



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
HOUSE COMMITTEE ON TRANSPORTATION
AND
HOUSE COMMITTEE ON HIGHER EDUCATION

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by
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HCR 266 / HR 206 – REQUESTING THE UNIVERSITY OF HAWAII TO COLLABORATE WITH THE DEPARTMENT OF TRANSPORTATION TO PURSUE ON A PRIORITY BASIS THE RELOCATION OF THE UNIVERSITY OF HAWAII MARINE CENTER FROM THE FORMER KAPALAMA MILITARY RESERVATION, HONOLULU HARBOR

Chairs Souki, Chair Waters, and Members of the Committees:

Good morning members of the House Committees on Transportation and Higher Education. My name is Gary Ostrander, I am the Vice Chancellor for Research and Graduate Education at the University of Hawai'i at Mānoa.

The University of Hawai'i and the School of Ocean and Earth Science and Technology (SOEST) oppose HCR 266 / HR 206 requesting the School to relocate the University's Marine Center, because we have been working with various agencies for some time now to resolve the situation to everyone's satisfaction. Unfortunately, the Department of Transportation and the Governor's Office have not been very receptive or understanding of our real needs.

I will provide some background first.

The University has used the Snug Harbor facility in Honolulu Harbor for many years for our research and educational programs, and provides the State of Hawai'i and the University with educational and economic advantages that are significant on a national level. We not only support University of Hawai'i marine research vessels, but also those of other UNOLS universities (federal fleet) and federal agencies. The United States Government and the State of Hawai'i recognized the potential of such a facility, and the land that the current facility occupies was given to the University of Hawai'i for the explicit purpose of supporting our Marine Expeditionary Center (MEC). Please reference the following documents:

Quitclaim: Dated December 21, 1973, between the United States of America and the State of Hawai'i. This quitclaim assigns title to an additional 2.8937 acres of Kapalama Military Reserve for a thirty-year period to be used by the University of Hawai'i MEC.

Application for Purchase of Real Property with Educational Discount: Dated February 15, 1973 from the Department of Land and Natural Resources to the Department of Health, Education and Welfare, consolidating an existing parcel of 13.23 acres plus the adjacent 2.8937 acres and requesting that it be leased to the University of Hawai'i and its MEC. The application states that the property applied for will be used solely for the purpose of the MEC.

General Lease No. S-4488: Dated February 23, 1973, between the Board of Land and Natural Resources (BLNR) and the University of Hawai'i, leasing the property to the University of Hawai'i for sixty-five years.

Of the approximately 17 acres in that lease, only about 2.5 acres were part of the former Kapalama Military Reservation. Nevertheless, the approximately 2.5 acres of KMR are critical for the MEC because they comprise the inner half of the available berthing for our fleet of vessels.

The University of Hawai'i recognizes the value to the State of the continued development of our commercial harbors and has no objections to the relocation of our facilities currently at Snug Harbor, provided that the new site will offer comparable dock space, storage and staging areas, services, size and proximity. We worked diligently with DBEDT in the development of the Pier 38 Master Plan. This plan was part of the Honolulu Waterfront Project published in September 1993, and was accepted by the Harbors Division of the Department of Transportation. Commercial architectural drawings were completed for a proposed relocation of the MEC to Pier 38, a site that could have provided both the dock space and associated staging areas and warehousing to accommodate UH marine operations. At a very late stage, those plans were scrapped by the DOT in favor of the now (under-occupied) "Fishing Village". Since that time, UH-SOEST has diligently explored alternate options with DOT in Pearl Harbor and at Pier 35. However, none of the proffered options provide adequate, let alone comparable, space or facilities compared to those at Snug Harbor, which are necessary to carry out our very successful and expanding marine programs. DOT also has not addressed the source of funding for the tens of millions of dollars required should a suitable site for relocation be identified.

Neither the DOT's Harbor Plans nor the recent Hawai'i Harbors Users Group report were developed with input from or consultation with UH. While it is clear that major issues face Hawai'i ports, these are primarily issues of accommodating multiple users -including increases in traffic associated with NCL, Superferry, inter-island barges and expected container and bulk cargo increases. There are questionable, but critical, assumptions made about what the best responses to those issues should be. For example, much of the pressure for a Kapalama Container Terminal derives from the desire of shipping companies to avoid stacking containers. While admittedly cheaper for the companies concerned, this is not the common practice in most ports worldwide where, like Honolulu, dock space is at a premium for multiple users.

The BLNR was visionary in the words of its lease, recognizing the important role that marine research and education plays in our island State. They correctly predicted and planned for the growth of marine research and education at UH. The UH has met the promise of that vision, with SOEST extramural grants growing from \$25M at its creation in 1989 to \$70M this year, with about 80% of those funds being for marine research. SOEST generates 30% of the overhead return funds at UHM and employs 860 people to carry out its teaching, research and service missions, which require access to the sea.

Recognizing the importance of that access, the State Legislature appropriated \$750K per year, starting in 2001, for funds to cost-match a SOEST proposal to operate the \$56M US Navy vessel R/V Kilo Moana. Senator Inouye helped appropriate the funds for the design and construction of this unique (double-hulled and 88' wide) research and teaching vessel which was delivered in 2002 and is the pride of our fleet berthed at Snug Harbor. The State funds are used for student cruises, equipment development and testing, and shore support, and they help leverage the \$8M in Federal funds that comes to SOEST directly for ship and submersible operations staged from Snug Harbor. In addition to headquartering our marine operations, the Snug Harbor Campus has warehouse, machine shop and lab facilities critical for support of seagoing activities and is the staging area for the construction of everything from DLNR fish aggregation devices to new instruments and sensors.

The UH has just been notified by the National Science Foundation that a new Science and Technology Center for Marine Microbiology will be funded at UH-SOEST in the next few months. This prestigious five year, \$20M award (in the FY2006 Federal budget) is renewable for another five years, has more than one third of its budget dedicated to education, and specifically requires the UH Marine Center (UHMC) facilities as a condition of the award.

The Governor's Hawai'i Harbors Task Force has expressed the intent to remove the MEC from Honolulu Harbor to make more space for container cargo. This is not a new plan, as we have shown, the Harbors Division has over the years explored with UH the possibility of relocating the MEC, but was never able to find a suitable location and financing for the capital improvements required for a new location. What is different this time is that the members of the Task Force have taken the position that the University can be forced to leave Honolulu Harbor WITHOUT being provided with the improvements that would permit the MEC to function effectively elsewhere.

Members of the Task Force seem to regard the MEC simply as a place to park ships. They fail to recognize that the University uses the land as a technical support facility for the University's marine programs. These support facilities included warehouses, laboratories, libraries of scientific samples and data, machine shops, and storage for research equipment and instrumentation.

In closing, the School of Ocean and Earth Science and Technology is one of the State's largest employers in the science and technology sector. The School is in many respects a Hawai'i-based business – the tens of millions of dollars in extramural funding that it brings in stays in Hawai'i. The School also is the sole source of graduate education in oceanography in the State, and is one of the top institutions of its kind in the world. All of that is at risk if the University is forced to leave the harbor and is not provided with facilities that are at least as functional as we have now. While it appears that giving priority to "paying customers" is sound economic reasoning on the part of Harbors Division, they fail to acknowledge the significant economic impact of the University and its research and educational programs.