



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

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Statement of  
**LUIS P. SALAVERIA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT,  
TOURISM, AND TECHNOLOGY**  
**&**  
**AGRICULTURE AND ENVIRONMENT**

Friday, March 16, 2018  
1:25 p.m.  
State Capitol, Conference Room 414

in consideration of

**HB 1960, HD2**  
**RELATING TO AQUACULTURE.**

Chairs Wakai, Gabbard; Vice Chairs Taniguchi, Riviere; and Members of the Committees.

The Department of Business, Economic Development & Tourism (DBEDT) supports the intent of HB 1960, HD2, which appropriates \$300,000 for the planning and participation at the World Aquaculture Society meeting in Honolulu in February 2020, so long as it does not displace Administration priorities.

Hawaii can capitalize on the commercial opportunity in the global aquaculture industry by raising its global visibility in marine aquaculture, through this conference.

Thank you for the opportunity to testify.



# NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

*An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism*



Statement of  
**Gregory P. Barbour**  
**Executive Director**  
Natural Energy Laboratory of Hawaii Authority  
before the

**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY**  
**and**  
**SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT**

Friday, March 16, 2018  
1:25 pm  
State Capitol, Conference Room 414

in consideration of

**HB 1960 HD2**  
**RELATING TO AQUACULTURE.**

The Natural Energy Laboratory of Hawaii Authority (NELHA) strongly supports the intent of HB 1960 HD2 which appropriates monies to the Hawaii Strategic Development Corporation to support the planning and participation at the World Aquaculture Society meeting in Honolulu in February 2020 so long as it does not displace Administration priorities. This measure makes good business sense.

NELHA and HSDC hosted an Aquaculture Industry Summit in November 2017 to bring Hawaii's industry stakeholders together to learn about global investment trends in the industry and to discuss potential strategies for Hawaii to capitalize on its competitive strengths to be a leading region in the global aquaculture industry. There was extremely strong support for this effort and showing the world what Hawaii has to offer at the 2020 meeting.

Making every effort to "put our best foot forward" in this regard at the 2020 event is

certainly a step in the right direction. The global aquaculture industry is poised for a sustained period of growth and expansion. Hawaii is home to both pioneering industry research efforts and commercial activities that have made significant contributions to the global industry. If Hawaii is to capitalize on the commercial opportunity in the global aquaculture industry it will have to undertake a concerted and collaborative effort to raise its global visibility in marine aquaculture.

Thank you for the opportunity to offer these comments.

DAVID Y. IGE  
Governor

DOUGLAS S. CHIN  
Lt. Governor



State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 FAX: (808) 973-9613

SCOTT E. ENRIGHT  
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER  
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, TOURISM,  
& TECHNOLOGY AND AGRICULTURE & ENVIRONMENT**

**MARCH 16, 2018  
1:25 PM.  
CONFERENCE ROOM 414**

**HOUSE BILL NO. 1960 HD2  
RELATING TO AQUACULTURE**

Chairpersons Wakai, Chairperson Gabbard and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 1960 HD2, relating to aquaculture. This bill provides funds to the Hawaii Strategic Development Corporation (HSDC) in the Department of Business, Economic Development, and Tourism (DBEDT) for the planning and participation of the Hawaii aquaculture industry in the Aquaculture America 2020 Conference to be held in Honolulu. The Department supports this bill provided it does not impact the Department's priorities listed in the Executive Budget.

Currently, aquaculture has surpassed fisheries in providing the amount of seafood consumed globally. Countries like Norway, China, Canada, and Chile put great emphasis on aquaculture development to meet the growing demand for high-quality animal protein. Hawaii has the geographic and environmental features to support being a leader in the aquaculture industry. Continued support of aquaculture development will increase Hawaii's food self-sufficiency and contribute economically through job creation.

Appropriating funds to support the planning and participation in Aquaculture America 2020 is an opportunity to showcase Hawaii's aquaculture industry to a global audience and bring international expertise on industry issues to local stakeholders. The Department plans to partner with HSDC to support this world renown conference.

Thank you for the opportunity to testify on this measure.





Written Statement of  
**Robbie Melton**  
Executive Director & CEO  
Hawaii Technology Development Corporation  
before the  
**Senate Committee on Economic Development, Tourism, and Technology**  
and the  
**Senate Committee on Agriculture and Environment**  
Friday, March 16, 2018  
1:25 p.m.  
State Capitol, Conference Room 414

In consideration of  
**HB1960, HD2**  
**RELATING TO AQUACULTURE**

Chairs Wakai and Gabbard, Vice Chairs Taniguchi and Riviere, and Members of the Committees.

The Hawaii Technology Development Corporation (HTDC) **supports** HB1960, HD2 that appropriates funds to support the planning and participation of the Hawaii aquaculture industry in the Aquaculture America 2020 conference.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at promoting technology and innovation jobs. Hawaii has a history of success with aquaculture and the Hawaii Small Business Innovation Research (HSBIR) program and has a world class research facility at NELHA.

HTDC defers to HSDC on the implementation of this measure.

HTDC supports this initiative as long as it does not replace our priorities requested in the Executive Budget. HTDC respectfully requests correction of the defective effective date. Thank you for the opportunity to offer these comments.



**HAWAII  
STRATEGIC  
DEVELOPMENT  
CORPORATION**

No. 1 Capitol District Building  
250 South Hotel Street, Suite 509  
P.O. Box 2359  
Honolulu, Hawaii 96804  
Telephone: (808) 587-3830

Statement of  
**Karl K. Fooks**  
**President**

Hawaii Strategic Development Corporation

Before the  
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, & TECHNOLOGY**  
And  
**SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT**

Friday, March 16, 2018  
1:25 PM  
State Capitol, Conference Room 414

In support of

**HB 1960 HD2**  
**RELATING TO AQUACULTURE**

Chair Wakai, Chair Gabbard, Vice Chair Taniguchi, Vice Chair Riviere and Members of the Committees on Economic Development, Tourism, & Technology and Agriculture and Environment:

The Hawaii Strategic Development Corporation (HSDC) **supports** HB 1960 HD2, which appropriates funds to support the planning and participation of the Hawaii aquaculture industry in the Aquaculture America 2020 conference.

Aquaculture America is the largest aquaculture trade show in the Western Hemisphere with nearly 200 booths and over 2,000 attendees in recent years.

The requested funds would not be used to attract and support the conference as the conference is already confirmed and booked at the Hawaii Convention Center in February 2020. Rather the funds would allow the Hawaii industry the time and resources to collaborate in the development of a consistent message and promotional material to market Hawaii aquaculture to the over 2,000 participants expected at the conference.

If the funds are not appropriated this year there will be insufficient time next year to undertake these preparations to develop the capability to showcase Hawaii's aquaculture industry at the conference.

The local Steering Committee for this conference recently met with the conference organizer and discussed the need to hold a series of events and meetings over the next 18 months to organize and plan the participation of the Hawaii aquaculture

industry in the conference, develop descriptive materials on the aquaculture companies, activities and assets in the State of Hawaii to distribute to conference attendees, and to create promotional events that will showcase the industry ahead of and during the conference. The requested funding will allow HSDC to coordinate the industry's efforts to undertake these efforts.

We recommend that Section 2 be amended, and a new Section 3 be added, with the language below to facilitate the appropriation to the Hawaii Strategic Development Corp.'s Revolving Fund:

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2018-2019 to be deposited into the strategic development corporation revolving fund created by section 211F-5, Hawaii Revised Statutes for the purposes of this Act.

SECTION 3. There is appropriated out of the strategic development corporation revolving fund the sum of \_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2018-2019 for the planning and participation of the Hawaii Aquaculture Industry in the World Aquaculture Society's Aquaculture America 2020 Conference to be held in Honolulu in February 2020.

The sum appropriated shall be expended by the Hawaii strategic development corporation for the purposes of this Act.

HSDC supports the bill as long as it does not either replace or adversely impact the Administration's priorities.

Thank you for the opportunity to provide testimony.

**HB-1960-HD-2**

Submitted on: 3/13/2018 6:59:35 PM

Testimony for ETT on 3/16/2018 1:25:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Tom Leonard	Individual	Support	No

Comments:





Email: [communications@ulupono.com](mailto:communications@ulupono.com)

SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, TOURISM, & TECHNOLOGY AND  
AGRICULTURE & ENVIRONMENT

Friday, March 16, 2018 — 1:25 p.m. — Room 414

### **Ulupono Initiative Strongly Supports HB 1960 HD 2, Relating to Aquaculture**

Chair Wakai, Vice Chair Taniguchi, Chair Gabbard, Vice Chair Riviere, and Members of the Committees:

My name is Kyle Datta and I am General Partner of Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and better management of waste and fresh water. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

**Ulupono strongly supports HB 1960 HD 2**, which appropriates funds for the Aquaculture America 2020 conference, because it aligns with our goal of creating more locally produced food.

If Hawai'i is to capitalize on the commercial opportunity in our nation's aquaculture industry, it will have to undertake a concerted and collaborative effort to raise its visibility.

This conference is a great way to showcase the companies, projects, and research conducted by Hawai'i's aquaculture sector to the rest of the nation. It can encourage investors and project developers to look to Hawai'i as a viable place for aquaculture-related endeavors. With our location and ocean resources, Hawai'i can be at the forefront of our nation's aquaculture industry, a sector that has grown considerably over the last five years.

NELHA already has the office space and commercial expansion footprint to attract entrepreneurs and venture capital to the site. The proposed aquaculture incubator at NELHA will address this need by establishing a facility that will leverage NELHA's world-class marine resources and its strong base of global aquaculture companies, to attract entrepreneurs and investors to startup their companies here in Hawai'i.

As Hawai'i's local food issues become more complex and challenging, organizations need additional resources and support to address and overcome them. We appreciate these

*Investing in a Sustainable Hawai'i*



committees' efforts to look at policies that support local food production.

We believe that by collaborating, we can help produce more local food and support an economically robust homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Respectfully,

Kyle Datta  
General Partner

**HB-1960-HD-2**

Submitted on: 3/13/2018 8:17:16 PM

Testimony for ETT on 3/16/2018 1:25:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
John N. Kittinger	Individual	Support	No

Comments:

13 March 2018

Re: Testimony on HB 2041 and HB 1960 relating to aquaculture in Hawaii

Dear members of the Hawaii State Legislature:

I am writing to express my strong support for HB 2041 and HB 1960, which will be heard on March 16, 2018 by a joint committee of the Senate Committee on Economic Development, Tourism, and Technology and the Senate Committee on Agriculture and Environment. Together, these bills support a growing and vibrant sector in Hawaii – the aquaculture, or seafood farming, sector. Hawaii is an innovation site for the research, development, and implementation of aquaculture and the industry represents an area of growth for green jobs, economic diversification, and sustainable food and food product development. Hawaii has been recognized as a global leader in aquaculture and these bills will help support this \$70M per annum sector to grow and continue to create opportunities that support our communities.

HB 1960, is the bill to provide support for the planning and participation of Hawaii's Aquaculture Industry in the Aquaculture America 2020 conference. This bill would appropriate funds to the Hawaii Strategic Development Corporation to be used to support the planning and coordination of industry efforts to participate in the upcoming Aquaculture America 2020 Conference to be held in Honolulu in February 2020. These funds will help support events leading up to the 2020 conference to bring the industry together to develop a consistent message to market Hawaii aquaculture to the over 2,000 participants expected at the conference. Also, these funds could support efforts to develop a fact book on Hawaii aquaculture that would provide a description the aquaculture assets available in Hawaii, the names and activities of companies operating in the industry, and the permitting and regulatory process for aquaculture activities. This fact book could be distributed to all the participants in the 2020 conference.

House Bill, HB2041, seeks to appropriate \$500,000 to DBEDT to establish an aquaculture incubator at NELHA on the Kona coast to bring together entrepreneurs and investors to develop Hawaii's aquaculture industry. These types of incubators can be key catalysts for development of industries in Hawaii. Blue Start-ups and the Energy Excelerator are good examples of how these business incubators can bring great value

to our state by encouraging social entrepreneurship, creating jobs, economic opportunities, and encouraging the state's pursuit of our Aloha+ sustainability targets.

**I strongly support these bills and urge the legislature to pass these bills, together with adequate and meaningful financial appropriations.**

Thank you for considering my testimony,

John N. (Jack) Kittinger, PhD



**Committee on Economic Development,  
Tourism, and Technology**  
Senator Glenn Wakai, Chair  
Senator Brian T. Taniguchi, Vice Chair

**Committee on Agriculture and  
Environment**  
Senator Mike Gabbard, Chair  
Senator Gil Riviere, Vice Chair

March 14, 2018

Support for H.B. 1960 Relating to Aquaculture

Blue Ocean Mariculture is the world's leading producer of cultivated Kahala (*Seriola rivoliana*). Our fish are served under the Hawaiian Kanpachi brand in sushi and fine dining restaurants in Hawaii and across the mainland United States. We employ 27 people full-time in the Kona area in our hatchery and offshore aquaculture operations.

We strongly support H.B. 1960 relating to the planning and participation of Hawaii's aquaculture's industry in the World Aquaculture Society's Aquaculture America 2020.

2020 brings an excellent opportunity to showcase Hawaii's aquaculture assets, talents and successes when one of the world's largest aquaculture trade shows is hosted in our state. Raising Hawaii's visibility in the global aquaculture industry is an important step to building the aquaculture industry to be a strong, positive component of Hawaii's economy. Aquaculture provides an opportunity to strengthen our state's economy by diversifying our economic base, reducing the amount of seafood imported to Hawaii, and creating high-wage job opportunities.

We believe there is significant potential for Hawaii to contribute to the global aquaculture industry and providing positive economic benefit to our local community. We believe the best way to pursue this potential is through the type of program contemplated by H.B. 1960. Thank you for the opportunity to testify.

Blue Ocean Mariculture



**PO Box 1095  
Kurtistown, Hawaii  
+1-808-938-2840  
jim.wyban@gmail.com**

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February 20, 2018

House Committee  
Honolulu HI

**RE: House Bill HB1960**

Dear Committee,

I am writing in support of HB1960, which seeks to appropriate \$300,000 to HSDC to be used to support the planning and coordination of industry efforts to participate in the upcoming Aquaculture America 2020 Conference to be held in Honolulu in February 2020. This will be an important conference for Hawaii to put their best foot forward and continue our leadership position in this industry.

Funding would support industry events leading up to the 2020 conference to bring the industry together to develop a consistent message to market Hawaii aquaculture to the over 2,000 participants expected at the conference.

Funds could also support efforts to develop a fact book on Hawaii aquaculture that would provide a description the aquaculture assets available in Hawaii, the names and activities of companies operating in the industry, and the permitting and regulatory process for aquaculture activities. This fact book could be distributed to all the participants in the 2020 conference.

I wholeheartedly support this effort and ask that you approve this bill and support Hawaii's developing aquaculture industry.

Sincerely,

Jim

Jim Wyban PhD  
President  
Marine Genetics

29<sup>th</sup> Hawaii State Legislature  
415 South Beretania St.  
Honolulu, HI 96813

February 26, 2018

Dear Chairman Wakai & Senate Committee on Economic Development, Tourism, and  
Technology

**RE: Support for HB1960 – Relating to Aquaculture & HB2041 – Relating to Aquaculture**

Cyanotech Corporation, based on the island of Hawaii, supports appropriations of \$300,000 from Hawaii's general revenue fund to support the planning and participation of the Aquaculture America 2020 Conference in Hawaii, as outlined in HB1960. We further support appropriations of \$500,000 from Hawaii's general revenue fund for the Department of Business, Economic Development, and Tourism (DBEDT) to establish an aquaculture incubator at the Natural Energy Laboratory of Hawaii Authority (NELHA), as outlined in HB2041. We believe that these incentives will help attract entrepreneurs and investors to develop Hawaii's aquaculture industry.

The Hawaii State Department of Agriculture's Aquaculture Development Program reported \$29.9M of aquaculture revenue in 2010, 93% of which was generated by businesses at NELHA. The aquaculture industry has boomed in recent years, increasing by 40% in one year from 2011 to 2012, with record high sales reported in 2014. This industry accounts for a peak number of 500 hired workers on payroll in 2016 and \$75.7M in sales. Aquaculture produces high quality value added commodities from Hawaii including nutritional supplements and foods.

In closing, we greatly appreciate your support of HB1960 and HB2041 which will help perpetuate new business, the growth of the aquaculture industry and the expansion of a diversified portfolio of high wage-earning jobs in Hawaii.

Sincerely,



Mawae Morton, CEO  
Cyanotech Corporation  
73-4460 Queen Kaahumanu Hwy, #102  
Kailua-Kona, HI 96740

**HB-1960-HD-2**

Submitted on: 3/14/2018 10:20:08 PM

Testimony for ETT on 3/16/2018 1:25:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Elizabeth Corbin	Individual	Support	No

Comments:

I strongly support this measure. Aquaculture, with its long tradition in Hawaii, is an important component of diversified agriculture and has the potential to expand its contribution to the State's economic development and food security objectives. Hosting an international aquaculture conference in Hawaii can highlight the State's achievements in this industry and improve prospects for export sales of products, international consulting opportunities, and investment in local development.



Dear Chairs Wakai and Gabbard, Vice Chairs Taniguchi and Riviere, and Members of the Committees:

I strongly support HB 1960 HD2, providing funds to support the participation of Hawaii's aquaculture industry in the upcoming Aquaculture 2020 conference. The conference provides a rare opportunity to showcase Hawaii as a location for investment in aquaculture, a growing industry worldwide with great potential for further expansion in Hawaii. I hope that your committees will support full funding so that Hawaii's aquaculture community can participate fully in this effort.

Sincerely,

Frederick M. Mencher