

Honolulu, Hawaii

February 18, 2016

RE: H.B. No. 2597

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 2597 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM,"

begs leave to report as follows:

The purpose of this measure is to realign and reorganize the Pacific International Space Center for Exploration Systems (PISCES) within the Office of Aerospace Development of the Department of Business, Economic Development, and Tourism. Specifically, this measure:

- (1) Allows, subject to funding, the Office of Aerospace Development to hire various positions, including an Executive Director, and establishes salaries for these positions;
- (2) Establishes PISCES as a division under the direction of the Office of Aerospace Development to be located on the Island of Hawaii;
- (3) Directs the PISCES staff to promote and market Hawaii as a research destination;
- (4) Allows PISCES, subject to funding, to hire various positions and establishes salaries for these positions;



- (5) Amends the composition of the Board of Directors of PISCES from 10 to seven members and amends their powers and duties;
- (6) Transfers various duties of the PISCES Executive Director to PISCES staff;
- (7) Simplifies PISCES' annual report to include a summary of significant accomplishments and activities, and also the status of the development of partnerships; and
- (8) Appropriates funds for the reorganization and realignment of PISCES, including the hiring of personnel.

Honeybee Robotics and two concerned individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism testified in support of the intent of this bill. PISCES provided comments.

Hawaii's geographic location has long made it an ideal place for space exploration technology development. Over the years, the Hawaiian Islands have played a major role in supporting the exploration of space. With its clear skies and volcanic peaks, Hawaii is also a premier site for astronomy and astrophysics. Recognizing this, PISCES was established to serve as a catalyst for collaborative multinational programs to advance space exploration technologies and develop Hawaii's aerospace technology industry. Your Committee finds that reorganizing and realigning PISCES with a more focused effort on the economic development of the aerospace sector will support economic diversification and strengthen Hawaii's economy.

Your Committee has amended this measure by:

- (1) Deleting the provision that allows the Office of Aerospace Development to hire an Executive Director since the measure already provides for a Director who shall be appointed by the Governor;
- (2) Deleting language requiring the Department of Business, Economic Development, and Tourism to appoint an Executive Director to PISCES, as this position would no longer be necessary under the reorganization proposed by this measure;



- (3) Deleting the powers and duties of the Executive Director of PISCES and specifying that PISCES staff identify and promote opportunities for expanding and diversifying aerospace-related industries on the Island of Hawaii and in the State;
- (4) Changing its effective date to July 1, 2018; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2597, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2597, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,



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DEREK S.K. KAWAKAMI, Chair



