

**DAVID Y. IGE**  
Governor

**JOSH GREEN**  
Lt. Governor



**PHYLLIS SHIMABUKURO-GEISER**  
Chairperson, Board of Agriculture

**MORRIS M. ATTA**  
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 COMMITTEES ON AGRICULTURE**  
**AND ECONOMIC DEVELOPMENT**

**MARCH 16, 2022**  
**9:30 A.M.**

**CONFERENCE ROOM 325 & VIA VIDEOCONFERENCE**

**SENATE BILL NO. 2284 SD2**  
**RELATING TO AQUACULTURE**

Chairpersons Hashem and Quinlan and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 2284 SD2. The measure establishes provisions relating to the Department of Agriculture's ("Department") governing of the business of aquaculture. This measure: grants exclusive property rights to persons who lawfully obtain the cultured progeny of wild plants and animals by broodstock acquisition; authorizes the Department to regulate the transportation, purchase, possession, and sale of specific aquaculture products as may be necessary to protect indigenous species; requires the Department to prepare programmatic environmental impact reports and acquire land for aquacultural purposes; and makes an appropriation. The Department supports the intent of this measure and respectfully provides the following comments.

The measure promotes the State's economic development by enabling the Department to have regulatory authority for aquaculture and provides a pro-development framework that minimizes negative effects on the environment through monitoring and reporting using a science-based approach. The Department notes the following and respectfully offers recommendations to improve implementation of this measure:



- The Department has three divisions or programs which are active in providing aquaculture support. They are:
  - Agriculture Resource Management Division which acquires land and administers property management activities;
  - Aquaculture Development Program which coordinates research, technology transfer, outreach, and marketing activities; and
  - Plant Quarantine Branch which administers importation and movement permits for aquatic non-domestic animal, plants, and microorganisms, including algae.
- Ocean-based aquaculture operations are administered by the Department of Land and Natural Resources. The harvesting, processing, and sales of aquaculture food products are administered by the Department of Health. The Department suggests that regulatory oversight for those activities remain with their currently associated departments.
- Pursuant to Chapter 150A, Hawaii Revised Statutes, the Department already regulates importation, possession and transfer of plant, non-domestic animal, and microorganism species, which include micro and macro algae, used for aquaculture. The Board of Agriculture review process for permit issuance requires multiple technical reviews to ensure that proposed uses and locations of aquacultured species pose minimal risk of escape, including possible negative effects to native species and the environment that can be associated with the introductions. Depending on the species and use, the review process is able to create specific requirements to minimize risks for import and transport. The Department suggests that the proposed requirements for indigenous species protection be removed since the existing review process already addresses this matter. Moreover, to provide additional support to stakeholders, further outreach can be provided to better inform them of the process and to work with them to ensure safe use and importation.
- The Department recommends use of the following language to amend the proposed definition of "Aquaculture" to clarify that algae is included: “. . . and harvesting of aquatic plants, animals, and microorganisms, including algae, in marine, brackish, and fresh water. The term "aquaculture" does not include species of ornamental marine or freshwater plants, animals, and microorganisms, including algae, not utilized for human consumption or bait purposes that are maintained in closed systems for personal, pet industry, hobby, or other similar purposes.”

- The requirement to initiate rulemaking should be deleted since the Department's existing programs are already performing the tasks prescribed by the measure pursuant to previously established rules.
- The Department can coordinate programmatic environmental impact assessments for inland areas; however, the Department may not be appropriate or suitable for coordinating or conducting environmental assessments for coastal and ocean areas since they are under the jurisdiction of the Department of Land and Natural Resources. It is unlikely that matching funds of any kind would be available from the aquaculture industry for programmatic environmental assessments. The Department respectfully recommends that this requirement be deleted.
- The Department appreciates the addition of four staff positions to implement the provisions of this measure, however, additional operating funds are needed to accomplish the intent and purpose of this measure as well. The Department estimates that approximately \$400,000 in operating funds would be needed for research, outreach, and marketing.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
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 CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEES ON AGRICULTURE AND ECONOMIC  
DEVELOPMENT  
ON  
SENATE BILL NO. 2284, S.D. 2

**March 16, 2022**  
**9:30 a.m.**  
**Room 325 and Videoconference**

RELATING TO AQUACULTURE

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2284, S.D. 2, moves the existing aquaculture program within the Department of Agriculture (DOA) to a new part under Chapter 141, HRS, and adds five new sections to this part, which adds new definitions for the program; establishes provisions relating to the DOA's governing of the business of aquaculture; grants exclusive property rights to persons who lawfully obtain the cultured progeny of wild plants and animals by brood stock acquisition; authorizes the DOA to regulate the transportation, purchase, possession, and sale of specific aquaculture products as may be deemed necessary to protect indigenous species; and requires the DOA to prepare programmatic environmental impact reports for existing and potential commercial aquaculture operations in both coastal and inland areas of the State, provided that there are funds appropriated to the DOA for this purpose and matching funds are provided by the aquaculture industry. This bill also requires the DOA to acquire land for the

purposes of aquacultural production and appropriates an unspecified amount of general funds in FY 23 for the DOA to establish 4.00 positions to effectuate this part.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

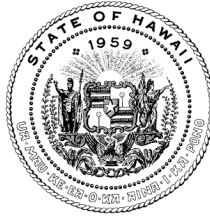
Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

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 Committees on**  
**AGRICULTURE**  
**and**  
**ECONOMIC DEVELOPMENT**

**Wednesday, March 16, 2022**  
**9:30 AM**

**State Capitol, Conference Room 325, Via Videoconference**

**In consideration of**  
**SENATE BILL 2284, SENATE DRAFT 2**  
**RELATING TO AQUACULTURE**

Senate Bill 2284, Senate Draft 2 proposes to establish provisions relating to the Department of Agriculture's (HDOA) governing of the business of aquaculture; grants exclusive property rights to persons who lawfully obtain the cultured progeny of wild plants and animals by brood stock acquisition; authorizes HDOA to regulate the transportation, purchase, possession, and sale of specific aquaculture products as may be necessary to protect indigenous species; requires HDOA to prepare programmatic environmental impact reports and acquire land for aquacultural purposes; and makes an appropriation. **The Department of Land and Natural Resources (DLNR) appreciates the intent of this bill and provides the following comments and suggested amendments.**

While there are currently no laws that expressly prohibit the culture of non-native species in state ocean waters, for the past 30 years DLNR and HDOA have maintained a de facto ban through the existing joint review and approval process. This process has prevented the proposed cultivation of non-native groupers and tilapia in ocean cages. It is unclear how this bill would affect HDOA's process for reviewing and approving aquaculture projects, including consultation with DLNR to prevent or minimize risk of non-native species introductions.

DLNR suggests that the committees reinsert the language of Senate Bill 2284 (p.5, line 16 through p.7, line 2) that establishes prohibitions relating to the spawning, incubating, or cultivation of transgenic fish species or any exotic species of finfish and makes exemptions for certain research activities. DLNR also suggests reinserting an amended definition of "exotic

**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

species” to mean “a fish that is not indigenous to Hawaii waters and did not exist as a viable population in a wild condition in the State as of January 1, 2022.” This would address the concern that the bill may incentivize the intentional release of exotic species once they are established in the wild.

Thank you for the opportunity to comment on this measure.

**SB-2284-SD-2**

Submitted on: 3/15/2022 7:39:12 AM

Testimony for AGR on 3/16/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
David Sakoda	DLNR	Comments	Remotely Via Zoom

Comments:

I am available for questions to DLNR. Please allow me Zoom access.



**SB-2284-SD-2**

Submitted on: 3/11/2022 10:53:07 PM

Testimony for AGR on 3/16/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jennifer Azuma Chrupalyk	Administrator of Mahiku A'o Mai - a Native Farm	Oppose	Written Testimony Only

Comments:

From the team at Mahiku A'o Mai, we cannot outright state that we support this bill as it relates to the potential displacement of our Native Practitioners and the root culture that identifies Hawai'i. The potential displacement of our Native Practitioners promises severe negative implications that contribute to the disparities that take place among Pacific peoples - including but not limited to Hawaiians.

Turning a traditional practice of a culture into a business commodity also promises to exacerbate the issues that relate to all People of Austronesian descent. (people of the Pacific).

Should you decide to move forward with this initiative, I highly recommend that you consult with long-term Cultural Practitioners and Wilmont Kamaunu Kahaiali'i in Lahaina, to build the foundation upon the proper interpretation of Kingdom Law - which has the positive attributes of maintaining sustainability through reciprocity with the environment. I honestly don't know how capitalism is going to relate to the culture without doing so. There might be a lot of negative views about this and kupuna in trouble.



March 16, 2022

HOUSE COMMITTEE ON AGRICULTURE Rep. Mark J. Hashem, Chair Rep. Amy A. Perruso, Vice Chair

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT Rep. Sean Quinlan, Chair Rep. Daniel Holt, Vice Chair

Wednesday, March 16, 2022 TIME: 9:30a.m

Re: SB2284 SD2 Relating to Aquaculture

Dear Chairs Hashem and Quinlan, Vice Chairs Perruso and Holt, and Committee Members

The Hawaii Aquaculture & Aquaponics Association (HAAA), with statewide membership, **supports the intent of SB2284 SD2** to establish favorable provisions relating to the department of agriculture's management of the business of aquaculture.

However, we have questions or concerns about the other indicated purposes and about multiple provisions in Sections 2 and 6 that could result in unintended negative consequences. We recommend that a committee be formed of industry and affected Departments to work on these concerns after session and report back to the follow legislature with a more comprehensive bill that would better address the intended purpose of this measure.

Thank you for the opportunity to comment in support of the intent but with the stated concerns and recommendation.

Ronald P. Weidenbach, HAAA President on behalf of the HAAA Executive Committee

**SB-2284-SD-2**

Submitted on: 3/15/2022 3:26:17 PM

Testimony for AGR on 3/16/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Andrea Quinn	Individual	Support	Written Testimony Only

Comments:

Dear Honorable Committee Members:

Please support SB2284.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei, Maui

**SB-2284-SD-2**

Submitted on: 3/15/2022 7:35:21 PM

Testimony for AGR on 3/16/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jesse Kealiinohomoku	Individual	Support	Written Testimony Only

Comments:

Support!