



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Economic Development and Business
Friday, March 14, 2014 at 9:00 A.M.
Conference Room 312, State Capitol**

RE: SENATE BILL 2832 SD2 RELATING TO HIGH TECHNOLOGY

Chair Tsuji, Vice Chair Ward, and members of the committee:

The Chamber of Commerce of Hawaii **supports** SB 2832 SD2 Relating to High Technology.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state’s economic climate and to foster positive action on issues of common concern.

The Chamber supports continuing efforts to develop the innovation sector of our economy. A diversified economy is important to Hawaii’s economic long term viability. This bill will help provide much needed funding to a wider spectrum of small businesses as well as create opportunities for investments in a booming and diverse economy.

Thank you for this opportunity to express our views.



Written Statement of

Holly Kessler
Operations Manager
Hawaii Food Manufacturers Association

before the
COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
Friday, March 14, 2014
9:00 a.m.
State Capitol, Conference Room 312
In consideration of

SB 2832, SD2 RELATING TO HIGH TECHNOLOGY.

Chair Tsuji, Vice Chair Ward, and Members of the Committee on Economic Development & Business.

The Hawaii Food Manufacturers Association respectfully submits testimony in **SUPPORT** of SB 2832, SD2 relating to High Technology.

The High Technology Development Corporation (HTDC) has been assisting Phase I SBIR awarded companies since 1989 and continues to do so each year. For every dollar invested through this program, Hawaii companies have attracted 16 federal dollars in return to the state, plus commercialization funding.

Broadening the existing SBIR program to include Phase II or Phase III stages will support a high technology transfer bridge to commercialization which will support our local tech industry and diversify Hawaii's economy.

HTDC has helped HFMA through Hawaii SBIR workshops and training opportunities.

Thank you for the opportunity to offer testimony in support of this bill.

Sincerely,

Holly Kessler
Operations Manager
Hawaii Food Manufacturers Association

Written Statement of

Edward Knobbe, Ph.D.
President
Spectrum Photonics, Inc.

before the
COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Friday, March 14, 2014

9:00 a.m.

State Capitol, Conference Room 312

In consideration of

SB 2832, SD2 RELATING TO HIGH TECHNOLOGY.

Chair Tsuji, Vice Chair Ward, and Members of the Committee on Economic Development & Business.

Spectrum Photonics respectfully submits testimony in **SUPPORT** of SB 2832, SD2 relating to High Technology.

The High Technology Development Corporation (HTDC) has been assisting Phase I SBIR awarded companies since 1989 and continues to do so each year. For every dollar invested through this program, Hawaii companies have attracted 16 federal dollars in return to the state, plus commercialization funding. We have found the phase I matching program to very helpful when competing for phase II awards.

Broadening the existing SBIR program to include Phase II or Phase III stages will support a high technology transfer bridge to commercialization which will support our local tech industry and diversify Hawaii's economy. Implementation of a state-sponsored matching incentive program, designed to augment all three phases of the federal SBIR program, will significantly accelerate the rate at which small businesses can develop and commercialize new technologies

HTDC has helped my company through Hawaii SBIR awards totaling \$68,000 in matching Federal SBIR awards. Our total of Federally-funded SBIR awards, including phase I, II and III contracts, amount to more than \$5,000,000 since 2009. These SBIR funds, in turn, have helped to make our technologies competitive for follow-on federal acquisition programs and commercial transition opportunities such as the Rapid Innovation Fund (RIF) program. Enactment of SB 2832, SDS will greatly accelerate technology development and the transition from SBIR to commercialization activities in the state.

My company has grown from 1 employee to 14 employees since 2009. The majority of our funding has come through the SBIR program, and we see the SB 2832 SDS matching pool as an important strategy to move past SBIR projects into commercialized product development. Revenue growth has averaged more than 40% per year over the past 5 years.

The phase I matching grant program has allowed us to procure analytical and modeling software and to hire interns, laying the foundation for future additions to our full-time technical staff. The phase II/III matching grant program will allow us to travel for face-to-face meetings with sponsors, secure other sources of funding, build and test prototypes, hire full-time technical staff.

Thank you for the opportunity to offer testimony in support of this bill.

Testimony in Support of SB2832



To: House Committee on Economic Development & Business

Dear Chair Tsuji:

This letter is to provide our support for SB2832 regarding increasing the scope of the Hawaii Technology Development Corporation's SBIR matching program to include phase 2 and 3.

TeraSys Technologies has received, to date, almost 40% of our revenue through the Small Business Innovative Research (SBIR) program, totaling \$2.8M over the past 6 years. We have received a total of \$120K through the HTDC SBIR matching grant program. TeraSys has been successful in securing \$2.5M in phase 2 funding, representing a 20X return on investment from the HTDC SBIR matching funds received by TeraSys.

What has proven elusive to us so far, however, is to reach the "holy grail" of the SBIR program which is to secure a phase III large scale commercial order. One of the greatest hurdles in securing a phase 3 contract is the often cited "funding valley of death" which occurs between phase 2 and phase 3. This valley of death is aptly named, since many companies simply "die" attempting to reach phase III because there are very few bona fide sources of funding that can bridge the gap between phase 2 and phase 3.

Typically, the phase 2 results are the first demonstration of a working prototype which provides the customer with the confidence that the research is successful. However, entering into a phase 3 contract requires a working product which is a large step from successful research. Very few funding sources exist for performing the packaging, optimization, and feature development necessary to turn applied scientific research into a fully functional product, hence the phrase funding valley of death. Initiatives such as SB2832 are critical in filling this gap to enable the true commercialization of SBIR funded research.

SB2832 would broaden the existing program by adding a matching grant component to mid- to later- stage funding at the SBIR Phase 2 or Phase 3 stages to support the development of working prototypes that stem out of these technologies. This would fill a large gap in the technology development process and would promote the maturation and commercialization of novel technologies. In addition, the bill will support of the growth of the tech industry and the creation of jobs and innovation in the State of Hawaii.

We strongly urge you to support SB2832 and thank you for your time and attention,

Mahalo Nui Loa,

Kevin Miyashiro
President

Digitally signed by Kevin Miyashiro; DN: c=US, o=U.S. Government, ou=ECA, ou=IdenTrust, ou=TERASYS TECHNOLOGIES LLC, cn=Kevin Miyashiro; A0109690000132483F4D07000E350 Date: 2014.02.13 08:40:14 -10'00'

Written Statement of

**Ken Berkun
President
Labels That Talk, Ltd.**

before the
COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
Friday, March 14, 2014
9:00 a.m.
State Capitol, Conference Room 312
In consideration of

SB 2832, SD2 RELATING TO HIGH TECHNOLOGY.

Chair Tsuji, Vice Chair Ward, and Members of the Committee on Economic Development & Business.

Labels That Talk respectfully submits testimony in **SUPPORT** of SB 2832, SD2 relating to High Technology.

The High Technology Development Corporation (HTDC) has been assisting Phase I SBIR awarded companies since 1989 and continues to do so each year. For every dollar invested through this program, Hawaii companies have attracted 16 federal dollars in return to the state, plus commercialization funding.

Broadening the existing SBIR program to include Phase II or Phase III stages will support a high technology transfer bridge to commercialization which will support our local tech industry and diversify Hawaii's economy.

While our company has not directly benefited from SBIR grants, we do benefit from a strong high tech community in Hawaii. We anticipate hiring up to 20 employees in the next 12 months and we can only do this in Hawaii if there is a large pool to select from. Having a thriving tech community attracts new talent and keeps Kama'aina here.

Please support high quality, high salary, high tech jobs in Hawaii.

Thank you for the opportunity to offer testimony in support of this bill.

Mahalo,

Ken Berkun
President,
Labels That Talk

ward2-Robin

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 12, 2014 11:55 AM
To: edbtestimony
Cc: skkuwada@hawaii.edu
Subject: Submitted testimony for SB2832 on Mar 14, 2014 09:00AM

SB2832

Submitted on: 3/12/2014

Testimony for EDB on Mar 14, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Kuwada, MD	Individual	Comments Only	No

Comments: Dear Mr. Hashem I am a physician-scientist at the JABSOM, UH and recently returned to Hawaii from the Mainland where I spent 15 yrs in medical research. Hawaii has limited resources and is a difficult environment to perform medical research compared to larger and better integrated academic health centers. Nevertheless, Hawaii's future necessitates a strong academic environment to train future healthcare providers and researchers. I am in the process of submitting an SBIR grant for cancer drugs I developed here and on the M ainland. Without the matching SBIR funds, it is almost impossible to pay for critical drug development processes required by the FDA for new drugs. Please help those few of us who are dedicated to bringing the quality of healthcare and research of Hawaii t o the level it should be. I thank you for your support. Sincerely, Scott Kuwada, MD Prof of Medicine, Chief, Div of Gastroenterology JABSOM and UH Cancer, U of Hawaii

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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

Before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

March 14, 2014

9:00 a.m.

State Capitol, Conference Room 312

In Support of

SB2832 RELATING TO HIGH TECHNOLOGY

To: Chair Clift Tsuji, Vice Chair Gene Ward, and Members of the Committee

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

Re: Testimony in Support of SB2832

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **in support of SB2832**

The technology industry in Hawaii has grown over the past 10 years and has made significant strides towards achieving the goal of diversifying Hawaii's economy and in establishing the feasibility and desirability of growing this industry to become the "third pillar" (with tourism and the military) of our economy.

Early stage support has been made available to "start up" companies, through state support of "accelerators". These accelerators provide mentoring and modest financial support to kick start a business.

Other companies that are developing cutting edge technologies rely on federal support through the Small Business Innovation Research ("SBIR") grant program, which encourages and funds early stage ideas and innovations. The technology risk level for these programs are often high and untested. Great ideas emerge from this early stage funding, and these ideas and technologies are vetted and competed at a national level. However, with the level of funding that is provided in a SBIR Phase I grant, there is barely enough money to demonstrate proof-of-concept for a technology. The follow-on funding that is required is essential to move the technology towards prototyping, customer interface and development.

SB2832 would fill this critical "gap" in funding by supplementing the SBIR program, a program that has been tested by time. This funding gap (aka known as the "valley of death") is an acute problem in Hawaii due to our immature capital market support. Investment capital for technology in Hawaii faces critical challenges because this industry is still in the early stages of development in Hawaii, and there is a general lack of historical investment into this arena. This creates tremendous hurdles to the evolution of this industry.

Over the last several years, much attention was given to the development of software start-ups and social media as an industry. This has been an attractive industry as it requires little to no start-up capital and has low barriers to entry. Today, the leading tech arenas in the nation have found that the need to support “hard tech” is still required in order to maintain a vital, stable and critical part of the economic infrastructure. This industry is in flux, and most in Silicon Valley would agree that the days of these easy start-ups are gone. The focus is once again on developing cutting edge technology – development that requires longer timeframes, and significantly more capital investment.

SB2832 will leverage the Hawaii Technology Development Corporation’s (HTDC) grant program, which has been in place since 1983. The purpose of the program has been to match SBIR Phase I grants. Phase I grants cover early stage ideas and technology development. Proposal topics are developed by agencies to address areas of national need. Proposals are vetted nationally and are extremely competitive. Ideally, a successful Phase I project will be able to show “proof of concept”. More often than not - this usually means proof on paper – there is not enough funding in these early stage grants to actually develop or test a prototype.

SB2832 would broaden the existing program by adding a matching grant component to mid- to later- stage funding at the SBIR Phase 2 or Phase 3 stages to support the development of working prototypes that stem out of these technologies. This would fill a large gap in the technology development process and would promote the maturation and commercialization of novel technologies.

The objectives of this bill are:

- To act as a bridge across the “valley of death” and to assist in commercializing research discoveries for societal benefit;
- To support economic growth and the diversification of our economy;
- To launch new ventures based on technology innovations; and
- To support the growth of the tech industry and the creation of intellectual property and innovation in the State.

We strongly urge you to support of SB2832 and we appreciate your continued support of the technology industry.



ward2-Robin

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 12, 2014 3:11 PM
To: edbtestimony
Cc: rob.robinson@hawaii.edu
Subject: Submitted testimony for SB2832 on Mar 14, 2014 09:00AM

SB2832

Submitted on: 3/12/2014

Testimony for EDB on Mar 14, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Joseph Robinson	Individual	Support	No

Comments: Dear Senators I STRONGLY SUPPORT this measure. It is essential that we give entrepreneurs in hawaii the resources necessary to innovate, and that often comes down to money. If we do not make funds available, Hawaii will never diversify it's economy, we will fail to create new, high-paying jobs, and we will continue to lose our children to the mainland and other markets. Please pass SB2832. Respectfully, Robert J. Robinson, Ph.D.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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TECHNICAL RESEARCH ASSOCIATES, INC.

P.O. Box 15278
Honolulu, HI 96830-5278

12 March 2014

Written Statement of: Dr. Edwin M. Winter,
President, Technical Research Associates, Inc.
before the COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
Friday, March 14, 2014
9:00 a.m.
State Capitol, Conference Room 312
In consideration of
SB 2832, SD2 RELATING TO HIGH TECHNOLOGY.
Chair Tsuji, Vice Chair Ward, and Members of the Committee on Economic
Development & Business.

Technical Research Associates, Inc. respectfully submits testimony in SUPPORT of SB 2832, SD2 relating to High Technology. The High Technology Development Corporation (HTDC) has been assisting Phase I SBIR awarded companies since 1989 and continues to do so each year. For every dollar invested through this program, Hawaii companies have attracted 16 federal dollars in return to the state, plus commercialization funding. Broadening the existing SBIR program to include Phase II or Phase III stages will support a high technology transfer bridge to commercialization, which will support our local tech industry and diversify Hawaii's economy.

HTDC has helped my company through four Hawaii SBIR awards of \$75,000, matching Federal Phase I and II SBIR awards of \$2.5 million with follow-on funding of approximately \$1.2 million to date. It is common for the Phase I SBIRs to be competitive with at least one other winner. The Phase I grant program allowed us to visit the customers on the Mainland multiple times and deliver demonstration versions of software. Broadening this program to Phase II is important because the Federal Government has greatly restricted travel on these contracts, by either the Government or the contractor. In order to effectively demonstrate a product during Phase II, the Hawaii companies will need to send multiple personnel to the Mainland, often with demonstration equipment. In addition, Hawaii SBIR funding during Phase II will allow us to hire specialists in securing follow-on funding. I offer our experience on one particular Phase II SBIR contract from the Department of Energy. Our government sponsor "lost interest" and only enforced the letter of the Statement of Work. We were unable to find a new sponsor and there was no follow-on. Having discretionary funds for travel and for retaining specialists would have helped greatly.

Thank you for the opportunity to offer testimony in support of this bill.



HAWAII FISH COMPANY INC.
North Shore AquaFarm

P. O. Box 740
Waiialua, HI 96791, USA
Contact: 808-429-3147
E-mail: hawaiiifish@gmail.com

City Bank TIGR Award
US SBA Tibbitts Award
US SBA Small Business Award
Special Congressional Recognition

COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Friday, March 14, 2014

9:00 a.m.

State Capitol, Conference Room 312

In consideration of

SB 2832, SD2 RELATING TO HIGH TECHNOLOGY.

Aloha Chair Tsuji, Vice Chair Ward, and Members of the Committee on Economic Development & Business.

My name is Ron Weidenbach, Co-Owner of Hawaii Fish Company (HFC), Hawaii's oldest commercial aquaculture farm, and I respectfully submit testimony in **STRONG SUPPORT** of SB 2832, SD2 relating to High Technology.

The High Technology Development Corporation (HTDC) has been assisting technology companies awarded federal SBIR Phase I grants since 1989, and continues to do so each year. For every dollar invested through this program, Hawaii companies have attracted 16 federal dollars in return to the state, plus commercialization funding. Broadening the existing SBIR program to include Phase II or Phase III stages will support a high technology transfer bridge to commercialization which will support our local tech industry and diversify Hawaii's economy.

HFC has received five (5) prior U.S. Department of Agriculture SBIR Phase I grants and two (2) prior Phase II grants, commercializing both. We also currently have two additional SBIR Phase II grant proposals under USDA review, both in collaboration with the HTDC, Innovate Hawaii program. HTDC has supported our company through five Hawaii SBIR awards totaling approximately \$75,000, with HFC receiving Federal SBIR awards of approximately \$862,000 to date, with another \$900,000 in potential Phase II awards currently pending USDA review.

This valuable Hawaii SBIR assistance over the past twenty (20) years has enabled HFC to be Nationally competitive in the SBIR arena, leading to our being honored in the year 2000 with the U.S. Small Business Administration's prestigious Tibbitts Award at ceremonies in Washington DC, on Capitol Hill and at the White House, as a national model of excellence for the SBIR program. We were subsequently honored with a Certificate of Special Congressional Recognition.

The existing matching grant program has allowed HFC to purchase essential research equipment and supplies, and hire additional expertise, as needed, that are not covered by the federal SBIR grants, and to retain research staff during the 6-8 month gap between Phase I and Phase II grants, to build prototypes, and to prepare more competitive Phase II grant proposals.

The proposed Phase II and III matching funds proposed in SB 2832, SD2 will enable HFC and other SBIR grantees to retain legal counsel to protect vital intellectual property (IP), and to cover essential travel, equipment, materials, supplies, and additional professional time, to better support the SBIR Phase II research and development efforts and subsequent Phase III commercialization.

The Hawaii SBIR program has provided an excellent return on this important State support, enabling Hawaii technology companies to be more competitive nationally and bring more Federal research dollars to our State, while helping to diversify our State's economy. The additional proposed funding will significantly strengthen this valuable program's SBIR Phase II and Phase III support, leading to increased commercialization successes and further support and diversify our State's economy.

I thank you for the opportunity to provide testimony in strong support of this bill.

Sincerely,

A handwritten signature in black ink, reading "Ronald P. Weidenbach". The signature is written in a cursive style with a large, prominent initial "R".

Ronald P. Weidenbach



HealthTech Apps, inc.
— Apps that save lives and save money. —

February 24, 2014

Senator Donovan Dela Cruz
Senator Sam Slom
Senate Economic & Business Development Committee
Hawaii House of Representatives

Re: HB 2832 SD2 In Support

Dear Chair Dela Cruz, Vice Chair Slom and Committee Members,

I respectfully submit my support of HB2832 SD2.

At HealthTech Apps, inc., we design apps that save lives and save money. This legislation is important in helping expand the capability of technology research and development firms, like HealthTech Apps, inc., to commercialize promising technology. The Small Business Innovation and Research (SBIR) program phases I,II,III are an important vehicle to jump start technology innovations in our State. More importantly, matching federal SBIR contracts are an efficient way to scale innovations that create jobs and increase tax revenue to benefit Hawaii taxpayers.

Thank you for your kind support of HB2832 SD2.

Best regards,
Noe Foster
Co-founder and Chief Designer
HealthTech Apps, inc.

1164 Bishop Street . Suite 1503 Honolulu . Hawaii 96813
t: 808. 585.1564
HealthTechApps.com



3D Innovations
2800 Woodlawn Drive, Suite #100
Honolulu, HI 96822
Tel: 808.722.8667
info@3d-innovations.com
<http://www.3d-innovations.com>

Written Statement of

Collin Kobayashi
President
3D Innovations

before the
COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
Friday, March 14, 2014
9:00 a.m.
State Capitol, Conference Room 312
In consideration of

SB 2832, SD2 RELATING TO HIGH TECHNOLOGY.

Chair Tsuji, Vice Chair Ward, and Members of the Committee on Economic Development & Business.

3D Innovations respectfully submits testimony in **SUPPORT** of SB 2832, SD2 relating to High Technology.

The High Technology Development Corporation (HTDC) has been assisting Phase I SBIR awarded companies since 1989 and continues to do so each year. For every dollar invested through this program, Hawaii companies have attracted 16 federal dollars in return to the state, plus commercialization funding.

Broadening the existing SBIR program to include Phase II or Phase III stages will support a high technology transfer bridge to commercialization which will support our local tech industry and diversify Hawaii's economy.

The matching grant program allows us to support partner SBIR companies in designing, prototyping, and testing activities to further develop and transition into commercialization.

Thank you for the opportunity to offer testimony in support of this bill.

Written Statement of
ROBBIE MELTON
Executive Director & CEO
High Technology Development Corporation
before the
HOUSE COMMITTEE ON
ECONOMIC DEVELOPMENT & BUSINESS

Friday, March 14, 2014
9:00 a.m.
State Capitol, Conference Room 312
In consideration of

SB 2832 SD2 RELATING TO HIGH TECHNOLOGY.

Chair Tsuji, Vice Chair Ward, and Members of the Committee on Economic Development and Business.

The High Technology Development Corporation (HTDC) **supports** SB 2832 SD2 relating to High Technology. HTDC has been assisting Phase I SBIR awarded companies since 1989 and continues to do so each year. For every dollar invested through this program, Hawaii companies have attracted 16 federal dollars in return to the state, plus commercialization funding. The federal SBIR grant program has increased their efforts to move companies through grant awards to commercial product sales. However, the federal SBIR program has not dedicated additional funds towards these efforts. SB 2832 SD2 allows HTDC the opportunity to further assist these companies in the SBIR path to commercialization. Along with the matching grant funding, HTDC comments that companies require the support of a commercialization assistance program. For clarification, the Hawaii Capital Revolving Loan fund mentioned in the bill was repealed by section 7 of Act 178, SLH 2003. HTDC respectfully requests the correction of the defective effective date.

Thank you for the opportunity to offer these comments.

RENEWABLE WATER TECHNOLOGIES LLC

Testimony of John Chock to the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Rep. Clift Tsuji, Chair

Rep. Gene Ward, Vice Chair

LATE

DATE: Friday, March 14, 2014
TIME: 9:00 am
PLACE: Conference Room 312
State Capitol
415 South Beretania Street

RE: SB 2832 SD2 RELATING TO HIGH TECHNOLOGY

Chair Tsuji, Vice Chair Ward, and Committee Members:

As a member of the Hawaii's high tech start-up community, I support SB 2832 SD 2 which would provide additional financial support to help develop our state's innovation economy. I am a principal of Renewable Water Technologies LLC which is developing solar powered seawater desalination systems for humanitarian assistance, disaster relief, and small scale agricultural purposes. I previously served as the president of the Hawaii Strategic Development Corporation, and as such, I am quite familiar with the difficulties start-up companies go through to raise capital.

Though our company has not yet been a recipient of an SBIR award, we are very familiar with the benefits federal and Hawaii SBIR grants can mean to a fledgling company. At this stage of development, companies are starved for cash to support working capital requirements such as payroll, materials and supplies to complete research, or services such as subcontract work and legal, HR, accounting.

My partner and I have been fortunate in receiving some research funding, but we have also pursued the 3F funding path—friends, families, and fools—and our spouses grow tired of being two-thirds of that category, so that can only go so far.

As we witness the need for further diversification of Hawaii's economy, the high tech/high growth sector remains very promising for our state. SB 2832 SD 2 can play an important role in furthering that cause. Thank you for your consideration of my testimony in support of this bill.

Sincerely,



John A. Chock
Principal

2800 Woodlawn Drive, Suite 101
Honolulu, HI 96822

RENEWABLE WATER TECHNOLOGIES LLC

2800 Woodlawn Drive, Suite 101
Honolulu, HI 96822

Written Statement of

Anton C. Krucky
President & CEO
Tissue Genesis, Inc.

before the
COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
Friday, March 14, 2014
9:00 a.m.
State Capitol, Conference Room 312
In consideration of

SB 2832, SD2 RELATING TO HIGH TECHNOLOGY.

Chair Tsuji, Vice Chair Ward, and Members of the Committee on Economic Development & Business.

Tissue Genesis, Inc. respectfully submits testimony in **SUPPORT** of SB 2832, SD2 relating to High Technology.

The High Technology Development Corporation (HTDC) has been assisting Phase I SBIR awarded companies since 1989 and continues to do so each year. For every dollar invested through this program, Hawaii companies have attracted 16 federal dollars in return to the state, plus commercialization funding.

Broadening the existing SBIR program to include Phase II or Phase III stages will support a high technology transfer bridge to commercialization which will support our local tech industry and diversify Hawaii's economy.

HTDC has helped my company through Hawaii SBIR awards \$40,000.00 matching Federal SBIR awards of \$150,000.00

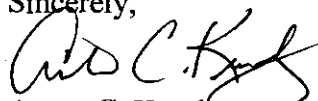
Our company currently has 24 employees and \$3,000,000.00 in annual revenues.

The matching grant program allows us to prepare for the commercialization of a follow-on product to our current regenerative medicine product line. The commercialization of the product has the high potential of broad worldwide distribution.

Our current product has commercial sales and we believe the follow-on product has even greater potential

Thank you for the opportunity to offer testimony in support of this bill.

Sincerely,


Anton C. Krucky