

1980: State government: Departments: Planning and Economic Development

Senator Daniel K. Inouye Papers

Subject Files, Box SB439, Folder 8

<http://hdl.handle.net/10524/63692>

Items in eVols are protected by copyright, with all rights reserved, unless otherwise indicated.

UHM Library Digital Collections Disclaimer and Copyright Information

(KIRK/vqbf)

KCv State Dept of Planng and
Economic Development 1-13/

November 7, 1980

Mr. Kent M. Keith, Coordinator
Office of the Director
Department of Planning and Economic
Development
State of Hawaii
P.O. Box 2359
Honolulu, Hawaii 96804

Dear Mr. Keith:

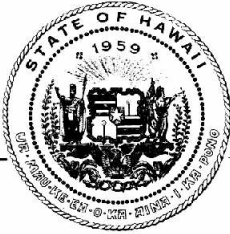
On behalf of Senator Inouye, who is currently away from the office, I wish to thank you for sharing with the Senator your recent article entitled, "State and Federal Regulation of OTEC Plants in Hawaii."

Please be assured that I will share your article with the Senator upon his return to the office, for he will be interested in your information and comments. Your thoughtfulness in sharing your article with us is appreciated.

Aloha,

KIRK CALDWELL
Legislative Assistant

KC:vqbf



DEPARTMENT OF PLANNING
AND ECONOMIC DEVELOPMENT

Kamamalu Building, 250 South King St., Honolulu, Hawaii • Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

GEORGE R. ARIYOSHI
Governor

HIDETO KONO
Director

FRANK SKRIVANEK
Deputy Director

October 28, 1980

The Honorable Daniel K. Inouye
U. S. Senate
105 Russell Senate Office Building
Washington, D. C. 20510

Dear Senator Inouye:

I am pleased to enclose an offprint of my article on "State and Federal Regulation of OTEC Plants in Hawaii," which was published two weeks ago in the SOLAR LAW REPORTER.

The importance of S. 2492, the Ocean Thermal Energy Conversion Act of 1980, is emphasized in the discussion of federal legislation on pages 523-528. My conclusion is that the Ocean Thermal Energy Conversion Act is both important and necessary because it has eliminated gaps in regulatory power, established a framework for OTEC licensing, and determined which traditional category will apply to OTEC activities.

I hope that you find the article of interest.

Very truly yours,


Kent M. Keith, Coordinator
Office of the Director

KMK/lyk

Enclosure

erb

(State Gov't)
Dept. of Plannign and Economic
Development

September 17, 1980

Mr. Hideto Kono
Director
Department of Planning and
Economic Development
P.O. Box 2359
Honolulu, Hawaii 96804

Dear Hideto:

I wish to thank you for sharing with me the Department of Planning and Economic Development's new brochure promoting guava as Hawaii's best kept secret. It is a handsome publication.

Do let me know if at any time I can be of assistance in your efforts to further diversify our agricultural base in Hawaii. I am pleased with the advances which have been made and in which the Department of Planning and Economic Development is playing a leadership role.

Aloha,

DANIEL K. INOUE
United States Senator

DKI:bhm



DEPARTMENT OF PLANNING
AND ECONOMIC DEVELOPMENT

Kamamalu Building, 250 South King St., Honolulu, Hawaii • Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

GEORGE R. ARIYOSHI
Governor

HIDETO KONO
Director

FRANK SKRIVANEK
Deputy Director

SEP 15 PM 4:04

September 11, 1980

The Honorable Daniel K. Inouye
U.S. Senator
442 Richard Russell Building
Washington, D.C. 20510

Dear Senator Inouye:

I am very pleased to send you the enclosed brochure, "Guava: Hawaii's Best Kept Secret." It's a secret we now want to share with you and, through you, with others.

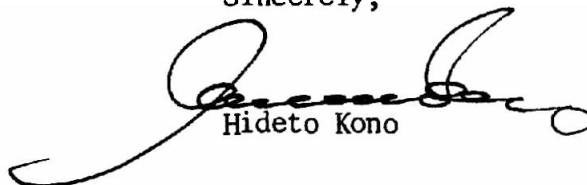
The brochure was produced jointly by the Hawaii Guava Producers' Association and the Economic Development Division of our State Department of Planning and Economic Development. It is one of many ways government and industry cooperate to improve and diversify Hawaii's economic base.

The specific purpose of this brochure is to share with mainland food manufacturers, brokers, wholesalers, and others in the trade industry the good news of Hawaii's remarkable advances in guava production and guava quality. Guava now is not only a cultivated crop, but is also becoming a crop of sufficient size--with dependability of sources--to encourage greater use throughout our nation.

In this very attractive brochure, we point out that through research, Hawaii's guava differs remarkably from guava grown earlier. We also state that Hawaii's guava is second to none--a premium product in appearance, aroma, and taste--and is the fruit of the future.

This brochure represents a broad, general first approach. We intend to follow up with other approaches to specific market targets such as the visitor industry, breakfast trade, health food patrons, and institutions. The brochure's basic graphics will be used in the development of these more specific markets. Posters, flyers, table tents, mailers, food-market aisle-stoppers and other marketing tools will be developed using the same basic graphics and color scheme, providing a unity of theme to the campaign. In this work, our Department is cooperating closely with the Marketing Committee of the Hawaii Guava Producers' Association.

Sincerely,



Hideto Kono

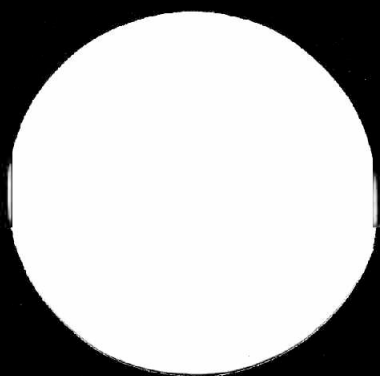
HK:LL:pl
Enclosure

GUAVA:

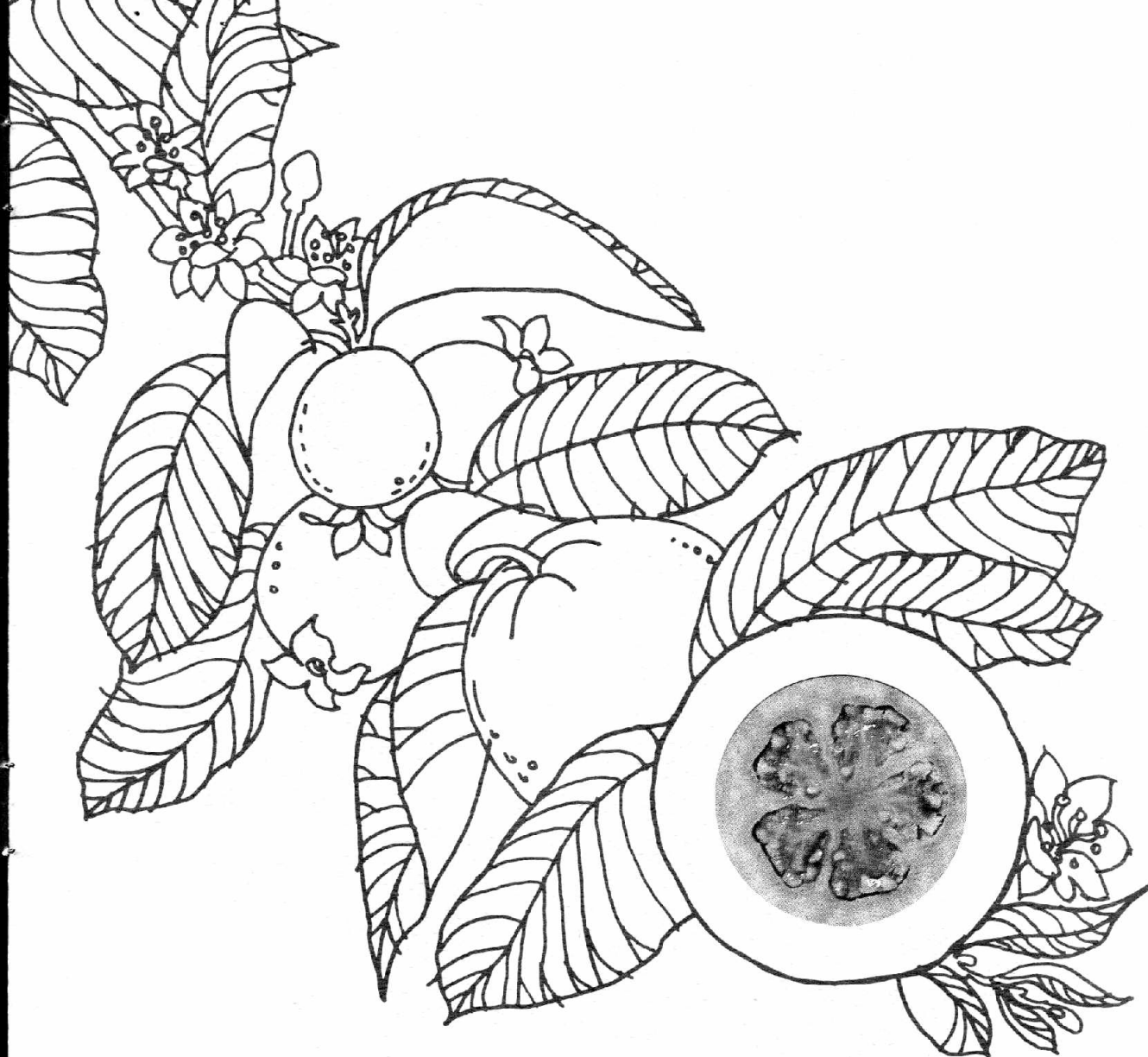
Hawaii's
best
kept
secret.



It's surprising to think that Hawaii has any secrets. Her natural beauty is picture postcard familiar to so many. But there is a new fruit on the horizon, destined to take its place with the more familiar pineapple and papaya as a source of Hawaiian sunshine. Introducing the newly developed Hawaiian guava. It may well be Hawaii's best kept secret. But not for long.



ral beauty is pic-
to so many.
it on the horizon,
place with the
ple and papaya
ian sunshine.
y developed Ha-
well be Hawaii's
not for long.



The guava's wild past.

The guava is not native to Hawaii, but neither is the pineapple, for that matter. What matters is how well the guava took to its adopted home. According to history, the guava did very well indeed.

Don Francisco de Paula y Marin, who came to Hawaii from Spain in 1791, is credited with introducing many new fruits and plants to the Islands. Guava was one of them.

The uncommon flavor of the guava won it a reputation as a choice fruit by the late 1830's. Twenty years later the Islands' ideal growing conditions had done their work. Guava was the most common wild fruit throughout the Islands.

The guav

Not until the e
ger the atten
the extensive
Department
Experimenta
are becomin
pineapple fie
landscape. A
they produce
Many variabl



ast.

Hawaii, but
that matter.
The guava took to
history, the

Marin, who came
1911, is credited
fruits and plants
one of them.

The guava won
fruit by the late
the Islands' ideal
their work.
non wild fruit

The guava is tamed.

Not until the early 1950's did the guava get the attention it deserved. Thanks to the extensive research of the Horticulture Department of the Hawaiian Agricultural Experimentation Station, guava orchards are becoming as common a sight as pineapple fields on the Hawaiian landscape. And the quality of the fruit they produce is second to none.

Many variables had to be controlled to

guarantee successful commercial cultivation. These included planting, fertilization, weed, insect and disease control, pruning and harvesting.

A new experimental concept, tree cycling, has greatly increased yields in recent years and guaranteed a constant supply year 'round. The once wild guava is producing yields beyond man's wildest imagination.



Freeze it, can it, cook it.

Hawaiians have been making guava juices, nectars, jams and jellies from the wild fruit[®] for decades. Commercial processing techniques were developed hand in hand with cultivation techniques in the early 1950's.

Guava, in puree form, is the basis for most commercial products. Guava juice, both canned and frozen concentrate, is popular, as well as jams and jellies. In sherbert, cakes and other confectionary, the distinctive pink color of guava has great consumer appeal. Guava is even finding its way into imaginative alcoholic beverages.



fruit
h
akes
beal.



Vitamin C: guava's best kept secret.

Move over O.J., the secret is out. Guava is a far better source of vitamin C than the orange. It takes one and a half medium oranges to get the same vitamin C content of one medium guava.

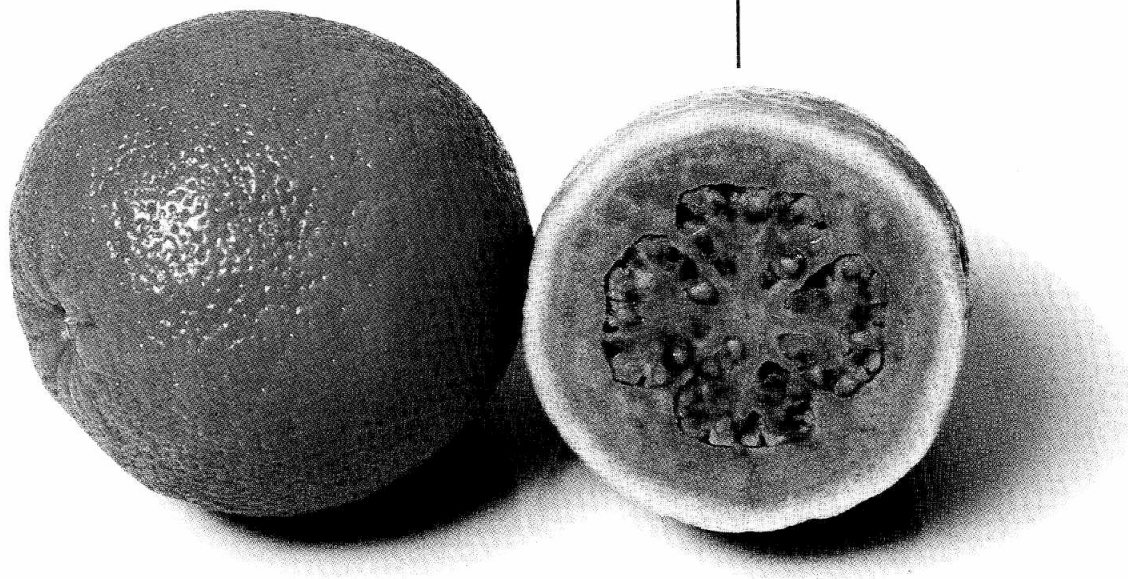
Guava is also a source of vitamin A and niacin. And at 30 calories per 100 grams, guava is a low calorie fruit compared to bananas or avocados.

A taste of

After years of
to share the u
of its guava w
even the wor
sumer accept
foods, the gu
little resistance

Units of vitamin C per 100 grams of fruit
orange 50

Units of vitamin C per 100 grams of fruit
guava 242



n A*and
00 grams,
pared to

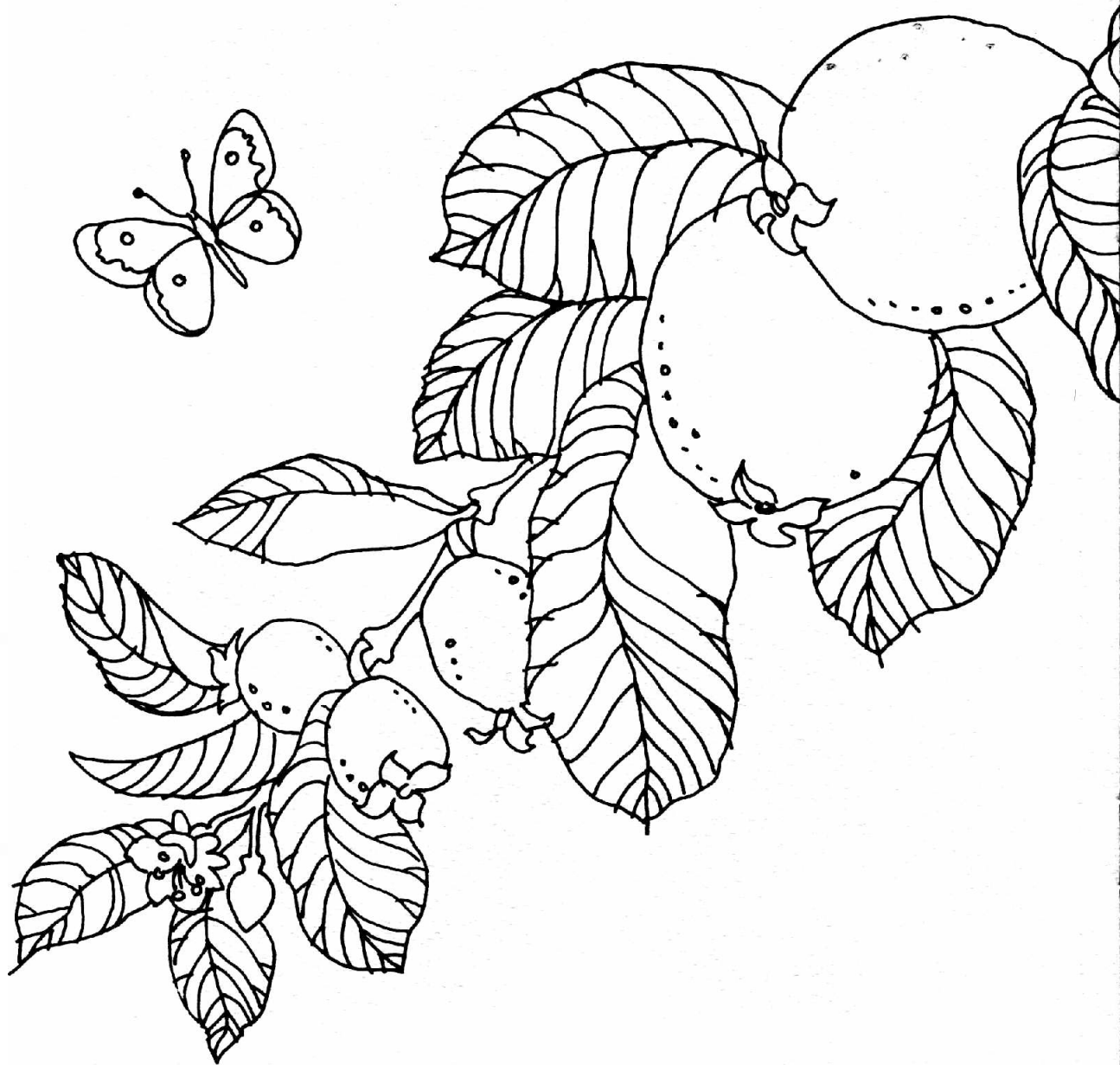
ms of fruit

A taste of the future.

After years of preparation, Hawaii is ready to share the unique taste and high nutrition of its guava with the rest of the country, even the world. Given the increasing consumer acceptance of new and different foods, the guava should meet with little resistance.

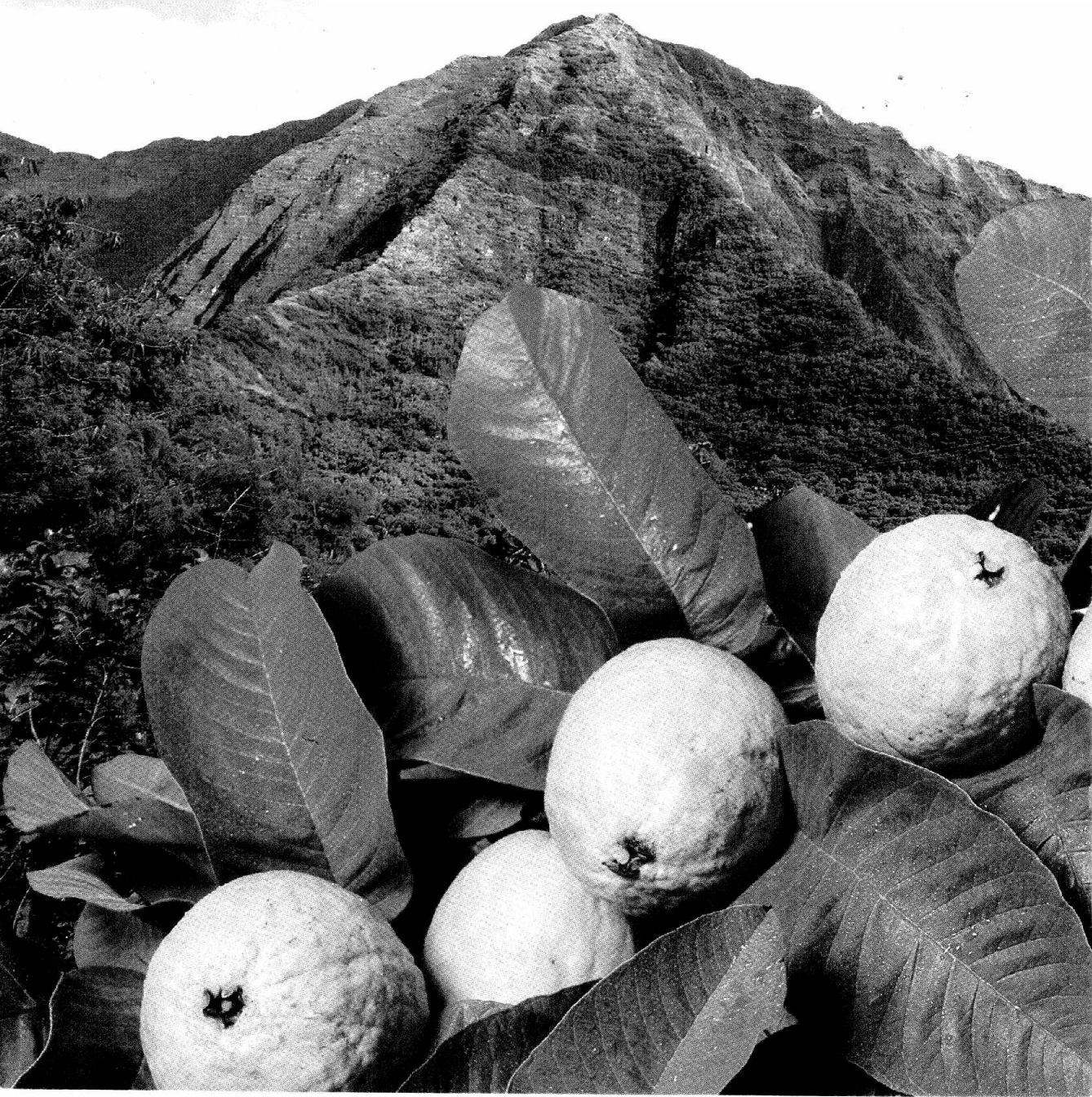
But exactly which guava products capture the imagination, and taste buds, of consumers depends largely on the imagination applied to their development and marketing. One thing is certain; Hawaiian guava is a taste of things to come.

Published by the Hawaii Guava Producers' Association
and the Department of Planning and Economic
Development, State of Hawaii.





The State of Hawaii
Department of Planning & Economic Development
Post Office Box 2359 • Honolulu, Hawaii 96804



EL:pt STATE GOVT.
1-13 DPEO

March 6, 1980

Mr. Homer A. Maxey
National Association of Foreign-Trade Zones
Foreign Trade Zone No. 9
Pier 39
Honolulu, Hawaii 96817

Dear Homer:

Thank you for your letter enclosing a copy of correspondence between Secretary Klutznick and Marshall Miller. I share your hope that the reorganization of the Commerce Department will not affect the Foreign Trade Zones program. If you have any problems, please do not hesitate to call on me.

Aloha,

DANIEL K. INOUE
United States Senator

DKI:elp

National Association of Foreign-Trade Zones



FOREIGN-TRADE ZONE NO. 9 - PIER 39 - HONOLULU, HAWAII 96817

February 20, 1980

1980 FEB 25 PM 12:28

The Honorable Daniel K. Inouye
United States Senator
105 Russell Senate Office Building
Washington, D. C. 20510

Dear Senator Inouye:

I wanted to share with you some correspondence initiated by the president of the NAFTAZ relating again to the subject of U. S. Department of Commerce departmental reorganization. We are quite pleased to note that the Department has taken a most positive outlook on its viewpoint for the development of the Foreign-Trade Zones Board program and our president, Marshall Miller, has so stated this in a letter dated February 6, copy of which I enclose.

As a means of furnishing your office with some current information on programs which the Association has undertaken, I have also enclosed current copy of our February 15 NAFTAZ Newsletter.

Thank you once again for your continuing assistance and cooperation with our program.

Sincerely,


H. A. Maxey

HAM:ayh

Enclosures

National Association of Foreign-Trade Zones



TEL: (703) 820-0404

SUITE 213
ONE SKYLINE PLACE
5205 LEESBURG PIKE
FALLS CHURCH, VIRGINIA 22041

RECEIVED

FOREIGN-TRADE ZONE #9

FEB 19 1980

February 6, 1980

AM PM
1000000000000000

1

Secretary Philip M. Klutznick
U. S. Department of Commerce
Department of Commerce Building
Washington, D. C. 20230

Dear Secretary Klutznick: ,

Reference is made to my letter to you dated December 17, 1979. Though there has not been time to receive a reply, I thought it appropriate to write you again because of the very positive response evidenced by Commerce Department officials during our Association's annual Board meeting last week in Washington, D.C.

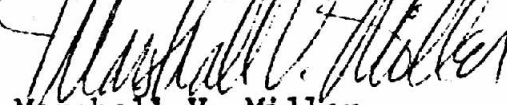
Through the good offices of Mr. John J. DaPonte, Jr., Executive Secretary, Foreign-Trade Zones Board, we met briefly with Mr. Peter Gould, Acting Assistant Secretary for Trade Development who dropped in at our Board meeting because of last minute conflicting commitments. Mr. John Greenwald, Deputy Assistant Secretary for Import Administration was able to meet with us for a longer period. After some discussion with our Board of Directors, it was quite obvious that Mr. Greenwald has substantial knowledge of trade matters generally resulting from his tenure in the Office of the Special Trade Representative. His enthusiasm for the Foreign-Trade Zones Board program and his broad involvement and commitment to trade development are very welcome. He evidenced a sincere interest in solving the Foreign-Trade Zones Board's staffing problems and implementing a stagnant proposal to initiate an indepth study of the Foreign-Trade Zone program.

Under the circumstances, I thought it appropriate to inform you that while we continue our concern about being placed in the Import Administration, which is primarily enforcement in function, the Board of our Association is considerably relieved by Mr. Greenwald's attention and commitment to the program as a viable trade tool to encourage investment and job creation in the U. S. rather than overseas.

Secretary Philip M. Klutznick
February 6, 1980
Page Two

As we understand it, the concerns set out in my letter of December 17, 1979, are currently under review in your Department. If we can provide additional input please don't hesitate to contact me.

Very truly yours,



Marshall V. Miller
President

MVM/dpp
Enclosure

cc: Acting Assistant Secretary Peter Gould
Deputy Assistant Secretary John Greenwald
Executive Secretary John J. LaPonte, Jr.

National Association of Foreign-Trade Zones



TEL: (703) 820-0404

RECEIVED
FOREIGN-TRADE ZONE #2

FEB 19 1980

AM PM
7:00 10:00 12:00 2:00 4:00 6:00 8:00 10:00

SUITE 213
ONE SKYLINE PLACE
5205 LEESBURG PIKE
FALLS CHURCH, VIRGINIA 22041

February 15, 1980

NAFTZ LETTER

TODAY send Marshall Miller a note with the normal time period that merchandise remains in your zone after constructive transfer. Also, send examples of when after constructive transfer merchandise is returned to the zone in PF status.

U. S. CUSTOMS SERVICE STAFF MEETING

Your Board met with William Morandini, John Hall, Tom Lobred, and Bill Rosoff to discuss general matters affecting the Association. We were informed that the Association's comments on the Handbook had been received along with many comments from Customs personnel in the field. The present thinking is that it may undergo a substantial rewrite at headquarters. We will be given the opportunity to comment on the revised edition.

The amendment to section 146.48(e) of the Customs Regulations on appraisement is progressing well. It has received all necessary approvals at the U. S. Customs Service and is at the Treasury Department for final signature. We expect final approval and publishing in the Federal Register any day.

We discussed with the staff the development of a strategy to what we see as a future problem---Customs staffing of zones. With manpower ceilings in force, one day a zone or a particular operation may be approved but be unable to begin because of lack of Customs staff. This potentially serious problem is now being considered and a study is underway.

The major discussion involved our request for a reconsideration of Legal Determination 3213-01 concerning the Constructive Transfer issue. After a very considerable effort real progress was made, which Marshall Miller later confirmed with George Stewart. The Customs Service is willing to reconsider the "5 day" rule to make a longer period more closely conforming to commercial realities.

Discussions are continuing among U. S. Customs Service officials on recommended changes to the Foreign-Trade Zone Regulations which may include:

1. Authorization for Board to withdraw a grant after a period of time with no activity.
2. Filing fee for Applications potentially refundable if a zone in operations for three years.
3. General physical security changes.
4. General housekeeping changes:
 - (a) Gauge of wire fencing
 - (b) Reference to forms must change i.e., Form D/Form 214
 - (c) Security requirements.
5. Abandonment of Warehouse Entry and Withdrawal Forms. Either new forms would be developed or information would be combined with Forms 214 and 215.

ANNUAL MEETING, SET FOR SEPT. 21-24

Walt Disney World (WDW) in Orlando, Florida, will be the setting for NAFTZ's Annual Meeting, Sept. 21-24.

This year an entirely new meeting format will be presented to meet members growing information needs. On Saturday, Sept. 20, a one-day special seminar will be conducted for those members and other interested parties in the organization, management and marketing of a zone. A minimum of 25 registrants will be required for conducting the special seminar.

Headquarters for the Annual Meeting will be the Contemporary Hotel in Walt Disney World. All sessions will be held in this facility.

The room rate in the Contemporary is \$65 per day whether one or four people (family) occupy the room. If two members share a room in the Contemporary, the charge is still \$65 or \$32.50 per person. NAFTAZ has made arrangements for a number of rooms in the two-bedroom villas in WDW. The rate of a villa is \$100 per day or \$50 per day per person. The villas have two private bedrooms, two private baths, a sitting room and a utility kitchen.

Walt Disney World buses run every 20 minutes between the villas and the Contemporary Hotel. The bus ride takes about 30 minutes. However, for those people using a car, the traveling time is only about 10 minutes.

Members staying at the Contemporary Hotel or the villas have free transportation made available on WDW's various modes of transportation as well as reduced prices for tickets to Magic Kingdom.

Registration fees set by the Board of Directors for the Annual Meeting are \$225 for NAFTAZ members, \$275 for nonmembers and \$125 for federal government employees. For the special one-day seminar on Sept. 20, the registration fee is \$100 in addition to the Annual Meeting registration fee.

All registration for the Annual Meeting must be made with NAFTAZ by August 20 otherwise hotel accommodations cannot be guaranteed by the Association. Hotel requests are always high at WDW, and all rooms for groups not used by 30 days prior to a meeting are released to the general public. So make your plans now. More information on the meeting and registrations forms will be mailed to members in a few weeks.

CENSUS

A lengthy conference was held by your Board with Mr. Emmanuel Lipscomb, Mr. Martin Weingarten, Mr. Bruce Walter, and Mr. John Wycoff of Census. As you know, up until January 1, 1980, most data on merchandise in a zone was not included in monthly statistics published by Census. As of January 1, 1980, Census is identifying all shipments out of a foreign-trade zone into the Customs territory, identifying privileged and nonprivileged foreign status of said merchandise, and arranging monthly reports on parts imported for manufacturing operations in zones. However, a good deal more needs to be accomplished. It appears that the best approach is to revise the Form 214. After President Marshall Miller meets with Census officials again this week in Washington we will send out the suggested changes in Form 214 for comments. Our goal is to have a

new Form 214 in operation at the beginning of the new fiscal year-- October 1, 1980.

CONFERENCE WITH U. S. CUSTOMS COMMISSIONER ROBERT E. CHASEN

During our Board meeting we had the privilege of meeting with Commissioner Chasen, Deputy Commissioner William Archey, and Assistant Commissioner Vernon Hann. There was a full and frank exchange of views. It was clear that these individuals were very much aware of the zone program and its future potential. They were very concerned, however, at the number of zones with weak economic justification. We reviewed our discussions with the staff and discussed our April Seminar in Philadelphia.

U. S. DEPARTMENT OF COMMERCE

The enclosed letter to Secretary Klutznick is self-explanatory with respect to our conferences with Commerce Department officials during our Board Meeting. Please forward copies to your Congressmen. Without question our letter of December 17, 1979, and the Congressional response thereto, created a stir in the Department. We are very hopeful of some positive results soon.

BOARD APPROVES TWO MEMBERSHIP RULES

The NAFTAZ Board of Directors at its mid-year meeting voted to offer an incentive to members who sign up new members.

For 10 new members, an active member would receive a free registration at the Annual Meeting in Walt Disney World. For five new members, a member would receive a free literature table at the Users Seminar in Philadelphia, April 2-4.

Patricia Agnew (FTZ-21 & 38) chairperson of the Membership Committee has proposed an extensive membership drive for this year.

The Board also decided that any current member who does not pay annual dues within five months of the beginning of the fiscal year (Oct. 1) will be dropped from active membership.

Also, a new member joining in the final quarter of the NAFTAZ fiscal year will be given a 25 percent reduction in dues for the remainder of the fiscal year and rebilled for a full year's membership at the start of the new fiscal year.

New members signed up the past month are:

William F. Joffray, Jr.
William F. Joffray, Inc.
P. O. Box 698
Nogales, AZ 85621 (Affiliate)

Nibbs Davis
Times Newspapers of Great Britain
201 E. 42nd Street
New York, NY 10017 (Affiliate)

Honda of America
FTZ - sub-zone 46B
24000 U. S. Rt. 33
Merrysville, OH 43040 (Affiliate)

R. Wayne Walvoord
International Trade Management Co., Inc.
701 Temple Building
14 Franklin Street
Rochester, NY 14604 (Affiliate)

EL:pr-----STATE GOVERNMENT
1-13 DPED

April 25, 1980

Mr. Homer A. Maxey, Manager
Foreign-Trade Zone No. 9
Department of Planning and Economic
Development
Pier 39
Honolulu, Hawaii 96817

Dear Homer:

I am acknowledging receipt of your recent letter relative to the Treasury's rule change. The promotion of foreign trade zones as alternatives to overseas sites is most important, and I am pleased that the resulting decision was successful.

Aloha,

DANIEL K. INOUE
United States Senator

DKI:elp



DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT

FOREIGN-TRADE ZONE NO. 9

PIER 39 HONOLULU, HAWAII 96817 (808) 548-5435



PRESIDENT'S AWARD
GEORGE R. ARIYOSHI
Governor
HIDETO KONO
Director
FRANK SKRIVANEK
Deputy Director

April 17, 1980

1980 APR 22 AM 11:38

The Honorable Daniel K. Inouye
United States Senator
105 Russell Senate Office Building
Washington, D. C. 20510

Dear Senator Inouye:

This has reference to the recently adopted Department of the Treasury, Customs Service, final rule change contained within 19 CFR Part 146.48(e) on valuation of merchandise in a Foreign-Trade Zone.

We are most pleased with the results of the action taken by the Treasury Department to modify the procedures to be followed for determination of duty on products manufactured within a Foreign-Trade Zone, as the impact of this change can be a most positive one for a wide range of industries presently looking at U. S. Trade Zones.

As a matter of fact, only recently a local garment manufacturer has indicated his intention to move his Hong Kong operations into the Hawaii Trade Zone based partially on the change in method of valuation for the finished product.

We cannot say enough about your individual assistance in helping to bring about this much needed change to promote and encourage new industry to participate in Foreign-Trade Zones. We look forward to working with you in other mutually beneficial efforts.

Sincerely,


H. A. Maxey
Manager

HAM:ayh

ER/bhm

State Gov't
Department of Planning
and Economic Development

March 5, 1980

Mr. Homer A. Maxey, Jr.
Manager
Foreign-Trade Zone No. 9
Department of Planning and Economic
Development
Pier 39
Honolulu, Hawaii 96817

Dear Homer:

Senate Resolution No. 128 has come to my attention and I wish to associate myself with the sentiments therein. May I take this opportunity then to express my personal appreciation for your stewardship of Hawaii's Foreign-Trade Zone and my best wishes for your continuing success as the Oahu District Manager of the Harbors Division of the State Department of Transportation.

Please do let me know if I can be of assistance to you in your new capacity.

Aloha,

DANIEL K. INOUE
United States Senator

DKI:bhm

28 Feb 80

Date 28 Feb 80 OFFICE OF SENATOR DANIEL INOUE
HONOLULU

TO: EILER
FROM: DAVE
Original Telecopied On _____
Per Telecon On _____
For: _____

F.O.I.

SENATE RESOLUTION

EXTENDING APPRECIATION TO HOMER A. MAXEY, JR.

WHEREAS, in 1963 the Legislature of the State of Hawaii authorized the establishment, operation and maintenance of foreign trade zones in Hawaii to encourage economic development in the State; and

WHEREAS, the Foreign-Trade Zones Board of the United States approved the application of the State of Hawaii to establish, operate and maintain a foreign trade zone on February 15, 1965; and

WHEREAS, Homer A. Maxey, Jr. has served as the manager of the Foreign Trade Zone Division of the Department of Planning and Economic Development since July 1, 1965, the first and only individual ever to serve in that capacity; and

WHEREAS, the foreign trade zone plays a key role in the development of Hawaii as a center of international commerce by providing an area where products may be off-loaded and stored until needed without paying customs duty; and

WHEREAS, Homer A. Maxey, Jr. has overseen the development of the Hawaii Foreign Trade Zone from a fledgling operation to one which ranks as one of the largest in the United States when measured by dollar volume; and

WHEREAS, millions of dollars worth of goods ranging from liquor to movies to scientific equipment used in manganese nodule research passed through the foreign trade zone annually; and

WHEREAS, Homer A. Maxey, Jr. has assumed new responsibilities as the Oahu district manager of the Harbors Division of the State Department of Transportation; now,

BE IT RESOLVED by the Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, that the accomplishments of Mr. Homer A. Maxey, Jr. during his tenure as manager of the Hawaii Foreign Trade Zone be publicly recognized and acclaimed; and

BE IT FURTHER RESOLVED that we extend our warmest appreciation to Mr. Maxey for a job well done and express the hope that his usual high standards of public service remain in effect during his stay at his new position; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to Mr. Homer A. Maxey, Jr. and to the Director of Planning and Economic Development.

OFFERED BY:

David L. Maxey

Stanley A. Hara

Manou Yumasaki

Pat Saito

Richard H. Wong

Charles M. Campbell

Dennis O'Connor

H. B. Jones

Doc Larson

Joe. E. Smith

Neil Abernethy

George A. Brown

Patricia K. Young

Steve Cobb

Les. Call

Harry George

Ralph A. Giffen

Norman M. Mays

Joe. Smith

2/27/80

RAA/bhm

State Gov't
Etp. of Plannin- and Ecomœc
Development
1-13

January 17, 1980

Mr. Hideto Kono
Director
Department of Planning and
Economic Development
P.O. Box 2359
Honolulu, Hawaii 96804

Dear Hideto:

I wish to thank you for your prompt and detailed repponse
to my inquiry about \$tarting a printing business in Hawaii.
The information has been relayed to the gentleman who re-
quested it.

Again, my thanks for your efforts.

Aloha,

DANEEL K. INOUEE
United States Senator

DKI:bhm

RAA /bhm

State Gov't
Dept. of Planning and
Economic Develop.
1-13

January 17, 1980

Mr. Ray Burglin
Reader's Digest
Pleasantville, New York 10470

Dear Mr. Burglin:

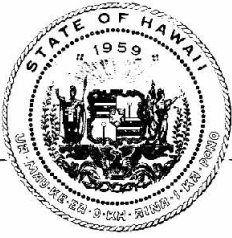
In response to your request for information about starting a printing business in Hawaii, I have enclosed a copy of a recent communication which I received from the Hawaii State Department of Planning and Economic Development. I hope that this information will prove helpful to you.

If you decide to go ahead with your plan, I wish you the best of luck.

Aloha,

DANEEL K. INOUE
United States Senator

DKI:bhm



DEPARTMENT OF PLANNING
AND ECONOMIC DEVELOPMENT 12

Kamamalu Building, 250 South King St., Honolulu, Hawaii • Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

GEORGE R. ARIYOSHI
Governor

HIDETO KONO
Director

FRANK SKRIVANEK
Deputy Director

January 2, 1980

The Honorable Daniel K. Inouye
United States Senator
United States Senate
Room 105
Russell Senate Building
Washington, D.C. 20510

Dear Dan:

In response to your letter of December 20, 1979, enclosed are two DPED publications, "Starting a Business in Hawaii" and "Directories of Hawaii." Both should be helpful for the gentleman planning to start a printing business here in Hawaii.

I strongly recommend that he also take advantage of the many free Federal publications offered through the SBA. There are three series in this area: Small Marketer Aids, which provides suggestions and management guidelines for small business; Small Business Biographies, which lists books, periodicals, and publications related to specific industry categories; and Management Aids, which covers the practice of management in the small firm. The SBA also sells publications in its Starting a Managing Series and its Small Business Management Series. Individual titles are available at nominal cost from the SBA or the Government Printing Office.

Finally, I suggest that he might contact the Bank of America in California regarding its Small Business Reporter, a series of titles covering small business operations and specific industries. Although oriented toward California, the Reporters have universal applicability and may be obtained by writing the Bank at Department 3120, P.O. Box 37000, San Francisco, California 94137.

These sources of background information should be sufficient to get our friend started in the right direction. If we can be of more help, don't hesitate to call.

The Honorable Daniel K. Inouye
Page 2
January 2, 1980

You might also inform the gentleman that there are quite a number of printers on Oahu already as indicated in the yellow pages of the phone directory, copies attached. It appears to be a highly competitive business activity.

Best wishes for a happy and prosperous new year.

Sincerely,


for Hideto Kono

Enclosures

RAA/vqbf

STATE GOVERNMENT
1-13 Dept. of Planning
& Economic DEvelopmt

December 20, 1979

Mr. Hideto Kono
Director
Department of Planning and
Economic Development
Kamamalu Building
250 South King Street
Honolulu, Hawaii 96804

Dear Hideto:

I ha

I have received a request for information on business opportunities in Hawaii. The man who made the request owns property in Hawaii and plans to move there shortly. He wants to start a printing business handling such items as envelopes and letterheads. I would appreciate any information which you could provide me on thisssubject.

Thank you for your attention to this matter.

Aloha,

DANIEL K. INOUE
United States Senator

DKI:vqbf

United States Senat

MEMORANDUM

12/18/79

Caller: Mr. Burglin
(914)769-7000 x2649

Owns condominium in Honolulu and plans to retire there. He would like to begin business (printing--envelopes, letterheads, etc)there. He would like market info on this type of business in Hawaii.

Address: Reader's Digest *pin*
Attn: Ray Burglin
Pleasantville, New York
10570

RAA/bhm

State Gov't
Dept. of Planning and
Economic Development

January 18, 1980

Mr. Hideto Kono
Director
Department of Planning and Economic
Development
P.O. Box 2359
Honolulu, Hawaii 96804

Dear Hideto:

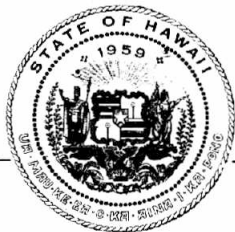
I wish to acknowledge receipt of your letter and a copy
of the "State of Hawaii Manganese Nodule Program 1977-82." Y
Your progress has already been significant, and while there
is substantial work ahead, I am confident that Hawaii can meet
the challenge of that work.

My best wishes to you and your team for the successful 1980.

Aloha,

DANIEL K. INOUE
United States Senator

DKI:bhm



DEPARTMENT OF PLANNING
AND ECONOMIC DEVELOPMENT

Kamamalu Building, 250 South King St., Honolulu, Hawaii • Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

GEORGE R. ARIYOSHI
Governor

HIDETO KONO
Director

FRANK KRIVANEK
Deputy Director

January 7, 1979

The Honorable Daniel K. Inouye
U. S. Senator
442 Richard Russell Building
Washington, D. C. 20510

Dear Senator Inouye:

I am pleased to enclose a copy of "The State of Hawaii Manganese Nodule Program 1977-82." This booklet provides information on our Five-Year Plan to attract to Hawaii a manganese nodule industry which is environmentally sound, socially acceptable, and economically beneficial to the people of Hawaii.

Mr. Rodney Nakano, who has been Manager of our Manganese Nodule Program for two years, returned to the County of Hawaii Department of Planning on January 1, 1980. We are grateful that the County could grant him two years' leave so that he could manage our program.

Our new Manager is Mr. Kent Keith, who was the environmental law consultant to our program from 1977 to 1978. An attorney by training, he will be working on manganese nodules and various alternate energy projects. Along with Kent's appointment, I have transferred the Manganese Nodule Program from the Center for Science Policy and Technology Assessment, under Dr. Eugene Grabbe, to my own office, so that I can remain in close touch with developments.

Please do not hesitate to contact me or Kent Keith if we can provide further information or be of assistance to you. We look forward to any comments you may have on our booklet.

Sincerely,



Hideto Kono

HK/lyk

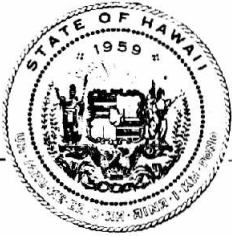
Enclosure

JAN 15 AM 9:35

THE STATE OF HAWAII
MANGANESE NODULE PROGRAM
1977-1982

Office of the Director
DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT

January 1980



DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT

Kamamalu Building, 250 South King St., Honolulu, Hawaii • Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

GEORGE R. ARIYOSHI
Governor

HIDETO KONO
Director

FRANK SKRIVANEK
Deputy Director

FOREWORD

The purpose of this booklet is to describe the Manganese Nodule Program of the State of Hawaii Department of Planning and Economic Development (DPED). This booklet sets out our goal and objectives, and the activities which support our objectives, in the context of a five-year plan. It also provides a brief history of the Program, and a selected bibliography of Hawaii research and news articles related to our Program.

We have been encouraged by the success of our program to date. In September, 1977, a representative of Kennecott Copper Corporation visited Hawaii and rated the State as a "prime contender" for a manganese nodule processing plant. In November, 1979, a representative of Ocean Minerals Company stated that if a site could be worked out which was acceptable to the people of Hawaii, and if the welcome sign were out, Ocean Minerals Company would build a processing plant in the Islands.

While it is too early for any company to make a commitment, we believe that Hawaii's prospects for a major new processing industry are excellent. We are pursuing these prospects energetically. Our research indicates that such an industry could be environmentally clean and economically beneficial to our people.

We hope that you find this booklet of interest. We would especially appreciate any comments or suggestions you would like to make on the content and direction of our Program.



Hideto Kono
Director, DPED

THE STATE OF HAWAII MANGANESE NODULE PROGRAM 1977-1982

Contents

Foreword.	i
Program Personnel	iv
Goal and Objectives	1
A Brief History	2
The Five-Year Plan.	5
Funding and Program Expenses.	9
Appendix: Selected Bibliography.	12

THE STATE OF HAWAII
MANGANESE NODULE PROGRAM
PROGRAM PERSONNEL

Hideto Kono, Director, Department of Planning and
Economic Development

Kent M. Keith, Manager, Manganese Nodule Program

Linda Kaneshiro, Secretary, Manganese Nodule Program

Principal Investigators

Dr. James Andrews, Department of Oceanography,
University of Hawaii

Dr. Keith Chave, Department of Oceanography,
University of Hawaii

Dr. Samir El-Swaify, Department of Tropical
Agriculture, University of Hawaii

Dr. Quintus Fernando, Department of Chemistry,
University of Arizona

Mr. Raymond W. Jenkins, Mining Consultant

Dr. Harry Zeitlin, Department of Chemistry,
University of Hawaii

THE STATE OF HAWAII
MANGANESE NODULE PROGRAM

GOAL

To attract to Hawaii a manganese nodule industry which is environmentally sound, socially acceptable, and economically beneficial to the people of Hawaii.

OBJECTIVES

Industry Interaction

To interact with industry representatives to discuss Hawaii's resources and to identify the requirements of a new industry.

Impact Assessment

To assess the environmental, social, and economic impacts which a manganese nodule industry could have on Hawaii.

Public Information

To inform government agencies, private businesses, and the public at large as to the nature and potential impacts of a manganese nodule industry.

A BRIEF HISTORY

The DPED and the University of Hawaii have been interested in manganese nodules for the past ten years. One example of early intergovernmental cooperation was the convocation of a workshop on "Manganese Nodule Deposits in the Pacific," held in Honolulu in October 1972. This workshop was sponsored by the DPED, the Hawaii Institute of Geophysics, the Office of the Marine Affairs Coordinator, and the Office of International Decade of Ocean Exploration. Early DPED interest in manganese nodules was developed by the DPED's Center for Science Policy and Technology Assessment, under the leadership of Dr. Eugene M. Grabbe.

The potential of a manganese nodule industry was pointed out in the 1974 edition of "Hawaii and the Sea," published by the DPED. In that report, the Governor's Advisory Committee on Science and Technology recommended that the DPED write a report which would look at the total mining industry system, investigate and evaluate alternative processes and sites which might be used by onshore manganese nodule processing plants, and discuss plans and processes with the major mining companies.

In 1975 the Legislature provided funding to begin a manganese nodule program designed to assess the potential of a nodule processing industry in Hawaii. In 1976, Q. Dick Stephen-Hassard, an environmental specialist, took leave from C. Brewer & Co. and became the Manager of the DPED's Manganese Nodule Program. He established a study group of consultants from the University of Hawaii, and research began in March, 1977.

As a result of personal contacts made by the DPED and the County of Hawaii, David S. Davies, Manager of Kennecott's Ledge-mont Laboratory, visited Hawaii in September 1977 to evaluate the State's potential as a processing plant site. He rated the Big Island of Hawaii as a "prime contender."

In January, 1978, Stephen-Hassard returned to C. Brewer & Co., and Rodney Nakano, a member of the County of Hawaii Planning Department, became the new Manager of the Program.

The study group report, The Feasibility and Potential Impact of Manganese Nodule Processing in Hawaii, was published in February 1978. This study, now known as "Volume I" or the "white report," estimated that a single processing plant would have annual revenues of \$262 million, greater than all sugar and pineapple revenues combined. It was estimated that the construction of the plant would generate 6,000 jobs and that 2,415 permanent jobs would remain after construction was completed.

In June, 1978, Dr. John Mero, President of Ocean Resources, Inc. and a world-renowned scholar in the field of manganese nodules, stated that Hawaii was on the brink of becoming a world center for commercial ocean mining and processing operations. He thought that Hawaii was likely to become the home of more than one processing plant.

In the Spring of 1978, representatives of Ocean Minerals Company (OMCO) visited the State, and in October announced that OMCO would build an Equipment Test Unit (ETU) at Campbell Industrial Park. The plant was estimated to cost \$4 million, and was expected to employ a dozen people for three to five years, processing 50 dry weight metric tons of nodules per day at an annual operating cost of \$1 million. The ETU would be smaller than a pilot plant, since it was designed only to test the processing equipment. (Plans have been delayed due to the uncertainty of the international law of the sea, mechanical problems with the vessel which carried the mining equipment during a test run, and the company's desire to further refine the processing methodology before testing the equipment.)

During 1978, DPED worked closely with the federal government's National Oceanic and Atmospheric Administration (NOAA). NOAA's Marine Minerals Program supported the DPED in producing further research on transportation and processing aspects of the industry. The result was Transportation and Manganese Nodule Processing Alternatives in Hawaii, now known as the "green report." This cooperative relationship continued in 1979, with DPED and NOAA hosting a technical review workshop in Honolulu in April, 1979 to review both the white and green reports. Experts from all over the nation attended that session, as well as the one held in Hilo in July, which DPED and NOAA hosted to inform and receive input from the local community.

NOAA and DPED are currently working on a new volume which expands upon previous research. Whereas "Volume I" was based upon a hypothetical processing plant in Puna with ocean disposal of nodule residues ("tailings"), "Volume II" will include a hypothetical plant at Kawaihae with land disposal of the tailings. This expanded consideration of alternatives is in conformance with new environmental impact statement ("EIS") regulations issued by the federal Council on Environmental Quality. Volume II may serve as a second tier for the NOAA programmatic EIS, as well as a valuable background first-tier EIS for any industry wishing to establish itself in Hawaii.

On November 30, 1979, Mr. Conrad G. Welling, OMCO Vice-President-Programs, stated in a public forum that Hawaii rates very high as a site for a processing plant, and that if a site can be worked out which is acceptable to the people of Hawaii, and if the welcome sign is out, OMCO will spend \$300 million on a processing plant in Hawaii.

On December 1, 1979, Rodney Nakano returned to the County of Hawaii Planning Department and Kent M. Keith, a consultant on the original manganese nodule study team, became the new Manager. The Program having grown beyond the scope of the Center for Science Policy and Technology Assessment, it was transferred to the DPED Office of the Director.

On December 14, 1979, the U. S. Senate passed S. 493, the "Deep Seabed Mineral Resources Act," introduced by Senator Matsunaga and passed under his leadership. This bill would authorize U.S. companies to begin mining nodules under a federal regulatory system pending agreement on a new international law of the sea treaty. A similar bill is under consideration in the House of Representatives. The enactment of federal legislation is expected to encourage industry to step up the pace of development and make investment commitments for mining and processing.

THE FIVE-YEAR PLAN

The commercial mining of manganese nodules may begin by 1988. If so, there is no time to lose. The DPED's initial impact studies will require at least three years (1979-82), the permit process may take two or three years (1982-85), and the construction of a processing plant will take approximately three years (1985-88). Sustained activity is necessary if this new industry is to become a reality in Hawaii.

The DPED Manganese Nodule Program Five-Year Plan is attuned to the industry timetable. OMCO expects to spend \$250 million on research and development before deciding whether to invest a further \$750 million in commercial operations. The decision on commercialization is expected by 1982. That year is the fifth year of the DPED Five-Year Plan. Under the Plan, major impact studies will have been completed, environmental baseline data will have been collected, the infrastructure requirements of the industry will have been analyzed, and the public will have been informed of the results. Thus, when industry makes its decision, the DPED will be ready to respond with a new plan. The new plan will be based upon significant though preliminary data derived to evaluate and guide industrial development.

The Manganese Nodule Program has three elements designed to fulfill its three objectives: Industry interaction, public information, and impact assessment. The planned sequence of these program elements is set out in Table I.

Industry Interaction. Program personnel host industry representatives who come to Hawaii, correspond with industry officials, and attend industry/government workshops. Initially, the task was to persuade industry representatives that Hawaii had the resources to support a processing plant. The next step is to study in detail what the industry would require, what infrastructure is available in the State, and what gaps may exist. This infrastructure study is beginning in the current fiscal year and is expected to continue for two more years.

Public Information. Program personnel attend community meetings and seminars to share their knowledge of the potential impact of a manganese nodule processing industry in Hawaii. Each new publication strengthens this program element. Hundreds of copies of The Feasibility and Potential Impact of Manganese Nodule Processing in Hawaii have been distributed in person, at workshops, and by mail. Briefings have been held for government officials, environmental groups, and business groups. Public workshops have been held in the current fiscal year and are planned for the next two

years. An international conference on the manganese nodule industry is planned for 1982, to bring together national and international experts and make them available to the community to help the people of Hawaii evaluate the nature of the industry and its potential impacts.

Impact Assessment. Before a company begins to build a processing plant, the government and people of Hawaii will need to estimate the impacts which the new industry will have. Companies will be required to obtain a number of permits, and hearings will be held before some of those permits can be issued. The impact assessment element of the Program is designed to provide significant preliminary data which can be used to evaluate industry proposals. There are five sections to this work:

(1) Tailings disposal. The nickel, copper, and cobalt sought by most companies constitute approximately 3% of the nodules by weight. The result is that 97% of the nodules will become tailings. These tailings must be disposed on land, at sea, or used in some beneficial manner in agriculture or as land fill. This is expected to be the largest single environmental problem. A three-year land disposal study, sponsored jointly by the DPED and OMCO, has begun during the current fiscal year. A three-year ocean disposal study will commence soon.

(2) Environmental baseline data collection. In order to estimate the impacts which a new industry could have, it is necessary to assess the current state of the environment. Beginning in the current fiscal year, this work will be done in two land-to-sea corridors on the Big Island, one beginning in Puna and moving out to sea along a submarine canyon, and the other beginning at Kawaihae and moving out to sea beyond the harbor. This data will provide a valuable reference point even if a processing plant is not built in one of two locations studied.

(3) Socio-economic impacts. Due to the comprehensive nature of environmental laws, it is unlikely that a processing plant will be established unless it is clean. Thus, the impacts which will be most felt by the people of Hawaii may be socio-economic--changes in employment, residence, transportation, and lifestyles. Studies of these impacts are planned to begin next fiscal year and last for two years.

(4) Legal/economic study of tailings disposal alternatives. The ocean disposal regulations of the Environmental Protection Agency require the applicant to compare the impacts of ocean disposal, land disposal, and possible beneficial uses of tailings. Economic impacts are an important element in this comparison. A legal/economic study is thus planned for the fifth year, when significant data will be available from the other impact studies.

(5) Standardization of methodology. Manganese nodules vary in content, and tailings vary depending upon the process employed. One problem in evaluating environmental impacts is that there are no uniform and standardized procedures for the determination of the composition of representative samples of nodules and tailings. A standardization study is thus planned to derive a methodology which will allow valid comparisons.

All of the activities in the final two years of the Five-Year Plan depend, of course, upon adequate and timely funding.

TABLE I. MANGANESE NODULE PROGRAM - FIVE-YEAR PLAN - FY 1977-1982

	INDUSTRY INTERACTION				
	FY 1977-1978	FY 1978-1979	FY 1979-1980	FY 1980-1981	FY 1981-1982
PUBLIC INFORMATION	Meet, correspond with industry officials; attend conferences	Meet, correspond with industry officials; attend conferences	Meet, correspond with industry officials; attend conferences	Meet, correspond with industry officials; attend conferences	Meet, correspond with industry officials; attend conferences
			Infrastructure study: industry requirements	Infrastructure study: available infrastructure	Infrastructure study: identifying needs
	Public meetings and briefings	Public meetings and briefings	Public meetings and briefings	Public meetings and briefings	Public meetings and briefings
	Research and publish "Feasibility and Potential Impact of Manganese Nodule Processing in Hawaii"	Research and publish "Transportation and Manganese Nodule Processing Alternatives in Hawaii"	Research and publish "The Feasibility... in Puna and Kohala Areas of Hawaii"	Publish research results of impact assessments	Publish research results of impact assessments
IMPACT ASSESSMENT		Host technical review workshop	Host public workshop	Host public workshops	Host public workshops
			Land disposal of tailings: lab study	Land disposal of tailings: greenhouse study	Land disposal of tailings: field study
			Ocean disposal of tailings: lab study	Ocean disposal of tailings: at-sea study	Ocean disposal of tailings: at-sea study
			Ocean environmental study	Ocean environmental study	[Legal/economic disposal study]
			Land environmental study	Land environmental study	[Standardization of methodology]
				Socio-economic impact study	Socio-economic impact study

THE STATE OF HAWAII
MANGANESE NODULE PROGRAM

FY 1979-1980 Sources of Funding

DPED 1978-1979 Legislative Appropriation	\$20,000
DPED 1979-1980 Legislative Appropriation	60,000
County of Hawaii	20,000
Ocean Minerals Company	55,000
Coastal Zone Management Program	20,000
NOAA	33,000
	<u>\$208,000</u>

FY 1979-1980 Program Expenses

1. Industry Interaction

Administrative	\$30,000
Mr. Jenkins Infrastructure Study	4,500

2. Impact Assessment

Dr. El-Swaify Land Disposal Study	60,000
Dr. Chave Ocean Disposal Study	14,500
Dr. Andrews Ocean Environmental Study	39,500
Drs. Zeitlin & Fernando Land Environmental Study	15,000

3. Public Information

NOAA Consultants and Volume II Preparation	33,000
	<u>\$208,000</u>

THE STATE OF HAWAII
MANGANESE NODULE PROGRAM

FY 1980-1981 Sources of Funding

DPED 1980-1981 Legislative Appropriation	\$60,000
University of Hawaii Sea Grant Program	10,000
[Potential Sources: Supplemental Request to the Legislature, County of Hawaii, Ocean Minerals Company, NOAA, others	155,000]
	<u>[\$225,000]</u>

FY 1980-1981 Program Expenses (estimated)

1. Industry Interaction	
Administrative	\$30,000
Mr. Jenkins Infrastructure Study	12,000
2. Impact Assessment	
Dr. El-Swaify Land Disposal Study	85,000
Dr. Chave Ocean Disposal Study	35,000
Dr. Andrews Ocean Environmental Study	20,000
Drs. Zeitlin & Fernando Land Environmental Study	30,000
Socio-Economic Impact Study	10,000
3. Public Information	
Publications and Workshops	3,000
	<u>\$225,000</u>

THE STATE OF HAWAII
MANGANESE NODULE PROGRAM

FY 1981-1982 Sources of Funding

[Potential Sources:

Legislative appropriations,	
County of Hawaii, Ocean Minerals	
Company, University of Hawaii	
Sea Grant Program, NOAA, others	\$300,000]

FY 1981-1982 Program Expenses (estimated)

1. Industry Interaction

Administrative	\$35,000
Mr. Jenkins Infrastructure Study	15,000

2. Impact Assessment

Dr. El-Swaify Land Disposal Study	115,000
Dr. Chave Ocean Disposal Study	75,000
Socio-Economic Impact Study	25,000
Standardization of Methodology	20,000
Legal/Economic Study of Disposal Alternatives	10,000

3. Public Information

International Conference on Manganese Nodule Industry	25,000
Publications and Workshops	5,000
	<u>\$325,000</u>

SELECTED BIBLIOGRAPHY

1. Materials Generated by the Program

Q. Stephen-Hassard, K. Chave, Q. Fernando, K. Keith, M. Meylan, W. Miklius, The Feasibility and Potential Impact of Manganese Nodule Processing in Hawaii, Department of Planning and Economic Development, State of Hawaii, 1978.

Department of Planning and Economic Development, Transportation and Manganese Nodule Processing Alternatives in Hawaii, 1978.

2. Materials Generated by Program Personnel

Kent M. Keith, "Manganese Nodule Processing in Hawaii: An Environmental Prospectus," Hawaii Bar Journal, Vol. XIV, No. 3, Fall 1978 (published in March 1979).

Rodney K. Nakano and Eugene M. Grabbe, "The Manganese Nodule Industry in Hawaii," Chemical Marketing and Economics Preprints, Chemical Congress, April 1-6, 1979, Honolulu, Hawaii, pp. 461-464.

Kent M. Keith, "United States Regulation of the Ocean Disposal of Manganese Nodule Processing Reject Material," Chemical Marketing and Economics Preprints, Chemical Congress, April 1-6, 1979, Honolulu, Hawaii, pp. 234-240.

3. Related Research Supported by the Program

John Jong-Hae Lee, Chemical Analysis and Recovery of Metals from Ferromanganese Nodules by Suflation, 1979 (Dissertation submitted to the graduate division of the University of Hawaii in partial fulfillment of the requirements for the degree of Doctor of Philosophy in Chemistry).

Jay Martin Iskowitz, "The Extraction and Determination of Thallium in Ferromanganese Nodules," 1979 (Thesis submitted to the graduate division of the University of Hawaii in partial fulfillment of the requirements for the degree of Master of Science in Chemistry).

Carol A. Feldman, "Potentially Toxic Elements in Manganese Nodules: Environmental Implications for a Land-Based Processing Industry," 1979 (Thesis submitted to the graduate division of the University of Hawaii in partial fulfillment of the requirements for the degree of Master of Science in Oceanography).

4. Examples of Articles in the Local Press

Bruce Benson, "Hawaii told it must hurry to share in seabed riches," Honolulu Advertiser, February 16, 1977 at A-1.

David Tong, "Expert Suggests Isle nodules plant," Honolulu Advertiser, March 17, 1977 at D-2.

David Shapiro, "Big Island Studied as Ocean-Mining Plant Site," Honolulu Star-Bulletin, September 20, 1977 at C-16.

Jerry Tune, "Nodule Mining Future Called Bright for Isles," Honolulu Star-Bulletin, November 10, 1977 at C-1.

Kent M. Keith, "Manganese Nodules: What are they worth?" Hawaii Observer, December 29, 1977 at 19.

Sandra Oshiro, "Nodule-retrieving ship to set sail," Honolulu Advertiser, January 23, 1978 at A-5.

Barbara Hastings, "Jobs seen in 'nodule boom,'" Honolulu Advertiser, March 8, 1978 at A-5.

Honolulu Star-Bulletin, "Big Stakes Rest on Law of the Sea," Editorial, March 21, 1978 at A-14.

Sandra Oshiro, "Manganese consortium: Isle leading contender," Honolulu Advertiser, April 7, 1978 at A-6.

Barbara Hastings, "Ship unloads its catch of nodules," Honolulu Advertiser, April 17, 1978 at 1.

William Reich, "Manganese nodules--dream or nightmare?" Viewpoint, Hawaii Tribune-Herald, May 8, 1978.

Eugene M. Grabbe, "Approaching manganese nodule potential objectively," Viewpoint, Hawaii Tribune-Herald, May 23, 1978.

Kent M. Keith, "Manganese nodule mining impact uncertain," Viewpoint, Hawaii Tribune-Herald, June 2, 1978.

Honolulu Star-Bulletin, "Expert Sees Isles as Global Center of Ocean Mining," June 28, 1978 at F-7.

Honolulu Star-Bulletin (Night Final), "Ocean-Nodules Plant to Rise at Campbell Park," September 15, 1978 at 1.

Harry Whitten, "State Awaits Senate Action on 'Crucial'
Sea Mining Bill," Honolulu Star-Bulletin, October 25,
1979 at B-1.

Barbara Hastings, "A 'welcome sign' worth \$300 million,"
Honolulu Advertiser, December 1, 1979 at A-11.

Barbara Hastings, "Senate passes seabed mining bill,"
Honolulu Advertiser, December 18, 1979 at 1.

A 'welcome sign' worth \$300 million

By BARBARA HASTINGS

Advertiser Science Writer

If Hawaii hangs out a "welcome sign" for it, a major consortium says it is willing to invest \$300 million to locate a manganese processing plant here.

So said Conrad Welling, representative of Ocean Minerals Co., a consortium which includes Lockheed, during a symposium on economic opportunities from the ocean.

And, as if in answer, Gov. George Ariyoshi told the conference "it is important that our governmental machinery does not become an obstacle to the development of new ocean industries."

Therefore, the governor said, something has to be done about the cumbersome permit system; "that is our intention, to reform it."

"And we are committed to giving the green light to those new industries which are environmentally sound and compatible with the life-style of our people."

Manganese nodule processing is billed by its proponents as environmentally safe.

In the past, Hawaii has been mentioned as a possible site for a manganese nodule processing plant, and a \$4 million study plant is to be built at Campbell Industrial Park on Oahu.

But Welling's statement that "of all the studies of processing sites, Hawaii comes out very, very high," was, to date, one of the strongest indicators that a full-scale processing plant might actually be located in the islands, probably on the Big Island.

"If we can work out a location in Hawaii which is satisfactory to the Hawaiian people, and if the welcome sign is out, we'll spend \$300 million on a processing plant," Welling said.

Yesterday's conference, sponsored by the Hawaii Ocean Law Association, drew more than 100 participants from government, business, the military and academia. The conference covered both manganese nodule development, and ocean thermal energy conversion (OTEC).

While the nodules would be mined from the sea bottom, about 1,300

miles southeast of Hawaii, the processing would be done on land.

But processing would require substantial amounts of electricity. OTEC, which uses warm surface waters and cold bottom waters to produce electricity, could supply that energy.

In the past, the manganese nodule industry has talked about the Big Island geothermal energy potential as a possible means for generating the needed power.

Recently, however, Mini-OTEC, a barge off Ke-Ahole Point, has proved that OTEC can work. Now it is seen as a potential power source for processing nodules.

Welling said processing could begin by 1988, but Richard Bell of Hawaiian Electric Co. said it's doubtful that OTEC could generate substantial power by then. Geothermal power might, though.

Yesterday's discussion on manganese also pointed up the resurgence of activity on manganese processing.

After significant interest over the past several years, during the last year, the push has dropped off. This has been partly due to a surplus of nickel on the world market (manganese nodules are more valuable for their nickel, cobalt and copper content, rather than manganese), and partly because the United Nations Law of the Sea Conference drags on without a treaty on ocean mining.

But now, nickel is again in demand, with a shortage projected for 1985.

And while the UN conference remains without a treaty, the U.S. Congress is expected to take unilateral action — that is, pass legislation that will regulate and protect American interests at sea.

Hawaii Sen. Spark Matsunaga, in the forefront of that legislation, announced that the Senate has reached "unanimous consent" on the measure, which means floor debate will be limited, and he expects action before Christmas. The House is expected to act early next year.

Could be boon to Hawaii

Senate passes seabed mining bill

By BARBARA HASTINGS
Advertiser Science Writer

A deep-seabed mining bill, which would effectively open the Pacific for collection of manganese nodules by U.S. companies, has passed the U.S. Senate.

The bill, sponsored by Sen. Spark Matsunaga, is an attempt by the United States to take unilateral action on seabed mining because the United Nations Law of the Sea Conference has failed to come up with a treaty.

Hawaii has special interest in the manganese nodule industry, since it hopes to see a processing plant located in the state and would be in a position to provide services for companies mining the nodules about 1,300 miles from here.

Matsunaga's bill, which was originally drafted by the late Sen. Lee Metcalf of Montana, includes an amendment the Hawaii

senator incorporated that would require processing plants to be located in the United States.

This would prevent U.S. mining companies from locating the processing facilities in other nations where labor might be cheaper or regulations less stringent.

If one of those plants should be located on Hawaii's Big Island, as has been suggested, Matsunaga predicted it would mean as many as 5,000 new jobs.

A similar bill before Congress last year did not pass. At that time, mining interests opposed parts of the bill, and the U.S. delegation to the U.N. Law of the Sea Conference, headed by Elliot Richardson, reportedly was concerned that such unilateral action would have a negative effect on the conference, which appeared to be making headway.

However, while the conference has resolved many of the issues of the sea, a treaty is not

close at hand, largely because of the conflict between industrial nations and Third World countries over deep-seabed minerals.

So Matsunaga introduced this bill, and other industrial nations, such as Japan and West Germany, are also considering unilateral action.

Indications within the deep-sea mining industry are that the bill also will pass the House, possibly before Christmas or at least sometime in January.

Matsunaga said deep-sea mining for the nodules, which are valued for the nickel, copper and cobalt they contain, also will reduce the U.S. dependence on "foreign — in some cases unreliable — sources of supply."

Matsunaga also said the act, if finally passed by the House and signed by the president, may well act as a stimulant to the Law of the Sea Conference.

The bill, according to Matsunaga, would provide American companies with some security for their investments — that is, if an international treaty is finally hammered out, the United States will agree to it only if mining operations that are under way by U.S. companies are allowed to continue or compensated in some way.

Matsunaga explained that costs for each mine site are expected to reach a half-billion dollars — a great deal of money for companies to invest without security.

He said there were two principles guiding the legislation.

The existing law of the sea, in effect for centuries, is freedom of the high seas, "the continued exercise of which should be encouraged by Congress."

Second, he said, any U.S. mining company "should be afforded some measure of protection against any change in international law."