

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 Senate Committee on  
WAYS AND MEANS**

**Friday, February 26, 2021  
9:30 AM**

**State Capitol, Via Videoconference, Conference Room 211**

**In consideration of  
SENATE BILL 1173, SENATE DRAFT 1  
RELATING TO OCEAN STEWARDSHIP**

Senate Bill 1173, Senate Draft 1 proposes to establish the Ocean Stewardship Special Fund for the collection and use of moneys for the conservation, restoration, and enhancement of the State's marine resources, and to authorize the Department of Land and Natural Resources (Department) to collect non-resident user fees for the use and enjoyment of the State's ocean resources. **The Department supports this administration bill and offers the following comments and suggested amendments.**

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. Senate Bill 1173, Senate 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 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.

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.

The Department understands the concerns expressed by some members of the ocean tourism industry that a user fee could negatively impact their businesses, especially during the COVID-19 pandemic. The Department supports amending the bill to be consistent with House Bill 1019, House Draft 1, which limits the user fee to \$1, clarifies who the user fee will apply to, and delays implementation to 2024.

Thank you for the opportunity to comment on this measure.



Testimony Before The  
Senate Committee on Ways and Means  
**IN SUPPORT OF SB 1173 SD 1**  
Friday, February 26, 2021, 9:30AM, Room 211

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 SB 1173 SD 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 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 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.

**SB-1173-SD-1**

Submitted on: 2/24/2021 3:27:08 PM

Testimony for WAM on 2/26/2021 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ted Bohlen	Testifying for Hawaii Reef and Ocean Coalition	Support	No

Comments:

To: The Honorable Donovan Dela Cruz, The Honorable Gilbert Keith-Agaran, Vice Chair, and Members of the Senate Committee on Ways and Means:

From: HAWAI'I REEF AND OCEAN COALITION – HIROC (by Ted Bohlen)

Re: Hearing SB1173 RELATING TO OCEAN STEWARDSHIP

Hearing Date: Friday, February 26, 2021, 9:30 am, CR 211 and by videoconference

Position: STRONG SUPPORT FOR OCEAN STEWARDSHIP FUNDING!

Aloha Chair Dela Cruz, Vice Chair , and Members of the Senate Committee on Ways and Means:

The HAWAI'I REEF AND OCEAN COALITION – HIROC – was formed in 2017 by coral reef scientists, educators, local Hawaii environmental organizations, elected officials, and others to address the crisis facing Hawaii's coral reefs and other marine life. Our reefs and oceans are under great stress and need funding for protection! Warm and acidic waters due to global warming, polluted runoff, unsustainable fishing, invasive species, and petrochemical sunscreens are all degrading our reefs and oceans that are critical for protecting our coral reefs, other aquatic life, and shorelines and maintaining our tourism and recreational economy.

This bill would establish the Ocean Stewardship Special Fund for the collection and use of moneys 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. This fund is one way to finance badly needed marine resource conservation, restoration, enhancement, research and educational activities. Hawaii Reef and Ocean Coalition believes more funding is essential for maintaining our reef and ocean health, and so supports the intent of this bill.

Thank you for the opportunity to testify.

Hawaii Reef and Ocean Coalition (by Ted Bohlen)

**SB-1173-SD-1**

Submitted on: 2/24/2021 4:03:04 PM

Testimony for WAM on 2/26/2021 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Sandy Ward	Testifying for Hui o Ho`ohonua 501(c)3	Support	No

Comments:

Dear Senators Dela Cruz and Keith-Agaran,

I am writing as the Executive Director of a community an `Ewa community non-profit focused on the restoration of Pearl Harbor - Hui o Ho`ohonua. We support SB 1173 and believe it is vital to create new funding streams to support the protection of Hawai`i's natural resources. This bill creates such a funding stream and one that does not unduly burden businesses or visitors.

Mahalo for your consideration.



The Nature Conservancy, Hawai'i Program  
923 Nu'uuanu Avenue  
Honolulu, HI 96817

Tel (808) 537-4508  
Fax (808) 545-2019  
nature.org/hawaii

**Testimony of The Nature Conservancy  
In Support of SB 1173, SD1 RELATING TO OCEAN STEWARDSHIP**

**Committee on Ways and Means  
Friday, February 26, 2021, 9:30 AM  
Conference Room 211 Via Teleconference**

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*The Nature Conservancy of Hawai'i is a non-profit 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 nature preserves and work in over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands. We forge partnerships with government, private parties, and communities to protect forests and coral reefs for their ecological values and for the many benefits they provide to people.*

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**The Nature Conservancy supports SB 1173 SD1 which proposes to establish 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 to authorize the Department of Land and Natural Resources (DLNR) to collect non-resident user fees for the use and enjoyment of the State's ocean resources.**

Life in Hawai'i is concentrated along our spectacular coasts, where islanders and visitors take full advantage of tropical waters and vibrant coral reefs teeming with life. The reefs that line our coasts are environmental, economic, recreational, and cultural treasures that support our island lifestyle and livelihoods. Each year, they provide flood protection to people, property, and jobs valued at more than \$836 million, support nearshore fisheries worth \$13.4 million, and contribute more than \$1.2 billion through reef-related tourism to the state's economy. Yet local pressures from overfishing and land-based pollutants have contributed to a 60% decline in living coral reefs in some areas over the past 40 years, and as much as a 90% decline in some important nearshore fisheries. The impacts of global climate change, such as warming and rising seas and more powerful and frequent storms, hasten the loss of coral reefs and threaten coastal areas with flooding and erosion. In a recent poll of Hawai'i residents, 93% said that coral reefs dying off was a serious concern. We must reverse this trend to protect the environmental engine that drives our economy.

DLNR is responsible for managing and protecting Hawai'i's coral reefs, nearshore fisheries, and other important coastal resources, and it is imperative that they have the financial resources necessary to do so. SB 1173 SD1 will enable DLNR to begin collecting nominal fees from visitors for the use and enjoyment of the State's ocean resources. These fees will provide critical revenue to DLNR for essential marine resource protection, restoration, and management. The Ocean Stewardship Fee would be collected through commercial ocean operators who provide services to tourists. Collected fees would be directed into a special fund managed by the Division of Aquatic Resources (DAR), and residents and visitors alike would benefit from healthier and more resilient marine resources.

Thank you for the opportunity to support SB 1173 SD1 to provide the funding necessary for DLNR to protect and restore the unique marine resources that make Hawai'i a global destination for discerning visitors and an irreplaceable home that will sustain us and our children for generations to come.

**BOARD OF TRUSTEES**

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## SB1173 SD1

### RELATING TO OCEAN STEWARDSHIP

Ke Kōmike ‘Aha Kenekoa o ke Ki‘ina Hana a me nā Kumuwaiwai

Pepeluali 26, 2021

9:30 a.m.

Lumi 211

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SB1173 SD1, which would provide a mechanism for generating substantial and dedicated revenues to support 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 authorizing nonresident user fees for the use and enjoyment of the state’s ocean resources, and dedicating such fees to the conservation, restoration, enhancement of marine resources, this measure could result in millions of dollars of revenues to protect and perpetuate the ocean environment upon which our islands depend – without any increased burden on state taxpayers. OHA understands that geographical limitations would likely limit the practical application of such fees to only a few marine managed areas; however, **with pre-pandemic numbers approximating 1 million annual visitors to Hanauma Bay alone, a modest nonresident user fee for this one location alone could generate millions of dollars**

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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, Hawaii'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/evhcricri\\_samoaa\\_2007.pdf](http://www.coralreef.gov/meeting18/evhcricri_samoaa_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\\_econeval/resources/execsumm.pdf](https://www.coris.noaa.gov/activities/hawaii_econeval/resources/execsumm.pdf).



**a year in support of the management, stewardship, restoration, and perpetuation of our ocean resources and sites.<sup>2</sup>**

Therefore, OHA urges the Committee to **PASS** SB1173 SD1. Mahalo nui loa for the opportunity to testify on this measure.

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<sup>2</sup> Hanauma Bay State Park, Hanauma Bay History, <https://hanaumabaystatepark.com/hanauma-bay-history/> (last accessed Feb. 8, 2021).

**SB-1173-SD-1**

Submitted on: 2/24/2021 5:50:57 PM

Testimony for WAM on 2/26/2021 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Damien Kenison	Testifying for Kauhako Ohana Association	Support	No

Comments:

Aloha, I am submitting testimony in support of SB 1173 for the following reasons;

Our marine resources are poorly managed because DLNR does not have the financial capability to monitor and regulate adherence to the laws established for the protection of the marine life which all of us who reside here depend on for sustenance, commercial and personal reasons.

As a Native Hawaiian living here in Ho'okena/Kauhako South Kona Hawaii Island, I can firmly state that the marine life which we have depended on for food and the perpetuating of our traditional practices is in decline because in the past 50 years, we have been poor stewards of the ocean. Being unable to enforce the laws which are needed to sustain our ocean resources is having a serious detrimental effect on all residents of Hawaii. By our inability to appropriately manage our marine resources we are exhibiting poor stewardship of the gifts that have been preserved for us by hundreds of years of pono management.

People who use our island culture and resources for financial gain have a duty to participate in an effort that will ensure sustainability of the resources which we all depend on for our livelihoods and enjoyment. When the camping fees here in Hawaii County was raised from \$5.00 to \$20.00 for nonresidents there was a lot of opposition and some campers vowed to not return to Hawaii. However, after reconsidering, many of them realized what a special place Hawaii is and the number of campers from out of State increased tremendously. The caliber of visitors improved I believe, mainly because they were more responsible and respectful.

DOCARE has been underfunded for too long. Their job is to monitor the ocean and land. Such a big responsibility for the few number of officers allotted for each island. Their kuleana is to protect the precious resources which we all depend on. Why not give them the opportunity to be effective and appropriately serve the majority of stakeholders who live here as residents.

Being good stewards is a responsibility which we share with the visitors to our islands. The burden also sits on our shoulders and as ho'a'aina we should be more thoughtful

and pono in how we live and enjoy the bounty of the 'aina and ocean. This bill should also help to educate our residents on their kuleana in this matter.

Please support the passage of this bill for all of our benefit

Mahalo Nui Loa,

Damien Kenison

President - Kauhako Ohana Association.

PO Box 38, Honaunau, HI, 96726



THE SENATE  
THE THIRTY-FIRST LEGISLATURE  
REGULAR SESSION OF 2021

COMMITTEE ON WAYS AND MEANS  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

NOTICE OF HEARING  
DATE: Wednesday, February 26, 2021  
TIME: 9:30 A.M.  
PLACE: Conference Room 211

TESTIMONY OF THE OCEAN TOURISM COALITION IN SUPPORT TO  
SB1173 AS WRITTEN.

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

The Ocean Tourism Coalition (“OTC”) is cooperating with the DLNR and the Department of Aquatic Resources (“DAR”) to revise this bill to achieve the stated bill objectives. The House Version of this bill, HB1019 HD1, contains the language the parties have been working on.

OTC worked with DAR to (1) set a predictable, affordable amount for the user fee, and (2) include all types of commercial permits. The effective date was also set for 2024 to give some time for the industry to recover from COVID-19.

As such, OTC recommends the following bill revisions:

...

**§187A- Ocean stewardship fees.** (a) All operators of commercial vessels, water craft, or water sports equipment that are required to have a commercial operator permit pursuant to section 13-256-3(a), Hawaii Administrative Rules, shall collect an ocean stewardship user fee from each passenger carried or customer serviced.

(b) The ocean stewardship user fee shall be \$1 per passenger or customer, and shall be adjusted

every 5 years to match changes in the Consumer Price Index in the Honolulu Area as reported by the U.S. Bureau of Labor Statistics; provided, however, that the fee shall not be adjusted more than 10% every 5 years. Fees collected pursuant to this section shall not be counted toward "gross revenues" for purposes of section 200-10(c)(5), HRS."

(c) All fees collected pursuant to this section shall be transferred to the department on a monthly basis and shall be deposited in the ocean stewardship special fund.

(d) The department [~~of land and natural resources may~~] shall adopt rules pursuant to chapter 91 to [~~establish non-resident user fees for the use and enjoyment of the State's ocean resources.~~] carry out the purposes of this part. [~~Fees collected under this section or any rule adopted thereunder, shall be deposited in the ocean stewardship special fund.~~]"

SECTION 3. This Act shall take effect upon its approval, provided that the ocean stewardship fee shall not be collected until January 1, 2024.

OTC opposes the Senate version of the bill as currently written, but supports the SB1173 with the above revisions.

Sincerely,  
Zachary LaPrade, Director, OTC

**SB-1173-SD-1**

Submitted on: 2/25/2021 4:55:08 PM

Testimony for WAM on 2/26/2021 9:30:00 AM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Will Caron	Individual	Support	No

Comments:

Aloha committee members,

I support the concept of green fees taken from visitors to maintain and care for our precious natural resources and environment. If the committee feels a special fund should be created to accomplish this, I support that as well. Mahalo.