

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone:
Fax:

Statement of
THEODORE E. LIU
Director

Department of Business, Economic Development & Tourism
before the

HOUSE COMMITTEE ON FINANCE

Thursday, February 21, 2008

2:00 p.m.

State Capitol, Conference Room 308
in consideration of

HB 2259 HD1

RELATING TO AEROSPACE DEVELOPMENT.

Chair Oshiro, Vice Chair Lee, and members of the Committee. The department supports the concept behind HB 2259 HD1. There have been many good ideas introduced this legislative session that support the State's economic development goals. We note, however, that this appropriation was not included in the Executive's Supplemental Budget, and request that this appropriation not displace the priorities contained in that budget.

The effort to establish an international commercial spaceport in Hawaii builds upon the recent development of innovative "spaceplanes" that take off and land at airports like commercial jet planes, but also use onboard rockets to carry these vehicles (and their cargo of satellites, experiments and

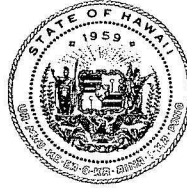
tourists) to space. Rocketplane Global is one of several companies that have approached our state to request permission to launch these types of vehicles from Hawaii as early as 2010. Its business plan projects initial intra-state launch trajectories (launching from and returning to Honolulu), with future trans-Pacific flights between Hawaii, Japan, and the continental U.S. - generating approximately \$200 Million in annual gross revenues from user fees.

Rocketplane Global also plans to develop a terrestrial space-themed education and training center in the Kalaeloa district on Oahu that will provide opportunities for both tourists and local residents to experience "virtual reality" simulations of space flight and exploration missions to the moon and Mars, as well as 2-3 day "space camp" experiences involving "zero-G" flights simulating interplanetary space travel.

In order for spaceplanes to launch and land from Hawaii's airports, our state must apply for and receive a commercial space transport license from the Federal Aviation Administration (FAA).

Thank you for the opportunity to testify on this bill.

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

BRENNON T. MORIOKA
INTERIM DIRECTOR

Deputy Directors
MICHAEL D. FORMBY
FRANCIS PAUL KEENO
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

February 21, 2008

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE BILL NO. 2259, H.D.1

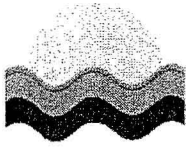
COMMITTEE ON FINANCE

The Department of Transportation supports the intent of this bill, provided that it does not replace or adversely impact priorities as indicated in the Executive Supplemental Budget Request.

We support the State's efforts to obtain a commercial space transportation license from the Federal Aviation Administration (FAA) to enable "spaceplanes" to take off and land at commercial airports in Hawaii.

For the past two years, our department has been involved in discussions with the Department of Business, Economic Development, & Tourism and representatives from Rocketplane Global to consider the feasibility of supporting spaceplane operations at Honolulu International Airport, Kalaeloa Airport, and Kona International Airport at Keahole. We believe these airports have the physical capacity to support spaceplane operations. It should be noted that a commercial space transportation license from the FAA would be required to certify that these operations could be conducted safely and without negative environmental impacts at our airports.

Thank you for the opportunity to testify on this bill.



Hawaii Island Economic Development Board
ISLAND OF OPPORTUNITY

Board of Directors

SENT VIA EMAIL

Chair
Robert Saunders
Vice President
CSV Hospitality Mgmt, LLC

February 19, 2008

Vice Chair
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President and Owner
Mauna Kea Banana

Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair
Committee on Finance
Hawai'i State Legislature
State Capitol, Honolulu, Hawai'i 96813

Treasurer
Richard Henderson
President
Realty Investments

Reference: HB 2259 HD1 – Relating to Aerospace Development
Hearing: Conference Room 308 at 2:00 p.m., Thursday, February 21, 2008.

Secretary
Barry Mizuno
Owner's Representative
Puna Geothermal Venture

Dear Representative Oshiro, Representative Lee and Committee Members:

Immediate Past Chair
Warren Lee
President
Hawaii Electric Light Company

On behalf of the directors and the 115 member organizations of the Hawaii Island Economic Development Board, we wholeheartedly support HB 2259 HD1 to enable the office of aerospace development, department of business, economic development and tourism to conduct feasibility studies for a spaceport here in Hawai'i and to make application to the Federal Aviation Administration for a commercial space transportation license.

Director
Winston Chow
Senior Vice President
First Hawaiian Bank

Space tourism as the new frontier of commercialization, potentially can generate a good source of income for the State of Hawai'i without adversely effecting our precious environment and provide for a new set of high paying, higher skill jobs here in Hawai'i.

Director
Roberta Chu
Senior Vice President
Bank of Hawaii

On behalf of the directors, we ask that you pass this legislation and appreciate the opportunity to submit testimony before you.

Director
Greg Chun, Ph.D.
President and General Manager
Kamehameha Investment Corp.

'O wau nā me ka ha'a ha'a

Director
Patricia Provalenko
President
PATDI, INC.

Director
James Takemine
Market Manager
American Savings Bank

Mark McGuffie
Executive Director

Director
Barry K. Taniguchi
President and CEO
KTA Super Stores

Director
Mark McGuffie
Executive Director

February 19, 2008

Hawaii State legislature
State Capital
Honolulu, Hawaii 96813

Support Testimony on
H.B. NO. 2259 HD1

RELATING TO AEROSPACE DEVELOPMENT – SPACEPORT LICENSE

House Committee on Finance
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

Thursday, February 21, 2007, 2:00 p.m., Conference Room 308

Enterprise Honolulu strongly **supports HB 2259** HD1, providing initial funding to obtain an FAA License for space port operations in Hawaii.

With congress and NASA opening up the first 100 miles of space for commercialization, Hawaii can strengthen its position in this growth market through support and funding to secure space port license authorization for Honolulu International Airport, Kalaeloa Airport, and Kona Airport, plus support for the PISCES and UH space initiatives.

Why now? NASA rolled out America's new vision for space exploration in 2006, and Hawaii has many assets/resources/capabilities/advantages that can positively respond. Hawaii's strategic mid-Pacific location and long-standing ties with Asia-Pacific nations, makes the islands an ideal site to support collaborative international science, education and economic development initiatives (e.g., conferences/symposia, research, astronaut training, advanced optics and robotics testing and evaluation)

Getting space port authorization for sub orbital flights in Hawaii is the first step towards a future linking Hawaii to any part of the world within an hour in the not too distant future. Failure to act on this now could mean Hawaii will not be on the flight map at all. The timing is right for these activities.

Enterprise Honolulu strongly **supports HB 2259** HD1.



John Strom

VP Director of Business Development & Technology



ENTERPRISE
HONOLULU

737 Bishop Street, Suite 2040, Honolulu, Hawaii 96813 • 808-521-3611
Fax: 808-536-2281 • www.EnterpriseHonolulu.com



January 29, 2008

Members of the 24th Legislature
State of Hawaii
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: H.B.2259 / S.B. 2340 Spaceport Licensing Appropriations Bills

Dear Members of the Legislature:

This letter is to express our support for the concurrent House and Senate appropriations bills to fund the effort to obtain a Spaceport Operator's License from the FAA / AST Office of Commercial Space Transportation. Zero Gravity Corporation has been involved in providing training flights for several of the suborbital space tourism companies that are potential tenants for Spaceport Hawaii. We are confident that the market for suborbital space flights will grow rapidly once commercial space flight operations begin in and Hawaii could become one of the most popular destinations for this activity.

We are interested in becoming involved in this exciting new spaceport development project. Zero G now operates from two permanent locations (Kennedy Space Center and Las Vegas) and we routinely do tour dates at other cities around the US. We believe that the high volume of existing tourist traffic to Hawaii could justify basing one of our zero G parabolic aircraft there with appropriate support, and we could begin to offer space training experiences in Hawaii soon.

We have already flown over 3,000 individuals as well as numerous special charter flights for film and TV shows, advertising shoots, marketing promotions and other special purpose activity. We recently won the contract to provide microgravity flight services to NASA. We have also flown hundreds of teachers on special educational flights through a generous sponsorship program by the Northrop Grumman Foundation. All of these activities could be significant markets in Hawaii, and we are looking forward to exploring these business opportunities with the Office of Aerospace Development.

There are already numerous flight experiences available for visitors to Hawaii. Our \$3,500 flight price is in line with other unique luxury and adventure experiences on the islands. We are confident that we will be able to make a strong business case for parabolic flights from Spaceport Hawaii.

We encourage the Legislature to pass this proposed appropriation, and join the growing number of states developing their own space tourism businesses. Hawaii's unique advantages should make your proposed spaceport development very successful, and your location will definitely be the first choice for customers traveling from Japan and other Asian markets. We are already getting more interest from individuals and also media organizations in Japan, so the expansion of our flight operations to Hawaii to service these growing markets is in line with our own strategic plans.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Noah McMahon', written in a cursive style.

Noah McMahon
Chief Marketing Officer
ZERO GRAVITY CORPORATION



February 6, 2008

Members of the 24th Legislature
State of Hawaii
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: H.B. 2259 - Space Transportation License Bill

Dear Members of the Legislature:

I am writing to offer support for the above referenced appropriations bill and to commend the Legislature for taking this visionary step in bringing new space business opportunities to Hawaii.

Market studies over the last five years have validated the concept that space tourism can become a billion dollar industry over the next ten years, with thousands of people from all over the world flying to space in new reusable suborbital spacecraft in order to experience the unique views of the Earth from space and the thrill of acceleration and the feeling of weightlessness. Hawaii's unique geographic position will draw customers from all around the Pacific Rim to be able to see the entire chain of islands and the beauty of the blue planet from 100 kilometers altitude.

Rocketplane Global is committed to becoming an anchor tenant for Spaceport Hawaii as soon as a Spaceport Operator's License is approved by FAA / AST. Our experience in dealing with this agency during the licensing process for the Oklahoma Spaceport was extremely positive, and much of the work that was done for that license will also be applicable to the licensing effort for Spaceport Hawaii. The Programmatic Environmental Impact Statement that was prepared by the FAA / AST office for the horizontal takeoff and landing class of suborbital launch vehicles (including the Rocketplane XP) will also be applicable for licensing the existing airport infrastructure in Hawaii as dual use airport / spaceport facilities. Because the physical infrastructure to support space flight operations is already in place on Oahu and Kona, the state can enter the spaceflight business without any public sector investment beyond the cost of the licensing effort. This will provide a strong competitive advantage to Spaceport Hawaii, augmented by the climate and natural beauty that the state is already famous for.

In addition to space tourism, microgravity research, remote sensing applications and the affordable launch of small satellite payloads are all significant business opportunities for Rocketplane Global spaceplanes operating from Spaceport Hawaii. The ability to launch payloads in any direction from an existing runway without any noise or environmental impact associated with ground-based expendable rocket launches will open up significant

new markets for both civil and government small satellite payloads, as well as provide new space test capabilities for the Pacific Missile Test Range.

We believe that there are also significant terrestrial space-theme tourism development opportunities associated with the spaceport development. With proper planning and design, the Spaceport Hawaii Visitor's Center could become one of the top tourist attractions on Oahu as well as being a world class immersive space education facility for residents. Promoting educational opportunities, seeing real spaceflights, and hands-on participation by students from across the state will be an additional benefit of the development of Spaceport Hawaii.

Second generation spaceplanes with much greater speed and range should begin to enter service within five to ten years of the start of space flight operations in Hawaii. These vehicles will have the ability to fly from Japan or the mainland US to Hawaii in an hour or less. By entering service as a commercial spaceport now, Hawaii is also positioning itself as a key node in a global spaceport network. In the future, suborbital spaceplanes will allow people and cargo to move anywhere on Earth in about two hours, and Hawaii will benefit greatly from this increased global ease of access.

There are now six licensed commercial spaceports in the US and another 8 being proposed. In addition, commercial spaceports in Europe and Asia are now in development. These locations will form the backbone of a global network of spaceports which will provide access points to long range hypersonic travel. Hawaii can be a critical node in this network connecting the US to Asia. Transportation has long been a driver in new economic development activity, and the development of Spaceport Hawaii will position the state for this growth, both now using first generation spaceplanes and into the future with long range hypersonic transportation.

We encourage the Legislature to approve this appropriation, and look forward to working closely with the state in a spirit of public / private partnership to create new jobs and economic activity.

With Warmest Regards,

ROCKETPLANE GLOBAL, INC.

A handwritten signature in black ink, appearing to read "G. French, Jr.", written in a cursive style.

George D. French, Jr.
CEO