

Honolulu, Hawaii

Feb. 15

, 2006

RE: S.B. No. 2036

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Media, Arts, Science, and Technology and Business and Economic Development, to which was referred S.B. No. 2036 entitled:

"A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AN INTERNATIONAL BUSINESS AND TECHNOLOGY INCUBATOR,"

beg leave to report as follows:

The purpose of this measure is to make a one-time appropriation to the High Technology Development Corporation (HTDC) to:

- (1) Provide the necessary start-up funding to operate international business and technology incubator programs; and
- (2) Enable state residents to acquire the bilingual language skills, technology, and marketing necessary to implement incubator programs in China, Japan, and Hawaii.

Your Committees received testimony in support of this measure from the High Technology Development Corporation.

The Hawaii Technology Development Corporation has provided effective technology incubation programs for Hawaii-based start-up companies for more than twelve years and during that time, has assisted more than two hundred companies launch their operations in Hawaii. Additionally, HTDC has assisted more than fifty U.S. mainland technology firms to phase in their operations in Hawaii.

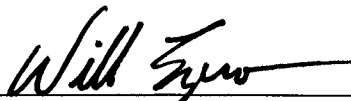


HTDC wants to expand its business and technology-based incubation services to foreign technology companies seeking to gain a presence in Hawaii. During the summer of 2005, HTDC entered into cooperative agreements with incubator programs in Beijing and Shanghai to share resources and offices in China and Hawaii. Hawaii is an attractive alternative to other technology incubator programs elsewhere because of its closer proximity to Asia and the State's culturally diverse population. An international expansion of the incubator program will create more business and technology-based jobs, economic diversity, and new external sources of tax revenues for the State.


Your Committees find that making an appropriation to the High Technology Development Corporation will provide the necessary start-up funding to operate international business and technology incubator programs. Expansion of the business and technology incubator programs will enable state residents to acquire the bilingual language skills, technology, and marketing necessary to implement incubator programs in China, Japan, and Hawaii.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2036 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Media, Arts,
Science, and Technology and
Business and Economic
Development,



WILL ESPERO, Chair



CAROL FUKUNAGA, Chair



