



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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CATHERINE P. AWAKUNI COLÓN  
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DEPUTY DIRECTOR

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the**

**House Committee on Economic Development**

**Friday, February 4, 2022**

**10:00 a.m.**

**Via Videoconference**

**On the following measure:**

**H.B. 2227, RELATING TO THE “MADE IN HAWAII” PROGRAM**

Chair Quinlan and Members of the Committee:

My name is Stephen Levins, and I am the Executive Director of the Department of Commerce and Consumer Affairs’ (Department) Office of Consumer Protection. The Department opposes this bill.

The purposes of this bill are to: (1) Transfer the enforcement of the “Made in Hawaii” trademark from the Department of Agriculture to the Department of Commerce and Consumer Affairs; (2) rename the “Hawaii Made” program to the “Made in Hawaii” program, and (3) make an appropriation.

Hawaii is a recognizable geographical “brand” known world-wide for its unique culture, natural beauty, and aloha spirit. While the Department supports protecting the goodwill of the brand against improper or misleading use by people selling products labeled “Made in Hawaii”, this measure reestablishes a standard that is difficult to enforce.

The Federal Trade Commission requires that a product advertised as “Made in the USA” be “all or virtually all” made in the U.S. Therefore, even if 51% of the wholesale value of a product is derived from within the State, but the remaining 49% comes from products made in a foreign country, the Hawaii standard would be inconsistent with the “Made in the USA” standard. Whatever standard Hawaii comes up with must be reconciled with the “Made in the USA” standard.

Also, the Department is not the appropriate agency to enforce these standards because it does not have the expertise to determine the origin and provenance of products or assess the wholesale value derived from within the State relevant to the product overall.

Thank you for the opportunity to testify on this bill.

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 COMMITTEE ON  
ECONOMIC DEVELOPMENT

FEBRUARY 4, 2022

10:00 A.M.

CONFERENCE ROOM 224 & VIA VIDEOCONFERENCE

HOUSE BILL NO. 2227  
RELATING TO THE "MADE IN HAWAII" PROGRAM

Chairperson Quinlan and Members of the Committee:

Thank you for the opportunity to testify on House Bill 2080, which transfers the enforcement of the "Made in Hawaii" trademark from the Department of Agriculture (DOA) to the Department of Commerce and Consumer Affairs (DCCA), renames the "Hawaii Made" program to the "Made in Hawaii" program and makes an appropriation.

The Department offers clarifying comments and supports the bill with reservations.

The Department notes for purposes of clarification that trademark that the DOA currently owns, administers and enforces is the "Made in Hawaii with Aloha" (MIHA) trademark pursuant to Hawaii Revised Statutes ("HRS") §486-119. It is DOA's understanding that phrase "Made in Hawaii" is not a protected trademark at this time.

Currently, according to HRS §486-119, it is not allowable for producers to "keep, offer, display or expose for sale, or solicit for the sale of any item, product, souvenir, or any other merchandise that is labeled 'made in Hawaii'...or uses the phrase 'made in Hawaii' as an advertising or media tool for any craft item that has not been manufactured, assembled, fabricated, or produced within the State and that has not had at least fifty-one per cent of its wholesale value added by manufacture, assembly, fabrication, or production within the State."

This bill provides for the Department of Business, Economic Development, and Tourism (DBEDT) to administer and oversee a "Made in Hawaii" program for

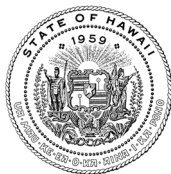


manufactured products and hold ownership of the “Made in Hawaii” trademark. The bill further provides that DBEDT shall promote consumer demand, coordinate manufacturing, coordinate and promote distribution channels, ensure the appropriate patents and copyrights are acquired, and identify new funding opportunities for promoting the expansion of “Made in Hawaii” products.

The Department supports DBEDT’s administration and oversight of the “Made in Hawaii” program and our understanding is that currently any entity, including DBEDT, can promote consumer demand, coordinate manufacturing, coordinate and promote distribution channels, ensure the appropriate patents and copyright are acquired, and identify new funding opportunities to promote the expansion of their “Made in Hawaii” products, as they deem appropriate for their products.

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**  
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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 COMMITTEE ON ECONOMIC DEVELOPMENT  
ON  
HOUSE BILL NO. 2227

**February 4, 2022**  
**10:00 a.m.**  
**Room 312 and Videoconference**

RELATING TO THE "MADE IN HAWAII" PROGRAM

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

House Bill (H.B.) No. 2227 intends to: 1) transfer the regulation of the "Made In Hawai'i" ("MIH") label from the Department of Business, Economic Development and Tourism (DBEDT) to the Department of Commerce and Consumer Affairs (DCCA); 2) rename the "Hawai'i Made" ("HM") program and trademark, currently administered and owned by DBEDT, to the "MIH" program and trademark; 3) repeal Section 486-119, HRS; and 4) appropriate \$150,000 in general funds for FY 23 for DBEDT for oversight and administration of the "MIH" program and to promote the "MIH" brand.

B&F notes that Act 2, SpSLH 2021, originally Senate Bill (S.B.) No. 263, SLH 2021, only recently required DBEDT to oversee and promote the "HM" program and trademark and appropriated \$150,000 in American Rescue Plan (ARP) Act funds for FY 22 to DBEDT for these purposes. However, the Department of Agriculture (DOA) concurrently manages the "Made in Hawai'i with Aloha" ("MIHA") program and enforces labelling regulations on Hawai'i-made and Hawai'i-processed products pursuant to Section 486-119, HRS. This resulted in Governor's Message No. 1295 vetoing S.B.

No. 263, noting objections over DBEDT's lack of statutory powers to enforce labeling regulations on these products and the duplication of jurisdiction over labeling for Hawai'i-made products between DOA and DBEDT.

B&F is concerned that this bill will create additional and unnecessary regulatory overlap by transferring regulatory authority of "MIH" products to DCCA, when the purpose of the bill could be better achieved by: 1) renaming DOA's "MIHA" program to the "MIH" program; 2) leaving DOA's regulatory powers in place in Section 486-119, HRS; 3) deleting DBEDT's regulatory responsibilities over "MIH" products, as currently written in Section 2 of this bill; and 4) appropriating additional resources to DBEDT for promotion and to DOA for enforcement of "MIH" products, as necessary. Furthermore, DCCA recently testified in opposition to H.B. No. 2227's companion bill in the Senate, noting that it does not have the expertise to determine the origin or wholesale value of products necessary to enforce the "MIH" labeling regulations as proposed.

Finally, 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 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.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

**DAVID Y. IGE**  
GOVERNOR  
**MIKE MCCARTNEY**  
DIRECTOR  
**CHUNG I. CHANG**  
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Statement of  
**MIKE MCCARTNEY**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT**

Friday, February 4, 2022  
10:00 am  
Via Videoconference  
State Capitol, Conference Room 312

In consideration of  
**HB 2227**  
**RELATING TO THE "MADE IN HAWAII" PROGRAM.**

Chair Quinlan, Vice Chair Holt and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) offers these comments on HB 2227:

- This bill proposes to change the name of the "Hawaii Made" program to "Made in Hawaii" program. DBEDT recommends that this name change not be made until the most advantageous and flexible name for Hawaii manufacturers can be determined. SB3050 proposes to conduct a study on the recommendations on the best usage.
- Page 2, Line 19 does not include "including Hawaii sourced goods, services and intellectual property" as stipulated in the last line of the current Section 201-3.5 (c), HRS.
- We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

Thank you for this opportunity to testify.



**HB-2227**

Submitted on: 2/3/2022 11:03:44 AM

Testimony for ECD on 2/4/2022 10:00:00 AM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Morris Atta	Hawaii Department of Agriculture	Comments	Yes

Comments:

I am available to answer questions on behalf of the Department of Agriculture



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

**HB2227**  
RELATING TO THE "MADE IN HAWAII" PROGRAM

Friday, February 4, 2022, 10:00 AM  
VIA VIDEOCONFERENCE

Chair Quinlan, Vice Chair Holt, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **offers comments on HB2227** to transfer the enforcement of the "Made in Hawaii" trademark from the Department of Agriculture to the Department of Commerce and Consumer Affairs. Renames the "Hawaii Made" program to the "Made in Hawaii" program. Makes an appropriation.

The Made in Hawaii program under the Department of Agriculture has bolstered the agricultural entities that grow and sell locally. The program is recognized domestically as well as abroad, and local producers are given a spotlight for their products. The program is meant to provide more value to Hawaii's producers while giving consumers a simple sticker to indicate it is "Made in Hawaii." We ask that regardless of which state department manages the program, that value to the producers is priority and no unnecessary fees or payments are required with a new program framework.

We appreciate the opportunity to testify on this measure.

Nicole Galase  
Hawaii Cattlemen's Council  
Managing Director





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e-mail info@hfbf.org; www.hfbf.org

**LATE**

FEBRUARY 4, 2022

HEARING BEFORE THE  
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

**TESTIMONY ON HB 2227**  
RELATING TO THE "MADE IN HAWAII" PROGRAM

Conference Room 312 & Videoconference  
1:00 aM

Aloha Chair Quinlan, Vice-Chair Holt, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawaii Farm Bureau provides comments on HB 2227**, which transfers the enforcement of the "Made in Hawaii" trademark from the Department of Agriculture to the Department of Commerce and Consumer Affairs and renames the "Hawaii Made" program to the "Made in Hawaii" program.

Act 002, Special Session 2021 transferred the oversight of the "Hawaii Made" program for manufactured products and the "Hawaii Made" trademark to the DBEDT. Currently, HDOA owns and enforces the "Made in Hawaii with Aloha" trademark for products that meet or exceed the requirements of HRS 486-119. We believe that HDOA is the agency best equipped to enforce the "Made in Hawaii with Aloha" (MIHA) branding program due to their expertise and experience with Hawaii-made and Hawaii-processed products. We are also concerned that there may be some confusion between "Made in Hawaii" and "Made in Hawaii with Aloha" What happens to the "Made in Hawaii with Aloha" branding program? Will the current MIHA branding program members need to discontinue using the MIHA label?

We appreciate the Legislative intent to transfer the enforcement of the "Made in Hawaii" program to DCCA by repealing the current enforcement authority held by HDOA, but we are concerned about the impacts it may have on HDOA's current MIHA program.



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**LATE**

**LATE**

**HEARING BEFORE THE HOUSE COMMITTEE ON  
ECONOMIC DEVELOPMENT  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 312  
Friday, February 4, 2022 AT 10:00 A.M.**

To The Honorable Sean Quinlan, Chair  
The Honorable Daniel Holt, Vice Chair  
Members of the committee on Economic Development

**SUPPORT HB2227 RELATING TO THE “MADE IN HAWAII” PROGRAM**

The Maui Chamber of Commerce supports HB2227 renaming the “Hawaii Made” program to the “Made in Hawaii” program as this is consistent with other programs like Made In Maui, Made In Molokai, Maui In Lanai, Made In Maui County, Made In USA, etc. This is the generally accepted term. We also partner with the Department of Business, Economic Development, and Tourism on related industry support and promotional efforts.

The Department of Commerce and Consumer Affairs may be a better fit to enforce this program versus the Department of Agriculture as the Made In Hawaii and other similar programs include products grown and manufactured in the region.

For these reasons we support the passage of HB2227 to the next committee.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui’s unique community characteristics.