

Honolulu, Hawaii

FEB 13 2007

RE: S.B. No. 907  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred S.B. No. 907 entitled:

"A BILL FOR AN ACT RELATING TO AEROSPACE DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend Chapter 201, Part V, Hawaii Revised Statutes, to change the name of the Office of Space Industry to the Office of Aerospace Development and to clarify the duties of the office; and
- (2) Appropriate sums for various activities of the Office of Aerospace Development.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT), the Chancellor and three members of the faculty and staff of the University of Hawaii at Hilo, Enterprise Honolulu, Hawaii Island Economic Development Board, Japan-United States Science, Technology, and Space Applications Program, Rocketplane Kistler Inc., Japan Manned Space Systems, a former Governor of the State of Hawaii, the Senator representing Hawaii's twelfth senatorial district; a faculty member of the Center for Space Resources Colorado School of Mines, the Director of the Space Research Institute of Auburn University, the Director of Space Portal NASA Ames Research Center, and one additional individual.



Your Committee finds that DBEDT maintained an Office of Space Industry from 1988 through 1995, but for the past twelve years has operated in an "ad hoc" manner to identify and promote aerospace related opportunities in Hawaii. The changes proposed in this measure would formalize and strengthen these activities and expand the Office's role in serving as a catalyst in the further development of aerospace opportunities for Hawaii.

Your Committee is supportive of the overall concept of this measure and particularly the promise of the Pacific International Space Center for Exploration Systems. However, many of the details may be more appropriately added at a later time in the restructuring of the agency and its duties. Your Committee also has concerns regarding the establishment of a commercial spaceport, which has generated considerable community opposition in the past.

Your Committee believes that one of the most important outcomes of this measure should be enhanced workforce development opportunities and support for Hawaii's emerging industries. Hawaii has many fine educational programs, from the middle school and high school level multidisciplinary Project EAST to the cutting edge work being done at the University of Hawaii. Creating jobs to keep Hawaii students in Hawaii is critical to the successful diversification of the State's economic opportunities.

It is the intent of your Committee to support the broader concepts of an Office of Aerospace Development by streamlining the language in this measure.

Specifically, your Committee has amended this measure to:

- (1) Add language in the findings and purpose section on the recent successes of a University of Hawaii small satellite development program;
- (2) Delete all references to a commercial space launch, international spaceport, and the appropriation for a spaceport;
- (3) Consolidate the proposed language for the powers and duties under section 201-73, Hawaii Revised Statutes;
- (4) Change the expending agency from the Office of Aerospace Development to DBEDT; and



- (5) Make technical amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 907, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 907, S.D. 1, and be referred to the Committee on Ways and Means.


Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development and Taxation,

  
\_\_\_\_\_  
CAROL FUKUNAGA, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Economic Development and Taxation**  
**EDT**

Bill / Resolution No.:* <b>SB 907</b>	Committee Referral: <b>EDT, WAM</b>	Date: <b>2/7/07</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
ESPERO, Will (VC)	✓			
ENGLISH, J. Kalani				✓
IGE, David Y.				✓
SLOM, Sam	✓			
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"></div>				
Distribution:                              Original                              Yellow                              Pink File with Committee Report             Clerk's Office                        Drafting Agency				

\*Only one measure per Record of Votes