Testimony Presented Before the
House Committee on Finance
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HB 1040 HD1 - RELATING TO INVASIVE SPECIES

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

Thank you for the opportunity to submit testimony regarding HB 1040 HD1, which seeks to appropriate moneys to the Hawai'i Invasive Species Committee (HISC) to contract the University of Hawai'i Economic Research Organization (UHERO) to develop an economic model/formula to establish the impact and cost of mitigating invasive species in the State. As a co-director of UHERO's Project Environment Research Group, I offer the following comments on this bill.

The Bill requires that UHERO contract with HISC to study the impact and cost of mitigating invasive species in Hawai'i. It would be inappropriate for UHERO to attempt to develop a general model or formula to estimate the impact and cost of mitigating invasive species in the State when such a general formula or model is not feasible. Individual models reflecting biological and economic realities should be developed for groups of species or individual species as appropriate. A single model or formula could not reflect the complexities in which non-native organisms interact with Hawaii's ecosystems, economy, people and environments. Such a formula would be incapable of capturing crucial population dynamics and other essential interactions happening between and among the invader and the invaded, a necessary part of calculating the total economic costs and damages to a system such as Hawai'i.

Furthermore, UHERO is currently (FY15) contracted by HISC to estimate the costs of invasive species in Hawai'i, for a group of the <u>most significant</u> threats. Because a comprehensive study of every invasive species statewide would be a difficult and prohibitively costly effort, a list of top pests (for which costs can be assessed in dollar terms) will be developed in collaboration with invasive species managers, the CGAPS steering committee, HDOA, DLNR, TNC and watershed partnerships on each island. Once the list is finalized, UHERO will interviews individuals in affected sectors and review relevant existing reports to collect information on damage costs (e.g. value of crop losses) and mitigation costs (e.g. costs of treating affected products with herbicide/pesticide) generated by those top pests. Given the importance of invasive

species that do not necessarily generate easily quantifiable monetary costs, UHERO will also discuss non-monetized damages of such species in terms of lost ecosystem services (e.g. groundwater recharge).

We suggest amending HB 1040 HD1 to appropriate moneys to HISC to contract UHERO to periodically update the FY15 study we expect to complete by December 31, 2015. As an alternative, we suggest that continued funding be provided to HISC to contract UHERO to conduct future economic analyses of the impact and costs of individual or related species.