

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

Thursday, February 25, 2021  
11:00 AM

State Capitol, Via Videoconference, Conference Room 308

In consideration of  
HOUSE BILL 1019, HOUSE DRAFT 1  
RELATING TO OCEAN STEWARDSHIP

House Bill 1019, House Draft 1 proposes to establish the Ocean Stewardship Special Fund and Ocean Stewardship User Fee for the collection and use of moneys for the conservation, restoration, and enhancement of the State's marine resources, and delays collection of the Ocean Stewardship User Fee until 1/1/2024. **The Department of Land and Natural Resources (Department) strongly supports this Administration bill and offers the following comments.**

Hawai'i's ocean waters and the marine resources contained within are some of the State's most ecologically, economically, and culturally valuable environmental assets, central to our [\\$7.8 billion outdoor recreation industry](#). Our marine resources are also under threat - more frequent coral bleaching events, pollutant runoff, unsustainable fishing practices and the rapid proliferation of invasive species demand that we take action now to halt and reverse these threats. It is critically important that the Department has adequate resources to help ensure the health of our nearshore marine ecosystems for present and future generations. With current state budget challenges, additional revenues are needed to prevent us from moving backwards in protection of these natural, cultural and economic resources.

For decades, visitors have enjoyed Hawai'i's abundant ocean resources without contributing directly to management of those resources. House Bill 1019, House Draft 1 would provide a framework for the Department to begin collecting nominal fees from visitors for the use and enjoyment of the State's ocean resources. These fees would provide needed revenues to the Department for marine resource conservation, restoration, enhancement, research, and educational activities.

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  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

The Department recently commissioned a study to explore the feasibility of establishing an Ocean Stewardship Fee. The full study can be viewed or downloaded (10 MB) at this link: [https://dlnr.hawaii.gov/dar/files/2021/01/Ocean\\_Stewardship\\_Fund.pdf](https://dlnr.hawaii.gov/dar/files/2021/01/Ocean_Stewardship_Fund.pdf)

The Ocean Stewardship Fee would be collected through commercial ocean operators who provide vessel-based activities to passengers or vessel-free services to customers. The Department's Division of Boating and Ocean Recreation (DOBOR) Commercial Use Permit holders would collect a small per head fee from each passenger or customer. Fees would be paid to the Department through an online payment system at the end of each month. Collected fees would be directed into a special fund managed by the Department's Division of Aquatic Resources (DAR).

According to the study, if the fee is set at \$1.00 per passenger or customer, and fee volumes are based on tourism numbers with COVID-19 potential impacts, the program would be expected to generate a Net Present Value (NPV) of \$14.4 million over a 15-year time horizon. If the same \$1.00 per passenger or customer fee rate is used with Hawai'i tourism numbers prior to 2020, the program would be expected to generate a NPV of \$30.3 million over a 15-year time horizon.

Residents and visitors alike would benefit from healthier reefs and restored fisheries. Commercial ocean tour operators would benefit directly by being able to offer more enjoyable experiences to their customers, and customers will have the satisfaction that their experience is contributing to marine resource conservation, restoration, and enhancement. It is a win/win situation for Hawai'i's residents, visitors, businesses, resource managers, and most importantly the ocean resources themselves.

Thank you for the opportunity to comment on this measure.



Testimony Before The  
House Committee on Finance  
**IN SUPPORT OF HB 1019**  
Thursday, February 25, 2021, 11:00AM, Room 308

My name is Kevin Chang and I am the Co-Director of Kua'āina Ulu 'Auamo (or KUA). KUA works to empower grassroots rural and Native Hawaiian mālama 'āina groups – fishers, farmers and families- to celebrate their places and pass on their traditions to better Hawai'i and achieve 'āina momona— an abundant, productive ecological system that supports community well-being.

**KUA generally supports HB 1019 HD 1.** This bill authorizes the Department of Land and Natural Resources to collect non-resident user fees for the use and enjoyment of the State's ocean resources.

KUA works to empower communities to improve their quality of life through caring for their environmental heritage together. We employ a community-driven approach that currently supports a network of more than 36 mālama 'āina community groups collectively referred to as E Alu Pū (moving forward together), 38 fishpond projects and practitioners called the Hui Mālama Loko I'a, and a growing hui of Limu practitioners all from across our state.

A primary function of KUA includes development of an 'auwai, a stream of resources tools, bridges and networks that help to cultivate and take our communities' work to greater levels of collective impact. A core source of the flow in this 'auwai includes building the capacity within and between the state and communities to better care for Hawai'i's resources together. An Ocean Stewardship Fee program would help address the increasing challenge of responsibly caring together for Hawai'i's marine ecosystem and the important services it provides for current and future generations.

Our state depends on healthy marine systems; they feed us, protect our shorelines, support and sustain cultural practices, and ensure economic vitality. For the last century ocean recreation users and visitors have enjoyed Hawaii's abundant ocean resources with no direct contribution to their care and vitality. This bill provides a pathway to generate needed user and visitor revenue to help fund marine resource restoration, conservation, and education. We are of course excited that this support will also boost government and community capacity to better collaborate in our care for the ocean.

Indeed, other island nations as you know have begun to do similar.

Mahalo for this opportunity to testify.

Aloha 'Āina Momona.

**HB-1019-HD-1**

Submitted on: 2/23/2021 4:43:23 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Doorae Shin	Surfrider Foundation	Support	No

Comments:

Aloha,

Surfrider Foundation supports this measure.

Mahalo,

Doorae Shin

Oahu Chapter Coordinator



**HOUSE OF REPRESENTATIVES  
THE THIRTY-FIRST LEGISLATURE  
REGULAR SESSION OF 2021**

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair  
Rep. Ty J.K. Cullen, Vice Chair

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Rep. Lisa Marten	Rep. Bob McDermott
Rep. Scott Y. Nishimoto	

NOTICE OF HEARING

DATE: Thursday, February 25, 2021  
TIME: 11:00 a.m.  
PLACE: VIA VIDEOCONFERENCE  
Conference Room 308  
State Capitol  
415 South Beretania Street

**TESTIMONY OF THE OCEAN TOURISM COALITION IN SUPPORT OF  
HB1019 HD1**

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

The Ocean Tourism Coalition (“OTC”) represents over 300 ocean tour operators statewide. OTC has been working with the Division of Aquatic Resources (“DAR”) on HB1019 HD1 (the “Bill”) to ensure it will achieve its stated goals and objectives. Like many other tourism-based businesses, the ocean tourism industry was shut down for most of 2020, and is still severely restricted today. Many companies are operating at 50% capacity or less, and will not see revenues anywhere near pre-pandemic levels for many years to come. Despite these difficult circumstances, our operators hope that a \$1 per passenger fee beginning in 2024 will provide necessary funds to DAR to invest in the health of our marine ecosystems, and the installation, maintenance, and replacement of day-use mooring buoys and other infrastructure.

In addition, OTC hopes that by working with DAR on the Bill, we will foster in a new era of collaboration between the State and ocean tourism industry. Every year our operators faces numerous bills that could cause great harm and make it difficult for them to run their businesses. Whether it is the public auctioning of permits (HB1011), or the unintended forfeiture of a vessel (SB572), our industry is under constant direct and indirect attack. However, by working with DAR, we believe we can show that the industry and the state can work together to achieved shared goals.

Finally, OTC strongly hopes that our industry's initiative on this Bill will encourage other industries that have an impact on our State's marine waters to fund the protection of our ocean waters. It cannot be understated how great of an impact land-based activities have on our marine environment. Pollutants such as sediment, nutrients (from fertilizers), bacteria (from animal waste), toxic chemicals, oil, and trash all flow into the streams, rivers, and finally into the ocean. These pollutants, whether from golf courses, agricultural activities, or a myriad of other land-based activities, have a significant effect on the health of our reefs. The ocean tourism industry is willing to contribute funds to ensure that our marine environment is protected, however, we cannot carry this load ourselves forever.

Sincerely,

Zachary LaPrade, Director, OTC



**HB1019 HD1**  
RELATING TO OCEAN STEWARDSHIP  
Ke Kōmike Hale o ke Oihana ‘Imi Kālā

Pepeluali 25, 2021

11:00 a.m.

Lumi 308

The Office of Hawaiian Affairs (OHA) offers testimony in **SUPPORT** of HB1019 HD1, which would provide a mechanism for generating substantial and dedicated revenues to support the the conservation, restoration, and enhancement of the State’s marine resources.

**Hawai‘i’s ocean environment forms the bedrock of our islands.** Hawai‘i’s marine environment and natural resources serve as a cultural, economic, social, scientific and recreational foundation for these islands. OHA notes that economic studies in 2002 and 2003 found an overall contribution of \$800 million in revenue generated from our coral reefs and coastal resources, with an added recreational, amenity, fishery, biodiversity and educational value of \$364 million per year. A subsequent report released in 2011 utilizing “innovative economic survey techniques” found that across U.S. households, the economic value of protecting Hawai‘i’s nearshore environment could be estimated at \$34 billion a year. While our ocean waters clearly hold cultural, spiritual, and biological significance beyond any monetary value, these economic analyses clearly reflect the critical nature of our marine environment to Hawai‘i nei.<sup>1</sup>

This measure would accordingly support the management and stewardship of some of our most culturally, economically, and socially valued ocean areas, as well as research and other activities that may benefit our ocean environment as a whole. By establishing ocean stewardship user fees and dedicating such fees to the conservation, restoration, and

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<sup>1</sup> See Carlie S. Weiner, Mark D. Needham, & Paul Wilkinson, *Hawaii's real marine life park: interpretation and impacts of commercial marine tourism in the Hawaiian Islands*, 12 CURRENT ISSUES IN TOURISM 489, 489-90 (2009) citing P.J. van Beukering & H.S. Cesar, *Ecological economic modeling of coral reefs: Evaluating tourist overuse at Hanauma Bay and algae blooms at the Kihei Coast, Hawai'i* 58 PAC. SCIENCE 243 (2007); A.M. Friedlander et. al., *The state of coral reef ecosystems of the main Hawaiian Islands* in THE STATE OF CORAL REEF ECOSYSTEMS IN THE UNITED STATES AND PACIFIC FREELY ASSOCIATED STATES 222-269 (2005); K. DAVIDSON, M. HAMNET, & C. MINATO, ECONOMIC VALUE OF HAWAII'S NEARSHORE REEFS (2003), available at [http://nature.forestry.oregonstate.edu/sites/default/files/2009-2%20CIT%20-%20Wiener%20Needham%20Wilkinson%20\(2009\).pdf](http://nature.forestry.oregonstate.edu/sites/default/files/2009-2%20CIT%20-%20Wiener%20Needham%20Wilkinson%20(2009).pdf); HERMAN CESAR ET. AL, ECONOMIC VALUATION OF THE CORAL REEFS OF HAWAII FINAL REPORT 74 (2002), available at [http://www.coralreef.gov/meeting18/evhcri\\_samoa\\_2007.pdf](http://www.coralreef.gov/meeting18/evhcri_samoa_2007.pdf); RICHARD C. BISHOP ET. AL., TOTAL ECONOMIC VALUE FOR PROTECTING AND RESTORING HAWAIIAN CORAL REEF ECOSYSTEMS: EXECUTIVE SUMMARY (2011), available at [https://www.coris.noaa.gov/activities/hawaii\\_econeal/resources/execsumm.pdf](https://www.coris.noaa.gov/activities/hawaii_econeal/resources/execsumm.pdf).

enhancement of marine resources, this measure could generate substantial revenues to protect and perpetuate the ocean environment upon which our islands depend.

Therefore, OHA urges the Committee to **PASS** HB1019 HD1. Mahalo nui loa for the opportunity to testify on this measure.



**HB-1019-HD-1**

Submitted on: 2/23/2021 6:17:20 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Daniela Escontrela	Individual	Support	No

Comments:

I am in strong support of this bill

Testimony in **SUPPORT** of:  
**HB 1019, HD1 Relating to Ocean Stewardship**

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*Submitted by:*  
*Dr. Jack Kittinger*  
*Honolulu, HI*

Testimony to the Hawaii State House Committee on Finance  
February 25, 2021, 11 a.m.

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

Thank you for the opportunity to submit testimony **in support of House Bill 1019, HD1.**

My name is Dr. Jack Kittinger, and I am a conservation professional, a professor in sustainability science - and most importantly, a community member in Hawaii that ardently believes in the importance of nature as the backbone of our culture and economy.

This bill establishes the Ocean Stewardship Special Fund for the collection and use of funds for the conservation, restoration, and enhancement of the State's marine resources, and authorizes the Department of Land and Natural Resources to collect non-resident user fees for the use and enjoyment of the State's ocean resources.

Our state depends on healthy marine systems; they're what feed us, protect our shorelines, support our cultural practices, and maintain our state's billion-dollar recreation and visitor industry. Our marine resources are also under threat - more frequent coral bleaching events, pollutant runoff, unsustainable fishing practices and the rapid proliferation of invasive species demand that we act now. For decades, visitors have enjoyed Hawaii's abundant ocean resources without contributing directly to management of those resources. House Bill 1019 would provide a way to begin collecting needed revenue from visitors to help fund marine resource restoration, conservation, and education. Residents and visitors would benefit from healthier reefs and restored fisheries. Commercial ocean tour operators would benefit directly by being able to offer more enjoyable experiences to their customers, and visitors will have the satisfaction that their experience is contributing to marine conservation in Hawaii.

Currently, fees paid by most commercial ocean users go towards the maintenance and support of harbor/marina infrastructure, boating safety and navigation programs for vessels. An Ocean Stewardship Fee program would address the increasing challenge of responsibly caring for Hawai'i's marine ecosystem and the important services it provides for current and future generations of residents and visitors to Hawai'i.

Thank you for the opportunity to testify on HB 1019, HD1.

Sincerely,

Dr. Jack Kittinger

**HB-1019-HD-1**

Submitted on: 2/23/2021 10:37:04 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members,

Please support HB1019.

Thank you,

Andrea Quinn

**HB-1019-HD-1**

Submitted on: 2/24/2021 9:02:15 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Shaelene Kamakaala	Individual	Support	No

Comments:

**HB-1019-HD-1**

Submitted on: 2/24/2021 10:20:25 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Presley Wann	Individual	Support	No

Comments:

Aloha Kakou,

Thank you for this opportunity to support passage of HB1019 on behalf of the Hui Maka'ainana O Makana of HÄ• 'ena, Kaua'i . We need to support this legislation which we believe will support DLNR/DAR's sustainably especially in the wake of COVID 19's State economy crunch.

Mahalo Nui Loa, Presley Wann (current President for Hui Maka'ainana O Makana)