

Date of Hearing: March 2, 2009

Committee: House Finance

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent

Title: H.B. No. 610, H.D. 1 (HSCR 551), Relating to Science and Technology

Purpose: Establishes a task force to develop the Hawaii state science and technology plan. Appropriates funds.

Department's Position: The Department supports H.B. No. 610, H.D. 1 (HSCR 551), which establishes a task force to develop a Hawaii State Science and Technology plan, as long as its implementation does not impact or replace the priorities set forth in the Executive Biennium Budget for Fiscal Year 2009-2010. The Department recommends that the task force incorporate the 2008 Hawaii Department of Education Educational Technology Plan into the new plan. In addition, the Department recommends that key department specialists in the areas of science, career and technical education, educational technology, and technology infrastructure be included as non-voting members of the task force to ensure alignment with or congruence with the Hawaii State Science and Technology plan.



HB610 HD1: Relating to Science and Technology

DATE: March 2, 2009
TIME: 10:30am
PLACE: Conference Room 308

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

FROM: Lisa Gibson
President
Hawaii Science & Technology Council

RE: Testimony In Opposition to HB610 HD1

Aloha Chair, Vice Chair, and Members of the Committee,

Thank you for the opportunity to testify on this bill. The Hawaii Science & Technology Council (HISciTech) opposes HB610 HD1. While we appreciate the changes reflected in HD1 we remain strongly opposed to HB610 HD1. This bill would empower DBEDT and HTDC to evaluate Act 221. HISciTech does not support empowering DBEDT or HTDC to evaluate Act 221/215. Act 206 already requires that the Department of Taxation provide an annual review of Act 221/215. We do not support empowering DBEDT to have access to confidential tax returns rather we support that the jurisdiction remain with DoTax.

With regard to conducting a science and technology plan for the state, we support the intent and need for a science and tech plan for the state. However, we do not support that either DBEDT or HTDC administer this process. Rather, we support the EPSCoR process already underway under the leadership of the University of Hawaii.

The Hawaii Science & Technology Council (HISciTech) is a 501(c)6 industry association with a 28-member board. HISciTech serves Hawaii companies engaged in ocean sciences, agricultural biotechnology, astronomy, defense aerospace, biotech/life sciences, information & communication technology, energy, environmental technologies, and creative media.

Sincerely,

Lisa H. Gibson
President
Hawaii Science & Technology Council
(808)536-4670
lgibson@hiscitech.org



A Program Administered by the University of Hawai'i System

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Chair Oshiro, Vice Chair Lee, and Members of the Committee.

This testimony represents the joint statement of the Statewide EPSCoR Committee (EPSCoR), the University of Hawaii (UH), the Department of Business, Economic Development, and Tourism (DBEDT), and the High Technology Development Corporation (HTDC) on HB 610 HD1, which would establish a task force to develop the Hawaii state science and technology plan. We all support the intent of HB 610 HD1, and recognize the importance of developing a statewide plan for furthering the development of Hawaii's science and technology industry sectors, including the advancement of the research and development capacity of the State's institutions of higher learning.

We would like to respectfully suggest that the objectives of HB 610 HD1 can be met in part by an effort already underway by the recently established Hawaii Statewide EPSCoR Committee's Special Sub-committee for development of a Science and Technology Strategic Plan for the State of Hawaii. UH has taken the initiative to fast track a statewide science and technology plan because of the requirements of the National Science Foundation's (NSF) Experimental Program to Stimulate Competitive Research (EPSCoR) that EPSCoR grant recipients must align their programs with the science and technology plans of their state, as indicated in the most recent EPSCoR proposal solicitation:

"Essential to EPSCoR's goal of enhancing the competitive position of jurisdictions' research and research-based education in science and engineering is a well-designed State-wide Science and Technology initiative or plan (S&T Plan). This S&T Plan establishes state-wide goals and objectives, and provides a framework that guides the jurisdiction's utilization of resources from EPSCoR and other stakeholders to achieve them."

Through the NSF EPSCoR program, Hawaii has received over \$35M in direct and co-funded support since 2001. Currently the UH has two EPSCoR proposals under consideration by NSF: a Research Infrastructure Improvement proposal for \$4 million per year for five years (\$20 million total) and a \$2 million per year for three years (\$3 million to Hawaii) cyberinfrastructure partnership proposal with the University of Alaska. These proposals included the Hawaii Statewide EPSCoR Committee's commitment to spearhead the development of a statewide S&T plan.

The Subcommittee is co-chaired by Dr. Michael Crosby, Executive Director of the National Science Board who is currently on loan to the University of Hawaii at Hilo, serving as the Interim Vice Chancellor for Research. The other co-chairs are Kevin Kelly, UH System Managing Director for the EPSCoR grant from the National Science Foundation, and Elizabeth Corbin, Manager of DBEDT's Science & Technology Branch. The Subcommittee includes representatives from industry, academia and government. As list of the members of the

Statewide EPSCoR Committee, the members of the Subcommittee for the S&T plan, and stakeholders who have indicated interest in participating in the planning process is attached.

The stated mission of the Subcommittee is to interface with the Legislature, the Governor's Office, the STEM research, education, and economic development communities, the S&T industry and other stakeholders, as well as identify best practices from other states, to deliver a completed draft plan to the Statewide EPSCoR Committee by October, 2009. The intent is to present an approved plan to the Legislature and the Governor in time for action to be taken during the 2010 Legislative Session, perhaps including amendment of Chapter 226, Session Laws of Hawaii, to include policies for S&T in the Hawaii State Plan.

Finally, we would like to address the specific tasks described in HB 610 HD1. The first task requires and evaluation of the effectiveness of past and current science and high technology legislation, including legislation relating to industry development, incentives, oversight, and sustainability. The intent of the Subcommittee is to review previous plans and reports and this effort will be greatly facilitated by an effort underway by HTDC to synthesize the data and recommendations from prior work in this area. We will also take into consideration recent and current work being done, such as the report by the Hawaii Science & Technology Council on Hawaii's S&T sectors and the Hawaii Statewide Comprehensive Economic Development Strategy currently being updated by the Office of Planning.

We do, however, believe that this Subcommittee is not the right body to undertake a review of the effectiveness of the tax incentives. That is under consideration by other groups more equipped to deal with the complexities of the issues. We also believe that the Subcommittee can include a discussion of the usefulness and need for incentives as matters of policy without making specific recommendations on the details of the incentives.

The second task, the development of the S&T plan, closely reflects the mission of the Subcommittee and Tasks 3 and 4 would be natural follow-on activities to the development of the plan. The Subcommittee envisions a plan that would identify priorities and recommendations that would provide the policy framework for specific implementation plans.

The Statewide EPSCoR Committee, UH, DBEDT and HTDC respectfully ask that this bill be deferred until the results of the present effort can be presented to the Legislature for its consideration.

Thank you for the opportunity to offer these comments.

Hawaii Statewide EPSCoR Committee

Dr.	Rose	Tseng	CO-CHAIR, Chancellor, UH Hilo
Mr.	Maurice	Kaya	CO-CHAIR, Technical Director, Pacific International Center for High Technology Research
Ms.	Amy	Asselbaye	Deputy Chief of Staff, Congressman Neil Abercrombie
Dr.	Dan	Brown	Coordinator of Research and Graduate Studies, UH Hilo
Dr.	Phillip	Castile	Vice Chancellor for Academic Affairs, UH Hilo
Rep.	Jerry	Chang	Hawaii State Legislature
Ms.	Terrilani	Chong	NSF Hawai'i EPSCoR
Mr.	David	Cole	President, Maui Land & Pineapple Co., Inc.
Ms.	Jill	Cooper	Senior Policy Advisor to the Governor
Dr.	Michael	Crosby	Interim Vice Chancellor for Research, UH Hilo
Dr.	Peter	Crouch	Dean, College of Engineering, UH Manoa Vice Chancellor for Academic Affairs, Hawaii Community College
Mr.	Douglas	Dykstra	Director, Hawaii Space Flight Lab
Dr.	Luke	Flynn	Hawaii State Legislature
Sen.	Carol	Fukunaga	Vice President for Research , UH System
Dr.	James	Gaines	President, Hawaii Science and Technology Council
Ms.	Lisa	Gibson	Hawaii Chief of Staff, Senator Daniel Inouye
Ms.	Jennifer	Goto-Sabas	Natural Sciences Department Chair, UH Hilo
Dr.	Leon	Hallacher	Kamehameha Schools Land Assets Division
Mr.	Neil	Hannahs	Project Director, West Virginia EPSCoR
Dr.	Paul	Hill	Exec. Director, Hawaii Island Economic Development Board
Ms.	Jacqui	Hoover	Assoc. Director, Social Science Research Institute, UH Manoa
Dr.	Judith	Inazu	NSF Hawai'i EPSCoR
Dr.	Kenneth	Kaneshiro	Oceanography Department, UH Manoa
Dr.	David	Karl	Chair, Dept. of Ed. Rsch, Tech. & Leadership, Univ. of Central Florida
Dr.	Conrad	Katzenmeyer	Inst. Dir & Rsch. Ecologist, Institute of Pacific Islands Forestry
Dr.	Boone	Kauffman	CEO, Nextlabs, Inc.
Dr.	Alec	Keith	Managing Director for NSF EPSCoR grant, UH System
Mr.	Kevin	Kelly	Chair, UH Board of Regents
Mr.	Al	Landon	District Director, Congresswoman Mazie Hirono
Ms.	Yvonne	Lau	Director, Dept. of Business, Economic Development & Tourism
Mr.	Ted	Liu	Hawaii State Legislature
Rep.	Mike	Magaoay	University Connections
Mr.	Keith	Mattson	President, University of Hawaii System
Dr.	David	McClain	Center Director, Pacific Islands Ecosystems Research Center
Dr.	Loyal	Mehrhoff	CEO, High Technology Development Corporation
Ms.	Yuka	Nagashima	Vice Chancellor, Research and Graduate Education , UH
Dr.	Gary	Ostrander	

			Manoa
Dr.	Donald	Price	NSF Hawai'i EPSCoR
Dr.	Richard	Rocheleau	Director, Hawaii Natural Energy Institute, UH Manoa
Sen.	Norman	Sakamoto	Hawaii State Legislature
Ms.	Jeanne	Skog	President and CEO, Maui Economic Development Board
Dr.	Karl	Stahlkopf	Chief Technical Officer, Hawaiian Electric Company Vice President for Business Development, Enterprise Honolulu
Mr.	John	Strom	Honolulu
Sen.	Dwight	Takamine	Hawaii State Legislature
Ms.	Carolyn	Tanaka	Assoc. VP, External Affairs & Univ. Relations, UH System
Rep.	Glenn	Wakai	Hawaii Legislature
Mr.	David	Watumull	CEO, Cardax Pharmaceuticals, Inc.
Dr.	Lon	White	Pacific Health Research Institute
Ms.	Leslie	Wilkins	Vice President, Maui Economic Development Board
Ms.	Kay	Yamada	High Technology Development Corporation

EPSCoR Subcommittee to Develop a Statewide Science & Technology Plan

Dr.	Michael	Crosby	CO-CHAIR, Interim Vice Chancellor for Research, UH Hilo
Mr.	Kevin	Kelly	CO-CHAIR, Managing Dir., NSF EPSCoR grant, UH System
Ms.	Elizabeth	Corbin	CO-CHAIR, Manager, DBEDT Science & Technology Branch
Ms.	Lisa	Gibson	President, Hawaii Science and Technology Council
Mr.	Neil	Hannahs	Kamehameha Schools Land Assets Division
Mr.	Karl	Hess	Hawaii Innovation Council
Ms.	Jacqui	Hoover	Exec. Director, Hawaii Island Economic Development Board
Ms.	Mary Lou	Kobayashi	Planning Program Administrator, Hawaii Office of Planning
Ms.	Yuka	Nagashima	CEO, High Technology Development Corporation
Mr.	Robert	Shore	Chief, DBEDT Economic Information Staff Vice President for Business Development, Enterprise Honolulu
Mr.	John	Strom	Honolulu
Ms.	Leslie	Wilkins	Vice President, Maui Economic Development Board
Ms.	Mattie	Yoshioka	President, Kauai Economic Development Board

Stakeholders Attending an S&T Plan Meeting in September 2008 (not including those already listed above who attended)

Mr.	Alex	McGehee	
Ms.	Alicia	Maluafiti	Exec. Director, Hawaii Crop Improvement Association
Ms.	Ann	Park	Licensing Associate, OTTED, UH System
Mr.	Bob	Franco	Dir., Planning & Grants, Kapiolani Community College
Mr.	Boyd	Mossman	Trustee, Office of Hawaiian Affairs
Mr.	Chuck	Jones	Booz Allen Hamilton
Mr.	David	Lassner	VP for Information Technology, UH System

Mr.	Ian	Kitajima	Oceanit and Chair, Dual Use Committee
Mr.	Jay	Fidel	Hawaii Venture Capital Association
Dr.	Jerris	Hedges	Dean, School of Medicine, UH Manoa
Dr.	John	Rand	Director of STEM Programs, Kapiolani Community College
Mr.	Jon	Kuriyama	General Manager/General Counsel, Oceanit
Mr.	Kirk	Belsby	VP for Endowment, The Kamehameha Schools
Ms.	Laura	Thielen	Director, Dept. of Land and Natural Resources
Mr.	Mark	McGuffie	Director, Hawaii Island Economic Development Board (then)
Mr.	Mike	Fitzgerald	President, Enterprise Honolulu
Dr.	Mike	Rota	Acting Chancellor, Honolulu Community College
Ms.	Pearl	Iboshi	Administrator, DBEDT Research & Economic Analysis Div.
Ms	Rachel	Ogdie	Executive Director, HiBEAM
Mr.	Richard	Hess	Technical Director, CEROS
Ms	Sandra	Kunimoto	Director, Department of Agriculture
Mr.	Shan	Steinmark	Founder, Strategic Transitions Research

Cellular Bioengineering, Inc.

Invent. Disrupt. Inspire.

HB610: Relating to Science & Technology

Date: March 2, 2009

Time: 10:30 a.m.

Place: Conference Room 312

To: House Committee on Economic Revitalization, Business and Military Affairs

The Honorable Angus McKelvey, Chair

The Honorable Isaac Choi, Vice Chair

From: Michael J. Coy, Vice President, Cellular Bioengineering, Inc. (CBI)

Re: Testimony in Strong Opposition to HB610 HD1

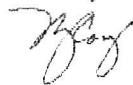
Aloha Chair, Vice Chair and Members of the Committee:

Thank you for the opportunity to testify on this bill. CBI strongly opposes HB610 HD1. This bill would empower DBEDT and HTDC to evaluate Act 221/215. CBI does not support empowering DBEDT or HTDC to evaluate Act 221/215. Act 206 already requires that the Department of Taxation provide an annual review of Act 221/215. CBI does not support empowering DBEDT to have access to confidential tax returns; rather, CBI supports that the jurisdiction remain with DoTax.

With regard to conducting a science and technology plan for the State, CBI supports the intent and need for a science and tech plan for Hawaii. However, CBI does not support that either DBEDT or HTDC administer this process. Rather, CBI supports the EPSCoR process already underway under the leadership of the University of Hawaii.

With help from Act 221, CBI has grown from 2 employees to 30; acquired technologies from leading scientific institutions around the world; harnessed a robust portfolio of over 25 patents and patent applications; developed the world's most advanced artificial cornea technology which holds the promise of restoring vision to 10 million people around the world; commercialized from concept to market a new generation of green technology for surface cleaning and decontamination; brought talented kama'āinas back home to work, thrive, and pay taxes; and demonstrated to the world that it is entirely possible for a Hawaii-based technology company to have impact that is truly global. Without Act 221, many of these feats could not possibly be accomplished in Hawaii.

Sincerely,



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February 27, 2009

HOUSE BILL 610 HD1: RELATING TO SCIENCE & TECHNOLOGY

DATE: March 2, 2009
10:30:30 a.m., Conference Room 312

TO: House Committee on Economic Revitalization, Business and Military Affairs
Representative Angus McKelvey, Chair
Representative Isaac Choi, Vice Chair

FROM: FROM: David G. Watumull
TITLE: President and CEO
COMPANY: Cardax Pharmaceuticals, Inc.

RE: Testimony in Strong Opposition to HB610 HD1

Aloha Chair, Vice Chair, and Members of the Committee:

My name is David Watumull, CEO of Cardax Pharmaceuticals, Inc. Cardax is developing a new class of drugs targeting the underlying cause of most chronic disease, including the number one problem for the Native Polynesian population: diabetes and heart disease. Cardax, along with both Hawaii Biotech, from which Cardax spun out, and Panthera Biopharma, also spun out from Hawaii Biotech, would not be in existence without Act 221. Combined all three companies have more than 75 high paying jobs and have received more than \$30 million in investor funding, almost half of which came from outside Hawaii, and \$35 million in grant funding since 2001.

Thank you for the opportunity to testify on these bills. Cardax Pharmaceuticals, Inc. strongly opposes HB610 HD1. These bills would empower DBEDT and HTDC to evaluate Act 221. Cardax Pharmaceuticals, Inc. does not support empowering DBEDT or HTDC to evaluate Act 221/215. Act 206 already requires that the Department of Taxation provide an annual review of Act 221/215. We do not support empowering DBEDT to have access to confidential tax returns rather we support that the jurisdiction remain with DoTax.

With regard to conducting a science and technology plan for the state, we support the intent and need for a science and tech plan for the state. However, we do not support that either DBEDT or HTDC administer this process. Rather, we support the EPSCoR process already underway under the leadership of the University of Hawaii.

Thank you for the opportunity to testify on this bill.

Name: David G. Watumull
Title: President and CEO
Company: Cardax Pharmaceuticals, Inc.
Phone: (808) 457-1375
Email: dwatumull@cardaxpharma.com