



**DEPARTMENT OF BUSINESS,  
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Statement of  
**THEODORE E. LIU**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS & MILITARY  
AFFAIRS**  
Thursday, March 19, 2009  
9:15 a.m.  
State Capitol, Conference Room 312  
  
**SB 1195 SD 1**  
**RELATING TO TECHNOLOGY**

Chair McKelvey, Vice Chair Choy, and Members of the House Committee on Economic Revitalization, Business and Military Affairs.

The Department of Business, Economic Development and Tourism offers comments on Section 1 of SB 1195 SD 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 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.



**DEPARTMENT OF BUSINESS,  
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 ECONOMIC REVITALIZATION, BUSINESS AND  
MILITARY AFFAIRS**  
Thursday, March 19, 2009  
9:15 AM  
State Capitol, Conference Room 312

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

Chair McKelvey, Vice Chair Choy and Members of the House Committee on Economic Revitalization, Business and Military Affairs.

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 amendments. 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, by deleting the following objective: "Increased and diversified employment opportunities to

achieve full employment, increased income and job choice, and improved living standards for Hawaii's people." This is a worthwhile objective and we oppose its deletion.

2. Section 4 amends Sec. 226-8, (b) (3) HRS, as follows: "[Improve] Utilize Hawaii's strengths in science and technology to improve the quality of existing visitor destination areas. This changes the emphasis from improving the quality of visitor destination areas to utilizing science and technology in these improvements. We feel that it is important to improve the quality of visitor destination areas and the existing policies which focus on that should be retained.
3. Section 5 amends Sec. 226-9 (b) (2), HRS, pertaining to promoting Hawaii's supportive role in national defense by deleting the phrase "while remaining consistent with Hawaii's social, environmental, and cultural goals" and adding language pertaining to dual use. We object to the deletion of consideration of Hawaii's social, environmental, and cultural goals because these goals should be balanced with national defense goals to help protect Hawaii's unique character and natural resources.
4. Section 6 amends Sec. 226-10 (b) (1) HRS, in part by deleting the reference to employment. The policy now facilitates investment in potential growth activities but not employment in these activities (the term employment is deleted). We believe that both investment and employment should be facilitated and object to the deletion of the word employment.

Thank you for the opportunity to testify.



# **UNIVERSITY OF HAWAII SYSTEM**

## **Legislative Testimony**

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Testimony Presented Before the  
House Committee on Economic Revitalization, Business, & Military Affairs  
Thursday, March 19, 2009 at 9:15 a.m.

by  
James R. Gaines  
Vice President for Research, University of Hawai'i System

### **SB 1195, SD1 RELATING TO THE ECONOMY**

The University of Hawai'i (UH) supports SB1195 SD1 which would amend the Hawai'i State Planning Act to include references to science and technology initiatives in Hawai'i.

As the largest science and technology organization in the State of Hawai'i, the UH has a vested interest in the formal recognition of science and technology as a component of the educational, government and economic activities of our state. As you are aware, the UH, through its EPSCoR program, is taking a leadership role in the development of a statewide science and technology plan and is engaging stakeholders from government, industry and academe in that process. We thank this legislature for the opportunity to testify on this bill and for its continued support of STEM education, innovation, and the development of a science and technology industry in Hawai'i.



**SB1195 SD1: Relating to the Economy**

DATE: March 19, 2009  
TIME: 9:15am  
PLACE: Conference Room 312

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

FROM: Lisa Gibson  
President  
Hawaii Science & Technology Council

**RE: Testimony In Support of SB1195 SD1**

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) supports SB1195 SD1 and the proposed amendments to the Hawaii State Planning Act to include references to science and technology initiatives in 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  
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