



PERFORMANCE SAILING
HAWAII, USA

Sail Maui
910 Honoapiilani Hwy. 7-204
Lahaina, HI 96761
Phone: 808-244-2087
Fax: 808-878-3933

1/31/2017

COMMITTEE ON WATER AND LAND
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Date/Time of Hearing: February 1, 2017, 2:45PM
Measure No. and Title: SB110

STRONG OPPOSITION TESTIMONY

Chair Rhoads, Vice Chair Gabbard and Senators of the WTL Committee:

Sail Maui and its affiliates (the "Company") employ 20 people in Hawaii's boating and tourism industries. We adamantly oppose SB110. The Company supports protection and preservation of the State's aquatic resources. However, the charter boat industry is already paying 3% of all gross receipts to DLNR to support state aquatic resources like coral reef.

SB110 authorizes prospective assessment of fees for mitigation of future damage to aquatic resources. In sum, this will authorize DLNR to charge prospective mitigation fees **in addition to 3% of gross proceeds**. These fees could be imposed prior to any violation, which means that operators normally rewarded for operating safely will be penalized in advance of an incident that may ***not*** occur.

The Charter boat industry is already burdened with fees, industry requirements and overhead costs that affect the bottom line, including GET taxes, workers compensation and P&I insurance, harbor fees, USCG requirements, mooring maintenance, asset maintenance in the marine environment, tort litigation, life saving training, and other basic business overhead. These expenses, along with the competitive environment created by the internet, have drastically hindered healthy business growth. Please keep in mind, companies like Sail Maui employ thousands of Hawaii citizens. Healthy growth allows for vocational, and professional advancement and financial stability for all these wonderful citizens.

Preserving our aquatic resources is necessary for the health of our business as well, but collection of fees should be in response to an identified violation, not a prospective prediction. We oppose this bill and request that it be removed from consideration to become law.

Mahalo

Don Prestage
808-740-5737



(808) 667-0990 office
(808) 667-6707 Fax

1/31/2017

COMMITTEE ON WATER AND LAND
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Date/Time of Hearing: February 1, 2017, 2:45PM
Measure No. and Title: SB110

STRONG OPPOSITION TESTIMONY

Chair Rhoads, Vice Chair Gabbard and Senators of the WTL Committee:

Quicksilver Charters and its affiliates (the “Company”) employ close to 100 people in Hawaii’s boating and tourism industries. We adamantly oppose SB110. The Company supports protection and preservation of the State’s aquatic resources. However, the charter boat industry is already paying 3% of all gross receipts to DLNR to support state aquatic resources like coral reef.

SB110 authorizes *prospective* assessment of fees for mitigation of future damage to aquatic resources. In sum, this will authorize DLNR to charge prospective mitigation fees ***in addition to 3% of gross proceeds***. These fees could be imposed prior to any violation, which means that operators normally rewarded for operating safely will be penalized in advance of an incident that may or ***may not*** occur.

The Charter boat industry is already burdened with fees, industry requirements and overhead costs that affect the bottom line, including GET taxes, workers compensation and P&I insurance, harbor fees, USCG requirements, mooring maintenance, asset maintenance in the marine environment, tort litigation, life saving training, and other basic business overhead. These expenses, along with the competitive environment created by the internet, have drastically hindered healthy business growth. Please keep in mind, companies like Quicksilver employ thousands of Hawaii citizens. Healthy growth allows for vocational, and professional advancement and financial stability for all these wonderful citizens.

Preserving our aquatic resources is necessary for the health of our business as well, but collection of fees should be in response to an identified violation, not a prospective prediction. We oppose this bill and request that it be removed from consideration to become law.

Mahalo,
Zachary LaPrade
(808)352-5421



COMMITTEE ON WATER AND LAND

Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, February 1, 2017
TIME: 2:45 p.m.
PLACE: Conference Room 224

TESTIMONY OF THE OCEAN TOURISM COALITION SPEAKING

IN STRONG OPPOSITION TO SB110 as Proposed

Chair Senator Rhoads, Vice Chair Gabbard and Members of the Committee on Water and Land:

My name is James E. Coon, President of the Ocean Tourism Coalition **speaking in OPPOSITON of SB 110 as proposed.** The OTC represents over 300 small ocean tourism businesses state wide. Most of these are family businesses which are locally owned and operated. Many of them have been in business for several decades and are an important and valued part of their respective communities. Most of these businesses operate from State Boating Facilities. Most of these businesses also access day use moorings and Marine Life Conservation Districts.

These same Ocean Tourism businesses pay the DLNR Division of Boating and Ocean Recreation (DOBOR) 3% of their gross revenues for the opportunity of operate commercially in State of Hawaii coastal waters.

We can sympathize with the Department of Aquatic Resources (DAR) lack of funding, and could support 187A-A Aquatic mitigation banking special fund; which would create a mechanism to retain in DAR the millions of dollars that have been assessed against resource damage over the past decade as well as the other income sources outlined in this bill.

However we are strongly opposed to 187A-B: Aquatic in-lieu fee mitigation special fund. This appears to be an over reach on the part of DAR, has very broad implications, is very subjective and in the end the OTC fears that the already heavily taxed Ocean Tourism businesses will be the primary source of these fees. If you are prone to pass this legislation, we ask you to exempt the Ocean Tourism businesses already paying the 3% gross revenue to DLNR.

Sincerely,

A handwritten signature in dark ink, appearing to read "James E. Coon". The signature is written in a cursive style with a large, stylized initial "J".

James E. Coon, President

Ocean Tourism Coalition

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WATER AND LAND
ON
SENATE BILL NO. 110

February 1, 2017
2:45 p.m.
Room 224

RELATING TO AQUATIC RESOURCES

Senate Bill No. 110 authorizes the Department of Land and Natural Resources to use aquatic in-lieu fee mitigation to restore, create, enhance, or preserve aquatic habitats or resources. The bill creates the Aquatic Mitigation Banking Special Fund and the Aquatic In-Lieu Fee Mitigation Special Fund that would generate revenues through moneys received from the sale of mitigation banking credits and persons using in-lieu fee mitigation, respectively; moneys collected from aquatic resource violations; legislative appropriations; grants, awards, and donations; and investment earnings. The special funds will be used for costs incurred for aquatic mitigation bank projects and aquatic in-lieu fee mitigation projects, administrative and research costs, and departmental payroll or the awarding of grants-in-aid/contracts. The two special funds will be exempt from central service assessments and pro rata share of departmental administrative expenses. Senate Bill No. 110 does not appropriate any funds.

The Department of Budget and Finance takes no position on in-lieu fee mitigation; however, the department does have concerns with the Aquatic Mitigation Banking Special Fund and the Aquatic In-Lieu Fee Mitigation Special Fund. As a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should:

- 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process;
- 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue;
- 3) provide an appropriate means of financing for the program or activity; and
- 4) demonstrate the capacity to be financially self-sustaining.

In regards to Senate Bill No. 110, it is unclear whether either of the proposed funds would be self-sustaining.



**Conservation Council
for Hawai'i**

Hawai'i's voice for wildlife

Kō Hawai'i leo no nā holoholona lōhiu



Testimony Submitted to the Senate Committee on Water and Land
By the Conservation Council for Hawai'i
Hearing: Wednesday, February 1, 2017 2:45 pm
Room 224

Support for the Intent of SB 110 Relating to Aquatic Resources

Chair Rhoads, Vice Chair Gabbard, and Members of the Committee,

Aloha. The Conservation Council for Hawai'i supports the intent of SB 110, which authorizes the Department of Land and Natural Resources to use in-lieu fee mitigation to restore, create, enhance, or preserve aquatic habitats or resources as compensatory mitigation, and establishes an aquatic mitigation banking special fund and an in-lieu fee mitigation special fund.

We recommend that the department adopt general guidelines and minimum standards and requirements for such mitigation. In the 1990s, the Department of Health Environmental Health branch implemented a similar program. The compensatory mitigation was ineffective and useless in many cases. Furthermore, the mitigation was not always relevant or closely related to the "crime." If we are going to authorize the DLNR to use in-lieu fee mitigation, there must be a net benefit for the species, habitat, and/or resources harmed, and there must be a clear nexus between the violation and resource, and the mitigation.

Mahalo nui loa for the opportunity to testify.

Marjorie Ziegler

Marjorie Ziegler

Telephone/Fax: 808.593.0255 | email: info@conservehi.org | web: www.conservehi.org
P.O. Box 2923 | Honolulu, HI 96802 | Office: 250 Ward Ave., Suite 215 | Honolulu, HI 96814
President: Wayne Tanaka | Vice President: Koalani Kaulukukui | Secretary: Rachel Sprague
Treasurer: Les Welsh | Director: Anne Walton
Executive Director: Marjorie Ziegler | Administrator: Jonnetta Peters



From: [Jeff Strahn](#)
To: [WTL Testimony](#)
Subject: Strong Opposition SB110
Date: Wednesday, February 1, 2017 1:25:28 PM

Aloha,

I am in strong opposition to SB110. Our fees in the industry are already far too high at 3% of our gross. Please do not move this bill forward.

Thanks,



Jeff Strahn
1455 South Kihei Road
Kihei, HI 96753
808.270.9813
Jeff@mauidiveshop.com

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 3, 2017 2:56 PM
To: WTL Testimony
Cc: danielle.jayewardene@gmail.com
Subject: Submitted testimony for SB110 on Feb 6, 2017 14:50PM

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SB110

Submitted on: 2/3/2017

Testimony for WTL on Feb 6, 2017 14:50PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Danielle Jayewardene	Malu Ha LLC	Support	No

Comments: Dear Chair Rhoads, Vice Chair Gabbard and Senators of the WTL Committee: Many apologies for this late testimony. I am in support of H.B.110 that would authorize the Department of Land and Natural Resources to use in-lieu fee mitigation as compensatory mitigation to restore, create, enhance, or preserve Hawaii's aquatic resources including coral reefs. The Army Corp of Engineer continuously authorizes work to be conducted in the waters of Hawaii. These authorized activities can independently and/or cumulatively result in significant unavoidable impacts on our aquatic resources including coral reefs. The loss of aquatic resource functions and services associated with these impacts are required to be offset through compensatory mitigation. I have worked as a regulator implementing these regulations for years and know well that the compensatory mitigation requirement is challenging to meet due to fiscal and administrative constraints. The DLNR in-lieu fee (ILF) program (and Mitigation Bank) can make compensatory mitigation and protection of Hawaii aquatic resource more effective by working to consolidate mitigation requirements of multiple projects, identifying and locating mitigation projects appropriately to optimize ecological benefits, and achieving accountability by using monitoring and effectiveness standards.

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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Sent: Monday, February 6, 2017 10:43 AM
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Cc: crystalkpaul@yahoo.com
Subject: *Submitted testimony for SB110 on Feb 6, 2017 14:50PM*

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SB110

Submitted on: 2/6/2017

Testimony for WTL on Feb 6, 2017 14:50PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Crystal Kia Paul	Individual	Support	No

Comments:

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SB110

Submitted on: 2/5/2017

Testimony for WTL on Feb 6, 2017 14:50PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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Sent: Sunday, February 5, 2017 2:27 PM
To: WTL Testimony
Cc: dylanarm@hawaii.edu
Subject: *Submitted testimony for SB110 on Feb 6, 2017 14:50PM*



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SB110

Submitted on: 2/5/2017

Testimony for WTL on Feb 6, 2017 14:50PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan Armstrong	Individual	Support	No

Comments:

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LATE

February 5, 2017

TIM VANDEVEER
Chair,
MARIE STRAZAR
Vice Chair

MARGARET WILLE
SEAN SMITH
Legislative Committee Co-Chairs

SB110
RELATING TO AQUATIC LIFE
Monday, February 6, 2017 2:50 pm State Capitol, Conference Room 224

Senator Karl Rhoads, Vice Chair
Senator Mike Gabbard, Vice Chair
Senate Committee on Water and Land

Submitted on Behalf of the Democratic Party of Hawaii

The Democratic Party of Hawaii supports SB110 “Relating to Aquatic Life,” the intent of which is to promote education about near-shore aquatic life with the aim of developing a plan for its comprehensive management. **Passage of SB110 is consistent with the DPH’s Environmental Wellbeing legislative priority for this Legislative Session to support legislation to improve marine health.**

Respectfully submitted,

/s/ Tim Vandever (tim@hawaiidemocrats.org)
Chair of the Democratic Party of Hawai‘i

/s/ Marie (Dolly) Strazar (hilomds@gmail.com)
Vice Chair of the Democratic Party of Hawai‘i

/s/ Margaret Wille (margaretwille@mac.com)
/s/ Sean Smith (simashang@yahoo.com)
Legislative Committee Co-chairs