



ought to draw more heavily on our colleagues on the Mainland. Holly Pearson is from California, she's a graduate student, she's not from Hawai'i, but her research is very appropriate to Hawai'i. I think we can call on funds and talent available on the Mainland to address research problems that we consider to be im-

portant that we can help guide. We don't need to worry so much about finding the money here. There is a broader range of talent available to whom we can communicate our concerns and call for help. It can't do anything but benefit us.

Summary: Policies, Laws, and Community Involvement

Carl Masaki, Hawai'i State Division of Forestry and Wildlife

Although we do have incentives that will help landowners plant forests, they're running out of money, or they're unfunded. So unless we get more money into the Forest Stewardship Program, that incentive program is basically taken. From there we moved into the environmental assessment by Gary Gill and other county, state, and federal regulations.

And as far as the policies are concerned, they're a little more flexible than the law and they can be modified fairly easily. Paul Brewbaker said that maybe the state should look at planting more koa. But, because the sugar lands that are coming on the market right now are in low-elevation areas, I think research should look at developing a seed for lowland koa, so that way the lower-elevation lands can be planted to koa and if the state cannot lease its maybe acres, maybe they should look at planting trees.

Mike Buck mentioned that we have about 46,000 acres of plantation forest. It was our predecessors before us that had a vision that if they did plant something during their day, that maybe economic development would be possible at a future date. As Lloyd Jones said, koa is king, it's the premier wood, so we should look at planting more koa, instead of looking at other high-quality hardwoods that we would have to develop a market for and maybe compete with areas where it grows native.

The laws have to be changed by the legislature. I've been to many koa conferences and symposiums and I think the people that we're not inviting are the people that make the laws and the policies. When the conferences end, everybody says, "Great conference." We learned a lot, but then we have to wait another five years, another ten years before another conference and then we talk about the same things and we complain again and nothing gets done. I'd like to add to what Ed Winkler

said about former councilwoman Keiko Bonk. She was invited to a forestry symposium, she went out on field trips and she went ahead and did it. I think if we invite legislators and people from the county government and the federal government, talk to them, have them in the audience, have them see what the concerns and issues are, maybe we can change something, and it doesn't have to take 20 years. I think I see only one person here from county government. Other than that, I don't see any legislative person in the audience. I think we need to change our ways, we need to invite the people that make the policies and the laws to attend the conferences, so things can be changed.

As far as community involvement, we heard from Bill Stormont. He went through a really trying process in trying to do something, and then the community got up in arms and said "No, we don't want to do that, we want hunting." Then it was brought about that he had a natural area working group. I think this is probably the wave of the future, and all government agencies should take note that we are trying to do something. We have to have community involvement. On the panel that talked about education, Eric Enos said that education is the key. We can talk to people, we can talk to legislators, but I think that the education process has to start very early on. We have to educate the students, we have to educate the legislators, and we also have to educate the communities, because unless they know what we're doing, it's going to become very difficult to do what we want to do.

I came up with several recommendations. The responsible agencies should take it as a mandate that they should go back and look at it and try to do something about it and not wait for the next koa symposium to again hear the same problems. If the requirements of the federal government, the state government and even the



county government are the same, there's a lot of duplication of effort, then I think it should be changed so that it becomes easier for the applicant to apply for a grading permit or a CDUA or something like that. We need to collaborate among the responsible agencies. I see this happening, and I've been working for the Division of Forestry for over 27 years and this year is the first time in my career that we've had five state agencies working together. We have the Department of Land and Natural Resources, we have the Department of Labor Industrial Relations, we have the Department of Hawaiian Home Lands, we have the Department of Agriculture, and we have the Department of Business, Economic Development and Tourism sitting down at the table, cooperating and collaborating on a forestry issue.

Added to these five state agencies are three federal agencies. We have the U.S. Forest Service, the Natural Resource Conservation Service, and Rural Development. So, we have eight partners at the table, and we're trying to do something to help the economy, and the first step is to hold this Governor's Forestry Conference so that we can share the same vision. The second day will be broken down into workgroups where we can look at the issues, look at the concerns and form committees to get them resolved.

Conferences are excellent forums to exchange information, and a lot of the conferences have been putting out really good information, but I think we need to take the next step and resolve issues and concerns. As I mentioned, the policy- and law-makers are missing from this forum, and we should make every effort whenever we have a conference to invite those policy makers to participate, because they're the ones that can really change the policies and the laws.

Comments

Mike Tulang: I couldn't agree more that the Governor's Conference will be an opportunity to put together all that we've learned the last two days and actually make a voice as a coalition, partnerships, or as individuals coming together and just load those focus groups up.

Mike Robinson: Policy, regulations, public involvement, I think all of these are currently barriers to having more koa trees out on the ground. After listening to this morning's presentations, if you accept public monies to

do something on private land, you have to go through five separate processes to make your project work. If you're on conservation land, you have to go through four separate processes, and even on ag, urban, or rural lands you have to go through three of them. These are costs. You have to hire somebody or do it yourself. You have to take time off to go down, fill out the form in triplicate, give it to this agency, wait three months while they approve it, run it by everybody else, then you go do it again with somebody else. The form looks different, but the process is oftentimes the same. I think that in the ideal future of encouraging forest management in Hawai'i, we have a very streamlined process. We know the questions we have to answer, we know the issues we have to resolve. It would be very nice just to be able to do a one-stop-shop, fill out one set of forms, if that's really what's required, but do it one time and be done with it. Make it as cheap as possible for those that have to do it.

Peter Simmons: I believe we did invite our legislators, and we give them lunch. I think it's important to reflect for a moment on the successes that I think we've had legislatively as a result of these conferences, and why I think they're worthwhile. We've got a Forest Stewardship Program that was discussed, I think, at the Forestry 2000 Conference, that became a reality. The NAPS program, another one, real property tax, and I give Keiko Bonk terrific credit for that, but it was no accident that the timing was set, that the stage was there, that we'd had significant pressure applied through the years by many, many people in this group, to finally bring that about. And also the right to harvest. These are just a few, and there may be others that I'm missing. We do have some teeth that are not quite meshed right in the gears to make these programs work right and smooth. We've got, through no fault of Hawai'i's, a set of federal administrative rules for the Endangered Species Act that are user friendly, and people are locking and loading on the state issues. These are all important issues that we've been able to address as a community over the last 10 years. I agree, I would like to see more legislators, and I think we've got to find other ways. Free lunch . . . they just don't respond to that like they used to. Maybe there's a few other ways to do it.

Michael Buck: We also had a Tropical Forest Recovery Act, which really helped lay out a menu, but be-



cause of that we got a half-million dollar add-on with the help of Senator Inouye and the U.S. Forest Service this year, and then I've just heard from the state side that Governor Cayetano is going to put the half-million dollar match to that in the state budget this year. So that is some legislative support. Part of the Governor's conference this January is to help guide what's the best use of that. So there's some juice on the table to make it happen. It really behooves all of use to make the best use of that, to make sure that one-year program is a four- or five-year program. We're having a lot more support than we used to.

Paul Brewbaker: I'd like to underscore that. I get a little sense of what's happening over there in the capitol district from the work I do. Ten years ago, my second assignment in the economics department at the bank was a request from Senator Matsuura to look at why the forest industry hadn't taken off. I wrote this great paper

and I never saw it again. But I must say that in the last year or two, forestry keeps coming up when you're talking with legislators, when you're talking with people in the government, now more than ever. So, I think that in the same way . . . the property tax situation in Hilo, the constant pressure, the fortuitous decline of sugar, a politician in the right place at the right time . . . we may be there in the more general sense of opportunities for more favorable treatment by the legislature of forestry industry issues.

Mike Tulang: We have a great opportunity with a whole bunch of new faces in the legislature. Certainly in Hawai'i County we have some new faces, and again new opportunities. I think the councils are becoming very business-oriented, now that Hawai'i County went to five/four Republicans. I think there's a good sense of fiscal responsibility, of forging the strategic financial plan. The posture and atmosphere are changing. Maybe with less money, we're doing a better job.

Summary: Economics

Paul Brewbaker, Bank of Hawai'i

The first point is that unquestionably the market for koa wood products looks really good. To me, prices are no mystery; you have supply shrinking, demand growing. That's a natural for the current situation, for prices to be strong. For the near term prognosis? Anybody know where some koa forests are coming on-line? I don't, so I don't see the price dynamics changing in the near term. There's a danger. Will prices rise to a point of exclusivity? Where people just don't buy koa anymore, they can't afford to anymore? That would be a real shame. And then looking down the road away, the question is when and if future koa comes on-line, what would be the effect at that point on prices? I'm reminded of the 1981 tax reform, in which accelerated depreciation and investment tax credits all came on-line at the same time. Jim Nabors and a bunch of guys flew out to Hawai'i, planted a bunch of mac nut trees, and eight or ten years later their first harvests came on-line and crashed the macadamia nut market.

So, we have to be thinking of some of those dynamics. The solution, it seems to me, looking down the road again, is while the near-term focus, I think, rightly should be on production and understanding production and, concurrently, R&D to go with it. Eventually, we have to think about the marketing side, developing new markets, capitalizing on the emergence of consumer markets in a place like Asia, where attention to quality is something that's already a part of the consumer preference set, and also to capitalize on the Hawai'i brand-identity. I saw one of these chocolate macadamia nut boxes, the cheap chocolate with chunks of junky mac nut they can't sell, priced at \$9 a box. Every airport I go through, I look in the duty-free store and see how much their macadamia nut chocolates are: \$9 a box is the going rate for a box of chocolate mac nuts from Hawaii. My point is, brand identity sells. And if we can do it with junk mac nuts in chocolate, surely we can do it with the beautiful woods that we have.