



DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ONWAYS AND MEANS

Tuesday, February 19, 2019
9:30 AM
State Capitol, Conference Room 211

In consideration of
SB763, SD1
RELATING TO ADVERTISING AND MARKETING.

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

The Department of Business, Economic Development & Tourism (DBEDT) offers comment on SB763, SD1, which requires DBEDT, in consultation with the department of agriculture, to conduct a study calculating the economic impact and gross domestic product lost by the State as a result of companies using the Hawaii brand and selling products in the United States with place-based marketing without any material ties to the State.

While DBEDT supports the intent of this bill, the data required for this study does not exist including the number of companies impacted, their location, revenue, ownership, employment, type of marketing, and the origin and content of products associated with the Hawaii brand. Collecting this data would be necessary in order to estimate the impact to the State's economy. In order to collect the data, \$250,000 would be needed to hire a research firm to conduct surveys to obtain the required data.

DBEDT agrees with the recommended dollar amount inserted in this measure provided that it does not replace or adversely impact priorities indicated in our Executive Budget.

Thank you for the opportunity to testify.

SB-763-SD-1

Submitted on: 2/18/2019 9:26:13 AM

Testimony for WAM on 2/19/2019 9:30:00 AM

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

Comments:



LATE

PO Box 168, Kealahou, HI 96750
808-929-9550

HAWAII STATE SENATE
COMMITTEE ON WAYS AND MEANS

Friday, February 19, 2019
9:30 a.m.
Conference Room 211

RE: Testimony in Support of SB 763 SD1

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

I am Chris Manfredi, President of Hawaii Coffee Association.

The Hawaii Coffee Association's (HCA) mission is to represent all sectors of the Hawaiian coffee industry, including growers, millers, wholesalers, roasters and retailers located throughout the State of Hawaii. The HCA's primary objective is to increase awareness and consumption of Hawaiian coffees. A major component of HCA's work is the continuing education of members and consumers.

The HCA STRONGLY supports SB 763 SD1

There is no greater threat to the integrity and protection of Hawaii's brands than the introduction of counterfeit and substandard Hawaiian coffee into the supply chain. It is the number one complaint I receive from our members.

While we grapple with coffee counterfeiting in Hawaii, we are also aware of and impacted by its widespread practice outside of the state. A study as proposed in SB763 will help quantify the size and scope of the problem and will likely lead to actions that will protect Hawaii's valuable brands and origin names. This legislation is an important step in the right direction. We applaud the authors, introduces and supporters of this measure.

Please pass SB763 SD1.

Thank you for your support and for the opportunity to testify.

LATE

SB-763-SD-1

Submitted on: 2/18/2019 5:55:19 PM
Testimony for WAM on 2/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
ISABELLA HUGHES	Testifying for Shaka Tea	Support	No

Comments:

Aloha,

I am writing on behalf of my company and all the farmers we work with in the islands to humbly ask for your support for SB763. I believe the study and solutions that SB763 stands for will advance sustainably our agricultural community, local economy, businesses and protect consumers everywhere. It is important for the public and all parties involved within the agricultural community, value-add producers, retailers and of course, consumers, to understand how much potential local GDP is lost per year by consumer packaged goods and raw ag products misleadingly suggesting products are from our islands due to direct place-based marketing on the packaging.

As a growing startup committed to including Hawaiian mā• maki and eventually other locally-grown ingredients in my teas, I can first hand share the struggle of competing with other beverages that infer their celebrated ingredient in their beverage is indeed from Hawai'i, when in fact, it is not and they use place-based marketing as a tactic to play into the love of the Hawaiian brand sans actually any traceable, material ties.

Mahalo for your consideration to support SB763.

-Bella Hughes

President and cofounder

Shaka Tea

Hilo, HI

LATE

February 18, 2019

Dear State Legislature:

Please support SB763, which seeks to support our agricultural community, local economy and protect consumers by figuring out roughly how much potential local GDP is lost per year by consumer packaged goods and retailers misleadingly suggesting products are from our islands due to direct place-based marketing, as well as offer our islands some solutions.

I firmly believe in honesty for consumers everywhere as well as ensuring our local agricultural community is able to be supported as a supplier for goods marketed as being from Hawai'i.

Many thanks

Deborah G. Nehmad
Hawaii Kai

LATE

SB-763-SD-1

Submitted on: 2/18/2019 6:15:03 PM

Testimony for WAM on 2/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Nunally	Testifying for Onomea Tea Company	Support	No

Comments:

We are a small agricultural organization, we've been growing tea in Hawaii for 15 years. We are very disappointed to many tea products with a Hawaii label that have no Hawaiian grown tea in the package. Please stop the misleading use of products that exploit the Hawaiian name, but use cheap imported goods. Specifically see this URL <https://theteafarm.com> and <https://www.hawaiianislandstea.com>. these companies use Hawaii and Hawaiian in their labeling that is not Hawaiian grown products! Please help!

LATE

SB-763-SD-1

Submitted on: 2/18/2019 6:21:56 PM

Testimony for WAM on 2/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ken Love	Individual	Support	No

Comments:

Please support SB763, which seeks to support our agricultural community, local economy and protect consumers by figuring out roughly how much potential local GDP is lost per year by consumer packaged goods and retailers misleadingly suggesting products are from our islands due to direct place-based marketing, as well as offer our islands some solutions.

I firmly believe in honesty for consumers everywhere as well as ensuring our local agricultural community is able to be supported as a supplier for goods marketed as being from Hawai'i.



SB-763-SD-1

Submitted on: 2/18/2019 6:47:31 PM

Testimony for WAM on 2/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ming Wei Koh	Individual	Support	No

Comments:

Please support SB763, which seeks to support our agricultural community, local economy and protect consumers by figuring out roughly how much potential local GDP is lost per year by consumer packaged goods and retailers misleadingly suggesting products are from our islands due to direct place-based marketing, and by offering our islands some sustainable solutions.

I firmly believe in honesty for consumers everywhere, as well as ensuring that our local agricultural community is able to be economically supported as a supplier for goods marketed as being from Hawai'i.

LATE

SB-763-SD-1

Submitted on: 2/18/2019 7:08:05 PM

Testimony for WAM on 2/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael D Marshall	Individual	Support	No

Comments:

Please support SB763, which seeks to support our agricultural community, local economy and protect consumers by figuring out roughly how much potential local GDP is lost per year by consumer packaged goods and retailers misleadingly suggesting products are from our islands due to direct place-based marketing, as well as offer our islands some solutions.

I firmly believe in honesty for consumers everywhere as well as ensuring our local agricultural community is able to be supported as a supplier for goods marketed as being from Hawai'i.

LATE

SB-763-SD-1

Submitted on: 2/18/2019 7:59:55 PM
Testimony for WAM on 2/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marika Wilson	Individual	Support	No

Comments:

In full support of SB763, which seeks to support our agricultural community, local economy and protect consumers by figuring out roughly how much potential local GDP is lost per year by consumer packaged goods and retailers misleadingly suggesting products are from our islands due to direct place-based marketing, as well as offer our islands some solutions. I believe that integrity must be sought after, especially when it comes to marketing, and as a consumer I would hope that the companies I support are truly offering place-based goods, rather than simply exploiting the image of the islands.

SB-763-SD-1

Submitted on: 2/18/2019 8:24:33 PM

Testimony for WAM on 2/19/2019 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Justin Pequeno	Individual	Support	No

Comments:

Aloha,

Please support SB763, which seeks to support our agricultural community, local economy and protect consumers by assessing the extent to which potential local GDP is lost each year by goods and retailers that misleadingly suggest products are from our islands due to direct place-based marketing. This assessment can also offer viable solutions to improve economic conditions for Hawaii.

I believe we must support our local agricultural community as a supplier for goods marketed as being from Hawaii.

Mahalo,

Justin Pequeño

LATE

SB-763-SD-1

Submitted on: 2/18/2019 9:45:10 PM
Testimony for WAM on 2/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gloria Lau	Testifying for Shaka Tea	Support	No

Comments:

Dear Legislators,

Please endorse SB763, which seeks to support our agricultural community, local economy and protect consumers by figuring out roughly how much potential local GDP is lost per year by consumer packaged goods and retailers misleadingly suggesting products are from our islands due to direct place-based marketing, as well as offer our islands some solutions.

I firmly believe in honesty for consumers everywhere as well as ensuring our local agricultural community is supported as a supplier for goods marketed as being from Hawai'i.

Mahalo,

Gloria Lau

Address: 139 Makaweli St., Honolulu, HI 96825

LATE

SB-763-SD-1

Submitted on: 2/18/2019 9:56:44 PM

Testimony for WAM on 2/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicole A Velasco	Individual	Support	No

Comments:

Aloha! I stand in strong support of this measure which will shine a light on the financial impact that cultural appropriation has had and continues to have on our community. A handful of other places, like New Zealand, have established policies on product origination and branding which elevate the importance of their goods and create a value-add for small businesses. With "Hawaii" being one of the strongest brands alongside "Mickey Mouse", we can longer be passive about letting others leech our social and financial capital. If you brand you coconut water as "Molokai" but neither you or your coconuts are from Hawaii, then you should be held accountable. Where as I will continue to vote with my dollar as a consumer, I hope you will vote up for this measure. Mahalo!

LATE

SB-763-SD-1

Submitted on: 2/19/2019 3:17:56 AM

Testimony for WAM on 2/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Nagatori	Testifying for Business	Support	No

Comments:

This testimony is in support of SB763, on behalf of my business distributing Native Hawaiian MÄ• maki locally and in Japan. The protection of our local economy from companies and individuals who continue to reap benefits from misleading consumers, is an issue which needs to be addressed seriously. The loss of local GDP needs to be calculated, to determine how great the monetary impact of these placed-based marketing practices truly are. Support garnered through SB763 for protections of our local ag community, global consumers, and Hawai`i as a brand is imperative as we move through this ever changing economic climate.

Aloha,

Matthew Nagatori

Kamilo`iki Brand MÄ• maki