

DAVID Y. IGE  
GOVERNOR



SARAH ALLEN  
ADMINISTRATOR

PAULA A. YOUNGLING  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

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**TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE**

**TO THE SENATE COMMITTEE  
ON  
WAYS AND MEANS**

February 25, 2016, 9:30 A.M.

**Senate Bill No. 2943, SD1  
RELATING THE UNIVERSITY OF HAWAII RESEARCH**

Chair Tokuda, Vice-Chair Dela Cruz, and members of the committee, thank you for the opportunity to submit testimony on SB2943, SD1. The State Procurement Office supports the intent of this bill, but opposes the exemption language on page 9, lines 2 to 5, which would allow funds to be expended without regard to HRS 103D.

Statutory exemptions are contrary to the Hawaii Public Procurement Code (Code), section 103D-102, HRS, on the applicability of the chapter that states in part "...shall apply to all procurement contracts made by governmental bodies whether the consideration for the contract is cash, revenues, realizations, receipts, or earnings...." Any governmental agency with the authority to expend funds should be in compliance with chapter 103D, which promotes the policy of fair and equitable treatment of all persons who deal with the procurement system; fosters effective broad-based competition; and increases public confidence in public procurement.

One of public procurement's primary objectives is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in the awarding of contracts. Another critical objective is to ensure disclosure and public visibility into the way tax-payer dollars are being spent. As such, along with open competition the Code provides safeguards to ensure procurement integrity, determination of fair and reasonable pricing, public notice, and transparency. The Code also provides consistency in the manner in which purchasing agencies procure goods, services, and construction.

Exemptions to the Code mean that all procurements made with taxpayer monies for this authority, will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the Code. It means that there is no requirement for due diligence, proper planning or consideration of protections for the State in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. It also means the authority is not required to adhere to the Code's procurement integrity laws.

To provide fairness and consistency, and due process for vendors/contractors, the Code offers a legal and contractual remedy process to resolve protested solicitations and awards, which includes impartial reviews by the Department of Commerce and Consumer Affairs administrative hearings process and the ability to request judicial review. The protest process also protects agencies and taxpayers from onerous and baseless protests, minimizes delays and disruptions in the award of contracts, and supports a prompt resolution.

To ensure all vendors/contractors who seek public contracts compete on equal footing they are required to demonstrate compliance with Hawaii laws. The Code requires potential vendors/contractors to comply with Hawaii laws prior to award of a contract, i.e. DOTAX Tax Clearance Certificate including IRS certification, DLIR Certificate of Compliance; DCCA Certificate of Good Standing; or Hawaii Compliance Express (HCE) Certificate of vendor compliance. Upon completion of goods provided or services performed, and before final payment is made, a vendor/contractor is again required to demonstrate compliance with Hawaii laws, thereby assuring that public funds are paid to compliant vendors/contractors.

Open bidding procedures assures that the State obtains value, and potential vendors/contractors are treated fairly. Those who lack a working knowledge of the Code, may view it as a cumbersome process. The SPO believes that it is vital to good government to have a fair and consistent process to award government contracts that hold agencies responsible and accountable for their actions.

The SPO is against exempting the University of Hawaii for the activities that surround innovation and commercialization initiative implementation from the Code, as it is not in the best interest of government, the business community, and the general public. The Code establishes a time-tested, fair, reliable set of rules and processes for award of contracts.

In conclusion, there is no compelling reason to statutorily exempt the University of Hawaii support the innovation and commercialization initiative implementation from the Code. The SPO recommends amending page 9, lines 2 to 5 to read as follows:

(b) Revenues deposited into this special fund may be expended by the university for all costs and expenses associated with the operation of this program without regard to chapters 76, 78, 89, 102, 103, and but shall be in accordance with chapter 103D.

Thank you.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Ways and Means  
February 25, 2016 at 9:30 a.m.

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

### SB 2943 SD1 – RELATING TO UNIVERSITY OF HAWAII RESEARCH

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

The University of Hawai'i (UH) supports this bill which would provide UH express statutory authority to encourage, promote, financially support and directly participate in the commercialization of university-generated research. The legal framework is adapted from chapter 211F, Hawai'i Revised Statutes, applicable to the Department of Business, Economic Development and Tourism (DBEDT).

With long-standing program strengths in ocean sciences, energy research, sustainable agriculture and astronomy, and its growing strength in cybersecurity and health sciences, UH is well-situated to convert selected research results into viable commercial products. By so doing, UH can complement the efforts of other innovation centers to help diversify the state's economy and expand employment opportunities.

The University of Hawai'i established a proof of concept center/venture accelerator program named "XLR8UH". A clear legal framework authorizing UH to participate directly and indirectly in start-up enterprises would enable UH to more efficiently contribute to Hawai'i's "ecology of innovation." This express legal authority would reduce the uncertainty in creating, financing and operating new ventures affiliated with UH -- and would thereby induce greater private sector support and participation in promising concepts.

The University of Hawai'i appreciates the earlier amendments to make the treatment of confidential business information under this measure consistent with the State's Open Records Law and the Sunshine Law.

Thank you for this opportunity to submit testimony in support of this measure.



Testimony Presented Before the  
**Senate Committee on Ways and Means**

February 25, 2016 at 9:30 am

By

**Chenoa Farnsworth**

Managing Director

Hawaii Angels

In Consideration of

**SB 2943 SD1 - Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

The Hawaii Angels **strongly support** this bill to authorize The University of Hawai'i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

The XLR8UH Proof of Concept Commercialization Center focuses on early stage innovation and talent affiliated with the University of Hawai'i. XLR8UH fills the critical void that was historically present as nascent technologies and novice entrepreneurs attempted to cross the "commercialization chasm" or "valley of death". XLR8UH therefore provides much needed guidance, support, and investment resources, and its programs will help nurture the efforts of regionally developed intellectual property, entrepreneurs, and startups.

The Hawaii Angels is a premier investment network for seed-level private equity investors in Hawaii to share investment opportunities, expertise and due diligence. Founded in 2002, the Hawaii Angels has invested more than \$35 million in primarily Hawaii based startups. Additionally, the Hawaii Angels has an all-volunteer screening committee, which provides pro-bono mentorship to applicant companies. We will further provide mentorship to companies arising out of XLR8UH, and can participate in the selection of technologies for the XLR8UH cohorts as requested.

UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers. This bill will assist in streamlining the progress of XLR8UH, the development of UH research-based high potential commercialization projects, and innovation in Hawai'i as a whole.

Hawaii Angels is committed to working with XLR8UH, and will actively connect newly formed companies to its wide network in order to maintain competitiveness and grow the industry. We fully agree on the relevance and importance of SB 2943 SD1 to accelerate entrepreneurial talent development and early stage commercialization of University of Hawaii innovations.

Thank you for the opportunity to offer our comments on this bill.



# COMPREDIO

Testimony Presented Before the  
**Senate Committee on Ways and Means**  
February 25, 2016 at 9:30 am

By  
**Dan Nash**  
Founder and COO  
Comprendio

In Consideration of  
**SB 2943 SD1 - Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

Comprendio **strongly supports** SB2943 SD1. The bill proposes to authorize The University of Hawai'i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

Comprendio is a local startup and one of the XLR8UH cohort teams. Comprendio is a web platform that engages every student with real-time feedback before, during, and after instruction. We provide instructors with a cloud-based tool that effectively assesses learner understanding by identifying and tracking what learners know with real-time learning feedback

UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers. This bill will assist in streamlining the progress of XLR8UH, the development of UH research-based high potential commercialization projects, and innovation in Hawai'i as a whole.

Thank you for the opportunity to provide testimony.



ENTREPRENEURS™  
FOUNDATION



808.688.3733 • darcie@efhawaii.org • <http://efhawaii.org>

Testimony Presented Before the  
**Senate Committee on Ways and Means**  
February 25, 2016 at 9:30 am

By  
**Darcie Scharfenstein**  
President & Executive Director  
Entrepreneurs Foundation of Hawai'i

In Consideration of  
**SB 2943 SD1 – Relating to University of Hawai'i research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

Entrepreneurs Foundation of Hawai'i respectfully submits testimony in **strong support** of this bill to authorize The University of Hawai'i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

The XLR8UH Proof of Concept Commercialization Center focuses on early stage innovation and talent affiliated with the University of Hawai'i. XLR8UH fills the critical void that was historically present as nascent technologies and novice entrepreneurs attempted to cross the “commercialization chasm” or “valley of death.” XLR8UH therefore provides much needed guidance, support, and investment resources, and its programs will help nurture the efforts of regionally developed intellectual property, entrepreneurs, and startups.

The Entrepreneurs Foundation of Hawai'i, a 501(c)(3) for-impact organization, helps great entrepreneurs become great philanthropists. We accept donations of equity from early stage companies, and when they have a liquidity event, we sell our shares and establish a charitable fund for the company. We also hold educational, networking, and service events for entrepreneurs and encourage them to give back to the Hawai'i community.

We have worked successfully with the XLR8UH principals and look forward to continued partnerships with XLR8UH. We fully support SB 2943 SD1 which will help accelerate entrepreneurial talent development and early stage commercialization of University of Hawai'i innovations.

Thank you for the opportunity to offer these comments.

**RealGreen Power**  
ZERO POLLUTION ZERO WASTE

Testimony Presented Before the  
**Senate Committee on Ways and Means**  
February 25, 2016 at 9:30 am

By  
**Dennis Furukawa**  
Founder and CEO  
RealGreen Power Inc.

In Consideration of  
**SB 2943 SD1 - Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

RealGreen Power **strongly supports** SB 2943 SD1. The bill proposes to authorize The University of Hawai'i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

RealGreen Power is a local startup and one of the XLR8UH cohort teams. We utilize UH IP to establish sustainable and profitable energy solutions around the world, bringing together region-specific natural, human and economic resources to benefit local communities and the global environment. Our unique process provides opportunities for industries, organizations and investors to create, own and operate profitable enterprises that produce clean energy and clean water, without pollution or waste.

UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers. This bill will assist in streamlining the progress of XLR8UH, the development of UH research-based high potential commercialization projects, and innovation in Hawai'i as a whole.

Thank you for the opportunity to provide testimony.

by:





Testimony Presented Before the  
**Senate Committee on Ways and Means**  
February 25, 2016 at 9:30 am

By  
**Donavan Kealoha**  
Senior Associate  
Startup Capital Ventures

In Consideration of  
**SB 2943 SD1 - Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

Startup Capital Ventures (SCV) **strongly supports** this bill to authorize The University of Hawai'i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

SCV invests in early-stage, capital efficient B2B technology companies with proof of first revenue. Our initial investment ranges from \$250,000 up to \$1 million with reserves for future funding rounds. Typically co-investing with other leading funds at the Series Seed and Series A rounds.

UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers. This bill will assist in streamlining the progress of XLR8UH, the development of UH research-based high potential commercialization projects, and innovation in Hawai'i as a whole.

SCV is committed to working with XLR8UH, and will actively connect newly formed companies to its wide network in order to maintain competitiveness and grow the industry. We fully agree on the relevance and importance of SB 2943 SD1.

Thank you for the opportunity to offer our comments on this bill.





1000 Bishop St, Suite 505 | Honolulu, HI 96813 USA  
P: (808) 237-5050 | [energyexcelserator.com](http://energyexcelserator.com)

Energy Excelserator is a program of the Pacific International Center for High Technology Research (PICHTR), a Hawaii-based nonprofit.

## Senate Committees on Ways and Means

February 25, 2016 at 9:30am

Testimony in Support of **SB 2943 SD1 – Relating to UNIVERSITY OF HAWAII research**

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Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

The Energy Excelserator respectfully submits our **strong support** of SB 2943 SD1, a bill that authorizes The University of Hawaii (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

Energy Excelserator, a program of the non-profit organization PICHTR, the Pacific International Center for High Technology Research, is a multi-stage national accelerator program that uses Hawaii as a test bed for energy innovation. We recruit entrepreneurs locally and from all across the country to come to Hawaii and work on Hawaii's energy challenges and help us achieve our 100% renewable energy goal.

UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers. This bill will assist in streamlining the progress of XLR8UH, the development of UH research-based high potential commercialization projects, and innovation in Hawaii as a whole. Specifically, we see the UH and XLR8UH as producing companies who will feed directly into our program as the next step of the innovation and commercialization process.

The Energy Excelserator is committed to working with XLR8UH and other stakeholders in the innovation ecosystem on the relevance and importance of SB 2943 SD1. Again, we are in support of SB 2943 SD1.

Mahalo for the opportunity to submit testimony.



**Testimony to the Senate Committee on Ways and Means**

**February 25, 2016**

**9:30 a.m.**

**Conference Room 211**

**RE: RELATING TO THE UNIVERSITY OF HAWAII RESEARCH – SENATE BILL 2943 SD1**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

My name is Gary Kai and I am the Executive Director of the Hawaii Business Roundtable. The Hawaii Business Roundtable strongly supports Senate Bill 2943 SD1, relating to the University of Hawaii Research. The bill is to provide explicit statutory authority for the University of Hawaii to create, promote and participate in the economic use of University research activity.

The Hawaii Business Roundtable strongly believes that a strong research and innovation sector led by the University of Hawaii can be a large and important magnet for new money and new fields of job growth in Hawai'i. We concur with the Legislature that the commercialization of the intellectual property created by basic and applied research conducted at the University of Hawaii, holds great promise to contribute to the creation of jobs and economic growth. It is a vital component of the creation of jobs in the local economies of many universities across the country and we believe it could be done here in Hawaii.

The University of Hawaii has many areas of program strengths, including ocean sciences, energy research, sustainable agriculture and astronomy, cybersecurity and health sciences. These efforts have already attracted numerous technology start up organizations that have been attracted by and benefited from the research done in these areas that have been recognized internationally. This legislation will help foster even greater growth in this sector.

Providing the University with the express authority to engage in economic activities already conducted by other state agencies is a significant step and will signal Hawaii's willingness and desire to grow our Innovation Economy. The workforce opportunities created will benefit our young people immensely.

We realize that there must be a well-articulated policy and strong management procedures, to insure the balance between the economic activities and the benefits to the public. The members of the Roundtable are prepared and willing to lend our support and expertise in collaboration with the University.

This legislation is one very good example of growing our Research and Innovation Economy which is critical for the future of our young people. It provides them with the choice to live and work in their island home -- and the opportunity to come home after gaining experience on the mainland or abroad. Furthermore, it helps to improve the quality of their lives and the lives of all who live here.

Thank you very much for the opportunity to testify.

Gary K. Kai, Executive Director  
Hawaii Business Roundtable

**From:** [Jason Rushin](#)  
**To:** [WAM Testimony](#)  
**Subject:** Testimony for SB2943 SD1 2/24 9:30am  
**Date:** Wednesday, February 24, 2016 9:28:11 AM

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Testimony Presented Before the  
**Senate Committee on Ways and Means**

February 24, 2016 at 9:30 am

**By Jason Rushin of Aloha Startups**

In Consideration of

**SB 2943 SD1 – Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

Aloha Startups would like to express our **strong support** of SB 2943 SD1, a bill that proposes to authorize The University of Hawai'i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

Aloha Startups provides a forum for articles and opinions covering Hawaii's startup ecosystem.

UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers. This bill will assist in streamlining the progress of XLR8UH, the development of UH research-based high potential commercialization projects, and innovation in Hawai'i as a whole.

Aloha Startups is committed to working with XLR8UH and agree on the relevance and importance of SB 2943 SD1.

Thank you for the opportunity to offer our comments on this bill.

Aloha,  
Jason Rushin

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Jason Rushin  
415-867-4658

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EST. 1988

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HVCA

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HAWAII VENTURE CAPITAL ASSOCIATION

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Testimony Presented Before the  
**Senate Committee on Ways and Means**  
February 25, 2016 at 9:30 am

By  
**Melialani James**  
President  
Hawaii Venture Capital Association (HVCA)

In Consideration of  
**SB 2943 SD1 – Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

The Hawaii Venture Capital Association (HVCA) **strongly supports** this bill to authorize The University of Hawai‘i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

Since its founding in 1988, the Hawaii Venture Capital Association (HVCA) has stood as a nexus for entrepreneurs, capital foundation, and networking opportunities in Hawaii. Fostering entrepreneurship through education and exposure to prime members of our business community continues to be our goal as we strive to grow a vibrant and successful venture community.

UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers . This bill will assist in streamlining the progress of XLR8UH, the development of UH research-based high potential commercialization projects, and innovation in Hawai‘i as a whole.

HVCA is committed to working with XLR8UH, and will actively connect newly formed companies to its wide network in order to maintain competitiveness and grow the industry. We fully agree on the relevance and importance of SB 2943 SD1.

Thank you for the opportunity to offer our comments on this bill.



Testimony Presented Before the  
**Senate Committee on Ways and Means**  
February 25, 2016 at 9:30 am

By  
**Omar Sultan**  
Managing Partner  
XLR8UH

In Consideration of  
**SB 2943 SD1 - Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

XLR8UH respectfully submits testimony in **strong support** of SB 2943 SD1 to authorize The University of Hawai'i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

A clear legal framework, authorizing UH to participate directly and indirectly with enterprises such as the proof-of-concept and venture accelerator, XLR8UH, is needed to reduce uncertainty and to facilitate the development and commercialization of innovative UH-based research enterprises.

With its undeniable strengths in ocean sciences, energy research, sustainable agriculture and astronomy; and its growing strength in cybersecurity and health sciences -- UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers

One of the first of its kind in the nation, XLR8UH is a public-private partnership with University of Hawaii through the Office of the Vice President for Research and Innovation and Honolulu-based Sultan Ventures, a local venture accelerator. Although just over a year old, XLR8UH is already a multiple award winning, venture accelerator program, nationally recognized by both the Small Business Association and the Economic Development Association. Just this week, XLR8UH was informed that it is one of 17 - of over 170 contestants in the nation -- to receive funding under the Department of Commerce Regional Innovation Strategies i6 Challenge, that makes small, targeted, high-impact investments to support startup creation, innovation and help turn technology into jobs. The funding supports the development and expansion of new and existing Proof-of-Concept and Commercialization Centers.

The bill before you is intended to eliminate the unnecessary delays and confusion that impede the progress of XLR8UH and the development of UH research-based high potential commercialization projects.

As established in prior legislation, other state agencies currently have explicit statutory authority to transform promising concepts into viable economic drivers. For example, chapter 211F, Hawai'i Revised Statutes, establishes the Hawai'i Strategic Development Corporation (HSDC) and confers broad statutory powers to encourage economic development and diversification in Hawai'i. This state-established corporation may also use public funds to co-invest with private interest.

We urge you to pass this legislation so that Hawaii can take its rightful place as a birthplace of innovation and provider of 21st century careers and jobs. We encourage you to visit both XLR8UH and Sultan Ventures and see first hand the entrepreneurial efforts underway in our state.

Thank you for the opportunity to provide testimony on this bill.



Testimony Presented Before the  
**Senate Committee on Ways and Means**  
February 25, 2016 at 9:30 am

By  
**Peter Rowan**  
Entrepreneur in Residence  
XLR8UH

In Consideration of  
**SB 2943 SD1 - Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

I respectfully and **strongly support** SB 2943 SD1. The bill proposes to authorize The University of Hawai'i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

I am an entrepreneur in residence for the XLR8UH program and work closely with many of the cohort teams. Many of our teams utilize UH IP as well as spur economic development here in our local community. Support of these entrepreneurs is crucial to the further development of our innovation ecosystem.

A clear legal framework, authorizing UH to participate directly and indirectly with enterprises such as the proof-of-concept and venture accelerator, XLR8UH, is needed to reduce uncertainty and to facilitate the development and commercialization of innovative UH-based research enterprises.

UH also has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers. This bill will assist in streamlining the progress of XLR8UH, the development of UH research-based high potential commercialization projects, and innovation in Hawai'i as a whole.

Thank you for the opportunity to provide testimony.





Statement of  
**Robbie Melton**  
Executive Director & CEO  
High Technology Development Corporation  
before the  
**Senate Committee on Ways and Means**  
Thursday, February 25 2016  
9:30 a.m.  
State Capitol, Conference Room 211

In consideration of  
**SB2943 SD1**  
**RELATING TO UNIVERSITY OF HAWAII RESEARCH.**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee on Ways and Means.

The High Technology Development Corporation (HTDC) **supports** SB2943 SD1 which provides express legal authority to enable the University of Hawaii to create, promote, and participate in new economic enterprises that use university research and provide workforce opportunities for affiliated university personnel.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at aimed at promoting technology and innovation jobs.

The XLR8UH Proof of Concept Commercialization Center was funded by UH to accelerate early stage innovation and talent affiliated with the University of Hawai'i. XLR8UH fills the critical void that was historically present as nascent technologies and novice entrepreneurs attempted to cross the "commercialization chasm" or "valley of death." XLR8UH therefore provides much needed guidance, support, and investment resources, and its programs will help nurture the efforts of regionally developed intellectual property, entrepreneurs, and startups.

SB 2943 SD1 allows UH to engage in economic promotion activities through programs like XLR8UH. We have worked successfully with the XLR8UH principals and look forward to continued partnerships with XLR8UH and UH.

HTDC defers to UH on the implementation of the bill.

Thank you for the opportunity to offer these comments.



Testimony Presented Before the  
**Senate Committee on Ways and Means**  
February 25, 2016 at 9:30 am

By  
**Shanah Trevenna**  
Director  
Impact Hub Honolulu

In Consideration of  
**SB 2943 SD1 - Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

Impact Hub Honolulu would like to express our **strong support** of SB 2943 SD1, a bill that proposes to authorize The University of Hawai'i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

Part innovation lab, part business incubator, and part community center, we offer our members a unique ecosystem of resources, inspiration, and collaboration opportunities to grow impact. We believe a better world evolves through the combined accomplishments of creative, committed and compassionate individuals focused on a common purpose.

UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers. This bill will assist in streamlining the progress of XLR8UH, the development of UH research-based high potential commercialization projects, and innovation in Hawai'i as a whole.

Impact Hub is committed to working with XLR8UH, and will actively connect newly formed companies to its wide network in order to maintain competitiveness and grow the industry. We fully agree on the relevance and importance of SB 2943 SD1.

Thank you for the opportunity to provide testimony on this bill.

A handwritten signature in black ink, appearing to read "Shanah Trevenna".





Testimony Presented Before the  
**Senate Committee on Ways and Means**  
February 25, 2016 at 9:30 am

By  
**Susan Yamada**  
Executive Director  
Pacific Asian Center for Entrepreneurship (PACE)

In Consideration of  
**SB 2943 SD1 – Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

The Pacific Asian Center for Entrepreneurship (PACE) **strongly supports** this bill to authorize The University of Hawai‘i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

The XLR8UH Proof of Concept Commercialization Center focuses on early stage innovation and talent affiliated with the University of Hawai‘i. XLR8UH fills the critical void that was historically present as nascent technologies and novice entrepreneurs attempted to cross the “commercialization chasm” or “valley of death”. XLR8UH therefore provides much needed guidance, support, and investment resources, and its programs will help nurture the efforts of regionally developed intellectual property, entrepreneurs, and startups.

PACE is a champion for entrepreneurship and innovation at the University of Hawaii (UH). The center’s educational and experiential programs demand young students to think entrepreneurially.

XLR8UH’s program engages all the necessary alliances between the business community, the university, and the greater startup and venture communities that will be necessary to execute a successful program. A clear legal framework, authorizing UH to participate directly and indirectly with enterprises such as the proof-of-concept and venture accelerator, XLR8UH, is needed to reduce uncertainty and to facilitate the development and commercialization of innovative UH-based research enterprises.

PACE is committed to working with XLR8UH, and will actively connect and support newly formed companies with our wide network of resources in order to maintain competitiveness and drive the economic well being of Hawai‘i. We fully agree on the relevance and importance of SB 2943 SD1 to accelerate entrepreneurial talent development and early stage commercialization of University of Hawaii innovations.

Thank you for the opportunity to offer these comments.



Testimony Presented Before the  
**Senate Committee on Ways and Means**  
February 25, 2016 at 9:30 am

By  
**Tarik Sultan**  
Managing Partner  
Sultan Ventures

In Consideration of  
**SB 2943 SD1 – Relating to University of Hawaii research**

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

Sultan Ventures respectfully submits testimony in **strong support** of SB 2943 SD1 to authorize the University of Hawai‘i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

Sultan Ventures is a Hawaii-based boutique venture firm focusing on early stage startups and investments. As a startup catalyst, we provide pivotal resources via our powerful network of experts and investors. We work closely with innovative startups, and run the XLR8UH program in partnership with UH, providing the hands-on expertise and access to capital needed to accelerate growth, as well as with investors, performing the diligence necessary to make strategic investment decisions.

A clear legal framework, authorizing UH to participate directly and indirectly with enterprises such as the proof-of-concept and venture accelerator, XLR8UH, is needed to reduce uncertainty and to facilitate the development and commercialization of innovative UH-based research enterprises. This will aim to eliminate the unnecessary delays and confusion that impede the progress of XLR8UH and the development of UH research-based high potential commercialization projects.

As established in prior legislation, other state agencies currently have explicit statutory authority to transform promising concepts into viable economic drivers. For example, chapter 211F, Hawai‘i Revised Statutes, establishes the Hawai‘i Strategic Development Corporation (HSDC) and confers broad statutory powers to encourage economic development and diversification in Hawai‘i. This state-established corporation may also use public funds to co-invest with private interest.

We urge you to pass this legislation so that Hawaii can take its rightful place as a birthplace of innovation and provider of 21st century careers and jobs. We encourage you to visit both

XLR8UH and Sultan Ventures and see first hand the entrepreneurial efforts underway in our state.

Thank you for the opportunity to provide testimony on this bill.