

**MINUTES
FOR THE MEETING OF THE
BOARD OF LAND AND NATURAL RESOURCES**

**DATE: FRIDAY, NOVEMBER 14, 1997
TIME: 9:00 A.M.
PLACE: HONOKAA SPORTS COMPLEX
45-515 Pakalani Street
Honokaa, Hawaii 96727**

Chairperson Michael Wilson commenced the meeting of the Board of Land and Natural Resources at 9:35 A.M. The following were in attendance.

Members: Michael Wilson
Chris Yuen
Colbert Matsumoto
Willie Kennison
Lynn McCrory
Kathryn Inouye

Staff: Gil Coloma-Agaran
Michael Buck
Glenn Taguchi
Cliff Inn
Charlene Unoki
Barbara Kameda

Others: John Michael White
David Kuriyama
Councilmember Dominic Yagong

H. ADMINISTRATION

- 1. DIRECT LEASE OF THE HAMAKUA FOREST PLANTATION PROJECT AREA TO OJI/MARUBENI, PORTIONS OF THE GOVERNMENT LAND, SITUATE AT NORTH HILO AND HAMAKUA, ISLAND OF HAWAII (RECONVENING FROM THE OCTOBER 24, 1997 LAND BOARD MEETING)**

Chairperson Michael Wilson explained the procedures of the testimonies to be taken and the request for filing of a contested case hearing. Raymond Chuan requested a contested case hearing.

Chairperson Wilson announced that a joint statement from various organizations would be heard before public testimonies.

A woman testified in opposition of the project in a joint statement entitled, Public Land for Diversified Agriculture, for Mixed Hardwood Forests and for Public Use by North Hilo/Hamakua Farm Bureau, North Hilo Community Council, Friends of Hamakua,

Farm Bureau, North Hilo Community Council, Friends of Hamakua, Ahupua'a Action Alliance, Hamakua District Development Council, The Hawai'i-La'ieikawai Association, Hawaii Organic Farmers Association, Kona Outdoor Circle, Kona Farmers Alliance, Hawaii Green Party, Hawaii County Green Party, Kauai Green Party, Hawai'i's Thousand Friends, E Mau Na Ala Hele, Earth Aware/Bamboo Mountain Imports, Malu 'Aina Center for Non-violent Education and Action, Puna Malama Pono, Friends of the Red Road, Nation of Hawaii-Office on Decolonization, Aloha Aina Life & Education Center, Free Association, Malama Ka Aina/Hana Ka Aina, Big Island Rainforest Action Group, Hawaii's Thousand Friends, Hawaii Pesticide Project, Hamakua Guild of Agroforesters, Hui Lilikai, Ka'makani 'O Kohala, Hawaii Center for Integral Healing, Na Makani Energy Initiative, Lahaina Open Space Society, Irradiation Free Food Hawaii and Plan to Protect. She added that 27 community leaders in Hamakua have also signed on as individuals to support the joint statement. Accompanying written testimony was submitted.

Bob Shioji, President of the Hamakua Farm Bureau spoke in opposition "to commit public lands in Hamakua/North Hilo for pulp timber production". A written testimony was submitted.

There was discussion about the suitability of the lands for intensive diversified agricultural use and irrigation source. Shioji said it is suitable for macadamia nuts and coffee. He said minimal irrigation is required once they are rooted even in drought periods.

Shioji said two plans were submitted to Mayor Steven Yamashiro for the use of these lands. One is a conceptual plan submitted by the Hamakua North Hilo Agricultural Co-op for diversified uses including macadamia nuts, coffee, vegetable and fruit crops, and ranching. The other plan was submitted by a group of farmers who wished to expand their farming operations for macadamia nuts and coffee crops. Member Colbert Matsumoto asked whether the proposal included a business plan or a market analysis to determine whether or not it was economically feasible to engage in macadamia nut production. Shioji said there are numerous business and project plans submitted and the farmers have expressed a willingness to invest money. When asked by Member Matsumoto about the use of herbicides and pesticides, Shioji said the herbicides are needed to control the weeds on the farm lands on an ongoing basis. The macadamia nut tree seedlings requires the pest control at the beginning but once they are established, it would not need the spraying.

Member Chris Yuen commented that there are not that many agricultural activities on private lands and was concerned about erosion. Shioji felt that the lands below the Hamakua Ditch should be used for crops other than orchard crops and that those lands above should be used for crops that need irrigation.

Member Yuen said he is not aware of any serious proposals for the 4,500 acres of State lands that's involved in this particular proposal to Oji. Shioji said it's difficult to draft a plan in a short time and for this reason, the joint statement specifically asked for a moratorium of one year. He said in the one year, there will be "a whole bunch of people coming up with similar type of proposals".

Shioji said the Farm Bureau prefers macadamia nut trees, and they are not opposed to the eucalyptus forest or any kind of forest but that their interpretation of diversified agriculture is forestry. The Farm Bureau opposes that type of mono crop forestry on public lands. Member Lynn McCrory asked how much more extensive would the herbicides and the pesticides use be and would they be stronger than what would be used on the land for the eucalyptus. Shioji stated that on orchard crops, the use of the herbicides and pesticides are minimal.

There was discussion about the Bishop Estate agricultural lands that were available. Member McCrory asked whether there were any other projects on any of the other lands on C. Brewer lands or any where else that are in diversified agriculture that is considered to be successful that has been operating for awhile. Shioji said C. Brewer took care of the displaced sugar workers by subdividing some of their lands to five acre parcels leases. He said the Hamakua Sugar land is owned by Bishop Estate. Shioji said the 1,400 acres of State land that were given to Hamakua North Hilo Agriculture Co-op are being farmed by displaced Hamakua sugar workers. He said an effort in Ka'u looks promising under the Farm Bureau's standard of a successful farm.

Chairperson Wilson asked whether the focus of the Resolution that was provided by the Farm Bureau was for providing opportunities for family farms and ranches. Shioji answered yes. There was discussion about types of crops and the availability of those lands. Shioji felt the area should be used for family farming and ranching but not limited to Farm Bureau members or to people from the Hamakua area only. He said he would be opposed to a large company coming in to do any type of mono cropping and would be more receptive to small family diversified agriculture. Shioji said the displaced sugar workers were given first priority to get on the land and were helped by the Co-op to draw up their business plans in order to qualify. Since most of the displaced sugar workers are already on the lands, it is now open to the rest of the members.

Councilmember Dominic Yagong said this proposal is about land use and opportunities. He stated that this is the first time the public has an opportunity to utilize these lands and that the proposal presented will tie up the land up for another 55 years. He asked the Board not to take this opportunity away from the people of Hamakua. Councilmember Yagong said the County has not

had an opportunity to promote diversified agriculture. He said the Co-op sent a letter dated September 13, 1994 to the County administration to ask to use the Hamakua Sugar lands. The County's response was that those lands had been set aside for forestry.

Gardena Markus spoke in behalf of the Outdoor Circles of the Big Island in opposition to the introduction of the woodchip industry to this Island. Accompanying written testimony was provided.

Tom Young spoke in behalf of the North Hilo Community in opposition of this project.

Kealii Ioani spoke in opposition of the project and joined in the request for a contested case hearing.

Aric Arakaki spoke in behalf of the Department of Hawaiian Home Lands in support of the lease to Oji/Marubeni. Accompanying written testimony was submitted.

After a break was taken, the meeting was reconvened.

Seppe Wiesmueller representing the Friends of Hamakua, spoke in opposition of the project in consideration of the fire hazard and long-term environmental degradation of aerial spraying. A written testimony was submitted. He also requested a contested case hearing.

Mary Marvin Porter spoke in behalf of the Moku Loa Group, Sierra Club in opposition of the project. Accompanying written testimony and a video was submitted.

Ada Pulin-Lamme spoke in behalf of the Hamakua District Development Council in opposition of the project. Accompanying written testimony was submitted.

Bob Ritter testified in opposition of the project. Member Yuen said Bob Ritter's testimony implied that the State and the Board of Land and Natural Resources' only interest has been to lease out land to foreign corporation at low rates and ignores the desires of the people of this Island. Member Yuen said when Hamakua Sugar went out of business in 1993, the State at that time looked at the land that Hamakua Sugar had leased from the State. The Land Board made a decision to lease out 1,400 acres of that land to Hamakua/North Hilo Farmer's Co-op to put people on the land and to give them a chance to farm. The State bypassed most of the existing laws that would have delayed making that land available for the farming community. Special legislation was passed by Representative [Dwight] Takamine that enabled this to happen. The Co-op has had sight control of that area for about 3 years. Member Yuen believed that it is currently leased at \$4.00 per acre per year. The land included

what was considered to be the best lands for diversified agriculture. He said when there were discussions about submitting business plans, he didn't want the people to do a lot of paper work and asked the Board to give them a chance. Member Yuen felt that not even 50% of the Co-op lands are farmed now because of money, market conditions and terrain.

Yoshito Takamine testified in opposition of the project. He explained how the Co-op requested the Bishop Estate to provide them with more lands and did not receive a response. Takamine said only 160 acres were available which were divided for intensive grazing above the Ditch. A discussion about the attachments to his written testimony submitted regarding the Cooperative Member's Land Needs, Gross Revenue of Popular Commodities and the Proposed Hamakua/Hilo Ag Coop 15 year Development Plan and Crop Analysis took place.

Chairperson Wilson explained that the public testimony would be limited to 3 minutes.

The following people testified in opposition of the project for various reasons, the majority saying eucalyptus cultivation would harm the environment, the land would not be available for use for 55 years and deny the land to residents for farming purposes. Accompanying written testimonies submitted (**).

- ** Keith Burchett
- ** Ira Rohter
- Sylvia Beckham
- ** Lesley Patton
- ** Ken Boche
- ** Kate Schcierch in behalf of Conservation Council for Hawaii & herself
- ** Pablo McCloud
- ** Abraham Andaya
- ** Madeline Gomes Furtado
- Councilperson Curtis Tyler - requested contested case hearing
- Joseph Batalona
- ** Ole Fulks
- ** Waltham Johanson
- ** Alfred Wilson
- John Andrade
- ** Joan Philipp
- Kelly Greenwell - requested contested case hearing
- ** Jim Albertini
- Clarence Souza
- ** Theresa Lee
- ** Ronald Fujiyoshi (Ka Pakaukau)
- ** Lynn Nakkim
- Joe Pacheco
- ** Nancy Pisicchio
- ** Lisa Barton

Nalei Kahakalau
** Diane Li
** Ku Kahakalau
Doug Connors
David Sheehan
Kaipoleimanu Kamalani
Michael Christopher
Keiko Bonk
** Michael Sofranko
Dana Keawe
Jojo Tanimoto
** Lanny Sinkin
** Naomi Cohen
Bonnie Bator
Kathy Dorn
Alice Suncloud
** Terri Markovich
** Maryann Broyles - requested contested case hearing
Doug Andrew
C.V. Wells
J.E. Dalrymple
Rick Hubein
Marko
** David Cacchia
Walker Sanders
Ken Acdal

The following people testified in favor of the project.

Arnold Ishii
** Jay Hatayama
** Andrea Beck
** Guy Cellier
** Nick Dudley

Chairperson Wilson concluded the taking of testimony portion and announced that a break would be taken by the Board. The meeting was reconvened at 11:05 P.M.

All of the Board members expressed their disappointment at the misconception by the public that a decision was predetermined before this meeting took place today. Member Yuen said he was disappointed that many people came to the hearing "with the conception that the people who sit on this Board are part of a machinery designed to sell them out and destroy their lives". He said that all of the Board members are volunteers and are trying to make the best decision. Member Yuen said the reason for his making the motion to deny this project is that people of this Community have made a very strong statement that they want to have a chance to get on the land and to work the land themselves. His hope is that people who expressed interest won't lose

interest once the threat of Oji has gone away.

Member Matsumoto said he hoped that "people disabuse themselves of the notion that there is all the back room dealings that goes on with this Board." He sensed racial overtones with respect to a number of comments that were made and said he was offended when a particular written testimony concluded with the remark, "I thought the Hawaiian Japanese were smarter than the Japan Japanese". He didn't know what ethnicity or nationality had to do with the merits of the proposal like this and that a number of the comments were focused on the fact that the applicant in this particular instance is a Japanese company. He said the Country wasn't built on business just being done on American soil and that if the island communities were to survive, "we cannot take that kind of narrow minded attitude".

Member Matsumoto said he is not convinced that this proposal should be denied at this point but that he was troubled by the proposal because it seems that the community opposition is quite overwhelming and felt it to be deficient in the economic terms of the lease. He said the lease purposes to commit the lands for an extended period of time and that the economic basis upon which that lease is based does not support the kind of commitment with respect to the land. He felt a glaring problem with the lease is that it is calculated on the basis of cubic meter of the harvested pulp wood log as opposed to the woodchip and was not sure whether it made economic sense.

Member Kathryn Inouye, the newest member of the Board, said she was appointed by the Governor for her business expertise. She said the Governor is very pro-business and is looking for ways to revitalize the economy. She stated that the Board has gone through at least 3 inches of information to make an informed decision and suggested that many who testified should take the time to do research and also keep an open mind. She said as a fourth generation person, there are very few who can say they are truly indigenous Hawaiian people. Member Inouye thought it was very harmful to be afraid of foreign companies because most of the families in Hawaii were foreigners that came here for opportunities. She said what needs to be realized as residents of Hawaii is that Oji Paper did not try to come and take the land, the State went out to solicit proposals for the land.

Member McCrory also appointed by the Governor for her business expertise, said her concept of management of property is, "perpetuity, to be taken care of for your children and your children's children". She noted that the Co-op was created 3 years ago and asked whether the Community took the land and made it prosperous and if not, why not, since the same Community then comes back to the Board and asks for more land. Member McCrory's disappointment is with the existing Co-op that is not working and having to listen to people say they want more land.

She was excited to see the Community pull together but was also concerned whether the Community could stay together to do something, to take land, make it prosperous and be able to sustain it for the children's children. Member McCrory also believes that it is important that it is our fiduciary responsibility to provide the highest and best value and return to all of the general public and not just the general public of one area.

Chairperson Wilson said he feels compelled to join with the majority but his reason has to do with the fact that there seems to be so much concern in this Community, so much resistance, and so much commitment. He sees a misunderstanding at a fundamental level to the whole process that this is a corrupt system and how difficult it was for the Board to understand how this Community could move forward with this kind of proposition. He talked about the dedication and devotion of each member of the Board.

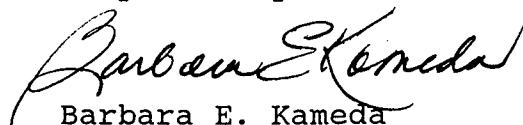
Chairperson Wilson said forestry is not an environmentally damaging crop, this forest is one that was created 100 years ago to help the watersheds. Eucalyptus has been there, has been tested for a long time and environmentally, when compared to other crops in terms of herbicides and pesticides, it is clearly environmentally more sensible.

Chairperson Wilson talked about the convictions by a subsidiary that Oji took over sometime ago. They agreed to pay the fine and there are no directors or officers of the Company that have been convicted of a crime. Chairperson Wilson said it is clearly a misunderstanding to think that it's a foreign corporation that wants to take the land and doesn't care about the people because of their race and he simply said, "that's not true".

Unanimously approved to deny the Oji/Marubeni lease.
(Yuen/Kennison).

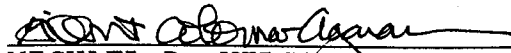
Meeting was adjourned at 11:30 P.M.

Respectfully submitted,



Barbara E. Kameda

APPROVED FOR SUBMITTAL:



MICHAEL D. WILSON
Chairperson
Board of Land & Natural Resources