

THE SENATE  
THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2014

COMMITTEE ON TECHNOLOGY AND THE ARTS

Senator Glenn Wakai, Chair  
Senator Clarence K. Nishihara, Vice Chair

COMMITTEE ON HIGHER EDUCATION

Senator Brian T. Taniguchi, Chair  
Senator Gilbert Kahele, Vice Chair

NOTICE OF HEARING

DATE: Tuesday, February 11, 2014  
TIME: 1:45 pm  
PLACE: Conference Room 414  
State Capitol  
415 South Beretania Street

A G E N D A

**SB 2624**

Status & Testimony

RELATING TO THE HAWAII HIGH IMPACT CENTER FOR  
COMMERCIALIZATION.

TEC/HRE, WAM

Establishes the Hawaii high impact center for commercialization in the University of Hawaii's office of the vice president for research and innovation.

**Decision Making to follow, if time permits.**

Click [here](#) to submit testimony to the Senate Committee on Technology and the Arts.

**Testimony may be submitted up to 24 hours prior to the start of the hearing.**

**SENATE VIDEOCONFERENCE PILOT PROJECT HEARING**

If you are interested in testifying via videoconference on any of the measures listed above, please click [here](#) for information and instructions

**FOR AMENDED NOTICES:** Measures that have been deleted are stricken through and measures that have been added are underscored. If a measure is both underscored and stricken through, that measure has been deleted from the agenda.

If you require auxiliary aids or services to participate in the public hearing process (i.e. ASL or foreign language interpreter, or wheelchair accessibility), please contact the committee clerk at least 24 hours prior to the hearing so that arrangements can be made.

FOR FURTHER INFORMATION, PLEASE CALL THE COMMITTEE CLERK AT (808) 586-8585.

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Senator Brian T. Taniguchi  
Chair

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Senator Glenn Wakai  
Chair

**SB 2624**



Written Statement of

**KARL FOOKS**  
**President**

Hawaii Strategic Development Corporation

Before the  
**COMMITTEE ON TECHNOLOGY & THE ARTS**

And the  
**COMMITTEE ON HIGHER EDUCATION**

**February 11, 2014**  
**1:45 PM**

**State Capitol, Conference Room 414**

In consideration of  
**SB 2624 RELATING TO THE HAWAII HIGH IMPACT CENTER FOR COMMERCIALIZATION**

Chair Wakai, Chair Taniguchi, Members of the Committee on Technology & the Arts and  
Members of the Committee on Higher Education:

The Hawaii Strategic Development Corporation (HSDC) respectfully submits comments on SB 2624, legislation that appropriates funds for the Hawaii High Impact Center for Commercialization.

We recommend the Legislature consider a comprehensive strategy to link research commercialization with entrepreneurial development (teams) and investment capital (markets and money) as a means to stimulate an entire ecosystem that can support the critical mass needed to achieve the goal of this legislation of translating research activity into commercial success.

Thank you for the opportunity to provide testimony.



**UNIVERSITY OF HAWAII SYSTEM**  
**Legislative Testimony**

Testimony Presented Before the  
Senate Committee on Technology and the Arts  
Senate Committee on Higher Education  
Tuesday, February 11, 2014 at 1:45pm

by  
Dr. Vassilis L. Syrmos  
Vice President for Research and Innovation, University of Hawai'i

**SB2624 – RELATING TO THE HAWAII HIGH IMPACT CENTER FOR  
COMMERCIALIZATION**

Chairs Wakai and Taniguchi, Vice Chairs Nishihara and Kahele, and members of the committees:

The University of Hawai'i strongly supports the intent of SB2624 relating to the Hawai'i High Impact Center for Commercialization. It would be safe to say that Hawai'i has found some success in making a global impact in the areas of technology development, transfer, and commercialization, and there has been significant progress in establishing and sustaining Hawai'i's technology and commercialization industry. However, we must position ourselves as a leader in these areas and capitalize on the successes of Hawai'i's science and technology industries by establishing a commercialization program through the Hawai'i High Impact Center for Commercialization.

This Center represents the State's faith and confidence in the University's ability to assist and work alongside our local companies and technology community to be successful. It will provide direct investments into our technology companies and ensure that companies are held accountable for the success and contributions to the program. The Center will support Hawai'i's small businesses in the fields of dual-use technology, agriculture development, medical advancements, defense technologies, molecular manufacturing, humanitarian assistance, and disaster management and response. With the establishment of this Center and through the provisions of resources to its success, there will be long-term returns to the State through the creation of more jobs, reversing the "brain drain", economic development and revenue, and keeping high technology companies in Hawai'i.

Thank you for your consideration and for the opportunity to submit testimony on this important matter.



Written Statement of  
**DR. PATRICK K. SULLIVAN**  
**PRESIDENT/CEO OCEANIT**

Before the  
**SENATE COMMITTEE ON TECHNOLOGY AND THE ARTS**  
**AND**  
**SENATE COMMITTEE ON HIGHER EDUCATION**

February 11, 2014  
1:45 p.m.  
State Capitol, Conference Room 414

In Support of  
**SB 2624 RELATING TO THE HAWAII HIGH IMPACT CENTER FOR**  
**COMMERCIALIZATION**

To: Chair Wakai, Vice Chair Nishihara and Members of the Committee  
Chair Taniguchi, Vice Chair Kahele and Members of the Committee

From: Dr. Patrick K. Sullivan, President/CEO

Re: Testimony in Support of SB2624

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **in support of SB2624**.

Oceanit is a local diversified science and engineering company with capabilities/facilities in advanced technology, life sciences, information systems, aerospace, energy, oil and gas and consulting engineering services.

Through various federal funding sources we have demonstrated the ability to develop “disruptive technologies” that are changing the way we live and work in the world. However, the ability to take disruptive technologies to the next level or to commercialize has been a challenge. Federal R&D funding is restricted to research and development activities, i.e., no marketing or commercialization activities allowed. And only a small percentage of tech businesses are venture fundable. So how do we help the majority of Hawaii technology companies who are stuck in the “ditch” between research and product realization?

Previous support of High Impact’s predecessor, the State’s Follow-on-Fund (FoF) of 2007, has created several new high tech startups in Hawaii, as well as product development efforts which have brought funding and people to Hawaii. A recipient of State FoFs is Oceanit’s Nanite technology which recently won Dept of Energy funding to collaborate with a consortium of the largest oil and gas companies in the world.

The Hawaii High Impact Center for Commercialization will support the market transformation of technologies from the tech, agriculture, tourism, software, creative media, and defense sectors to name a few. In return, the State will benefit from tax revenues, job creation and economic growth.

We strongly urge you to support of SB2624 and we appreciate your continued support of the technology industry.