

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

GLENN K. MURANAKA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON FINANCE

**MARCH 27, 2019
2:30 P.M.
CONFERENCE ROOM 308**

**SENATE BILL NO. 485 SD1 HD1
RELATING TO BIOSECURITY**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to present testimony on Senate Bill 485 SD1 HD1. This bill increases the amount of funds deposited into the Agricultural Development and Food Security Special Fund. The Department of Agriculture supports the intent of this bill provided it does not impact the Department's priorities listed in the Executive Budget.

The Agricultural Development and Food Security Special Fund is an important resource that the Department utilizes for the awarding of grants to farmers for agricultural production or processing activity, irrigation systems maintenance, equipment purchases to support agricultural production or processing, research on and testing of agricultural products and markets, funding of agricultural inspectors across the Department, promotion of locally grown products, water quality testing and improvement, and any other activity intended to increase local agricultural production or processing.

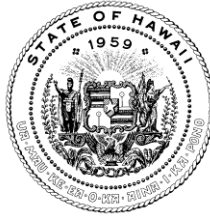
The title on this measure suggests that more finding through the Agricultural Development and Food Security Special Fund will support biosecurity efforts across the state. While this is true, it should be noted that any additional monies deposited into this fund will support all local agricultural development statewide, one aspect of which



would be import replacement to support the biosecurity program. This fund serves a larger purpose to both the Department and the local agricultural industry. Not only does it serve various divisions throughout the Department with program funding and personnel, it also directly supports the agricultural organizations and commodity groups with critical funding requests that the Department receives each year. Additional funds would expand that level of support to agricultural groups statewide.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR OF
HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
FINANCE**

**Wednesday, March 27, 2019
2:30 PM
State Capitol, Conference Room 308**

**In consideration of
SENATE BILL 485, SENATE DRAFT 1, HOUSE DRAFT 1
RELATING TO BIOSECURITY**

Senate Bill 485, Senate Draft 1, House Draft 1 proposes to increase the portion of revenues from the barrel tax deposited into the Agricultural Development and Food Security Special Fund to support biosecurity programs at the Hawaii Department of Agriculture (HDOA). **The Department of Land and Natural Resources (Department) offers the following comments.**

The Department recognizes invasive species as a major problem for the protection of natural resources, as well as for agricultural production, tourism, and human health. The Department collaborates with HDOA on invasive species and biosecurity issues as described in the Hawaii Interagency Biosecurity Plan (HIBP). The HIBP identifies the need for additional resources at HDOA for activities related to the inspection of imported goods. The Department recognizes HDOA as the lead with regard to the disposition of the barrel tax for biosecurity purposes and defers to HDOA on how to best utilize this resource.

In addition, the Department notes that the Hawaii Climate Change Mitigation and Adaptation Commission issued support for a carbon fee (in its November 2018 statement, [attached](#)), and while it did not define the exact mechanism of such a fee, it discussed an expansion or reorganization of the state's environmental response, energy and food security tax. This discussion revolved around consideration of the "barrel tax" as a tool to help mitigate emissions from transportation, as well as fund sea level rise adaptation. The Department would like the Committee to note that this is a larger discussion that needs to be taken into consideration.

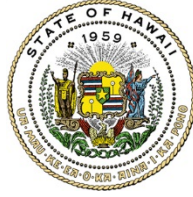
Thank you for the opportunity to comment on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
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
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HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS



DEPARTMENT OF LAND AND NATURAL RESOURCES

DAVID Y. IGE
GOVERNOR

SUZANNE D. CASE
CHAIRPERSON

NEWS RELEASE

FOR IMMEDIATE RELEASE

Nov. 28, 2018

STATE CLIMATE COMMISSION ENCOURAGES URGENT ACTIONS TO COMBAT EMISSIONS

Supports Legislation to Establish A Carbon Fee Program

(Honolulu) - Hawaii's Climate Change Mitigation and Adaptation Commission, meeting yesterday in Honolulu recognized that ground transportation contributes significantly to Hawaii's share of greenhouse gas emissions. The Commission supports mechanisms to reduce overall vehicle miles traveled as well as converting all remaining vehicle-based ground transportation to renewable, zero-emission fuels and technologies

The Commission believes that putting a price on carbon is the most effective single action that will achieve Hawaii's ambitious and necessary emissions reduction goals. This view is also supported by expert global and local institutions:

- The Intergovernmental Panel on Climate Change reports that a price on carbon is central to prompt mitigation, and global emissions of CO₂ need to fall by 45% by 2030 and to zero by 2050.
- The International Monetary Fund finds that "carbon pricing is crucial in reducing emissions, and carbon taxes are more effective than other mitigation instruments."
- State of Hawaii's *Report of the 2015-2017 Tax Review Commission* recommends consideration of a carbon fee in its review of the state tax structure.
- State of Hawaii's *Transportation Energy Analysis, August 2015*, supports an increase in the barrel tax "to fund government actions to support clean energy, specifically in regards to the bunker taxes in the marine sector and the inclusion of aviation fuel in the barrel tax.

- The Rhodium Group’s report *Transcending Oil Hawai‘i’s Path to a Clean Energy Economy*, April 2018, recommends a carbon tax to achieve clean transportation goals in Hawai‘i.

While the specific mechanisms behind a carbon fee program are not yet outlined, the Commission emphasized the urgent need for such a program, and supports legislation that endeavors to establish one, but also recognizes that any carbon pricing mechanism:

- Must be equitable, and appropriate for the people of Hawaii.
- Must demonstrate how this is a critical policy tool to protect the future—of Hawaii’s keiki and ‘āina.
- Must be adequate to change behavior.

The Commission recommends carbon pricing mechanisms that minimize regressivity, which can be pursued through structures such as equity-based tax credits or carbon fee and dividend.

In order to facilitate a carbon pricing program to address carbon pollution, the Commission urges the State to adequately resource the following actions through legislation or executive action:

- Partner with counties and local organizations to develop and undertake a multi-year educational/public service announcement (PSA) campaign to address the link between the need for a price on carbon and highlighting the importance of clean transportation in Hawaii—which will increase quality of life, and address climate change impacts by decreasing congestion, commute time and costs, and emissions.
- Explore and develop statewide policies and partner with counties to modernize parking policies and parking management, which will reduce overall emissions, congestion and vehicle miles travelled (VMT) from driving, and increase biking, walking, and transit use, to achieve State goals.
- Transform State and county fleets to address VMT reduction, congestion, and emissions—especially through electrification, renewable fuels, carshare, and supporting infrastructure development and deployment.
- Amend laws, such as the state procurement laws, to better align them with clean transportation priorities.

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O'ahu County Democrats
oahudemocrats.org



Aloha Chair Luke, Vice Chair Cullen, and Members of the Finance Committee,

RE: SB485 SD1 HD1, Relating to Biosecurity.

The O'ahu County Democrats support Senate Bill 485, Senate Draft 1, House Draft 1.

The Platform of the O'ahu County Democrats states that the "*conservation, preservation and restoration of Hawai'i's natural resources are connected to the health and welfare of our people.*"¹ Judicious, progressive efforts to fund the agricultural development and food security special fund by means of the barrel tax for biosecurity are justified under our Platform.

The language of the measure clarifies its intention to a) fund agricultural inspector positions for biosecurity, and b) support for local food production. Our Platform's Agriculture section notes that we "*need to ensure food safety, [and] strive towards food security*", important dual goals.² At the tactical level we can "better [inspect] to protect against invasive species and speed up time in port holding" for mitigation of economic losses to invasives and reduced transportation costs. Such invasive species have the potential to trigger societal and economic problems that harm all levels of farming, fishing, recreation and tourism.

The mongoose alone has been credited with millions of dollars of losses per year.³ Proactively, we know that greater inspection is the most logical response, because up to 95% of invasive arthropods (*insects, snails, slugs et al.*) in Hawai'i have been introduced accidentally, by such means as imported plants and ship ballast where inspectors now take steps to prevent new releases. Coqui frogs have harmed property values according to a study published by UHERO, which leaves open the possibility to other, as of yet uncalculated economic losses from this single creature.⁴

We urge all members of the Committee on Finance to vote 'aye' on this measure, for the protection of our natural resources, and because agriculture "*in our state must be preserved and its future strengthened.*" This measure helps us do so. In summary, the O'ahu County Democrats and its tens of thousands of members support SB485 SD1 HD1.

Respectfully,

Dylan P. Armstrong, Vice Chair
O'ahu County Committee, O'ahu County Democrats

References

1. Environmental Platform of the O'ahu County Democrats (2018). <https://www.oahudemocrats.org/oahuplatform.htm#en>
2. Agriculture Platform of the O'ahu County Democrats (2018). <https://www.oahudemocrats.org/oahuplatform.htm#ag>
3. D. Pimentel et al. / Ecological Economics xx (2004). <https://pdfs.semanticscholar.org/ebd7/ffad4fa12f676cfa5c7eaceae6afb5f57a95.pdf>
4. Kaiser, BA and K. Burnett. Economic Impacts of E. Coqui frogs in Hawaii. UHERO (2006). <https://www.uhero.hawaii.edu/assets/burnett-IER.pdf>



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Wednesday, March 27, 2019 — 2:30 p.m. — Room 308

Ulupono Initiative Strongly Supports SB 485 SD 1 HD 1, Relating to Biosecurity

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Murray Clay and I am Managing Partner of the 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 manage waste and fresh water resources. 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 SB 485 SD 1 HD 1, which increases the portion of the barrel tax that goes to agriculture development from 15 cents to 30 cents per barrel, because it aligns with our goal to increase local food production.

The Hawai'i Department of Agriculture is one of the lowest funded departments in State government. Yet, for many rural and agrarian citizens, the Department provides necessary support to survive. We hope that increased funding will allow the Department to revitalize its data and other branches that provide critical information and support to farmers and ranchers. We also note that the critical information and data was lost when the market analysis and news service branch was eliminated in October 2009. This branch was critical to helping guide the State towards achieving its goal to double local food production.

As Hawai'i's local food issues become increasingly 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.

We believe that through collaboration, 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,

Murray Clay
Managing Partner

Investing in a Sustainable Hawai'i



The Nature Conservancy
Hawai'i Program
923 Nu'uuanu Avenue
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Testimony of The Nature Conservancy of Hawai'i
Supporting SB 485 SD1 HD1 Relating to Biosecurity
House Committee on Finance
Wednesday, March 27, 2019, 2:30PM, Room 308

The Nature Conservancy of Hawai'i is a non-profit conservation organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 preserves and work in over 30 coastal communities to help protect the near-shore reefs, waters and fisheries of the main Hawaiian Islands. We forge partnership with government, private parties and communities to protect forests and coral reefs for their ecological values and the many benefits they provide to people.

The Nature Conservancy supports SB 485 SD1 HD1 to provide additional barrel tax revenue to the Agricultural Development and Food Security Special Fund. We believe this is effective policy and funding in support of the State's agriculture and food security goals, as well as important biosecurity and other invasive species response programs.

Invasive weeds, insects, diseases, snakes, and other pests are one of the greatest threats to Hawaii's economy, agriculture, natural environment, and the health and lifestyle of its people. With favorable conditions and limited competition, non-native species arrive in the Hawaiian Islands to find an easy environment in which to thrive.

We also hope that the funding proposed in this bill will continue to be additive and not just replace existing funds. For example, in Fiscal Year 2007 the Legislature's provision of specific funding for coqui frog control was really a shifting of existing funds from other important invasive species programs, which then caused layoffs in the Island Invasive Species Committees and a hiatus in the Hawai'i Invasive Species Council's research grant program.

The [Hawai'i Interagency Biosecurity Plan](#)—prepared by the Department of Agriculture with the support of its many government and non-government partners—addresses the full range of invasive species prevention, early detection, rapid response, control, research, and outreach priorities across the state. Beyond this bill's additive funding, we encourage the Legislature, the Administration and partners to enhance our collective attention and funding applied to the full range of pest issues across the islands as outlined in the comprehensive Biosecurity Plan.

Thank you for the opportunity to testify in support of this bill. Using the barrel tax revenue for its originally intended purposes is a wise investment in our future.

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March 27, 2019

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 485, SD1, HD1
RELATING TO BIOSECURITY

Room 308
2:30 PM

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee:

I am Brian Miyamoto, Executive Director 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 interest of our diverse agricultural community.

Hawaii Farm Bureau **supports SB 485, SD1, HD1**, which increases the amount of barrel tax deposited into the agricultural development and food security special fund.

The barrel tax was intended to support critical investments in clean energy, local agricultural production, and environmental response to reduce the State's dependence on imported fossil fuels and food products. As an organization opposed to new taxes, HFB took an unusual step by supporting the environmental response, energy, and food security tax, or barrel tax. It was a desperate move by the industry to secure stable funding for Hawaii's agricultural industry.

The barrel tax was originally intended to increase local capacity to grow and produce import replacement products in order to fulfill the State's vision for increased self-sufficiency and sustainability. During the economic downturn, proceeds from this fund were reallocated to balance the budget. We understand that some of the proceeds continued to benefit agriculture.

HFB believes increasing the amount of barrel tax deposited into the agricultural development and food security special fund is pertinent in protecting Hawaii's natural resources, agriculture, and human health.

Thank you for this opportunity to testify on this important subject.



LATE

House Committee on Finance
Wednesday, March 27, 2019, 2:30 pm, Room 308

Testimony of the *Coordinating Group on Alien Pest Species (CGAPS)*
Supporting an increase in the amount of barrel tax deposited into the agricultural development and food security special fund in SB485 SD1 HD1 *Relating to Biosecurity*

Aloha Chair Luke, Vice Chair Cullen, and Committee Members,

The Coordinating Group on Alien Pest Species (CGAPS) **is in support of SB 485 SD1 HD1, *Relating to Biosecurity***, and defers to the comments made by the Department of Agriculture (HDOA). The aim of this measure is to increase the amount of barrel tax deposited into the agricultural development and food security special fund. This increase in funding will supports the local agricultural industry and the goals of the Hawaii Interagency Biosecurity Plan (HIBP).

Currently, the agricultural development and food security special fund is an important resource that HDOA relies on to provide grant funding to farmers across the state for a variety of purposes ranging from equipment purchasing to local food production and research. An increase in funding would continue to support the local agricultural industry and improve Hawaii's biosecurity program through import replacement. When we invest in local agricultural production, we also invest in biosecurity by importing less goods that can carry unwanted pests into the islands either accidentally or intentionally.

We encourage the committee to support this measure. Mahalo for your consideration.

Aloha,
Chelsea Arnott
CGAPS