HOUSE OF REPRESENTATIVES THIRTY-SECOND LEGISLATURE, 2023 STATE OF HAWAII H.C.R. NO. **194** 

## HOUSE CONCURRENT RESOLUTION

URGING THE STATE TO PURSUE AN EXEMPTION TO THE COMMERCE CLAUSE OF THE UNITED STATES CONSTITUTION FOR AGRICULTURAL PRODUCE GROWN OR RAISED IN THE STATE OF HAWAII.

WHEREAS, Hawaii imports more than eighty-five percent of 1 its food and is considered highly vulnerable in issues of food 2 3 security; and 4 WHEREAS, climate change significantly increases this 5 vulnerability with sea level rise and intensified weather 6 7 patterns in the Pacific, including unpredictable seas and hurricanes; and 8 9 WHEREAS, the Merchant Marine Act of 1920, commonly known as 10 the Jones Act, requires that all goods that are shipped within 11 the United States be transported by United States-flagged 12 vessels that are primarily operated by United States citizens; 13 14 and 15 WHEREAS, much of Hawaii's cargo shipments require marine 16 transportation and are therefore subject to the Jones Act; and 17 18 19 WHEREAS, the requirements of the Jones Act create an artificial scarcity of available ships, thus increasing 20 transportation costs; and 21 22 23 WHEREAS, in addition to higher shipping costs, local farmers must contend with inflated costs to buy or lease land, 24 and high water rates, as well as one of the highest costs of 25 living in the country; and 26 27 WHEREAS, these factors make the costs of farming in Hawaii 28 29 the highest in the nation, creating an almost insurmountable hurdle for local farmers and an unfair advantage for 30 31 agricultural producers based in the continental United States; and 32



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WHEREAS, the United States Department of Agriculture 1 defines small farms as those having no more than five hundred 2 acres; and 3 4 5 WHEREAS, the latest Hawaii Department of Agriculture surveys reveal that less than four percent of farms in Hawaii 6 surpass that threshold, with the vast majority, ninety-six 7 percent, being very small farms; and 8 9 10 WHEREAS, fifty-eight percent of the small farms in Hawaii average sixteen or less acres in size; and 11 12 13 WHEREAS, the average small farm in Hawaii incurs losses of 14 almost \$10,000 annually due to the high costs of farming; and 15 WHEREAS, the United States Constitution was written in 1787 16 17 at the Constitutional Convention, ratified in subsequent state conventions, and took effect in 1789; and 18 19 WHEREAS, Article I, section 8, clause 3 of the United 20 States Constitution, commonly referred to as the Commerce 21 Clause, gives the United States Congress the power "to regulate 22 commerce with foreign nations, and among the several states, and 23 24 with the Indian tribes"; and 25 26 WHEREAS, historically, courts have interpreted the Commerce Clause to include a prohibition against states passing 27 28 legislation that discriminates against or excessively burdens 29 interstate commerce by, for example, creating an unfair 30 advantage for their own producers over those of any other state; and 31 32 33 WHEREAS, the effects of the Commerce Clause on individual states in the sector of agriculture is currently a highly 34 contested aspect of the law, due to the dominance of a small 35 number of national corporate producers in all states; and 36 37 38 WHEREAS, despite this nation's apparent desire for federal laws that prevent discrimination against interstate commerce, 39 the United States Supreme Court has not yet addressed 40 discrimination or undue influence on interstate commerce caused 41 42 by federal law; and



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WHEREAS, despite the fact that, on July 9, 2021, President 1 2 Joseph R. Biden signed Executive Order No. 14036, entitled "Executive Order on Promoting Competition in the American 3 4 Economy," which, among other things, sought to create a fairer, more resilient meat and poultry industry by identifying 5 6 recurring unfair, unjustly discriminatory, or deceptive practices, no federal law or executive order has yet addressed 7 the economic disparities experienced by vegetable and fruit 8 growers; and 9

11 WHEREAS, the intent behind the Commerce Clause was never to 12 favor national corporate agriculture at the expense and survival 13 of small local farms, but rather to ensure robust, diverse 14 market competition; and

16 WHEREAS, at the time the United States Constitution was 17 written, Hawaii was still an independent nation and, hence, 18 Congress did not, nor has it currently, considered the 19 implications of the Commerce Clause on the Hawaiian Islands with 20 regard to current and future food security needs, the extra 21 burden of trans-ocean and intra-state ocean shipping, and 22 economic disparities; and

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24 WHEREAS, an exemption from the Commerce Clause would help
25 to restore balance and fair markets to small agricultural
26 producers in the State of Hawaii; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-second Legislature of the State of Hawaii, Regular Session of 2023, the Senate concurring, that the Governor, the Legislature of the State of Hawaii, and its representatives in Congress are urged to pursue an exemption to the Commerce Clause of the United States Constitution for agricultural produce grown in Hawaii; and



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BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to all members of Hawaii's congressional delegation, the Governor, the Attorney General, the Chairperson of the Board of Agriculture, and the Chair of the Board of Trustees of the Office of Hawaiian Affairs.

OFFERED BY: Mine E to

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