



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

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Statement of
James Kunane Tokioka
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
and the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Tuesday, February 13, 2024
9:00 AM
State Capitol, Conference Room 229

In consideration of
SB2082
RELATING TO THE LABELING OF PRODUCTS

Chairs Keohokalole and DeCoite, Vice Chairs Fukunaga and Wakai, and members of the Committee. This bill repeals the Made in Hawaii branding program under the Department of Agriculture and places with the Hawaii Made program under the Department of Business, Economic Development & Tourism (DBEDT). It also specifies that the Attorney General is responsible for enforcement of the program. It also includes operating and overhead expenses incurred and spent within the State in determining the requirement that at least 51% of the wholesale value of non-perishable products is produced within the State.

DBEDT supports the intent of **SB2082** as it would eliminate the confusion and duplication of two agencies promoting the Made in Hawaii brand. The bill also provides for non-perishable goods such as apparel to qualify for being labeled made in Hawaii by adding operating and overhead expenses into the 51% formula. Together with the Attorney General (DAG), DBEDT would work closely to ensure compliance and enforcement of the brand. DBEDT is not a regulatory or enforcement agency, so would need the strong support and assistance of the DAG to handle this area of responsibility.

DBEDT has a close working relationship with the Department of Agriculture (DOA) in promoting products made in Hawaii. Should this bill pass, it is expected any transition would be seamless. Likewise, should this bill not be considered, this close relationship will continue for the benefit of Hawaii manufacturers.

Funding in the amount of \$250,000 which includes funding for one staff person to administer the program, for promotion and development, and to contract with the DAG for services such as investigators and hearing officers would be necessary.

DBEDT supports the intent of this bill provided that its passage does not replace or adversely impact the priorities indicated in the Executive Budget and addresses the revenue stream needed to carry out the intent of the measure.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEXTER KISHIDA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEES ON
COMMERCE AND CONSUMER PROTECTION AND
ENERGY, ECONOMIC DEVELOPMENT AND TOURISM**

**TUESDAY, FEBRUARY 13, 2024
9:00 AM
CONFERENCE ROOM 229**

**SENATE BILL NO. 2082
RELATING TO THE LABELING OF PRODUCTS**

Chairs Keohokalole, DeCoite, Vice Chairs Fukunaga, Wakai and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 2082. This bill merges the Made in Hawaii program under the Department of Business, Economic Development, and Tourism (DBEDT). It specifies that the Department of the Attorney General (DAG) shall be responsible for the enforcement of the program. It repeals the Made in Hawaii with Aloha program. It clarifies that calculations to determine whether a non-perishable good labeled "Hawaii Made" or "Made in Hawaii" has met the requirement that at least 51% of the wholesale value of the product is added by production within the State include operating and overhead expenses incurred and spent within the State and appropriates funds. The Department offers comments.

Placing the trademark and oversight for products manufactured in the State under one agency was a recommendation of the study conducted by DBEDT. Another recommendation was that the enforcement of the program remain within one agency.



The Department agrees with both recommendations and defers to the DAG on the enforcement of the program.

The Department comments that clarification be added to Page 3, beginning with line 3, ending Page 3, line 20 regarding whether this section refers to the use of the trademark or to any reference to “Hawaii Made” or “Made in Hawaii” on a product label or in product promotion. The clarification would impact current manufacturers of non-perishable products made in Hawaii, that comply with the formula calculation and have an established, unique logo or trademark how the measure would be implemented, if they prefer to keep their current label that includes their logo or trademark.

Hawaii companies that choose to manufacture their products in Hawaii do so knowing their products could likely be manufactured offshore for less expense. These companies are wary of programs that would add costs to their operations. The current program, under Section 486-119, Hawaii Revised Statutes, does not include a cost to the Hawaii company to use the “Made in Hawaii with Aloha” logo. The measure does not address a fee when merged under DBEDT.

The Department is aware of the Federal Trade Commission “Made in the USA” law that requires some products to disclose U.S. content and continues to be cautious with the “Made in Hawaii” claim as described in 16CFR Part 323: Made in the USA Labeling Rule.

Thank you for the opportunity to testify on this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2024**

ON THE FOLLOWING MEASURE:

S.B. NO. 2082, RELATING TO THE LABELING OF PRODUCTS.

BEFORE THE:

SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
AND ON COMMERCE AND CONSUMER PROTECTION

DATE: Tuesday, February 13, 2024 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 229 and Videoconference

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Elise A. Amemiya or Bryan C. Yee, Deputy Attorneys General

Chairs DeCoite and Keohokalole, and Members of the Committees:

The Department of the Attorney General offers the following comments and concerns.

The primary purposes of this bill are to merge the "made in Hawaii" branding program under the Department of Agriculture into the "Hawaii Made" program under the Department of Business, Economic Development, and Tourism (DBEDT); and to clarify how to determine whether a non-perishable good qualifies for a Hawaii Made label.

We have the following concerns with the bill:

While the bill prohibits the use of the labels or phrases "Hawaii Made" or "made in Hawaii" under certain conditions or representing the origin of an item as being from any place within the State, the bill does not provide any penalty for a violation of this prohibition. The prohibition without any penalty makes enforcement difficult. The bill also requires the Department of the Attorney General to enforce violations; the subject matter department, however, is better able to determine if a violation of the "Hawaii Made" or "made in Hawaii" program has occurred. Accordingly, the subject matter department, DBEDT, is the appropriate department for enforcement of the program.

One method to resolve both of the above concerns is by substituting the following for subsection (e) on page 3, lines 17-18, to provide for an administrative penalty:

(e) The department, after notice and opportunity for hearing, may fine any person who violates this section, or any rule adopted under this section, not more than \$_____ for each separate offense. Each day or instance of violation shall constitute a separate offense. Any action taken to impose or collect the penalty provided for in this subsection shall be considered a civil action.

We respectfully request the Committee to consider our comments. Thank you for the opportunity to provide testimony.



Hawai'i Forest Industry Association

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Date: 02/09/24

TO: EET Chair DeCoite and Vice Chair Wakai, CPN Chair Keohokalole and Vice Chair Fukunaga, EET Committee Members Kim, Fevella, Fukunaga, and CPN Committee Members McKelvey, Richards, Awa

FROM: the Hawai'i Forest Industry Association (HFIA)

SUBJECT: Testimony in Support for SB2082 Relating to the Labeling of Products

Dear Chair DeCoite, Chair Keohokalole, and Committee Members,

On behalf of the Directors and members of the Hawai'i Forest Industry Association (HFIA), please support SB2082 Relating to the Labeling of Products.

Roughly 45% of HFIA's 130 members are wood artisans (wood turners, furniture makers, etc.), wholesalers (primarily lumber) or wood product retailers/galleries. Every year, HFIA hosts the annual Hawaii's Wood Show in Honolulu, in which local artisans enter and are required to use locally sourced woods. We, as an organization made up of a Board of Directors, staff and members, take pride in this event and the regulations set and enforced regarding the utilization of locally sourced materials.

Furthermore, HFIA has also established "Hawaii's Wood Brand". The Hawaii's Wood Brand represents fine items made from wood grown in the Hawaiian Islands. HFIA members who want to participate in the program and brand their items must agree to only brand items that meet the following criteria: Made in Hawai'i; Well-made and of good quality; and Made predominantly of woods that are grown in Hawai'i. Hawaii's Wood Brand not only highlights quality craftsmanship and the richness of Hawaii's woods, but it also reduces the carbon footprint of wood products created and sold by participating HFIA members. Additionally, it reduces the reliance on imported finished wood products or imported materials for wood products, keeping the money of Hawaii's craftsmen and consumers circulating in our local economy, rather than directing it to off island entities.

We hope that you will support SB2082 and that other areas of commerce will follow suit in an effort to produce and offer genuine, locally crafted products, using locally sourced materials as often as possible.

Mahalo for your time and consideration,

Guy Cellier, President
Hawai'i Forest Industry Association

HFIA's mission is to promote healthy and productive forests and a sustainable forest industry through management, education, planning, information exchange, and advocacy. HFIA has over 130 members including woodworkers, landowners, sawyers, foundations, foresters, growers, educators, environmentalists, architects, millers, ranchers, and others interested in HFIA's mission and goals.

HFIA Board of Directors

Officers: President Guy Cellier, Vice President Irene Sprecher, Secretary Taylor Coons, Treasurer Wade Lee
Directors: Jeremy Campbell, Aaron Hammer, Nicholas Koch, Michael Sowards, Aileen Yeh



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February 13, 2024

HEARING BEFORE THE
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TESTIMONY ON SB 2082
RELATING TO THE LABELING OF PRODUCTS

Conference Room 229 & Videoconference
9:00 AM

Aloha Chairs DeCoite and Keohokalole, Vice-Chairs Wakai and Fukunaga, and Members of the Committees:

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 SB 2082, which merges the Made in Hawaii with Aloha branding program with the Hawaii Made program under the Department of Business, Economic Development, and Tourism. Specifies that the Department of the Attorney General shall be responsible for enforcement of the program, repeals the Made in Hawaii with Aloha program, clarifies that calculations to determine whether a non-perishable good labeled "Hawaii Made" or "made in Hawaii" has met the requirement that at least 51% of the wholesale value of the product is added by production within the State include operating and overhead expenses incurred and spent within the State.

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 its 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 should it be appealed as required in this bill? Will the current MIHA branding

program members need to discontinue using the MIHA label? What happens to the “Grown in Hawaii” Program which is part of the Made in Hawaii with Aloha” Program?

We appreciate the Legislative intent to merge the Made in Hawaii with Aloha branding program with the Hawaii Made program to avoid confusion and for consistency. We have concerns with the transfer of the enforcement of the “Made in Hawaii” program to the Attorney General by repealing the current enforcement authority held by HDOA, because of the impacts it may have on HDOA’s current MIHA program participants.