheds. Sustainable cultivation and harvesting of forest products is a potential growth industry in the State. Properly managed, such enterprises can contribute to both restoration of natural resources and economic opportunity.

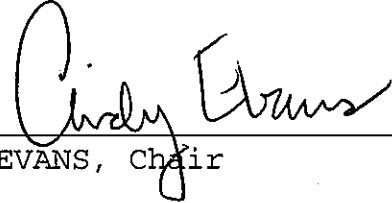
Your Committee has amended this measure by:

- (1) Deleting provisions prohibiting the destruction or harvesting of sandalwood trees of a specified age or without or in violation of a license issued by the Department of Land and Natural Resources and providing penalties for non-compliance;
- (2) Inserting new language establishing a task force in the Department of Land and Natural Resources, specifying its membership, and directing it to investigate and make recommendations on the sustainable use and regulated management of sandalwood resources;
- (3) Appropriating an unspecified sum to the Department to support the operations and administration of the task force; and
- (4) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1765, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1765, H.D. 1, and be referred to the Committee on Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Water & Land,

A handwritten signature in cursive script that reads "Cindy Evans". The signature is written in black ink and is positioned above a horizontal line.

CINDY EVANS, Chair



