



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

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Website: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, April 3, 2018
10:00 a.m.
State Capitol, Conference Room 211

in consideration of
HB 2041, HD2, SD1
RELATING TO AQUACULTURE.

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee.

The Department of Business, Economic Development & Tourism (DBEDT) supports HB 2041, HD2, SD1, which appropriates \$500,000 to NELHA for the establishment of an aquaculture incubator.

An aquaculture incubator at NELHA would greatly benefit and contribute to Hawaii's efforts to develop an aquaculture industry.

DBEDT supports the intent of this bill so long as it does neither replace or adversely impact the Administration's priorities.

Thank you for the opportunity to testify.

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 COMMITTEE ON WAYS & MEANS

**APRIL 3, 2018
10:00 A.M.
CONFERENCE ROOM 211**

**HOUSE BILL NO. 2041 HD2 SD1
RELATING TO AQUACULTURE**

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2041 HD2 SD1, relating to aquaculture. This bill appropriates funds to the Department of Business, Economic Development, and Tourism to establish an aquaculture incubator at the National Energy Laboratory of Hawaii Authority (NELHA). The Department supports this bill provided it does not impact the Department's priorities listed in the Executive Budget.

Aquaculture is a fast-developing industry that offers solutions to the ever-increasing demand of animal protein by a growing global population. It attracts investment capitals, talented researchers, and aspiring entrepreneurs. An aquaculture incubator provides catalysts for new ventures to be created.

NELHA is an excellent site to host such an aquaculture incubator because of easy access to both freshwater and seawater at different temperatures, and the large number of successful aquaculture businesses already present.

Thank you for the opportunity to testify on this measure.





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 WAYS AND MEANS

Tuesday, April 3, 2018
10:00 AM
State Capitol, Conference Room 211

in consideration of

HB 2041 HD2 SD1 RELATING TO AQUACULTURE.

The Natural Energy Laboratory of Hawaii Authority (NELHA) strongly supports HB 2041 HD2 SD1 which appropriates monies to NELHA for the establishment of an aquaculture proof of concept center which we refer to as the Hawaii Center for Aquaculture Sustainability (HCAS). \$500,000 is in the Administration's budget request for FY2019 and HB 1900 HD1 contains a like amount for the HCAS.

Aquaculture is the world's fastest growing agriculture sector and produces more than 50% of global seafood supply. By 2020 the industry value is expected to reach \$200Bn; a 38% increase from today. As the world demands more and more seafood; the wild fisheries are no longer able to support that, and any future growth of seafood is going to have to be together with industrial scale aquaculture. Accordingly, there is a clear global trend and demand for more innovative industrial scale aquaculture in open marine environments.

Recognizing recent initiatives on the Federal level, adoption of this measure will put as "ahead of the curve" in competing with other States. The federal government has recently stated the desire to open up the Pacific, for the first time, to offshore aquaculture. It is also important to note that the U.S. Department of Commerce released their 2018-2022 Strategic Plan on February 13, 2018. Interestingly enough, the plan

highlights aquaculture in one of the five key objectives and specifically states that “pre-competitive commercial scale demonstration facilities in collaboration with—and co-funded by— industry and coastal seafood communities” will be supported.

Recognizing these developments, the world’s capital markets are beginning to invest into the marine aquaculture sector and there has been a noticeable increase in investor interest in aquaculture companies. Hawaii has built a very credible global reputation over the past 20 years in aquaculture and is already recognized as a pioneer in this industry as we are home to the global brood shrimp industry and a pioneer in open ocean fish farming.

The HCAS will provide proof-of-concept (POC) and commercialization services to start-ups in Hawaii’s aquaculture cluster. This initiative is focused on attracting investor capital and a follow-on fund for aquaculture in Hawaii to develop technical and intellectual property that can benefit a global industry. The general approach is to create a facility and program at NELHA, using the existing world-class facilities, to attract entrepreneurs in startups to help them get into the market and find a commercial space for their project. The initiative will target companies that service global markets, develop new cultured species, pioneer new feed sources and the technologies needed to support open ocean and land-based aquaculture.

Finally, it is important to note that developing technical expertise and intellectual property relevant to a global aquaculture industry will complement and benefit existing efforts of the University of Hawaii and other State agencies currently involved in aquaculture with a focus on research and growing food for local consumption.

Thank you for the opportunity to offer these comments.



Written Statement of
Robbie Melton
Executive Director & CEO
Hawaii Technology Development Corporation
before the
Senate Committee on Ways and Means
Tuesday, April 3, 2018
10:00 a.m.
State Capitol, Conference Room 211

In consideration of
HB2041, HD2, SD1
RELATING TO AQUACULTURE

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

The Hawaii Technology Development Corporation (HTDC) **supports** HB2041, HD2, SD1 that appropriates funds for the Department of Business, Economic Development, and Tourism to establish an aquaculture incubator at the National Energy Laboratory of Hawaii Authority to bring together entrepreneurs and investors to develop Hawaii's aquaculture industry.

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. Through HTDC's Neighbor Island Initiative (NI3) program, HTDC has an office at NELHA Hale Iako facility with an experienced business mentor. HTDC's NI3 program has worked together with the Hawaii Small Business Development Center (HiSBDC) and NELHA in providing numerous training workshops this past year at NELHA covering topics such as pitching to investors, winning grants, state matching grant programs, food safety training, business planning, and others.

HTDC defers to NELHA 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 WAYS AND MEANS

Tuesday, April 3, 2018
10:00 AM
State Capitol, Conference Room 211

In support of

HB 2041 HD2 SD1
RELATING TO AQUACULTURE

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means:

The Hawaii Strategic Development Corporation (HSDC) **supports** HB 2041 HD 2 SD1, which appropriates funds for the Department of Business, Economic Development, and Tourism to establish an aquaculture incubator at the Natural Energy Laboratory of Hawaii Authority to bring together entrepreneurs and investors to develop Hawaii's aquaculture industry.

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.

The proposed aquaculture incubator at NELHA will help establish a facility that will leverage the NELHA's world-class marine resources, with its strong base of global aquaculture companies, to attract entrepreneurs and investors to startup their companies here in Hawaii.

The success of programs supporting entrepreneurial companies in the global aquaculture industry like Fish 2.0, in California, and Hatch, the world's first aquaculture accelerator based in Europe, have demonstrated a strong investor and strategic corporate interest in investing in this growing industry sector.

With the Legislature's support for this initiative, NELHA will be able to have the aquaculture incubator staffed and operational by the time the global aquaculture conference, Aquaculture America 2020, is held in Hawaii in February 2020. This will

allow Hawaii to signal a strong commitment to remaining at the forefront of innovation to the global aquaculture community that will attend the conference and position Hawaii as a leader in providing innovative solutions to the global aquaculture industry.

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.



Email: communications@ulupono.com

SENATE COMMITTEE ON WAYS & MEANS
Tuesday, April 3, 2018 — 10:00 a.m. — Room 211

Ulupono Initiative Strongly Supports HB 2041 HD 2 SD 1, Relating to Aquaculture

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

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 2041 HD 2 SD 1, which appropriates funds for the Department of Business, Economic Development, and Tourism to establish an aquaculture incubator at the Natural Energy Laboratory of Hawai'i Authority, because it aligns with our goal of creating more locally produced food.

No industry sector can prosper without technology innovation. Our commercial research shows that Hawai'i can be competitive in the area of aquaculture research, because of its physical advantages, particularly the pathogen free waters at NELHA. The global aquaculture industry is poised for the next phase of growth, and we have made investments in scaling up aquaculture in Hawai'i. Specifically, we have funded the expansion of the Blue Ocean Mariculture kamapachi farm, and have performed investment reviews of algae, abalone, and tilapia companies. Hawai'i's aquaculture industry has grown considerably over the last five years, and an incubator could help it double within the next 10 years.

If Hawai'i 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. Public and private stakeholders in Hawai'i's aquaculture industry have agreed to support a development initiative to build scale in important industry inputs like feed sources and processing capacity and to clarify permitting issues. We have been honored to be part of the public-private partnership to build the Oceanic Institute Feed mill, currently under construction on Hawai'i Island.

Investing in a Sustainable Hawai'i



NELHA already has the office space and commercial expansion footprint to attract international 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, with its strong base of global aquaculture companies, to attract entrepreneurs and investors to startup their companies here in Hawai'i.

With the Legislature's support for this initiative, NELHA will be able to have the aquaculture incubator staffed and operational by the time the global aquaculture conference, Aquaculture America 2020, is held in Hawai'i in February 2020. This will allow Hawai'i to demonstrate to the global aquaculture community that our state is committed to growing our local aquaculture industry. It will also position Hawai'i as a leader in providing innovative solutions to the global aquaculture industry.

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 this committee's efforts to look at policies that support local food production through supporting a high technology incubator for aquaculture.

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



Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

March 30, 2018

Support for H.B. 2041 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. Blue Ocean's hatchery is located within the Natural Energy Laboratory of Hawaii Authority (NELHA).

We strongly support H.B. 2041 related to establishing an aquaculture incubator at NELHA to bring together entrepreneurs and investors to develop Hawaii's aquaculture industry.

An aquaculture incubator at NELHA will be a valuable resource in building a strong aquaculture industry locally and across the state. 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 also believe Hawaii can be a leader in the global aquaculture industry and provide leadership on environmentally responsible aquaculture practices. We believe the best way to pursue Hawaii's potential in aquaculture is through the type of program contemplated by H.B. 2041. Thank you for the opportunity to testify.

Blue Ocean Mariculture

HB-2041-SD-1

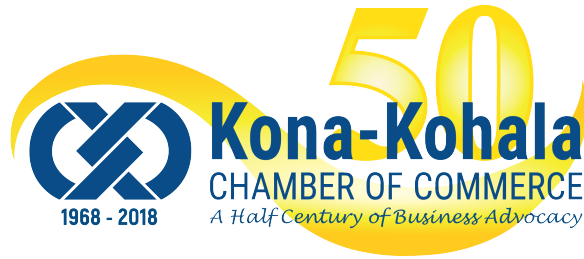
Submitted on: 3/30/2018 12:10:27 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Evan Lanigan	Testifying for Los Angeles Organic Farm LLC	Support	No

Comments:

Access to freshwater for agricultural use has diminished. To provide solutions for global subsistence we must expand opportunities for ocean based agriculture. Land based seawater farms and ocean based aquaculture are two effective solutions NELHA has provided. Creating an aquaculture incubator will allow a new generation of scientists and entrepreneurs to learn from previous NELHA pioneers and continue global change. The resources and combined experience of current and past NELHA tenants are held in the highest regard by the foremost leaders of the intellectual community. By showing your support and funding the aquaculture incubator at NELHA, your progressive thinking will undoubtedly positively impact the Hawaiian economy and future generations. As a prospective tenant of the aquaculture incubator I will say after searching far and wide, a NELHA aquaculture incubator is one of the worlds greatest opportunities. Mahalo for your support.



March 30, 2018

RE: HB2014 RELATING TO AQUACULTURE

Dear Senator Dela Cruz, Senator Keith-Agaran and members of the Senate Committee on Ways and Means,

The Kona-Kohala Chamber of Commerce supports HB2014 RELATING TO AQUACULTURE whereby funds from the Department of Business, Economic Development, and Tourism will be appropriated to establish an aquaculture incubator at the Natural Energy Laboratory of Hawai'i Authority (NELHA) to bring together entrepreneurs and investors to develop Hawai'i's aquaculture industry.

The Kona-Kohala Chamber of Commerce supports NELHA as it furthers its mission of providing resources and facilities as an engine for economic development. The aquaculture industry brings diversity to our economy on the West side of the island of Hawai'i and provides additional employment and career pathways beyond the traditional mainstays of hospitality and tourism. The aquaculture industry in West Hawai'i is important to our local economy and to our community.

Celebrating 50 years in 2018, the Kona-Kohala Chamber of Commerce exists to provide leadership and advocacy for a successful business environment in West Hawai'i. Our 501(c)(6) non-profit organization consists of 500 business members that represent a variety of industries and sectors including agriculture and aquaculture, banking and financial services, construction and real estate, education and government, health and wellness, hospitality and tourism, retail and professional services, technology, transportation and more. We work to strengthen the local economy, represent business interest with government and promote our community.

Sincerely,

A handwritten signature in black ink that reads 'Wendy J. Laros'.

Wendy J. Laros
Executive Director, Kona-Kohala Chamber of Commerce



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

April 3 2018

House Committee
Honolulu HI

RE: House Bill HB2041

Dear Committee,

I am writing in support of HB2041, which seeks to appropriate \$500,000 to DBEDT to establish an aquaculture incubator at NELHA to bring together entrepreneurs and investors to develop Hawaii's aquaculture industry.

Aquaculture is the world's fastest growing food production platform. Hawaii has a long and colorful history in this industry and needs to continue investing to maintain its preeminent place. HOST Park in Kona is a unique world-class facility. Funding development of an aquaculture-specific incubator at HOST Park would continue Hawaii's global leadership in this sector.

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

HB-2041-SD-1

Submitted on: 3/30/2018 7:44:18 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Julien Stevens	Testifying for The Ocean Stewards Institute	Support	No

Comments:

On behalf of the Ocean Stewards Institute, I am contacting you in support of appropriating funds for an aquaculture accelerator at the Natural Energy Lab of Hawaii Authority. By developing an accelerator program we will benefit the Hawaiian economy, creating high value jobs and businesses right here at home.

Senate Committee on Ways and Means
Tuesday, April 3, 2018, 10:00 AM, Room 221

Re: HB 2041, HD2, SD1, Funds for an Aquaculture Accelerator/Incubator Initiative at NELHA

Chair Cruz and Vice Chair Keith-Agaran, my name is John Corbin. I am submitting testimony in strong support of providing funding to DBEDT to establish an Aquaculture Accelerator/Incubator Initiative at NELHA.

While serving as Manager of the State Aquaculture Development Program, I was a member of the Board of Directors of NELHA (formerly the Natural Energy Laboratory of Hawaii) almost continuously from 1980 until 2006. During that time period NELHA, with Federal, State and private investments, became the preeminent state aquaculture site and known around the world as successful research and commercial park. NELHA's competitive advantages include: access to warm, surface and cold, deep ocean water; abundant sunshine; a highly controlled biosecurity regime; and comprehensive management of the site by the State. NELHA and its Hawaii Ocean Science and Technology Park (HOST Park) are unique, world class facilities focused on developing 21 st Century technologies to help feed and light the world.

I believe Hawaii can gain even greater economic and societal benefits from NELHA, if an aquaculture incubator were established there. The drivers in today's world for expanding the global aquaculture industry are well stated in the bill and statewide benefits for the Islands include: more locally grown, healthy seafood from sustainable technologies; reduction of seafood imports and greater state food self-sufficiency; attraction of investors and entrepreneurs that are passionate about commercial aquaculture technology; and creation of good jobs in a long-term, growth industry seeking innovation. In addition, establishing this activity at NELHA could act as a catalyst for business development on other islands.

Moreover, I believe the State, the University, and the Hawaii High Tech community have had a great deal of success in setting up and running incubator facilities for today's fast-moving, market-driven technologies. This extensive experience could translate readily to an incubator facility focused on further advancement of aquaculture utilizing the resources at NELHA. Additional State investment at NELHA makes great sense given the past successful State infrastructure investment, the facility's established track record, current U.S. policy to support expanded domestic seafood production and the projected need for rapid expansion of sustainable farming technologies and the global aquaculture industry.

Thank you for the opportunity to submit these comments.

John S. Corbin MS, CFP, AICP
President
Aquaculture Planning & Advocacy LLC
Kaneohe, Hawaii
Phone: 808 239-8316
e-mail: jscorbin@aol.com



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

April 3, 2018

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON HB 2041, HD2, SD1
RELATING TO AQUACULTURE

Room 211
10:00 AM

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports HB 2041, HD2, SD1, which appropriates funds for the Department of Business, Economic Development, and Tourism to establish an aquaculture incubator at the National Energy Laboratory of Hawaii Authority (NELHA) to bring together entrepreneurs and investors to develop Hawaii's aquaculture industry.

The bill's preamble correctly notes the tremendous increase in aquaculture investment worldwide in recent years, and the opportunities for expansion of the industry locally if more of this investment can be attracted to Hawaii.

Aquaculture is a highly technical and capital-intensive industry. Entrepreneurs seeking to start an aquaculture business need access to land and water; capital to purchase tanks, pumps, feed, broodstock, and many other items; and often a period of research and development to refine the necessary technology. These requirements create an impediment to entry of individuals or companies that may have good ideas, but insufficient funding to develop their ideas independently. An incubator facility at NELHA could help mitigate this barrier to entry by providing space, water, and technical facilities to startup businesses at reasonable cost. NELHA is an exceptional facility which features an ideal climate, access to cold deep-ocean water and warm surface water, and the opportunity to interact with experts in aquaculture biology, engineering, and finance. Successful startups will help to grow Hawaii's aquaculture industry, bringing in investment, producing high-quality seafood, and increasing employment.

Hawaii has a long history of successful government investment to encourage aquaculture development, starting with the creation of the Aquaculture Development Program in the 1970's and continuing with the establishment of NELHA in the 1980's. These efforts have paid off in the form of an industry that generates more than \$75 million a year in wholesale value. We expect that an aquaculture incubator at NELHA will be another wise investment that will result in continued growth.

Thank you for this opportunity to provide our input on this measure.

HB-2041-SD-1

Submitted on: 4/1/2018 6:29:41 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice-Chair and Members of the Committee on Ways and Means:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB2041 HD2 SD1**, relating to an Aquaculture Incubator; Department of Business, Economic Development, and Tourism; and an appropriation.

The OCC Legislative Priorities Committee is in favor of **HB2041 HD2 SD1** and supports its passage.

HB2041 HD2 SD1 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it appropriates funds for the department of business, economic development, and tourism to establish an aquaculture incubator at the natural energy laboratory of Hawaii authority to bring together entrepreneurs and investors to develop Hawaii's aquaculture industry, effective on 7/1/2112.

Specifically, the DPH Platform states, "Agriculture in our state must be preserved and its future strengthened. Sufficient prime agricultural lands must be maintained for the health, economic well-being and sustenance of the people. We believe in an integrated approach to agricultural innovation and sustainability. We encourage the responsible development of ocean resources to achieve sustainability of our marine resources and ensure and improve the health of our reef and marine life.

This approach includes, but not limited to, the adoption of the native Hawaiian concept of ahupua'a, an integrated approach to land management. This could also include the development of economic, land and ocean use policies that foster sustainable corps both for local consumption and for export policies to foster

agriculturerelevant infrastructure at shipping points, and increased inspection to protect against invasive species and to encourage reduced holding times.

Recognizing the importance of the ocean as a life-sustaining resource, we must protect its ecological and alternative patterns of water treatment and consumption such as the use of recycled water for irrigation, water storage reservoirs, and the use of catchment systems by the public.

As an island state, securing affordable food for all is a priority. We support healthy, sustainable, and diversified local food production, and “Buy Local” strategies to assure greater food security and food safety. (Platform of the DPH, P. 2, Lines 76-86, 90-99 (2016)).

Given that **HB2041 HD2 SD1** appropriates funds for the department of business, economic development, and tourism to establish an aquaculture incubator at the natural energy laboratory of Hawaii authority to bring together entrepreneurs and investors to develop Hawaii's aquaculture industry, effective on 7/1/2112, it is the position of the OCC on Legislative Priorities to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC on Legislative Priorities

Email: legislativepriorities@gmail.com, Tel.: (808) 258-8889

HB-2041-SD-1

Submitted on: 3/30/2018 1:15:02 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael O'Malley	Individual	Support	No

Comments:

I am the Managing Partner of Goodsill Anderson Quinn & Stifel, one of Hawaii's largest and oldest law firms, but am writing on my own behalf as an individual. Born and raised in Hawaii, after being graduated from Harvard Law School and working on Wall Street, I returned home to raise my family, seven kids and six grandkids. I want my kids and grandkids to be able to live in Hawaii and raise families of their own.. To this end. we need to diversify our economy to provide for more good, high-paying jobs.

Funding this aquaculture initiative is a positive step towards such a goal.

I strongly urge passage of this bill.

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

I strongly support HB 2041 HD2 SD1, which would provide funding for an aquaculture incubator at NELHA.

With my former business partner, Richard Spencer, I was among the first people to perform aquaculture research at what was then NELH. In the early 1980's, with a small amount of funding from Sea Grant, we tested the feasibility of land-based seaweed “tumble culture” in tanks. NELH provided a unique facility for our experiments, with laboratory facilities and a constant supply of cold deep ocean water and warm surface water. At that time there was no provision for companies to operate permanently at NELH, so when our funding ran out we moved to Kahuku on Oahu, started a commercial *ogo* farm using the experience we had gained at NELH, and operated successfully for 27 years until our lease expired. Effectively, NELH acted as an incubator for what became a profitable business.

I am happy to see that since my long-ago experience at what was then a small but forward-thinking research facility, NELHA has grown into a major center for aquaculture development and production. Aquaculture itself has grown in recent years to become one of the largest sectors of Hawaii’s diversified agriculture, and still has much potential for future expansion. I hope, therefore, that your committee will support full funding for the proposed aquaculture incubator.

Sincerely,

Frederick M. Mencher