

From: Matthew Blevins
To: Hawaiiexport@aol.com
Date: 08/29/2006 4:29:55 PM
Subject: Re: (no subject)

That would be fine. Please send to the attention of Jack Whitten as they are handling all the incoming documents.

>>> <Hawaiiexport@aol.com> 08/29/2006 5:25 PM >>>
Dear Matt,

I have tried to send additional letters of support but the files seem to large to upload.
If you like I can mail you copies.

Sincerely,

Michael Kohn

CC: Roberto Torres

Mail Envelope Properties (44F4B184.102 : 2 : 11446)

Subject: Re: (no subject)
Creation Date 08/29/2006 4:28:36 PM
From: Matthew Blevins

Created By: MXB6@nrc.gov

Recipients

aol.com
Hawaiiexport (Hawaiiexport@aol.com)

nrc.gov
ARL_PO.ARL_DO
RJT CC (Roberto Torres)

Post Office

ARL_PO.ARL_DO

Route

aol.com
nrc.gov

Files	Size	Date & Time
MESSAGE	826	08/29/2006 4:28:36 PM
TEXT.htm	876	

Options

Expiration Date: None
Priority: Standard
ReplyRequested: No
Return Notification: None

Concealed Subject: No
Security: Standard

Junk Mail Handling Evaluation Results

Message is not eligible for Junk Mail handling
Message is from an internal sender

Junk Mail settings when this message was delivered

Junk Mail handling disabled by User
Junk List is not enabled
Junk Mail using personal address books is not enabled
Block List is not enabled

From: Matthew Blevins
To: Roberto Torres
Date: 08/29/2006 4:28:13 PM
Subject: Fwd: Honolulu irradiator impacts

For your files...

>>> <Hawaiiexport@aol.com> 08/29/2006 4:33 PM >>>

Dear Mathew Blevin, Martin and Russell Stein from Graystar Inc told me that you would like to get more information on the economic impact of an irradiator near Honolulu Airport. The information would be needed as part of the EA that you will conduct. I would like to start with those companies, agencies and individuals that have send letters of support explaining their interest in an irradiator. Many of these letters of support have come from farmers (amongst them the five largest independent growers in Hawaii), but also Hawaii shippers, produce wholesalers (including the largest in the State of Hawaii), the Chairman of Tropical and Soil Sciences (University of Hawaii), individuals employed in agriculture, the largest US importer and distributor of papayas, the Hawaii Fruit Fly Rearing Facility (owned by California Dept. of Food and Agriculture), the Hawaii Dept. of Agriculture and others. Some letters of support date back as far as 2003 when JM Associates of which I am 50% owner developed concepts to build an irradiator. In 2005 when the time seemed right to build an irradiator Pa`ina Hawaii LLC was founded. Many letters were addressed to the Chairwomen of the Hawaii Dept. of Agriculture. The economic impacts are well stated in the letters of support. But they also state other impacts such as social and biological impacts. The mayor impacts can be categorized as follows: treatment for exports treatment of imports treatment to keep invasive species out of Hawaii sterilization of fruit fly pupae to control fruit fly populations on the Mainland research tool Treatment for export Hawaii has a history of monopolization be it land, transportation, energy or phytosanitary treatment of agricultural products. The monopolization of treatment is not always a result of ill intention. The technology of heat treatment requires an integrated process of heating, culling, sorting, ripening, chilling and packing fruits all within one facility. The Big Island of Hawaii is the location of all four treatment facilities in Hawaii (three heat and one electron beam irradiator). High shipping cost prevents growers on the remaining five islands to treat in these facilities. Sometimes, however treatment facilities are intentionally monopolized. Treatment becomes the gateway to the Mainland and Pacific Rim countries. Prices to the growers are subject to the local markets (and the very few markets permitting untreated fruits such as Canada) and not subject to markets where treated fruits are sold (Japan and Mainland). An irradiator strategically located near Honolulu Airport would allow all farmers/shippers on all islands to treat their product, including the Big Island. Honolulu Airport is the focal point of distribution within the island chain as well as the mayor distribution point to the Mainland and Pacific Rim countries. Inexpensive back haul freight rates make it possible to ship from the outer islands to Honolulu. Irradiation is superbly qualified to treat already packed produce and could be treated near Honolulu Airport on the way out to the Mainland. But what will prevent Pa`ina Hawaii from doing the same and monopolize its facility? The By-Laws of Pa`ina Hawaii explicitly state "fair and equal access". On many occasions I have stated to the Government of Hawaii, the Hawaii Dept. of Agriculture, shippers and growers and both local newspapers that Pa`ina Hawaii will offer equal and fair access. The investors agree with that as most of them have no personal interest in exporting Hawaii ag products. Treatment of imports Especially during peak import seasons such as Mother's Day or Valentine's Day it is impossible for the Hawaii Department of Agriculture to thoroughly inspect the massive amount of flowers imported. Instead of waiting for inspection it would be possible to irradiate the flowers and release them in lieu of inspections. The economic gain would be immediate release to the importers. The biological benefit would be that Hawaii would be protected from additional invasive species. Treatment to keep invasive species out of Hawaii The Hawaii Dept. of Agriculture and the USDA conduct inspections of imports. Past studies indicate that a large numbers of unknown species enter Hawaii and pose a threat to the fragile ecology. When invasive species are found three options usually exist to importers. sending the product back to sender destruction treatment with methyl bromide Sending back to sender involves expensive freight cost and often decreases quality due to time delay. Destruction results in the total loss of the product. Furthermore there is a cost in properly destroying the product (e.g. freezing/thawing/freezing). The cost of methyl bromide treatment can be very high, especially if small quantities are fumigated. In many cases methyl bromide severely damages the product and lowers quality. Today most fumigation companies are reluctant to offer the service due to liability issues. If an irradiator is

available the cost to treat for invasive species would be minimal. Only in a few cases would quality suffer (e.g. fatty avocados). In many cases the quality would be improved (triple shelf life for strawberries) Sterilization of fruit fly pupae to control fruit fly populations on the Mainland and specifically in CaliforniaCalifornia's massive agriculture industry depends on controlling fruit flies. They are very destructive by stinging and laying eggs inside a fruit. Fruit flies are also the main reason why Hawaii can not freely ship to the Mainland or most Pacific Rim countries. Should California loose control over fruit fly outbreaks Japan, Korea, China as well as all southern US States would bar California from shipping. Currently, CDFA (California Dept of Food and Agriculture) produces 22 million pupae every day. CDFA has plans to triple their current production. However, the USDA owned Housman irradiators lack the capacity to sterilize the pupae in the required time. They would either need to reload them with Cesium or use Pa`ina Hawaii's irradiator. Research toolPa`ina Hawaii LLC founded and wholly owns Pacific Agriculture Research Company LLC to conduct research to help Hawaii agriculture. However, the University of Hawaii until recently operated also a category III irradiator for their research needs. The irradiator is now dismantled. The University has expressed interest to use our facility and we will make it available to them as well as any other entity in Hawaii. Other applicationsIn addition to the benefits listed above there are also other applications providing benefits to Hawaii. Although Paina's focus is not food safety it would be easy to irradiate meat, chicken, seafood and agriculture products to make them safer to eat. In fact the CDC and the USDA have stated these benefits and promote the use of irradiation. Another benefit would be import substitution. Hawaii has very favorable condition to grow products for its own population as well as overseas markets. Unfortunately these overseas markets are highly restricted or monopolized. Surplus production can not be sold often leading to a price collapse. Irradiation is not a product specific treatment form like heat treatment for papayas. With the exception of a few products high in fat or oils irradiation is the only universal treatment with no negative side effects. Although Pa`ina's irradiator is not set up for high dose treatment it could given enough exposure time treat just about any product should the need arise. To quantify in detail all the economic benefits would require a large analysis. I am not able to do that. However, a comparison of papaya consumption in Canada which does not require treatment and papaya consumption in the US, which does require treatment clearly shows the difference between a monopolized market vs an competitive market. In 2003 Canada received some 3.5 Million lb of Hawaii papayas (almost all to Vancouver), not including shipments via the West Coast. The US Mainland received 11 million lbs. Canada had a population of some 30 million while the US some 285 million. The per capita consumption in Canada was some .12 lb of Hawaii papaya annually while the US consumed only some .04 lb annually. Canadians therefore consume 3 times as many Hawaii papayas despite more expensive and limited availability of airspace. In fact wide body cargo service to Vancouver and Toronto is only offered by Air Canada. In comparison the Mainland is serviced by most major US airlines and can be reached by ocean transport within 5 days. The competitive environment keeps airfreight rates down while Air Canada charges a premium. At times Air Canada refuses to take papayas due to limited space and better rates on connecting flights from Australia and New Zealand. The reason for a much higher per capita consumption by Canadians lies in the competitive market. The US Mainland is mainly supplied by the three companies that own all four treatment facilities. Canada has no restrictions and many shippers and even farmers ship to Vancouver creating a very price competitive environment. I hope the information provided gives you a good foundation of the impact Pa`ina's irradiator will have for Hawaii. Pls let me know how I can help further. Sincerely, Michael KohnPresidentPa`ina Hawaii LLC

Mail Envelope Properties (44F4B08A.C25 : 2 : 11446)

Subject: Fwd: Honolulu irradiator impacts
Creation Date 08/29/2006 4:24:26 PM
From: Matthew Blevins
Created By: MXB6@nrc.gov

Recipients

nrc.gov
 ARL_PO.ARL_DO
 RJT (Roberto Torres)

Post Office
 ARL_PO.ARL_DO

Route
 nrc.gov

Files	Size	Date & Time	
MESSAGE	10904	08/29/2006 4:24:26 PM	
TEXT.htm	22154		
Letter of support Hawaii Dept of Agriculture.ZIP	1714623	08/29/2006 5:23:44	
PM			

Options

Expiration Date: None
Priority: Standard
Reply Requested: No
Return Notification: None

Concealed Subject: No
Security: Standard

Junk Mail Handling Evaluation Results

Message is not eligible for Junk Mail handling
 Message is from an internal sender

Junk Mail settings when this message was delivered

Junk Mail handling disabled by User
 Junk List is not enabled
 Junk Mail using personal address books is not enabled
 Block List is not enabled