

SB 2532

DAVID Y. IGE
GOVERNOR OF
HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committees on
WATER, LAND & AGRICULTURE
and
COMMERCE, CONSUMER PROTECTION, & HEALTH**

**Wednesday, February 10, 2016
3:15pm**

Conference Room 224

**In consideration of
SENATE BILL 2532
RELATING TO COMERCIAL FOREST PRODUCTS**

Senate Bill 2532 proposes to require anyone harvesting forest trees or plants for commercial purposes to obtain a license and submit monthly reports to the Department of Land and Natural Resources (Department). **The Department appreciates the intent of this measure and offers the following comments.**

Senate Bill 2532 provides an opportunity to collect information on the current forest product industry, as well as potentially addressing concerns regarding theft of forest resources. The bill specifically establishes a license system for commercial forest products similar to the existing commercial fishery licenses managed by the Department. It is widely known that there is a lack of information about the commercial forestry industry, thus implementation of this bill would be extremely beneficial in analyzing the importance of the commercial industry and the impact on the state's natural resources. However, a number of items in the bill need to be further clarified to be successful.

The definition of "forest product" provided in the bill should be clarified to "any material derived from a forest for direct commercial consumption or for the production of another product, such as biomass for energy, including timber or wood products and non-timber forest products." Further, "non-timber forest products" are any product other than for timber that is produced from materials originating from forests.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

The Department notes that any commercial harvest on the public forest lands or lands in the Conservation District already require a permit from the Department. Private lands outside of the Conservation District do not require a state permit for commercial production.

The information provided through a commercial license system would provide needed information about the current impact of the commercial forest industry in Hawaii, as well as to potential impacts to subsistence and cultural gathering rights. However, this could be met through licensing only one portion or sector of the commercial industry, namely the forest product harvesters. Licensing and reporting from the entire commercial chain, including licensing landowners, harvesters, producers, and sellers, could result in overlapping and over reporting by the commercial industry.

In addition, to address the concerns about theft of forest resources, the Department recommends the incorporation of a “chain-of-custody”, “origin of product”, or “certificate of ownership” requiring the harvester or driver of a vehicle containing raw forest products to travel with paperwork and associated receipts documenting that the material was legally obtained. Copies of the receipt could be provided to the Department, buyer, and landowner.

Lastly, over the past four legislative sessions, the Department has been asked to address concerns regarding commercial harvest or destruction of Hawaiian sandalwood. The Department has also been in consultation with the U.S. Fish and Wildlife Service regarding the possible inclusion of Hawaiian sandalwood as a protected species under the Convention of International Trade of Endangered Species (CITES - www.cites.org). Neither the inclusion of sandalwood under CITES or previously proposed state regulations appear to be appropriate for sandalwood, especially since responsible management of sandalwood across landownerships is a primary goal of the Department. Further, sandalwood is not the only unique and commercially valuable forest species in Hawaii, and so the regulation of a single species does not make sense from a management or financial perspective.

**Senate Committee on Water, Land and Agriculture
Senate Committee on Commerce, Consumer Protection and Health
February 10, 2016
Conference Room 224
3:15 PM**

**Senate Bill 2532
Relating to Commercial Forest Products**

Aloha Chair Gabbard, Chair Baker and Joint Committee Members:

This testimony is in **full support** of Senate Bill 2532, relating to requiring a license for any harvesting of forest trees or plants for commercial purposes, and submitting monthly reports to DLNR.

We note that this legislation would reasonably include endemic 'Iliahi species varieties throughout our islands. Hawaii is losing its endemic sandalwood due to uncontrolled harvesting and the absence of State regulation for its protection. Hawai'i is the only location where sandalwood species remain with regulation absent for their protection.

'Iliahi was once abundant on O'ahu, including Diamond Head, and the Diamond Head Scenic Byway Committee has had several discussions concerning the survival of this endemic species and any currently obscure locations. The Scenic Byway program focuses on the assets of the area, and we hope the O'ahu species of 'Iliahi, *Santalum freycinetianum*, might again flourish here. One possible location might be within KCC's culinary institute campus now under construction, and we have engaged in discussions with KCC representatives regarding this possibility.

We further believe DLNR's State Parks Division and Division of Forestry and Wildlife could be instrumental in achieving the essential objectives of protecting, propagating and preserving the 'Iliahi for present and future generations, and therefore support enabling DLNR to spearhead this effort with the funding necessary to see this through. The inventory survey initiated by SB 2992 and regulation to mitigate uncontrolled harvesting initiated by SB 2532 would be the first important steps in this process, and we value and support the introduction of these measures.

Please move SB 2532 forward to ensure that the endemic Hawaiian Sandalwood species on all our islands can be protected and propagated for their essential preservation.

Mahalo nui loa,

Michelle Spalding Matson
Chair, Diamond Head Scenic Byway Committee



HAWAI'I FOREST INDUSTRY ASSOCIATION (HFIA)

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February 9, 2016

Senator Mike Gabbard, Chair
Committee on Water, Land and Agriculture

Senator Rosalyn H. Baker, Chair
Committee on Commerce, Consumer Protection and Health

Re: Testimony on SB 2532

Honorable Senators Gabbard and Baker,

The Hawai'i Forest Industry Association (HFIA) is a statewide nonprofit corporation established in Hawai'i in 1989 to promote healthy and productive forests and a sustainable forest industry through forest management, education, planning, information exchange, and advocacy. HFIA's programs promote healthier forests, increased business in Hawaii's estimated \$30.7 million annual forest industry, and more jobs (currently numbered at more than 1,000) within the sector.

HFIA has over 250 members, including professional foresters, millers, harvesters, growers, educators, retailers, manufacturers, wholesalers, governments, nonprofits, horticulturists, and others interested in HFIA's mission of healthy and productive forests.

We applaud the aim of this bill to collect and disseminate information on forestry in Hawai'i. We also share the concern about the illegal harvest (poaching) of trees and plants from private and public lands, and support efforts to reduce its incidence.

However, the association is concerned about the impact the proposed legislation will have on the livelihoods of our members and the very forests it is intended to protect. In its current form, SB 2532 is:

- 1) Too broad: It will result in duplication of information on forest products at all levels of the supply chain. The measure also covers non-traditional forest products, which is ambiguous, and needs to be
⇒ We suggest limiting it to specific products (wood, logs, certain plants) and primary producers only
- 2) Injurious to business: Without a licence, trees of any species, even those planted for that very purpose cannot be harvested. This could also be considered a "taking" of private property rights, by restricting the ability of private landowners to act on their own properties
⇒ Such a license (and we doubt it is needed) must be more of a registration than a permission. It must not be arbitrarily withheld without a compelling and concrete cause, and establish a short timeline for granting such a license which will have no or a very small administrative fee
- 2) Onerous for small operations: Monthly reporting is arbitrary and time consuming
⇒ Longer reporting period adjusted to the scale of operations, no reporting needed for small sales of less than \$1,000.00 – inflation adjusted

We support the implementation of some sort of chain of custody or certificate of origin similar to that used in transporting livestock through:

- ⇒ Evidence of legal harvest / possession of forest products through specific invoices, permits or contracts that identify both the source and intended destination
- ⇒ Copy of such to be furnished to State on a voluntary, electronic basis to provide public data on forest products trends

It is not easy to craft legislation that respects private property rights, the privacy of individuals, and allows the free flow of business yet at the same time undermines the ability of those who illegally harvest wood and other forest products.

We ask that you proceed with care, lest we snuff out the very thing we are trying to promote: healthy forests in Hawai'i that sustain and are promoted by a healthy forest products industry.

Mahalo,
Nicholas Koch, HFIA President
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From: mailinglist@capitol.hawaii.gov
To: [WLA Testimony](#)
Cc: rangien2010@yahoo.com
Subject: Submitted testimony for SB2532 on Feb 10, 2016 15:15PM
Date: Friday, February 05, 2016 10:21:00 PM

SB2532

Submitted on: 2/5/2016

Testimony for WLA/CPH on Feb 10, 2016 15:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Puanani Rogers	Ho`okipa Network - Kauai and Aha Moku Kauai	Oppose	No

Comments: I am strong opposition to this measure. It is stripping our native gathering rights. I do believe we need some kind of regulations to keep our forests from getting over harvested, but this measure is too severe and not addressing our gathering rights for cultural purposes. Mahalo for opposing this measure.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Honorable Senators and Representatives

Haloa Aina LLC is in support with modifications to: SB No. 2532

I am Wade C. Lee a managing member of Hāloa Aina LLC owner of 3,000 acres of presently managed sustainable native dry-land forest on the Island of Hawaii. I am a Biologist with an M.S. degree and have been a consultant to land owners in the state of Hawaii for the past twenty years. I have worked with the US Fish and Wildlife Service, The Colorado Division of Wildlife and the Alaska Department of Fish and Game.

In our forest we have regenerated over a million new Iliahi, Mamane, Koa, Naio and Pukeawe trees all within the last five years. (See Appendix A, for the full report call Wade Lee @ (808)896-6307).

We have created a model for sustainable sandalwood forest on the island of Hawaii and have at this time accomplished the following in addressing sustainability.

Having a chain of custody for our forestry products as well as accumulating Data on the industry is critical for the Forestry Industry in the State of Hawaii. The information collected needs to be available to the public and for private and public land managers in establishing management plans for specific forestry restoration projects to become sustainable.

Wade C. Lee

From: mailinglist@capitol.hawaii.gov
To: [WLA Testimony](#)
Cc: gottlieb@hawaii.rr.com
Subject: *Submitted testimony for SB2532 on Feb 10, 2016 15:15PM*
Date: Tuesday, February 09, 2016 9:41:43 AM

SB2532

Submitted on: 2/9/2016

Testimony for WLA/CPH on Feb 10, 2016 15:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Gottlieb	Ponoholo Ranch Limited	Oppose	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WLA Testimony](#)
Cc: rkailianu57@gmail.com
Subject: *Submitted testimony for SB2532 on Feb 10, 2016 15:15PM*
Date: Tuesday, February 09, 2016 10:48:47 AM

SB2532

Submitted on: 2/9/2016

Testimony for WLA/CPH on Feb 10, 2016 15:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Rachel L. Kailianu	Ho`omana Pono, LLC	Oppose	Yes

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WLA Testimony](#)
Cc: dylanarm@hawaii.edu
Subject: Submitted testimony for SB2532 on Feb 10, 2016 15:15PM
Date: Monday, February 08, 2016 3:54:09 PM

SB2532

Submitted on: 2/8/2016

Testimony for WLA/CPH on Feb 10, 2016 15:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan Armstrong	Individual	Support	No

Comments: Compliance is necessary to prevent the spread of forest pathogens and invasive species. This is tied into the biggest issue for Hawaii's ecosystems in 2016.

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