

NEIL ABERCROMBIE
Governor



RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

JAMES J. NAKATANI
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

TESTIMONY OF RUSSELL S. KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE
STATE OF HAWAII

BEFORE THE HOUSE COMMITTEE ON FINANCE
FEBRUARY 24, 2011
12:00 P.M.
STATE CAPITOL, CONFERENCE ROOM 308

HOUSE BILL NO. 1568 HD1
RELATING TO INSPECTIONS

Chair Oshiro and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 1567 HD1 which proposes to add a new section to HRS 261 – A, for the State Department of Transportation to authorize the Department of Agriculture to provide biosecurity inspection facilities at air and sea ports statewide, in compliance with HRS section 150A-53 for the inspection, consolidation, deconsolidation, and treatment of air cargo, and to facilitate the inspection of air cargo, and to meet the needs of each island's agricultural industries.

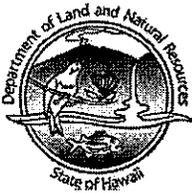
The Department of Agriculture supports the intent of this measure as the measure is supportive of the Biosecurity Program under section HRS 150A-53(2), authorizing that the Department shall establish, operate, or participate in operating port-of-entry facilities for state plant pest prevention programs.

The Department is working closely with the Department of Transportation to identify our respective and specific needs to strengthen biosecurity initiatives to prevent entry of new pests of concern to agriculture, public health and environment in Hawaii.

Thank you for the opportunity to testify on this measure.



NEIL ABERCROMBIE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
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WILLIAM J. AILA, JR.
INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
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

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the House Committee on
FINANCE**

**Thursday, February 24, 2011
12:00 PM**

State Capitol, House Conference Room 308

**In consideration of
HOUSE BILL 1568, HOUSE DRAFT 1
RELATING TO AGRICULTURE**

The Department of Land and Natural Resources (Department) supports the intent of House Bill 1568, House Draft 1 to establish adequate biosecurity and inspection facilities at major airports and harbors in the State to strengthen and support Hawaii's agricultural industry, but defers to the Department of Agriculture and the Department of Transportation to find the best solutions for funding and implementation.

Because transportation by air and sea have been identified as the risk pathways for invasive species into the State of Hawaii, appropriate inspection facilities and consistent inspection activities are crucial to protecting the health, safety, and welfare of the public. These facilities are a "need to have", not just "nice to have" component of the program. By initiating and continuing the implementation of biosecurity facilities, House Bill 1568, House Draft 1 reduces the likelihood of and economic loss associated with additional invasive species introductions and a quarantine on Hawaii's exported goods. The Department supports the intent of House Bill 1568, House Draft 1 and urges an expeditious resolution of the issues.



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 24, 2011

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION
HOUSE BILL NO. 1568, HD1

COMMITTEE ON FINANCE

House Bill No. 1568, HD1 requires the Department of Transportation to provide space, planning, design support, and other infrastructure at various harbors and airports in the State to provide for the inspection, consolidation, deconsolidation and treatment of agricultural commodities.

We have the following concerns:

1. The responsibility to conduct inspections at ports-of-entry to Hawaii is inherently not an airport nor harbor function but one assigned to the Department of Agriculture.
2. The Aloha Tower Development Corporation was rendered inoperable due to the lack of budget appropriations for FY 2011. While we defer to DBEDT, we note that to date, there are no indications that there will be any appropriations this session. In that regard, there are measures before the legislature to repeal Chapter 206J.
3. Federal law prohibits the use of airport revenue for expenses unrelated to the capital and operating costs of the airport, the airport system, or facilities devoted to air transportation. Payments for inspectors and inspection facilities would represent a prohibited use of airport revenue.
4. Placing the burden of funding agricultural inspection facilities on DOT will divert its limited financial resources. Our primary focus is the implementation of needed airport and harbor improvements under the New Day Work projects.
5. Additionally, the DOT-Airports Division has executed grant agreements to construct airport facilities with federal funds. All grant agreements mandate that airport revenue be expended only for capital or operating costs of the airport that are directly and substantially related to the actual air transportation of passengers or property. A food storage facility as proposed falls outside this definition. As such, the use of airport revenue for this type of facility may result in the breach of this provision thereby jeopardizing the ability to receive future federal funds.



Hawaii Farm Bureau
F E D E R A T I O N

2343 Rose Street, Honolulu, HI 96819
PH: (808)848-2074; Fax: (808) 848-1921

February 24, 2011

TESTIMONY

Re: HB1568 HD1 RELATING TO AGRICULTURE

Chair Oshiro and Members of the Committee :

Hawaii Farm Bureau Federation on behalf of commercial farm and ranch families and organizations in the State **STRONGLY SUPPORTS with amendments HB1568 HD1**, providing biosecurity facilities related at airports and harbors across the State.

During prior hearings, there has been doubt cast on FAA's role in biosecurity. The following is a quote from the Secretary of Transportation's policy statement regarding invasive species to comply with Executive Order 13112 signed by President Clinton. The website provides the complete document.

The Federal Aviation Administration cooperates with other federal and state agencies in developing a comprehensive strategy to reduce the risk of introducing invasive species at airports in Hawaii; cooperates in federal research for screening baggage, cargo, and passengers; and protects native species in the management of its facilities and FAA-funded and licensed facilities throughout the country.

http://www.environment.fhwa.dot.gov/ecosystems/wildlife/inv_dot.asp

The above document clearly states that FAA will cooperate and work with State agencies. We expect the policy of Hawaii Department of Transportation to be similar as Governor Abercrombie has stated that control of invasive species is a priority for the New Day in Hawaii.

During prior testimonies, there appeared to be a misconception by some that DOT would be responsible for the biosecurity facilities. We are **suggesting amended language in the measure to clarify the responsibilities of the various parties. The suggested amendment for HD2 is attached.**

Risk of invasive species introduction can be viewed in two ways. First high risk due to rapidity of transport ...and that is air. Air transport brings cargo from unknown destinations to Hawaii in hours, increasing the probability of survival of invasive species. The second is volume -- where sheer numbers increase the probability of

introduction turning it into not a matter of "if" but rather "when" there is an introduction of a new invasive. Global transportation and eclectic tastes of consumers has introduced problems never seen before beetles in fiber used for ceiling material from the Middle East or new scorpions hidden in rocks for landscape from Australia are threats from sea that never existed before. We cannot stop global trade. That means we need to get smarter about protecting ourselves. The Hawaii Biosecurity Plan does just that. In the process, it also addresses issues important to the State's smaller farmers and ranchers.

The mid 2000s saw Hawaii's economy boom and all of the harbors across the state were busy and innovative in their use of space. I visited terminals on Oahu and Maui and was amazed at what Matson and Young Brothers did. I was impressed that they could move cargo so quickly and without accidents. They were forced to go up since groundspace was limited ...and it was impressive that they could find the containers. What would happen if the economy continued to grow? They needed space!!!



The picture above is cargo that sat in the sun waiting to get in containers as workers hustled about. Now, with reduced cargo volume, YB is able to get cargo into refrigerated containers as soon as they are delivered but what if those hectic days return? Will YB have the space or should consolidation/deconsolidation be done at another location and YB only deal with consolidated cargo? This is why the biosecurity plan is important. We do not think that precious waterfront space needs to be used for consolidation and deconsolidation -- it can be done at another site . However, the process should be integrated and it is in the interest of the harbors to participate in the process.

In addition to cargo handling, we are faced with increased levels of invasive species and challenges to how we handled our products through new food safety certification

requirements by our vendors. The Department of Agriculture's Hawaii Biosecurity Plan is a comprehensive plan of how we can address invasive species while protecting and growing agriculture. It has all of the pieces in one picture. This is important when resources are scarce. We cannot afford to duplicate or waste. We must be efficient and identify ways to leverage what we have. We appreciate HHUGS and the maritime companies for supporting our biosecurity efforts thusfar. It shows what cooperation can accomplish.

And finally, we do not want lack of ability to control invasives to delay harbor or airport improvement plans. We need good harbors and airports to provide reliable and affordable movement of goods. **In 2010, all of the Mayors agreed this was a priority for their respective counties. Their testimony is attached. Kauai's position is included in their CEDS document.**

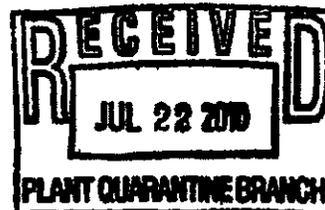
We extend our appreciation to this body for considering this important initiative and request your strong support in moving this measure forward including the attached . amendment. If there are any questions, please contact Warren Watanabe at 2819718. Thank you.

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET • HONOLULU, HAWAII 96813
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MUFI HANNEMANN
MAYOR



July 19, 2010



Ms. Carol Okada
Plant Quarantine Branch
Hawaii Department of Agriculture
1849 Auiki Street
Honolulu, Hawaii 96819

Dear Ms. Okada:

Thank you for the opportunity to discuss the concerns and needs of the City and County of Honolulu regarding the Hawaii Biosecurity Plan.

Defending our islands from invasive species, while improving the condition of our ports, requires federal, state, and county officials to think and act as one, and work hand-in-hand with our local communities. Biosecurity at the ports will block the entry of harmful invasive species that can threaten our agriculture industry, native ecosystems, tourist-driven economy, and public health and safety. Apart from creating joint-use inspection facilities at our state's ports-of-entry for enhanced screening and prevention, the program also lays the foundation on which creative, community-driven ideas can be developed.

The City and County of Honolulu believes it is vital to implement the biosecurity program if we are to create a more efficient and streamlined infrastructure to deal with the high volume of imported cargo that must be painstakingly inspected for invasive species, while providing for the proper and safe storage and handling of cargo as it moves through the distribution system.

As the Airport and Harbor Modernization Plan moves forward, consideration must be given to the Department of Agriculture's biosecurity requirements and to the City's need to have the system prevent delays and product loss. Honolulu's harbors and ports are critical to the statewide transportation system as the hub of activity for imports and exports. Without timely improvements, the net result to our citizens could be higher costs and reduced quality for those products we import. Congestion at the ports resulting from a lack of infrastructure improvements will have a deleterious effect on local producers and distributors.

With input from a broad range of stakeholders, the City has identified several biosecurity projects as part of our update to the U.S. Economic Development Administration's Comprehensive Economic Development Strategy (CEDS) 2010. We recommend that the following CEDS short-term implementation projects be included in the Hawaii Biosecurity Plan to assist diversified agriculture in food security, research, and industry expansion.

Kunia Village Agri-business Complex

Renovate agricultural structures in the Kunia area to promote diversified agriculture as part of the Hawaii Agriculture Research Center's development. The project will renovate four structures with a combined area of 53,000 square feet that will be used to promote research and emerging agricultural endeavors, including but not limited to agriculture services and value-added components.

Oahu Farmland Security Initiative

Design and implement a comprehensive plan to address agricultural security issues on Oahu, with emphases on theft, vandalism, and feral animal incursions.

Integrated Approach to Achieve Food and Fuel Security in Hawaii

The biofuel and agriculture industries recognize that potential synergies may exist that provide benefits to the state. Given the foresight of the 2007 Legislature in establishing the Energy Feedstock Program within the Hawaii Department of Agriculture, the funds will provide initial implementation costs.

Food Security Action Plan

Hawaii imports approximately 80 percent of its food, and so we have a two-week supply of food in the state. The action plan is to provide pathways to decrease our reliance on imported food sources and increase the local food supply.

Honolulu Farmers' Market Halls

Plan, design, and construct permanent farmers' market hall(s) in Honolulu. Oahu will have the largest in-state market, now and in the future, for local-grown agricultural commodities. Moreover, diversified agriculture is alive and well in Hawaii and the movement to "buy local" is rapidly gaining momentum. These new halls would be operational for most of the week and would serve local consumers and tourists.

Ms. Carol Okada
July 19, 2010
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If you have any questions regarding this matter, please contact our Small Business Advocate, Alenka Remec, at (808) 768-4249 or email aremec@honolulu.gov.

We look forward to cooperating with you on this plan.

With warm regards and aloha,

Yours truly,

A handwritten signature in black ink, appearing to read "Mufi Hannemann", with a long horizontal flourish extending to the right.

Mufi Hannemann
Mayor

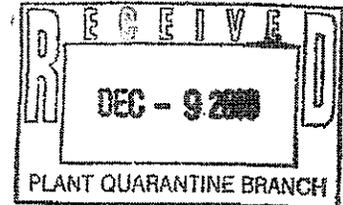
CHARMAINE TAVARES
MAYOR



OFFICE OF THE MAYOR

County of Maui
December 6, 2010

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Ms. Carol Okada
Hawaii Department of Agriculture
Plant Quarantine Branch
1849 Auiki Street
Honolulu, Hawaii 96819

Dear Ms. Okada:

RE: BIOSECURITY ISSUES AND FY 2011 CIP LIST FOR WATER IMPROVEMENTS

Thank you for the opportunity to comment on the issues of Biosecurity, Transportation and Water Issues for Maui County. In order for our island agriculture to remain, viable, we need to have a vision of a Biosecurity Program that entails a number of critical components that are important to ensure a secure environment protected from invasive species treats.

BIOSECURITY

Maui County imports and exports thousands of shipping containers each year through Kahului Harbor. About 50% of those containers carry produce, plant material, and other perishables that may pose Biosecurity or safety threats to our community if not properly managed. Invasive species control, food safety, and export viability are our primary concerns.

In Summer 2010 Maui County's stakeholders collaborated to identify the current system's challenges, limitations, and potential for improvement. These concerns have been addressed in other forums, as well: Maui's Island Plan, the Comprehensive Economic Development Strategy (CEDS), and the Maui Agriculture Development Plan. Still, while the needs have been discussed, a comprehensive plan has not been funded or executed. This proposal incorporates valuable input from local growers and exporters, transportation providers, importers, and various government agencies so that this need can now be addressed.

To effectively implement Act 236 (Biosecurity Law), Maui County needs immediate funding and expert resources to design, build, and integrate the **Kahului Harbor Inspection, Treatment, & Distribution System**. The overall system design must include facilities, processes, policies, and personnel for Kahului, Lanai, and Molokai. To ensure efficient use of resources, this plan should be added to the current **Harbor Improvement Plan**, with the additional funding required for simultaneous implementation.

We have four key motives for the proposed system:

- ◆ *Reduce invasive species threats (identification, eradication, & control)*
- ◆ *Minimize food contamination risk (i.e. thawed/spoiled products)*

- ◆ *Decrease perishable losses and costs due to weather exposure*
- ◆ *Increase Maui County growers' competitive advantage across Maui and in export markets (i.e. improve quality and "low-risk" exporter rating)*

Maui County's primary goal is to consistently inspect 100% of containers with "high-risk" cargo by December 2013. We will treat or destroy import/export/interisland shipments that carry invasive species. Each year 10% of all shipments through Kahului Harbor are deemed "high-risk" by virtue of the items, the producer, or the geography from which they originate. Our plan includes:

- ◆ Identifying those "high-risk" shipments to regulate a manageable scope for inspection;
- ◆ Incentives for importers who get shipments pre-inspected at the point of origin, or who use pre-certified "safe" or "low-risk" providers;
- ◆ Treatment & eradication facilities to minimize environmental threat and landfill contamination, including services such as animal dips, equipment wash-down areas, insect and coqui frog treatment, etc.;
- ◆ Consideration of employing a distributed inspection and treatment model as well as use of third-party providers to alleviate congestion and delivery delays; and
- ◆ Innovative technology use to automate, track, and accelerate the process with less staff and overhead.

Our second objective is to provide covered and/or climate controlled freight sheds at the harbor that protect perishables and other products arriving/departing from exposure that could degrade food safety or destroy the shipment. At least three marshalling areas for both imports and exports are necessary: Simple weather exposure protection (covered, not climate controlled), Refrigerated, and Frozen.

The enhanced system we propose must address **several challenges**. Location of a facility (or a distributed/third-party inspection model) raises space and traffic challenges. Inspection volume and personnel limitations create concerns with bottlenecks and other process delays that can impair competition and freshness (time to market). Additional off-loading and backloading inflates risks of damage and delay, so liability and risk mitigation must be identified.

Widespread adoption of and adherence to the new system involves considerable change management planning and investment. This includes incentives, training, ongoing education, and special assistance enabling business process changes within our local supply chain.

Lastly, fees, tariffs, or taxes that support Biosecurity measures must be reasonable and transparent. Inevitably, these costs will be passed to consumers who have not necessarily bought into the value proposition of the initiative. Competition is negatively impacted if we cannot minimize the cost to market providers.

TRANSPORTATION

The fact that Hawaii is a multi-island state as well as its position as the world's most isolated location, present major challenges for our harbors and airports. I am thankful that Maui has the Alien Species Action Plan Building (ASAP) to better protect us from invasive species from products being flown to our island. The lack of dock space and the deteriorating conditions of our harbors are affecting the shipping industry that we depend on to support our economy; therefore, I place the Kahului Harbor as my number one priority related to State transportation issues.

- **Implementation of Harbor Master Plan is critical. We need dredging of the Kahului Harbor between piers 1, 2 & 3 and the renovation of piers 1, 2, 3 and 4.**
 - The use of pier 3 for fuel is limited due to the shallow water depth at the pier. The fuel barge needs to be partially unloaded in order to dock at Pier 3, the main fuel pier at Kahului Harbor. This area in particular needs to be dredged to meet the depth requirements of existing and future service. Dredging standards need to meet the OPA 90 requirements for double-hulled petroleum vessels. In addition, as Pier 3 may be out of commission during dredging, alternate docking sites for fuel should be made available; therefore, Pier 4 should be constructed and the Pier 1 fuel lines need to be upgraded.
 - Structural enhancements will be needed to pier 1, 2 and 3 to accommodate the deeper berthing depths. At the same time, pier 2 should be strengthened to accommodate existing and future needs.

- **Acquiring land contiguous to Kahului Harbor**

In order to consolidate and make inspections more efficient, we need to acquire and develop land contiguous to Kahului Harbor to support harbor operations. We need to get food products into a sheltered area so they can be protected from the sun and rain. Currently, these products are out in the open on the docks due to the lack of adequate facilities.

- **Kahului Airport**

The ASAP Building at the Kahului Airport has been very effective in keeping Alien Species from entering our island.

 - We must fund ongoing operations and renovations for the Kahului Airport ASAP Building to help prevent alien species from entering Maui.

- **Kahului Airport cargo and taxiway A extension**

A new cargo apron is needed. Taxiway A could be extended to support the new cargo apron and the proposed new cargo apron extension. Currently, without the taxiway extension, the apron can only be used on a limited basis due to lack of taxiing clearance if an aircraft is parked on the cargo apron.

- **Kahului Airport Access Road**
We continue to support the Kahului Airport access road construction of the portion from Hana Highway to the Airport, and from the Puunene/Dairy Road intersection to Hana Highway.

WATER

Upcountry Maui – Flume Renovation/Replacement

- The project is a priority for Maui County, as the Commission on Water Resource Management (CWRM) has stated that if the flume is not renovated or replaced, CWRM will shut the flume down. The flume collects water in the upper-reaches of Haleakala and transports the water to the Upcountry water storage system. The flume is over 40 years old and is the primary water distribution from the collection points to the reservoirs. The cost is for the design and construction, and Maui County needs to decide during the design period if it is a renovation or replacement project. A replacement project would cost up to \$10 million.
- **Reservoirs and Dams**
The upgrading and renovation of the present Upcountry water systems and the construction of new storage reservoirs (300 million gallon capacity), in addition to upgrading of the distribution systems is also a high priority. As you are well aware, the Upcountry area of Maui has suffered through droughts for decades and the storage system and system upgrades are critical to improving the water system in the area.
- **FY 2011 CIP list for Water Improvements for Molokai and Maui**
Maui County continues to support the State's efforts on Maui and Molokai and concurs with the priorities stated in your proposal. Of great importance to agriculture is the completion of the dual water line in Upcountry Maui.

Concurrent to the objectives above, it is our intent to support growth of local agriculture as an industry. This year Maui County spent \$800K supporting local agriculture. The steps outlined in this proposal will take an additional step in that effort. More funding and long-term planning and funding are required at the state and county levels to establish youth and adult vocational training and agriculture development. Creating opportunities for K-12 youth exposure to agriculture is critical in establishing the next generation workforce: Student and school gardens, Farm Bureau education and outreach, career pathway awareness, and "Ag in the Classroom" programs are all worth pursuing.

Ms. Carol Okada
December 6, 2010
Page 5

Thank you for your consideration on this matter. If you have any questions, please contact our Agriculture Specialist, Clark Hashimoto at (808)270-8238 or by email at clark.hashimoto@mauicounty.gov.

Sincerely,



CHARMAINE TAVARES
Mayor, County of Maui

CT:CH/gj

c: Clark Hashimoto, Agriculture Specialist

William P. Kenoi
Mayor



William T. Takaba
Managing Director

Walter K.M. Lau
Deputy Managing Director

County of Hawai'i Office of the Mayor

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(808) 327-3602 • Fax (808) 326-5663

December 3, 2009

County of Hawaii Agricultural Priorities

**Contact: Kevin Dayton, Executive Assistant, Office of the Mayor
(808) 961-8508**

Priority 1

Kapulena Lands Water Infrastructure, \$3.9 million

Plans, design and construction to install well, 5mg earthen reservoir with liner and 11,000 linear feet of PVC waterline on 1,739 acres of County-owned land at Kapulena. These lands are being dedicated to sustainable community-based agriculture; school-based agricultural projects to educate future farmers; and research and production to assist the grass-fed beef industry to increase the industry's market share in County of Hawaii.

Priority 2

Pa'auilo Rendering Plant, \$1.7 million

Design and construction of rendering plant space and installation of modern equipment needed to support the grass-fed beef industry and increase the industry's market share in County of Hawaii. Includes architectural work and consultant costs to update plans and specifications for structural repairs to the existing Paauilo plant; electrical, mechanical and plumbing infrastructure improvements to support the new equipment; and installation of new rendering equipment. State of Hawaii has encumbered \$1.034 million to supply and deliver the necessary rendering equipment.

Priority 3

Growing Media Sterilization Infrastructure, \$100,000

Purchase equipment for mobile electric-powered steam generator sterilization systems with capacity to treat 30-cubic- yard loads of cinders to be used as growing media for the potted plant, foliage and other export industries. The Hawaii potted export foliage nursery industry is in a "state of paralysis," with California not accepting any Dracaena plants in potted volcanic cinder media. California took this action in response to several shipment rejections due to a plant-parasitic reniform nematode (roundworms) discovered in the cinder media. Before allowing any further shipments of Dracaena plants to California, the cinder media must be sterilized. After reviewing several options for sterilizing media, Hawaii Export Nursery Association has agreed that the preferred method for media sterilization is steam.

Priority 4

Kohala Ditch Improvements, \$695,000

Improvements to the Kohala ditch system to reduce water losses in delivering water to agricultural operations in North Kohala. Planning, design and construction of repairs to open ditch sections; installation of 12-inch pipe installed between Reservoir #3 and Puakea terminus; construction of Kaneaa Falls stream bridge; design and concrete work for outlet and control structures; and pipe intake structures and screens.

Priority 5

Ka'u Agricultural Water System Improvements, \$8.1 million

Design and construct improvements to rehabilitate 30 former sugar plantation agricultural water source tunnels, transmission systems and storage facilities on state lands. Requires survey of water source tunnels, securing easements and permits, engineering design, environmental reports and construction. Major costs (estimated) are \$1.4 million for tunnel renovation, \$2 million for pipelines, and \$2.4 million for reservoirs.

Priority 6

Agriculture Distribution Center, \$16.9 million

Design and construct a 30,000 square-foot Agriculture Distribution Center in Hilo to assist County of Hawaii farmers to establish and expand their market share by marketing to large consumers such as the Defense Commissary Agency West.

The center is planned for a site near the new Hold Cargo and Light Industrial Building now under construction by State of Hawaii at Hilo airport, and will serve Port of Hilo and other surface transportation needs. The Distribution Center will offer cargo consolidation and storage that can house up to 50 containers, and provide refrigerated storage, frozen storage, disinfestation, rinsing and packing areas for both imports and exports. Costs: \$2.1 million planning, design and permitting; \$12 million construction, total \$16.9 million with escalation and contingency.

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the efficient and secure movement of agricultural commodities--whether imported into the State, exported out of the State, or transported between the islands of the State--is key to the long-term viability of Hawaii's agriculture industry. Inefficiencies in cargo transportation increase the cost of goods and raise the risk of spoilage and loss. Consumers and retailers demand safe food products; farmers and wholesalers follow food-safety guidelines and regulations. The transportation of agricultural commodities from producer to consumer cannot be the weak link in the system.

The inspection and proper treatment of incoming and outgoing commodities reduce the probability of the introduction of new pests to Hawaii's agricultural industry and reduces the likelihood of a quarantine on Hawaii's exported goods. In

addition, export commodities need to be inspected by the U. S. department of agriculture and/or state department of agriculture to meet the applicable domestic or foreign quarantine or restrictions.

The legislature further finds that there are only two pathways for introduced species to arrive in the state: air and sea transportation. Air transportation has been proven to be the highest risk pathway, transporting introduced species which are much more likely to become established, as well as various illegal plants and animals, invasive pests, a higher quantity of non-native pests, and a greater variety of invasive pests. Each year, eighty percent of the insects intercepted by inspectors are at the airports.

The Legislature also finds that the FAA is moving toward a sustainable airport concept which implements sustainable principles as part of airport planning. The core principles are: protecting the environment, maintaining high and stable levels of economic growth, and social progress that recognizes ALL stakeholders' needs. This program makes these issues a core objective of the airport and not a secondary concern.

The purpose of this Act is to initiate and continue the implementation of biosecurity facilities at Hawaii's ports and applicable off-port locations. These facilities would be in

accord with sections 150A-53(2) and (4), Hawaii Revised Statutes, which direct the department of agriculture to:

"(2) *Establish, operate, or participate in operating port-of-entry facilities where multiple government agencies may inspect, quarantine, fumigate, disinfect, destroy, or exclude as appropriate, articles that may harbor pests or exclude articles that are prohibited or restricted without a permit, with the goals of:*

(A) Performing inspections in an efficient, effective, and expeditious manner for the government agencies involved and for cargo owners, carriers, and importers; and

(B) Providing for the proper and safe storage and handling of cargo, especially agricultural and food commodities, awaiting inspection;

** * **

(4) Collaborate with relevant government agencies, agricultural commodity importers, and other persons to examine and develop joint integrated systems to better implement the biosecurity program."

SECTION 2. Chapter 206J, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"206J- Biosecurity and inspection facilities. The development corporation shall provide space, planning and design support, and other infrastructure at the Aloha Tower complex to the department of agriculture for biosecurity and inspection facilities to provide for the inspection, consolidation, deconsolidation, and treatment of agricultural commodities to meet the various needs of Hawaii's agricultural industry."

SECTION 3. Chapter 261, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"261- Biosecurity and inspection facilities. (a) The department shall provide space and other infrastructure at Honolulu International Airport, Hilo International Airport, Kona International Airport at Keahole, Kahului Airport, and Lihue Airport for biosecurity and inspection facilities to provide for the inspection, consolidation, deconsolidation, and treatment of imported and exported agriculture and other inspected commodities to meet the various needs of each island and to facilitate the safe movement of enplaned and deplaned air cargo through the airport.

(b) The department shall design, construct and operate the biosecurity and inspection facilities at the airports and coordinate with other departments in the planning, design, and

operation of these facilities to ensure the effectiveness and efficiency of their operation.

(c) The department may charge appropriate rent for the use of the facilities."

SECTION 4. Chapter 266, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"266- **Biosecurity and inspection facilities.** (a) The department of transportation shall provide space, planning and design support, and other infrastructure at Honolulu Harbor, Hilo Harbor, Kawaihae Harbor, Kahului Harbor, and Nawiliwili Harbor to the department of agriculture for biosecurity and inspection facilities to provide for the inspection, consolidation, deconsolidation, and treatment of agricultural commodities to meet the various needs of each island's agricultural industries.

(b) The department shall design, construct and operate the biosecurity and inspection facilities at the harbors and coordinate with other departments in the planning, design, and operation of these facilities to ensure the effectiveness and efficiency of their operation.

(c) The department may charge appropriate rent for the use of the facilities."

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2011-2012 and the same sum or so much thereof as may be necessary for fiscal year 2012-2013 for the department of agriculture to reimburse in full the department of transportation, and the Aloha Tower development corporation, as applicable, for their assistance and support to the department of agriculture in establishing biosecurity and inspection facilities described in sections 2, 3, and 4 of this Act.

The sums appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 6. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2011.

INTRODUCED BY: _____

Report Title:

Biosecurity and inspection facilities

Description:

To strengthen and support Hawaii's agricultural industry, establishes biosecurity and inspection facilities at major airports and harbors in the state.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



House of Representatives
Committee on Finance
Thursday February 24th, 2011
12:00 p.m., Conference Room 308
State Capitol
415 Beretania Street

Testimony in Support of HB 1568

Aloha Chair Oshiro, Vice Chair Lee, and Members of the Committee,

The O'ahu Invasive Species Committee **supports HB 1568, Relating to Agriculture** with the amendments proposed by the Hawai'i Farm Bureau. Invasive species come to Hawai'i by airplanes and ships. Airplanes are the worst vector because their speed allows invasive species to survive the trip. Therefore, HDOA inspectors and inspections have everything to do with airport operations and are a part of the airport system.

Furthermore, the FAA has just announced a new initiative to make airports more sustainable. A memo from the Acting Director of the Office of Airport Planning and Programming, Elliott Black, states that the three core principles of airport sustainability applicable to the planning, design, building and operating of airport facilities are:

- Protecting the environment
- Maintaining high and stable levels of economic growth; and
- Social progress that recognizes all stakeholders' needs.

Allowing a state to protect its agriculture, economy and environment is surely "sustainable" and fits these core principles. HDOA inspectors currently have to inspect cargo in the open air and there are no treatment facilities. This means that when a shipment of produce is infested with flying insects or wind-borne spores, they can escape when the box is opened. Obviously, this is not the best way to protect Hawai'i from agricultural and environmental pests. A biosecurity facility that is enclosed and has onsite treatment facilities is necessary to provide adequate protection to the state.

Thank you for the opportunity to testify.

Rachel Neville
Operations Manager
O'ahu Invasive Species Committee

Testimony of The Nature Conservancy of Hawai'i
Supporting H.B. 1568 Relating to Agriculture
House Committee on Finance
Thursday, February 24, 2011, 12:00PM, Rm. 308

The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of Hawaii's native plants, animals, and ecosystems. The Conservancy has helped to protect nearly 200,000 acres of natural lands for native species in Hawai'i. Today, we actively manage more than 32,000 acres in 10 nature preserves on Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i. We also work closely with government agencies, private parties and communities on cooperative land and marine management projects.

The Nature Conservancy strongly supports H.B. 1568 HD 1 and its purpose to provide support for State Department of Agriculture biosecurity and inspection facilities at major air and sea ports throughout the state to facilitate the movement of both incoming and outgoing cargo and to protect the islands from new pest introductions.

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. The HDOA has developed a multi-faceted Biosecurity Plan to enhance its invasive species prevention efforts at air and sea ports with more inspectors, more efficient and effective inspection services, improved inspection facilities, and agreements with importers and producers for improved sanitary protocols before items are shipped to Hawai'i.

Having proper, enclosed inspection and quarantine facilities at all major air and sea ports, similar to the one at Kahului airport, is one of the most important components of this Plan. The Legislature's ongoing policy and financial support of the Biosecurity Plan has been essential to its implementation, and supporting the Department of Agriculture with proper facilities at all of the State's major ports of entry is one of the most highly leveraged and cost effective things that can be done to help prevent new pests from becoming established in our islands. Evidence from Hawai'i and around the world shows that preventing new pest establishment is exponentially more economical than eradicating a pest or, even worse, controlling it indefinitely once it becomes established.

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House of Representatives
Committee on Finance
Thursday, February 24, 2011
12:00 p.m., Conference Room 308
State Capitol

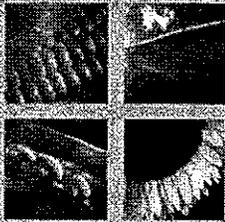
Testimony in Support of HB 1568 HD1

Aloha Chair Oshiro, Vice Chair Lee, and Members of the Committee,
The Coordinating Group on Alien Pest Species **supports HB 1568 HD1, Relating to Agriculture.** The Hawai'i Department of Agriculture is mandated to provide inspection and quarantine services on incoming cargo. It is in the best interest of all relevant agencies and transportation companies to ensure that these inspections may be performed in an efficient manner, and that the movement of cargo to and from inspection facilities is expedited. This bill takes steps to ensure that planning for, and providing space for these important functions are a priority at each port.

Mahalo for your consideration.

Aloha,

Christy Martin
Coordinating Group on Alien Pest Species (CGAPS)
Ph: (808) 722-0995



Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

Testimony By: Alicia Maluafiti

HB 1571 HD 1— RELATING TO AGRICULTURE

The House Committee on Finance
Thursday, February 24, 2011
Room 308, 11:30 a.m.

Position: Strong Support

Aloha Chair Oshiro, Vice Chair Lee, and members of the Committees:

My name is Alicia Maluafiti, Executive Director of the Hawaii Crop Improvement Association, a nonprofit trade association representing the seed industry in Hawaii. HCIA strongly supports HB 1571 HD 1 – authorizing the issuance of general obligation bonds to finance statewide irrigation systems.

HCIA seed companies are vested in the agricultural future of our state and as active members of the broader agricultural community, they have invested millions into improving the irrigation, buildings and other infrastructure to support not only their own operations, but the farmers around them. Most of the 100-year old irrigation systems utilized by the seed companies and other farmers are now owned by the state, are in a sad state of disrepair, and face serious maintenance issues. Any disruption in delivering water to farmers could severely impact their viability.

HCIA has testified in support of a number of bills to appropriate funds to fix Hawaii's failing irrigation systems. We believe HB 1571 is a more comprehensive approach to addressing these challenges and as an omnibus bill, it consolidates funding requests into one vehicle and includes capital improvement projects for the East Kauai irrigation, Waimanalo irrigation, Molokai irrigation, Upcountry Maui irrigation, Lower Hamakua Ditch, Waimea Irrigation, Ka'u irrigation, Kekaha irrigation, and Kahuku irrigation systems.

We ask you to please pass HB 1571 HD 1. Mahalo for the opportunity to comment.

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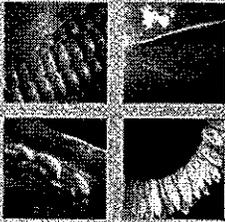
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Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

Testimony By: Alicia Maluafiti

HB 1571 HD 1– RELATING TO AGRICULTURE

The House Committee on Finance
Thursday, February 24, 2011
Room 308, 11:30 a.m.

Position: Strong Support

Aloha Chair Oshiro, Vice Chair Lee, and members of the Committees:

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We ask you to please pass HB 1571 HD 1. Mahalo for the opportunity to comment.

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Honolulu International Airport
300 Rodgers Blvd., #62
Honolulu, Hawaii 96819-1832
Phone (808) 838-0011
Fax (808) 838-0231

February 24, 2011

Honorable Marcus Oshiro, Chair
House Committee on Finance

**Re: HB 1568 HD1 – Relating to Agriculture – FIN Agenda #4 – CONCERNS
Hawaii State Capitol Room 308**

Aloha Chair Oshiro, Vice Chair Lee and members of the committee:

The Airlines Committee of Hawaii* (ACH), which is made up of 21 signatory air carriers that underwrite the State Airport System has serious concerns with this bill if funds from airport rates and charges were to be diverted for non-airport uses.

HB 1568 HD1 proposes that the Hawaii Department of Transportation (DOT) be required to provide biosecurity inspection facilities at Honolulu International Airport, Kona International Airport at Keahole, and Hilo International Airport and appropriates unspecified funds.

The Hawaii Department of Agriculture is responsible for inspecting cargo terminating in the state. This is not a function of the Hawaii DOT.

Federal law prohibits the use of airport revenue for non-airport capital projects or operations. Monies spent on purposes other than the airport system would be considered a revenue diversion of airport funds, which is prohibited by federal law.

By accepting federal/state financial grants or property transfers, the Hawaii DOT agrees to abide by certain binding contractual obligations. One of those rules specifies that all airport-generated revenues should be spent at the airport. Violating any of the grant assurances is like violating the terms of a contract. It can result in losing the privilege to receive grants in the future and can also lead to lawsuits and civil penalties. Congress allows the Secretary of Transportation to withhold transit and rail funds from any local government that violates the airport revenue retention restriction.

For these reasons, we respectfully urge your committee to ensure that funds from airport rates and charges are not diverted for non-airport uses.

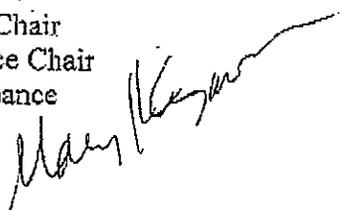
Sincerely,

Lori Peters
ACH Co-chair

Blaine Miyasato
ACH Co-chair

*ACH members are Air Canada, Air New Zealand, Air Pacific, Alaska Airlines, All Nippon Airways, American Airlines, China Airlines, Continental Airlines, Continental Micronesia, Delta Air Lines, Federal Express, go! Mckulele, Hawaiian Airlines, Japan Airlines, Korean Air, Philippine Airlines, Qantas Airways, United Airlines, United Parcel Service, US Airways, and Westjet.

TO: Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair
House Committee on Finance

FROM: Mary Ikagawa, Kailua 

RE: In SUPPORT of HB 1568-HD1: Establishes biosecurity and inspection facilities at major airports and harbors in the state. Scheduled to be heard by FIN on Thursday, 02-24-11 12:00 PM in House conference room 308

Testimony opposing this bill on the grounds that paying for biosecurity and inspection facilities is not related to operating costs of the airport or to Department of Transportation responsibilities is simply incorrect.

The cost of doing business includes managing the effects your activity has on others. In this case, "others" is the people of Hawai'i who are impacted by introduced pests, and the business is transportation. If transport entities are not to take reasonable measures to prevent harm from the things they bring into the state, who will?

All involved parties need to step up and do their part.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 23, 2011 4:25 PM
To: FINTestimony
Cc: warrenmcfb@hotmail.com
Subject: Testimony for HB1568 on 2/24/2011 12:00:00 PM

Testimony for FIN 2/24/2011 12:00:00 PM HB1568

Conference room: 308
Testifier position:
Testifier will be present: No
Submitted by: Hawaii Farm Bureau Federation
Organization: Hawaii Farm Bureau Federation
Address:
Phone:
E-mail: warrenmcfb@hotmail.com
Submitted on: 2/23/2011

Comments:
Support