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ECONOMIC DEVELOPMENT & TOURISM**

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Statement of  
**ABBEY SETH MEYER**  
Director, Office of Planning  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON WATER, LAND AND OCEAN RESOURCES**  
Monday, March 30, 2009  
9:00 AM  
State Capitol, Conference Room 325

in consideration of  
**SB 1195, SD 1, HD1**  
**RELATING TO THE ECONOMY.**

Chair Ito, Vice Chair Har and Members of the House Committee on Water, Land and Ocean Resources.

Senate Bill 1195, SD 1 amends the Hawaii State Planning Act, Chapter 226, HRS, to include references to science and technology initiatives in Hawaii. It also amends the Department of Business, Economic Development and Tourism's reporting requirement to the Legislature on the growth industries of Hawaii. Our testimony is confined to the amendments to Chapter 226, HRS.

We support the intent of the measure but offer an amendment. This bill acknowledges and elevates the science and technology industry within the objectives and policies of the Hawaii State Plan.

The Department of Business, Economic Development and Tourism is working in collaboration with the Hawaii Statewide EPSCoR (Experimental Program to Simulate Competitive Research) Committee on the development of a Strategic Plan for Science and Technology in the State of Hawaii. A special sub-committee has been formed to prepare and complete this plan by the end of 2009. The plan will be submitted to the Legislature and Governor. The plan would provide the basis for amendments to Chapter 226, HRS. It may lead to a new section which would focus solely on science and technology similar to existing sections on agriculture, the visitor industry, federal expenditures and the information industry. Therefore, it may be premature to adopt these amendments at this time.

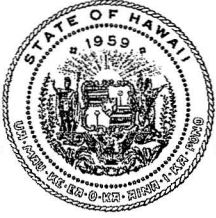
In addition, we have the following specific comments.

1. Section 2 amends Sec. 226-6, HRS, pertaining to objectives for the economy by adding language pertaining to defense, dual-use and science and technology assets. The objectives should be broad

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statements. We recommend that the objective remain as written without the amendments and that a policy be added to address the specific areas of defense, dual-use and science and technology assets. The new policy would read: "Stimulate the development and expansion of economic activities capitalizing on defense, dual use, and science and technology assets, particularly on the neighbor islands where employment opportunities may be limited."

Thank you for the opportunity to testify.



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

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Statement of  
**THEODORE E. LIU**  
Director

Department of Business, Economic Development, and Tourism  
before the

**HOUSE COMMITTEE ON WATER, LAND AND OCEAN RESOURCES  
and the HOUSE COMMITTEE ON AGRICULTURE**

March 30, 2009

9:00 a.m.

State Capitol, Conference Room 325

**SB 1195 SD 1 HD 1  
RELATING TO TECHNOLOGY**

Chair Ito, Chair Tsuji, Vice Chair Har, Vice Chair Wooley, and Members of the House Committees on Water, Land and Ocean Resources and on Agriculture.

The Department of Business, Economic Development and Tourism offers comments on Section 1 of SB 1195 SD 1 HD 1, which amends reporting requirements under HRS 201-19. We defer to the Office of Planning on other sections of the bill, which amend HRS 226, Hawaii State Plan.

Section 1 of SB 1195 SD 1 HD 1 eliminates the requirement for DBEDT to submit an annual report on its divisions' and attached agencies' activities to assist emerging growth industries. It replaces that with the requirement for DBEDT to submit an annual report on criteria used to measure growth of emerging industry. It also requires the department to collaborate with the University of Hawaii and other organizations in updating reports on growth industries.

DBEDT has been developing the capacity to research emerging growth industries pursuant to Act 148 of 2007, which was codified as HRS 201-19. So far six studies have been

completed or are in progress under that research program, with more studies in the planning stages. Four of those studies have been developed by DBEDT staff while two others were contracted using first-year, Act 148 Funds.

It is our desire to provide the legislature with reports that address its needs. If the amended reporting requirement better serves the Legislature's need information and oversight, we will certainly adjust our reporting to address that. We are also supportive of collaboration with stakeholder and other research organizations to ensure that our studies address needs among stakeholders and benefit by input from organizations with parallel research interests.

Thank you for the opportunity to offer these comments.