

LINDA LINGLE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

LAURA H. THIELEN
CHAIRPERSON
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COMMISSION ON WATER RESOURCE MANAGEMENT

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FIRST DEPUTY

KEN C. KAWAHARA
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
KAIHOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Transmittal Cover Sheet for
Department of Land and Natural Resources Testimony

Date Submitted: February 26, 2009

Testifier's Name/Position/Title: Paul Conry, Forestry and Wildlife Division Administrator

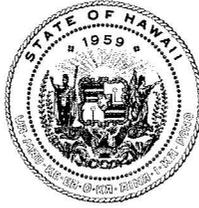
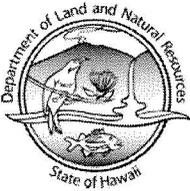
Committee the comments are directed to: HOUSE COMMITTEE ON FINANCE (FIN)

The Date & Time of Hearing: Friday, February 27, 2009
10:00 AM, Conference, Room 308

Measure Number: HB 1433 HD 1 RELATING TO INVASIVE SPECIES

Number of Copies the Committee is Requesting: In paper, 2 copies (including original) to
Room 306 in the State Capitol

LINDA LINGLE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the House Committee on
FINANCE**

**Friday, February 27, 2009
10:00 A.M.
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 1433, HOUSE DRAFT 1
RELATING TO INVASIVE SPECIES**

House Bill 1433, House Draft 1 proposes to impose fines on persons and transportation companies that fail to remit the "inspection, quarantine, and eradication fee" (Fee) and to exempt certain categories of freight from the Fee. The Department of Land and Natural Resources (Department) recognizes the need to amend provisions of Chapter 150A, Hawaii Revised Statutes, to exempt appropriate bulk cargo from cargo inspection fees, but recommends that this Committee consider the Administration's House Bill 1086, RELATING TO INVASIVE SPECIES, that likewise exempts bulk cargo from the inspection fee but also reduces the amount of fees assessed, thereby reducing costs to the economy during these current fiscal difficulties.

The Department also notes that in SECTION 1, the amount of the fines for failure to pay, bill or remit the fee is not specified. The Department would comment that the fine should not be excessive but appropriate to penalize for the failure to pay.

The Department defers to the Department of Agriculture with respect to the specifics of collecting and processing the fees.

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

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LAND
STATE PARKS

LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 Fax: (808) 973-9613

**TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON FINANCE
Friday, February 27, 2009
10:00 A.M.
Room 308**

**HOUSE BILL NO. 1433, HD1
RELATING TO INVASIVE SPECIES**

Chairperson Oshiro and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 1433, HD1. The purpose of this bill is to establish fines for failing to pay or remit the inspection, quarantine and eradication fee required by section 150A-5.3, Hawaii Revised Statutes, as well as to provide exemptions for liquid bulk freight and cement bulk freight from the fee requirements. The Administration offered HB1086 which imposed penalties and exempted bulk cargo of petroleum, cement, ethanol, naphtha, pasteurized milk, and similar bulk cargo. We ask your consideration of the provision of that bill.

The Department has received the required fee payments from most of the maritime transportation companies. In general, the maritime transportation companies that have not paid the fee include those that transport liquid bulk freight (i.e. fuel) and cement bulk freight. The Department agrees with this bill's proposed exemption of liquid bulk freight and cement bulk freight from the fee, as these commodities have not been shown to be significant pest risk pathways. The Department does not support

exemptions for frozen foods because the containers themselves have been shown to be a pathway for transporting red imported fire ant. Sand and aggregate can also be a pathway of quarantine concern.

In contrast with most maritime transportation companies, the airlines have not paid the inspection fee. Air freight is a high-risk pathway as commodities transported by the airlines can be shipped across the world in a 24-hour period. In addition, this pathway is also the primary means to move animals (legal and illegal), as well as plant, animal, and human pathogens.

Maui County Farm Bureau

An Affiliate of the American Farm Bureau Federation and Hawaii Farm Bureau Federation

Serving Maui's Farmers and Ranchers

P.O. Box 148

Kula, Hawaii 96790

TESTIMONY

House Finance Committee

RE: HB 1433 HD1 Relating to Invasive Species

Chair Oshiro and Members of the Committee:

Maui County Farm Bureau is Maui's general agriculture advocacy non-profit organization. Affiliated with the Hawaii Farm Bureau and American Farm Bureau Federation, we represent Maui's farm and ranch families and organizations. MCFB **strongly supports** HB1433 HD1 adding provisions to the Hawaii Biosecurity Plan cargo fee collection program.

Coqui frogs are threatening the viability of our nursery and landscape members and the varroa mite may cause havoc to our budding fruit tree industry, not to mention our flower and vegetable farms. Invasive species affects us all.....including the watersheds from which we receive our water.

This bill provides clarity of what cargo will require fee collection as well as "hammer" for not complying with the program. This program provided hope to us that we may actually start seeing a reduction in the introduction of new pests. It is critical that it be implemented as planned and so we support these changes.

MCFB respectfully requests your strong support of HB 1433 HD1. Thank you for this opportunity to testify on this matter.



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e-mail hfb@hfb.org

TESTIMONY

House Finance Committee

RE: HB 1433 HD1 Relating to Invasive Species

Chair Oshiro and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of its member farmers and ranchers is in **strong support** of HB1433 HD1 which further clarifies the provisions associated with the Hawaii Biosecurity Plan.

The passage of the Hawaii Biosecurity Plan and the invasive species cargo fee bill marked a new trend in Hawaii. It paved the way for Hawaii to begin controlling its' destiny regarding invasive species. Over the years the threat of invasive species has increased and without adequate funding, Hawaii's agriculture and the environment were losing in the war. The passage of the comprehensive plan, coupled by the funding mechanism turned the tide and the outlook for Hawaii to protect itself from unwanted pests is bright. This measure goes to further clarify what cargo will fall under the fee collection requirements as well as clarify the implications of not complying with the law.

The Plan along with the funding are critical to Hawaii's agriculture future. New pests will put undue strain on our already struggling industry. Pests in the watershed threaten not only our source of water but that for public needs as well. The implications of not carrying out the Biosecurity Plan as intended can be very detrimental to Hawaii.

We respectfully request your strong support of HB1433 HD1 as amended. Thank you for this opportunity to provide our views on this matter.

Testimony of The Nature Conservancy of Hawai'i
Supporting H.B. 1433 HD1 Relating to Invasive Species
House Committee on Finance
Friday, February 27, 2009, 10:00am, 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 11 nature preserves on O'ahu, 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 of Hawai'i supports H.B. 1433 HD1 Relating to Invasive Species.

Invasive insects, diseases, snakes, weeds, and other pests are one of the greatest threats to Hawaii's economy, natural environment, and the health and lifestyle of its people.

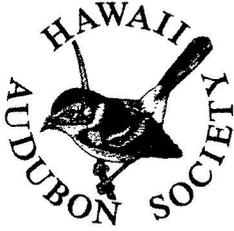
The Hawai'i Department of Agriculture (HDOA) is responsible for the inspection of domestic cargo and passengers arriving at Hawaii's ports to protect the state from introduction of unwanted plant and animal pests and diseases. The HDOA also inspects interisland shipments to prevent movement of pests between islands. Pest risk assessments conducted by the Department at ports of entry across the state have helped the Department identify high-risk pathways for pest introductions and prioritize the allocation of departmental resources. The Department has also developed a multi-faceted Biosecurity Plan to enhance its efforts with more inspectors, more efficient and effective inspection services, joint state-federal inspection facilities, and agreements with importers and producers for improved sanitary protocols before items are shipped to Hawai'i. The financial and personnel support provided by the Legislature has been essential to implementing this plan.

The authority given to the HDOA to assess reasonable service fees on its invasive species inspection, quarantine and eradication activities provide a relevant and useful source of revenue to achieve the goal of enhanced prevention systems at ports of entry for the state.

This bill appropriately amends that authority by establishing penalties for non-payment of inspection fees, and exempting certain bulk freight that is not a high-risk pathway for introduction of invasive species.

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For the Protection of Hawaii's Native Wildlife

HAWAII AUDUBON SOCIETY

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**TO: Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair**

HEARING: February 27, 2009; 10:00 A.M., Conference Rm. 308

Re: HB1433, HD1, Relating to Invasive Species

Testimony in Support

Chair Oshiro and Vice Chair Lee and members of the Committee on Finance, my name is George Massengale, and I am a long time member of the Hawaii Audubon Society and during session I serve as their Legislative Analyst. Thank you for the opportunity to submit our testimony in support of HB1433, HD1, which would establish fines for failing to pay or remit the inspection, quarantine and eradication fee. It also exempts liquid bulk freight and cement bulk freight from the fee.

The Hawaii Audubon Society was founded in 1939, and it is Hawaii oldest conservation organization. The primary missions of the society is to foster community values that result in the protection and restoration of native ecosystems and conservation of natural resources through education, science and advocacy in Hawaii and the Pacific. The society strongly supports measures that protect our ecosystems from invasive species. Once established, invasive plants crowd out endemic (native) plants. The sad fact is that Hawai'i has the highest number of listed threatened and endangered species in the nation. There are 394 threatened and endangered species in the State of Hawai'i, of which 294 are plants. Invasive plants have led to the extinction of 55 species of plants in the State with another 42 possibly extinct. This extinction, along with the introduction of non-endemic animals has lead to the extinction 24 bird species and is endangering another 32.

Hawaii Audubon Society believes that HB1433, HD1, is a good measure as it deposits the amount paid by fine into the pest inspection, quarantine, and eradication fund. As you know in the past, funding for eradication of invasive species has been problematic and funds were often obtained from a variety of sources and agencies. Sometimes there were gaps in funding thus eradication efforts could not be sustained. Hopefully this measure will help address the problems caused by not being able to “fully” undertake eradication measures when needed.

Thank you for the opportunity to submit our testimony here today.

Sincerely,
George Massengale, JD
Legislative Analyst



**Testimony to the House Committee on Finance
Friday, February 27, 2009; 10:00 a.m.
Conference Room 308, State Capitol
Agenda #1**

RE: HOUSE BILL 1433, HD1 RELATING TO INVASIVE SPECIES

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

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber").

The Chamber is the largest business organization in Hawaii, representing over 1100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. The organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

HB 1433 HD 1 proposes to establish fines for failing to pay, bill, or remit the inspection, quarantine and eradication fee ("fee") and to exempt liquid bulk freight and cement bulk freight from the fee.

We respectfully request your consideration to add "sand or aggregate" to the definition of "cement bulk freight."

SECTION 2. Section 150A-2, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

"Cement bulk freight" means unpackaged, homogenous cement, sand or aggregate, without mark or count and usually free-flowing, bought and sold by weight or volume."

Homogenous cement, sand and aggregate materials are shipped as dry bulk cargo, generally taking up the hold of an entire a ship that is specially designed to transport unpackaged bulk cargo. These types of bulk commodity pose a much lower risk for transport since they are not habitable environments to support invasive species. Further, the fee was not intended to be levied upon such bulk commodities, because of their inherent low risk.

Since these commodities pose such undue risk and would be disproportionately impacted by this weight based fee, we respectfully ask for your support to amend language in the bill to add homogenous, pre-treated "sand or aggregate" to the definition of "Cement bulk freight.

Thank you for the opportunity to submit testimony.

**HB 1433 HD1
RELATING TO INVASIVE SPECIES**

**PAUL T. OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

FEBRUARY 27, 2009

Chair Marcus Oshiro and Members of the House Committee on Finance:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) and Matson Navigation Company, Inc. (a subsidiary of A&B) on HB 1433 HD1, "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES."

In 2008, amendments were enacted to broaden the scope of the invasive species user fee from one that assessed fees only on freight brought into Hawaii by maritime containers to one that assessed fees on all modes by which commercial freight is brought into the State, including air and maritime containerized and non-containerized freight. We understand that at present this invasive species user fee is utilized to fund Department of Agriculture personnel who provide invasive species inspection services for both maritime and air freight entering into the State. We support the present broad based application of the invasive species user fee that requires all shippers to pay for these inspection services through the payment of this fee.

Matson has dedicated a considerable amount of time, effort, and expense to implement the assessment, collection, and disbursement of this new fee by the effective date of August 1, 2008. We were successful in starting up the collection of this new fee by the effective date and have since been diligently proceeding with its implementation.

This bill establishes fines for a transportation company who fails to bill the person responsible for paying the freight charges and for a transportation company who fails to remit the invasive species user fees collected to the State. We support this bill as it will enhance and strengthen the enforcement of the present invasive species user fee. We also have no objections to the provisions in this bill to exempt liquid bulk freight and cement bulk freight from the assessment of this fee.

Thank you for the opportunity to testify.

***Hawaii Ship Agents Association
Pier 32, Honolulu Harbor
Honolulu, Hawaii, 96817-4558***

February 27, 2009

HOUSE COMMITTEE ON FINANCE

Chair Marcus Oshiro, Vice Chair Marilyn Lee, and Committee Members
Public Hearing, February 27, 2009, 10:00 a.m. Conference Room 308

Testimony of William Anonsen, President
HAWAII SHIP AGENTS ASSOCIATION
In Support of H.B. 1433 HD21 with Amendments
Relating to Invasive Species

My name is William Anonsen and I am the President of the Hawaii Ship Agents Association and respectfully submit this testimony on behalf of the membership. We strongly support H.B. 1433 HD1 with amendments which proposes to establish fines for failing to pay, bill or remit the inspection, quarantine and eradication fee, and to exempt liquid bulk freight and cement bulk freight from the fee.

On behalf of our memberships, who represent global ship owners/charterers, we support the changes in this bill and respectfully request the committee's consideration to amend. These amendments would more clearly define the intention of the measure by delineating bulk commodities that pose inconsequential risk and/or threat of invasive species during their bulk transportation carriage which are basically uninhabitable to support most living organisms that may be a threat to our fragile island ecosystem.

These recommended amendments are:

SECTION 2. Section 150A-2, Hawaii Revised Statutes, to amend language to include homogenous cement, sand and aggregate, and or similar cargo types when shipped without marks or count and usually free-flowing, bought and sold by weight of volume.

SECTION 3. Section 150A-5.3, Hawaii Revised Statutes, to amend to more appropriately define and include as "Liquid bulk freight", unpackaged, homogenous liquid goods, without mark or count and usually free-flowing, bought and sold by weight or volume, such as oil, and/or other complex mixture of petroleum hydrocarbons, bituminous liquids such as asphalt, gasoline, and fuel oils.

As a multi-island state that is largely dependant on waterborne transportation, we have an fiduciary duty to ensure we do not impose a greater than necessary burden on imported items that possess an inherently low and insubstantial risk to our island ecosystem due to various safeguards and inspection processes in place.

We strongly urge your favorable consideration of these proposed amendments.

Sincerely,



William F. Anonsen

President

Hawaii Ship Agents Association

**HAWAIIAN
CEMENT**

A subsidiary of Knife River Corporation

February 27, 2009

Honorable Marcus Oshiro, Chair
Honorable Marilyn Lee, Vice Chair
House Committee on Finance

Re: **HB 1433 HD1, Relating to Invasive Species – Support with Amendments**
Finance Agenda #1, Friday, February 27, 2009, Conference Room 308, 10 AM

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

On behalf of Hawaiian Cement, mahalo for the opportunity to testify on HB 1433 HD 1, Relating to Invasive Species. My name is John DeLong, the President of Hawaiian Cement, testifying in support of this bill and requesting that amendments be considered by the Committee.

Hawaiian Cement is a vertically integrated construction materials company supplying cement, aggregate and ready mix concrete in most locations throughout Hawaii. We also provide bagged masonry cement, golf course sand, decorative stone and other landscaping products and materials. We are a team of more than 200 employees whose dedication and experience are focused on providing lasting customer satisfaction with both our service and products.

HB 1433 HD 1 proposes to establish fines for failing to pay, bill, or remit the inspection, quarantine and eradication fee ("fee") and to exempt liquid bulk freight and cement bulk freight from the fee.

We support the changes set forth in this bill and respectfully request your consideration to add "sand or aggregate" to the definition of "cement bulk freight."

PROPOSED AMENDMENT LANGUAGE:

SECTION 2. Section 150A-2, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

"Cement bulk freight" means unpackaged, homogenous cement, sand or aggregate, without mark or count and usually free-flowing, bought and sold by weight or volume.

Homogenous cement, sand and aggregate materials are shipped as dry bulk cargo, typically taking up the hold of an entire a ship that is specially designed to transport unpackaged bulk cargo. Our bulk cargo is often pre-inspected to meet federal Animal and Plant Health Inspection Service (APHIS) requirements and/or pre-processed prior to shipment to ensure its purity and weight upon arriving into the state. These types of bulk commodity pose a much lower risk for

transport since they are not habitable environments to support invasive species. Further, the fee was not intended to be levied upon such bulk commodities, because of their inherent low risk.

Since these commodities pose such undue risk and would be disproportionately impacted by this weight based fee, we respectfully ask for your support to amend language in the bill to add homogenous, pre-inspected and pre-processed "sand or aggregate" to the definition of "Cement bulk freight."

As always, I appreciate the opportunity to share our views with you. Please do not hesitate to contact me if I can be of further assistance to you.

Grace Pacific
CORPORATION
P.O. Box 78 / Honolulu, Hawaii 96810

Administrative Office (808) 674-8333 fax (808) 674-1040
Paving Office (808) 845-3501 fax (808) 642-3206
Quarry Office (808) 672-3545 fax (808) 672-3998



February 27, 2009

Honorable Marcus Oshiro, Chair
Honorable Marilyn Lee, Vice Chair
House Committee on Finance

Re: **HB 1433 HD1, Relating to Invasive Species – Support with Amendment**
Finance Agenda #1, Friday, February 27, 2009, Conference Room 308, 10 AM

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

Mahalo for the opportunity to provide testimony on HB 1433 HD 1, Relating to Invasive Species. My name is Robert Creps, Senior Vice President of Grace Pacific Corporation (“Grace Pacific”).

For more than 75 years, Grace Pacific has been a driving force in Hawaii’s growth and prosperity. Throughout the years, we have constructed and maintained the roads and highways that have become an integral part of Hawaii’s transportation infrastructure. Grace Pacific employs more than 600, who have worked on virtually all of the streets and highways throughout the state of Hawaii.

We support the changes set forth in this bill to Section 150A-2, HRS, that add new definitions for “cement bulk freight” and for “liquid bulk freight,” and to Section 150A-5.3, HRS, that propose exemptions of this fee to liquid bulk and to cement bulk freight, to relieve the undue burden this fee would place on shippers of heavy, low-risk and low-cost bulk commodity products. We respectfully request your consideration to add “sand or aggregate” to the definition of “cement bulk freight.”

SECTION 2. Section 150A-2, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

““Cement bulk freight” means unpackaged, homogenous cement, sand or aggregate, without mark or count and usually free-flowing, bought and sold by weight or volume.

Like homogenous cement, sand and aggregate are shipped as dry bulk cargo and typically take up an entire bulker, a ship that is specially designed to transport unpackaged bulk cargo. Dry bulk cargo may include cement, sand for construction or golf course use, aggregate for construction or road paving.

Bulk cargo is often pre-inspected and/or pre-treated prior to shipment to ensure federal clearance upon arriving into U.S. ports. For example, sand or aggregate that is imported from Vancouver, British Columbia, is pre-washed, crushed and inspected for quality and quantity before it is



loaded on a bulker. Also, cement develops a high pH balance when exposed moisture, which renders it incapable of sustaining most living organisms.

HB 1433 HD 1 recognizes that certain bulk commodities are not habitable environments to support invasive species. Given the lower risk these items pose to the state, the bill exempts such bulk commodities from current fee structure, which would otherwise unduly place a greater burden on import of these items which would significantly add cost to construction projects throughout the state.

For these reasons, we respectfully urge your committee to amend language in the bill to add homogenous, pre-treated "sand or aggregate" to the definition of "Cement bulk freight," because such commodities are not normally subject to state agricultural inspection because of their inherently low risk.

Thank you for your consideration of this request. Do not hesitate to contact me should you have any questions.