

Councilmember Nestor R. Garcia
Chair
Honolulu City Council

TRIP REPORT
National Association of Counties
Annual Legislative Conference
March 5-9, 2011

Introduction

As I write this report, I find that the more things change, the more they stay the same. This year, I arrived in Washington, D.C., as a NACo Presidential at-large appointee to the national board of directors. This is my second meeting as a member of the board. I am also now the chairman of the Honolulu City Council – but this year, I am no longer a member of the Executive Committee of the Hawaii State Association of Counties. I gave up my seat when I became Council Chairman, and first-time member of the Council, Stanley Chang, has assumed my position as HSAC Vice-President.

This year, the City and County of Honolulu faces many challenges. The state and the county are wrestling with looming budget deficits. Like 2009, the city is once again facing the threat of takeaways from the state. Among the items under consideration “across the street” at the Hawaii State legislature are bills that, again, would reduce the counties’ share of the hotel room tax (there has been a promise not to take away the entire amount, estimated this coming year at \$42 million – but we’ll see! The latest Council of Revenues report now puts the projected state deficit at \$1 billion, more than \$200 million more than the previous estimate!). There is also, again as it was in 2009, a Senate proposal that would “borrow” millions from the fund that Honolulu collects for its ½ percent excise tax surcharge authorized by the state for the city’s locally-dedicated source of funding for the elevated, fixed guide way (in 2009, ground breaking was scheduled for the end of this year. Actual ground breaking occurred just last month, on Feb. 22nd, in East Kapolei, near the soon-to-be built University of Hawaii – West Oahu, and the currently being built Salvation Army Kroc Center. I spoke at the ground breaking, and shared with the assembled the history of transit on Oahu).

As with all NACo legislative conference sessions (this one held again at the Marriot Wardman Park hotel. For the next three years, the conference will be held at the Washington Hilton, near Dupont Circle), the conferees also get to meet with their respective Congressional delegations (our meeting was set for Wednesday, March 9). In addition, there were meetings between members of the Honolulu City Council with representatives of the U.S. State Department, and the U.S. Commerce Department. Both of these meetings were to share with the departments the willingness of NACo to work the federal government to promote the president’s National Export Initiative, by promoting, growing and sustaining small and medium sized businesses. The counties in the state of Hawaii, in particular, will go about doing this by securing sister-city relationships with counterparts who are from countries that are members of the Asian Pacific Economic Cooperation – a major conference scheduled for November in Honolulu.

The NACo conference attendees included Council members Garcia, Chang, Romy Cachola, Ernest Martin, Breene Harimoto (Council Vice-Chair), and Tulsi Gabbard-Tamayo. The Hawaii delegation included Council members from the counties of Kauai, Maui and Hawaii. Once again – Hawaii had the distinction of being one of the states to have 100 percent attendance (having all counties within a state attend a NACo conference)!

The Weekend

As co-chair of NACo's International Economic Development Task Force, I sat in on a meeting to discuss our mission (I collaborated with NACo staffer Stephanie Osborn) and 2011 goals for the group. This meeting included Larry Naake, Executive Director of NACo, Valerie Brown, past president of NACo and Task Force co-chair, Larry Eliason, first vice-president of NACo, Paula Brooks, Franklin County (Ohio) Commissioner, and Kekoa McClellan, chief-of-staff to Councilmember Chang.

Mission:

- To pursue opportunities for NACo and its member counties to participate in international trade development and investment activities that benefit local economies through partnerships with international community, federal and state governments, and the private sector;
- To seek government-to-government relationships as a bridge for business, educational and cultural interests, and to share capacity, leadership and technical expertise between counties in the U.S. and local governments abroad; and,
- To build NACo's capacity to educate, train and assist counties to promote local businesses, products and services in the global market.

Goals for 2011:

- Establish and institutionalize key relationships that open doors with this mission;
- Support meaningful participation of counties in APEC proceedings in 2011;
- Participate in the U.S. Department's Initiative to Strengthen U.S.-China Sub national Cooperation", which is intended to help states and municipalities increase economic, cultural and educational ties with China;
- Acquire funding that enables NACo to establish an international economic development program that benefits member counties.

Monday, March 7th

Councilmember Chang joined me for a breakfast meeting to hear a presentation from a representative for Renewable Energy Management, Inc. Mr. Scott Marlin, with Business Development for REM, explained that the company utilizes advanced conversion technology – a low temperature gasification process that operates within an oxygen-deprived environment subjecting, in this case municipal solid waste, to white ash. The company claims this process is cleaner than burning natural gas power generation at the same capacity.

The four "Ts" of thermal treatment processes are:

- Temperature. ACT operates at <500 degrees C, whereas other processes operate at >1000+ degrees C. None of the usual toxins known from incineration are produced at low temperatures;

- Time. ACT processes waste over approx. 16+ hours providing complete degradation, with less than 2% residual, whereas other processes require degradation in 5 minutes or less, which leaves partially combusted materials behind, requiring land filling (typically 30% in the case of incineration);
- Turbulence. ACT is a very passive environment inside the primary cell and produces virtually no fly ash, whereas other processes are very turbulent producing large quantities of highly toxic fly ash;
- Toxicity. ACT residual ash is virtually inert and not harmful to the environment – and can be used in several secondary markets.

The Los Angeles County Board of Supervisors has given the green light to three demonstration projects designed to convert non-recyclable waste into clean energy. The County's demonstration sites will be the first of their kind in the United States, and will be located at waste facilities in Riverside and Orange Counties. REM, in conjunction with Entech Renewable Energy Solutions, was chosen as the top gasification technology and will operate the demonstration facility, together with Rainbow Disposal Co., Inc., in Huntington Beach.

For most of the morning, I sat in on NACo's Board of Director's meeting. There was an attempt to eliminate one of our scheduled board meetings. The board meets 4 times in a year: Fall (which took place last December in Dallas), Legislative in Washington, DC, Western Interstate Region (May 18-20, 2011, in Chelan County, Wenatchee, Washington – the Apple Capital of the World!), and Annual (July 15-19, 2011, in Multnomah County, Portland, Oregon). That move was voted down, unanimously.

Mr. David Agnew, with the White House Office of Intergovernmental Affairs, addressed the board. He stressed that even with the ongoing struggle over the federal budget and the continuing struggle over dealing with the global economic crisis, the United States "cannot stop investing in the global economy." He also spoke of the importance of economic development directors in counties who "are the ones who put the deals together."

Our Hawaii delegation at the board meeting was represented by me, HSAC president Derek Kawakami of Kauai, and HSAC treasurer Joe Pontanilla of Maui.

After lunch, the afternoon featured the Opening General Session, which was led off by Admiral Mike Mullen, the Chairman of the Joint Chiefs of Staff. He spoke of how proud he is of the men and women in the U.S. military, now in its 10th year of war. He noted that the military makes up only 1 percent of the U.S. population, and is working to make sure the military does not "drift away from the American public."

In a somber note, he spoke about the high incidence of suicide among the military, especially among members of the National Guard. He noted that the number of suicides in the military exceeds the national average. He said the Army is in the second year of a five-year study – and hopes to come away with lessons learned and what we need to know and do to deal with this crisis.

As for the recent, and ongoing, crisis in the Middle East, the Admiral said he was “generally optimistic” of the rapid changes in the region (which saw the recent overthrow of Egyptian president Hosni Mubarak, and which is now witness to the civil war in Libya, along with other pro-democracy rallies in the oil-rich area).

The session also featured U.S. Attorney General Eric Holder. He spoke largely of the need to deal with the juvenile justice system. Holder said “a drastic change is needed.” He said more than half of the juveniles in custody are black. Holder said many who enter the system are not prepared, or cannot afford, to deal with the justice system – and many just plead guilty. He said how we treat our children will define us as a country.

The afternoon featured an “off-campus” meeting that involved HSAC President Derek Kawakami, HSAC Vice President Stanley Chang (with his chief of staff, Kekoa McClellan), Honolulu Councilmember Tulsi Gabbard-Tamayo, and Kauai Councilmember Dickie Chang. The meeting was held at the U.S. State Department, with the Special Representative for Global Intergovernmental Affairs, Ms. Reta Jo Lewis. I met with Ms. Lewis in January, at which time I shared with her the effort I am leading to have all four of Hawaii’s counties establish sister-city relationships with counterparts whose countries are among the 21-members of APEC. This effort is to establish relationships grounded in economic development for small- and medium-sized enterprises (SMEs) represented by both parties under sister city agreements. This sister city initiative will coincide with the Hawaii State Department of Business, Economic Development and Tourism’s annual Asia Pacific Clean Energy Summit and Expo (APCESE), an international event to be held in September at the Hawaii Convention Center. This effort to aid SMEs is a major theme of APEC.

I signed a letter, along with President Kawakami, specifically requesting the State Department to:

- Expedite the processing of visas, especially for those who are party to, and have an interest in, a sister city agreement between a county in the state of Hawaii, and a counterpart whose country is a member of APEC. **The State Department agreed to make the APEC team aware of the APCESE and will provide HSAC with the name of the APEC team’s visa contact;**
- Have the State Department assist in having the so-called “national road show” come to Hawaii before the start of APEC in November. This road show, a partnership between the U.S. government and the private sector, prepares all interested stakeholders in advance of APEC. **The State Department agreed to push the APEC team to manufacture a road show event when the APEC team is in Honolulu for one of its prep sessions prior to the APEC summit itself;**
- Enable HSAC to have access to members of the APEC advance team for possible participation in the APCESE. **The State Department will try to secure contact information for HSAC’s use in hosting APEC advance teams and their possible participation in the APCESE, which could be used as a dry run for the APEC summit;**

- Endorse HSAC's sister-city initiative with APCESE as complementary and supportive of APEC's mission. **The State Department agreed to provide a response shortly – and to recommend that the APCESE be in some way designated as supportive and complimentary of APEC.**

HSAC, in return, promised the following to the State Department:

- Define how each sister-city and sister-state relationship will work to promote economic stimulus and joint energy conservation and greening efforts;
- The contact information for the Hawaii DBEDT and the individuals planning the APCESE;
- A list of the APEC members who have participated in APCESE in the past, and who will participate this year;
- A list of all major conferences and event occurring in Honolulu and in the state of Hawaii in 2011; and,
- Additional background on APCESE.

In addition, HSAC will help promote APCESE to all 21 member economies, and look into possible port deals in addition to sister-city relationships (NOTE: the Hawaii State government has jurisdiction on all major public harbors and ports).

Tuesday, March 8th

I sat in on a morning Educational Session on the U.S. Economic Development Administration (U.S. Department of Commerce), with a focus on the importance of regional planning and its emphasis on now being "customer-friendly" when it comes to processing applications. EDA recently awarded a \$250,000 grant to Enterprise Honolulu, the economic development board located in the Dillingham Transportation Building on Bishop Street. The grant (of which I wrote a letter of support to the EDA) will help local businesses cater to the 20,000 visitors expected for the APEC summit in Honolulu this November. Specifically, the grant will provide business development assistance to small and medium sized businesses that are aligned with the commercial opportunities surrounding the activities of APEC. It will also help with an engagement training program and the production and distribution of APEC training and orientation materials to local businesses.

The Attendee Luncheon featured someone we have come to rely on for support and funding of Honolulu's elevated fixed rail project – the new chairman of the U.S. House of Representatives' Transportation and Infrastructure Committee, Republican John Mica of Florida. On January 20th, 2011, Mica issued a statement, in which he said "I support the project, especially with Honolulu's local commitment."

He said he would work with Hawaii Congresswoman Mazie Hirono, a member of his panel, to ensure the project "does not get bogged down in red tape." Mica's statement came two days after the U.S. Federal Transit Administration issued a Record of Decision for the 20-mile project, considered a critical hurdle that must be issued before a project can enter into the final design phase.

Wednesday, March 9th

I sat in on a breakfast meeting with the U.S. Commerce Undersecretary of the International Trade Administration, Francisco Sanchez, and his director for the National Export Initiative, Courtney Gregoire. Joining me in the meeting was Valerie Brown, past NACo president and my co-chair of NACo's newly formed International Economic Development Task Force, NACo's Executive Director Larry Naake, and NACo deputy director of county services Stephanie Osborn. Much of the conversation centered on President Obama's National Export Initiative (NEI). Unveiled during his State of the Union address in 2010, the NEI seeks to double U.S.A. exports by the year 2015.

NACo sought advice from the Undersecretary on how to convince member counties the value of seeking connections overseas in order to help their small and medium sized businesses. The Undersecretary assured our organization that the Commerce Department would make its experience and resources available to NACo and its members, if only to further President Obama's NEI – and he reached out to NACo to see if the organization could assist in this effort. I explained that NACo, through its International Economic Development Task Force, is working on and supporting the initiative I have led in Hawaii – the establishment of sister-city relationships between all four of Hawaii's counties, with counterparts whose countries are among the 21-members of APEC. This effort sees Honolulu embarking on a sister-city relationship with Chengdu, China, Maui with possibly Pusan, South Korea, Kauai with Vladivostok, Russia, and the county of Hawaii with Kumejima, Japan. The emphasis on these new sister-city relationships will be on economic development – in order for the relationship to sustain itself in the years to come.

Expanding USA's export capability will grow our economy – and the President hopes it will create two million jobs. Howard Rosen of the Peterson Institute for International Economics has stated that over the past 50 years, growth in exports of USA products and services has only averaged 10 percent. He says that number must go to 15 percent in order to double exports in five years. Rosen said exports account for only 11 percent of USA's GDP, while it is 40 percent for Europe and China, 36 percent for Canada, 22 percent for India and 16 percent for Japan. Rosen says exporting companies pay their workers more than non-exporting companies, employ almost twice as many workers, produce twice as much, and are more likely to provide medical and pension benefits. He said only 4 percent of U.S. companies export, and that only 500 companies account for 60 percent of USA exports.

Ms. Gregoire later e-mailed us to say she will have the department's APEC coordinator, Brenda Fisher, along with the Director for Trade Missions Sherry Lewis-Khanna, contact us at NACo. We will also work to see if the Undersecretary could address our attendees at NACo's Annual Meeting at Portland, Oregon, in July, or have the new Commerce Secretary himself or herself at the Annual Meeting (on the day we met, the President named Commerce Secretary Gary Locke as the new Ambassador to China. Locke would replace Jon Huntsman, who resigned to return, possibly, to elective politics – there is a suspicion that he will run for President of the USA. It was to Jon Huntsman that I spoke of having Hawaii's counties involve themselves in APEC – during a visit by a NACo delegation to China last September!).

In the afternoon, the HSAC delegation met with our Hawaii Congressional delegation. For the Honolulu contingent, the meetings featured such topics as Honolulu's rail project, the threatened cutbacks in the Community Development Block Grant program, the matter of reimbursement for Honolulu's cost of providing security for APEC, and federal support in the wake of the settlement agreement that will have Honolulu move towards secondary treatment of wastewater currently discharged at sea off of Honouliuli and Sand Island sewage treatment plants.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nestor Garcia', written over a horizontal line.

Nestor R. Garcia
Chair, Honolulu City Council
Presidential at-large appointee, Board of Directors, National Association of Counties
Co-chair, NACO International Economic Development Task Force

City Council
City and County of Honolulu

CLAIM FOR TRAVEL REIMBURSEMENT

March 14, 2011

Traveler: Nestor R Garcia

Event: NACo Legislative Conference

Location: Washington D.C.

Dates: From 5 03/03/11

To 9 03/10/11

Description	Amount	Notes
1. Registration Fee	\$490.00	Redacted statement attached
2. Airfare	\$1,055.28	Receipt /
3. Hotel	\$1,449.60	Omni Sh
4. Meals	\$318.33	Receipts
5. Ground Transportation	\$105.00	Receipts
6. Tips		
7. Other	\$50.00	Checked baggage
Other		
Other		
8. Adjustment	-\$1,055.28	HSAC Reimbursement
TOTAL REIMBURSEMENT	\$2,412.93	

This is to certify that the above data, based upon receipts submitted to Council Administrative Support Services via a CCLTRVL02 form, is accurate. Further, I am claiming reimbursement for expenses associated with a trip in which City business was conducted and personal funds were used to advance payment:



Signature of Traveler

03/14/2011

Date