



February 6, 2017

Testifier's Name & Affiliation: Rodrigo Romo, Program Manager, PISCES

Presenting to: Committee on Economic Development & Business.

Date & Time of Hearing: Wednesday, February 8th, 2017. 09:00AM.

Measure #: HB574

Testimony in Support of HB574: Relating to the Pacific International Space Center for Exploration Systems (PISCES).

To the members of the Committee on Economic Development and Business:

I am here to support the intent of House Bill 574. The PISCES Board of Directors has not yet taken a position on this measure, so I am here to present my testimony as the Program Manager for PISCES.

PISCES is administratively attached to the Office of Aerospace Development within DBEDT. PISCES' purpose is to expand and diversify technology-based enterprises in Hawaii by leveraging our State's substantial assets and capabilities in space exploration.

One of the ways we do this is through applied research. Our research projects must have a dual application; an application for Space Exploration and a local application that provides economic benefits to the State.

One of the areas where we are focusing our research is materials science, specifically in studying new and innovative uses for Hawaiian basalt as a building material. Through this work, PISCES has successfully designed and produced a variety of basalt-based materials proven to be stronger than residential concrete. One material we produced was tested and shown to be three times stronger than specialty concrete.

As a result, our work using Hawaiian basalt has generated interest in the Aerospace community as a means to utilize In-Situ Resources on the moon or Mars for construction of infrastructure. The same research has the potential to create new markets in the State of Hawai'i through the development of new applications and new materials such as sintered basalt pavers. These pavers can be made using the waste product of local quarries, turning a liability into an asset. In addition, materials like basalt fiber and fiber-derived products such as rebar, mesh, fabric and rope can be derived using locally mined basalt.

The purpose of this bill is to provide a sustained, market-driven revenue stream that will enable PISCES to engage in applied research activities that will result in a higher demand for locally mined basalt and potentially generate a new industry.

The funds provided through this measure will be utilized to:

- Create a database indexing the characteristics and compositions of basalt from different quarries throughout the state. Basalt from different sources, even different eruptions, have different characteristics that makes them more suitable for different types of applications or processes.
- Cover engineering costs and testing of the different materials or applications identified through research.
- Continue research on different ways in which the materials already produced can be utilized, shaped, tooled and manufactured with the possibility of creating a new industry.
- Perform research on additive manufacturing (3D printing) on a large scale for potential applications in the construction industry.
- Focus on potential uses of waste streams generated by quarries to convert them into a valuable resource.
- Procurement of lab equipment required to conduct materials testing.

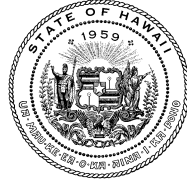
We ask your support for this bill which can lead to the expansion of Hawaii's mining industry and may create sustainable and profitable manufacturing opportunities in our State.

A handwritten signature in black ink that reads "R. Romo".

Rodrigo Romo
Program Manager
PISCES

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Mark M. Nakashima, Chair
and Members of the House Committee on Economic Development & Business

Date: Wednesday, February 8, 2017

Time: 9:00 A.M.

Place: Conference Room 309, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 574, Relating to the Pacific International Space Center for Exploration Systems

The Department of Taxation (Department) appreciates the intent of H.B. 574 and provides the following comments for your consideration.

H.B. 574 creates the Basalt Mining Tax, a tax imposed on every wholesaler or dealer of basalt cinder and trap rock on their business activities in the State, by adding a new chapter to the Hawaii Revised Statutes. The tax is equal to 0.2 percent of the wholesale price of basalt cinder or trap rock sold by the wholesaler or dealer, whether or not sold at wholesale, or if not sold, at the same rate upon the use by the wholesaler or dealer. The bill is effective on July 1, 2017.

First, the Department notes that, in order to administer this new tax, various provisions need to be created in the new chapter, including provisions relating to:

- Obtaining a certificate of registration or license;
- Filing of periodic and annual returns;
- Remittance of payments;
- Penalties;
- Assessments;
- Overpayments and refunds;
- Appeals;
- Records that are required to be kept;
- Inspection or examination of records; and
- Disclosure of returns.

Second, the Department suggests that definitions are added for terms used in new section __-1, including “wholesaler,” “dealer,” “wholesale price,” and “use.”

Finally, the Department requests that the effective date of this bill is amended to apply to taxable years beginning after December 31, 2020. This bill would require new licenses, forms,

and instructions, as well as significant changes to the system. Because this bill would create a new tax, programming cannot begin until completion of the tax system modernization project, which is scheduled for completion in July 2019.

Thank you for the opportunity to provide comments.



Written Statement of
Robbie Melton
Executive Director & CEO
High Technology Development Corporation
before the
House Committee on Economic Development & Business
Wednesday, February 8, 2017
9:00 a.m.
State Capitol, Conference Room 309

In consideration of
HB574
**RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
SYSTEMS.**

Chair Nakashima, Vice Chair Keohokalole, and Members of the Committee on Economic Development and Business.

The High Technology Development Corporation (HTDC) **supports the intent** of HB574 that establishes an excise tax on basalt cinder and trap rock sold by wholesalers or dealers. Provides that the excise tax is paid into the Pacific International Space Center for exploration systems special fund and requires moneys in excess of \$1,000,000 in the Pacific International Space Center for exploration systems special fund to lapse to the general fund.

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 promoting technology and innovation jobs.

Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community.

PISCES' continued work to expand and develop products and markets (including basalt-based concrete, basalt rebar, basalt mesh, cording and fabric) derived from Hawaii's naturally occurring basalt will positively impact the demand for quarried basalt in the Islands with long-term economic benefits. While produced internationally, the lack of a domestic basalt material industry in Hawaii offers an untapped market that could yield profitable returns. Basalt-based products and materials have the potential to create new manufacturing opportunities while significantly reducing Hawaii's dependence on imported products.

We support this initiative as long as it does not replace our priorities requested in the Executive Budget. Thank you for the opportunity to offer these comments.



JAS. W. GLOVER, LTD.

GENERAL CONTRACTORS

License No. ABC-3

From:

Michael Pearring
P.O. Box 871
Pepeekeo, HI 96783
808-935-0871

To:

State of Hawaii, House of Representatives

RE:

House Bill 574 RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATIONS SYSTEMS.

Please accept my testimony in strong opposition to HB 574. I am opposed to HB 574 because it is a bad bill, not because I am against research. The Pacific International Space Center for Explorations Systems (PISCES) is part of an international effort to study space. Their work is laudable. My son in fact worked for the group so I am familiar with their research efforts.

But, this bill, HB 574, establishes a targeted excise tax on rock products and rock product dealers – this includes quarries, crushing companies, concrete companies, asphalt companies, pre-cast companies, distributors and retailers who sell rock products, and will benefit only ONE research entity, PISCES. One industry segment, and a large and important segment, will be responsible for an added tax and regulatory burden for one research entity. This is bad policy and makes for bad government.

This bill not only establishes the tax, but will set up an entire regulatory system for tracking, paying and reporting this tax that will add burdens to both industry and government alike. It also sets (or reinforces) a bad precedent for a non-profit group to target specific industries to pay for their research or enterprise. Rather than approaching the rock industry for support, this group is using legislative action to fund their activities, and allows for a back door increase to the general fund when the targeted limit is met.

I sincerely request that legislators review the ramifications of this bill and not pass it.

Sincerely,

Michael Pearring

Honolulu
P.O. Box 579 • Honolulu, HI 96809
tel: (808) 591-8977 • fax: (808) 591-8978

Hilo
890 Leilani St. • Hilo, HI 96720
tel: (808) 935-0871 • fax: (808) 961-9237

Kona
P.O. Box 4116 • Kailua-Kona, HI 96745
tel: (808) 329-4113 • fax: (808) 326-6017

Lihue
P.O. Box 579 • Honolulu, HI 96809
tel: (808) 245-3609 • fax: (808) 246-6209



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

Before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

February 8, 2017

9:00 a.m.

State Capitol, Conference Room 309

In Support of

**HB574 RELATING TO THE PACIFIC INTERNATIONAL SPACE
CENTER FOR EXPLORATION SYSTEMS**

To: Chair Mark Nakashima, Vice Chair Jarrett Keohokalole and Members of the Committee

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

Re: Testimony in Support of HB574

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **in support of HB574.**

The State of Hawaii has a genuine need to broaden its economic base. We now have a major opportunity to support and fulfill that necessity.

Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community.

PISCES' continued work to expand and develop products and markets (including basalt-based concrete, basalt rebar, basalt mesh, cording and fabric) derived from Hawaii's naturally occurring basalt will positively impact the demand for quarried basalt in the Islands with long-term economic benefits. While produced internationally, the lack of a domestic basalt material industry in Hawaii offers an untapped market that could yield profitable returns. Basalt-based products and materials have the potential to create new manufacturing opportunities while significantly reducing Hawaii's dependence on imported products.

This bill will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

We strongly urge you to support HB574.

TESTIMONY IN SUPPORT OF:

HB574 and SB766— RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
SYSTEMS (PISCES)

Dear Members of the 29th Hawaii State Legislature,

I am writing in support of the passage of HB574 and SB766.

The State of Hawaii has a genuine need to broaden its economic base, and make a lasting contribution to the emerging in-space economy. The measures now before you will support and fulfill that necessity through the great work being done at PISCES.

Through applied research, PISCES has successfully manufactured innovative materials using local sources of basalt with applications in-space and on-island. This research into In-Situ Resource Utilization technology is what attracted RedWorks to PISCES, and it is our hope that through your support of PISCES' continued work in Basalt-based construction technology, Hawaii will signal its position as a center for innovation in space and construction.

RedWorks is working to develop on-site 3d printing construction products as a means of addressing affordable housing concerns across the United States and habitation on the Moon and Mars. To these ends, we encourage you to give PISCES your full support to continue developing Hawaii's own capabilities toward hyper-local basalt-based construction materials that already exceed the performance of traditional concrete. Both of our organizations are working to introduce new construction solutions that would drastically reduce the need for material imports for construction projects. This should be of chief concern for Hawaii given the state's reliance on imported commodities and material goods. RedWorks believes that the future of construction and manufacturing is local, and states who lead the way in encouraging the development of these technologies will benefit with stronger economies, new business, and job opportunities that will improve the lives of your state's residents for the long term.

I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Sincerely,



Keegan Kirkpatrick
Chief Executive Officer
RedWorks
751 Lancaster Blvd.
Lancaster, CA 93534



Dr. Paul van Susante
Michigan Technological University
Department of Mechanical Engineering
R.L. Smith Building, MEEM815
Houghton, MI 49931

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS (PISCES)

Dear Members of the 29th Hawaii State Legislature,

I am writing in support of the passage of HB574 and SB766.

The State of Hawaii has a genuine need to broaden its economic base. We now have a major opportunity to support and fulfill that necessity.

Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community.

PISCES' continued work to expand and develop products and markets (including basalt-based concrete, basalt rebar, basalt mesh, cording and fabric) derived from Hawaii's naturally occurring basalt will positively impact the demand for quarried basalt in the Islands with long-term economic benefits. While produced internationally, the lack of a domestic basalt material industry in Hawaii offers an untapped market that could yield profitable returns. Basalt-based products and materials have the potential to create new manufacturing opportunities while significantly reducing Hawaii's dependence on imported products.

I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries. I am looking forward to collaborate with PISCES on continued testing and technology development projects

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,

Paul van Susante



January 31, 2017

Members of the 29th Hawaii State Legislature

RE: HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS (PISCES)

I am writing in support of the passage of HB574 and SB766. The State of Hawaii has a genuine need to broaden its economic base. We now have a major opportunity to support that necessity.

Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community.

PISCES' continued work to expand and develop products and markets (including basalt-based concrete, basalt rebar, basalt mesh, cording and fabric) derived from Hawaii's naturally occurring basalt will positively impact the demand for quarried basalt in the Islands with long-term economic benefits. While produced internationally, the lack of a domestic basalt material industry in Hawaii offers an untapped market that could yield profitable returns resulting in increased employment. Basalt-based products and materials have the potential to create new manufacturing opportunities while significantly reducing Hawaii's dependence on imported products.

I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills

Sincerely,

Bill Walter
President

Bolton ,Inc.

P.O. Box 898, Kailua-Kona, HI 96745
Phone (808) 329-8240 Fax (808) 326-1247

LETTER OF TRANSMITTAL

Date:	02/06/16	Job No
ATTENTION:	EDB, FIN	
TRANSMITTAL NO.	1	

TO: EDB and FIN
State of Hawaii Capitol

GENTLEMEN:

WE ARE SENDING YOU: ATTACHED UNDER SEPARATE COVER VIA _____ THE FOLLOWING ITEMS

SHOP DRAWINGS PRINTS SAMPLES SPECIFICATIONS

COPY OF LETTER CHANGE ORDER CONTRACT PLANS

COPIES	DATE	DESCRIPTION
1	2/6/2016	Letter of Opposition for HB 574

THESE ARE TRANSMITTED AS CHECKED BELOW:

FOR APPROVAL APPROVED AS SUBMITTED RESUBMIT _____ COPIES FOR APPROVAL

FOR YOUR USE APPROVED AS NOTED SUBMIT _____ COPIES FOR DISTRIBUTION

AS REQUESTED RETURNED FOR CORRECTIONS RETURN _____ CORRECTED PRINTS

REVIEW/COMMENT RETURN AFTER EXECUTION PRINTS RETURNED AFTER LOAN TO US

OTHER _____

REMARKS Testifier Daniel B. Bolton Vice president of Bolton, Inc.
Testimony to EDB and FIN committees scheduled for 2/8/16 at 9:00 am

RECEIVED
 2017 FEB - 06 P 11:14
 SERGEANT-AT-ARMS
 HOUSE OF
 REPRESENTATIVES

COPY TO: _____

SIGNED: _____

IF ENCLOSURES ARE NOT AS NOTED, KINDLY NOTIFY US AT ONCE



P.O. Box 898 • Kailua-Kona, Hawaii 96745

RECEIVED
 2017 FEB - 6 P 4: 14
 SERGEANT-AT-ARMS
 HOUSE OF
 REPRESENTATIVES

Testifier: Daniel B. Bolton, Vice President of Bolton, Inc

Comment directed to: EDB and FIN

Hearing date: 2/8/16 @ 9:00 am

Measure No: HB 574

Good morning,

2/6/2016

Bolton, Inc is located on the Big Island in Kona. We are a general contractor with concrete and basalt products being a large part of our business. We oppose HB 574 in its current form. This funding scheme will end up as a burden on the retail market as businesses pass these types of cost on through to the end user. If the technology that is being developed is truly as great as this bill makes it out to be, then the royalty structure should be sufficient to support it. While we support education and research something about this bill does sit well. It feels as though it is the creation of a new revenue source for the legislature to tap into for the general fund. For the fiscal year of 2016 PISCES requested budget amount was \$1.97 M. Why would HB 574 try to take almost \$1 M of that into the general fund? One possible reason may be because the legislature is looking for additional revenue sources for existing budget shortfalls.

This bill feels like a money grab from a reliable annual source with an unquantifiable benefit to the wholesalers and dealers. The bill fails to explain, in a way that is meaningful to our industry, how exactly we benefit. These types of taxes go unseen by the end retail users except by way of a pass-through fee. In addition to these points of contention it gets even worse when it comes to the transparency of how the extra funds that get swept into the general fund are to be used. Bolton Inc strongly opposes this bill and we thank you for the opportunity to voice our concerns.

Respectfully,

Daniel B Bolton

Bolton, Inc. is an Equal Opportunity Employer
 Telephone: (808) 329-8240 • Fax: (808) 326-1247 • Lic. # ABC-14458

Ontario Drive & Gear Limited
220 Bergey Court
New Hamburg, Ontario, Canada N3A 2J5

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
SYSTEMS (PISCES)

Dear Members of the 29th Hawaii State Legislature,

I am writing in support of the passage of HB574 and SB766.

Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community. Much of this research has been conducted in partnership with international organizations, including our company, Ontario Drive & Gear Limited, which has provided a prototype lunar rover on loan to PISCES.

PISCES' continued work to expand and develop products and markets (including basalt-based concrete, basalt rebar, basalt mesh, cording and fabric) derived from Hawaii's naturally occurring basalt will positively impact the demand for quarried basalt in the Islands with long-term economic benefits. While produced internationally, the lack of a domestic basalt material industry in Hawaii offers an untapped market that could yield profitable returns. Basalt-based products and materials have the potential to create new manufacturing opportunities while significantly reducing Hawaii's dependence on imported products.

I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,



Perry Edmundson, P.Eng.
Space Project Manager
Ontario Drive & Gear Limited

Statement of
JOHN DeLONG
President
Hawaiian Cement
before the

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

Wednesday, February 8, 2017
9:00 AM
State Capitol, Conference Room 309211
in consideration of

HB 574 and SB 766
RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
SYSTEMS BASALT EXCISE TAX

Members of the Senate Committee Economic Development and Technology:

This testimony is submitted in strong opposition to HB 574. The Bill is bad public policy for a variety of reasons:

The purpose of the Bill is to subsidize the development of an experimental product that is alleged to possess favorable qualities that are unproven and speculative. The bill contains scientific sounding buzz words like “laser manufacturing” and “robotic placement” that have no relationship to developing a commercially feasible, locally produced construction material. This Bill is a thinly veiled effort to finance research projects that are unable to secure funding from traditional sources that require much more detailed vetting.

Hawaii construction costs are already among the nation’s highest due to the unique challenges of being a remote island location. Aggregate mining is particularly expensive in Hawaii because of high permitting costs, high royalty rates demanded by land owners, high union labor costs, high environmental compliance costs, unusually high costs to secure explosives because of transportation and restrictive ATF regulations, and the list goes on. Many Hawaii residents are forced to work multiple jobs due to the high cost of housing. Young families either live with relatives or move to less expensive locations because they can’t afford a place of their own. Adding addition taxes to an already heavily taxed industry will make housing and construction even more expensive. This Bill only adds to the already high cost of living in Hawaii.

The vague and unproven benefits of this Bill are far outweighed by its very real and quantifiable detriments. Construction sand and asphalt aggregates are already being imported into the State. If the cost to product local aggregates continues to rise a tipping point will soon be reached where it is more cost effective to import all aggregates into Hawaii and another important local industry and its attendant jobs and tax revenue will be lost.

We urge a strong NO vote for HB 574.

keohokalole2 - Anthony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 9:27 AM
To: edbtestimony
Cc: cvancamp3@hawaii.rr.com
Subject: Submitted testimony for HB574 on Feb 8, 2017 09:00AM

HB574

Submitted on: 2/6/2017

Testimony for EDB on Feb 8, 2017 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Carol A. VanCamp	Individual	Oppose	No

Comments: This bill would add additional costs and regulation on this industry and negatively impact the cost and ease of doing business in 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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

Larissa Belcic
425 Washington Boulevard, #1802
Jersey City, NJ 07310

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR
EXPLORATION SYSTEMS (PISCES)

Dear Members of the 29th Hawaii State Legislature,

I am writing in support of the passage of HB574 and SB766.

As a visiting researcher with PISCES in summer 2015, I saw first-hand PISCES' commitment to developing novel materials for use in space exploration; indeed PISCES' position at the front edges of innovations is what brought me to work with them in support of my own research on space mining technologies and their cultural contexts.

With these bills, there is an opportunity to tap into the rich economic potential of PISCES' research and successes in this area. Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community.

PISCES' continued work to expand and develop products and markets (including basalt-based concrete, basalt rebar, basalt mesh, cording and fabric) derived from Hawaii's naturally occurring basalt will positively impact the demand for quarried basalt in the Islands with long-term economic benefits. While produced internationally, the lack of a domestic basalt material industry in Hawaii offers an untapped market that could yield profitable returns. Basalt-based products and materials have the potential to create new manufacturing opportunities while significantly reducing Hawaii's dependence on imported products.

I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,



Larissa Belcic
Project Designer, OFICINAA
MLA, Harvard University Graduate School of Design

Nyra Dee
575 Mililani St.
Hilo, HI 96720-4327

TESTIMONY IN SUPPORT OF:
HB574 and SB766– RELATING TO THE
PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS (P.I.S.C.E.S.)

Dear Members of the 29th Hawaii State Legislature,

I am writing in support of the passage of HB574 and SB766.

The State of Hawaii has a genuine need to broaden its economic base. We now have a major opportunity to support and fulfill that necessity.

Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community.

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I would greatly appreciate your affirmative consideration of these bills.

Mahalo,

Nyra Dee

Nyra Dee
Science Dept.
Hilo High School
556 Waianuenue Ave.
Hilo, HI 96720
ndee@viking.k12.hi.us

Kyla P. Defore
339 Kauila St. Apt# 6
Hilo HI, 96720

TESTIMONY IN SUPPORT OF:

HB574 and SB766— RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
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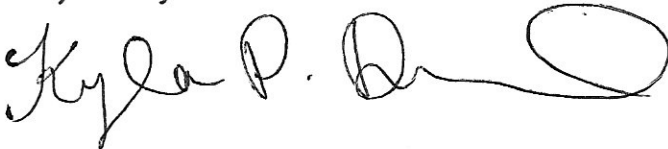
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I would greatly appreciate your affirmative consideration of these bills.

Mahalo,

Kyla P. Defore

A handwritten signature in black ink, appearing to read "Kyla P. Defore". The signature is fluid and cursive, with a large loop at the end.

*Ernesto Esparza
PO BOX 1022
Pahoa, HI 96778*

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
SYSTEMS (PISCES)

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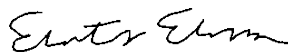
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I would greatly appreciate your affirmative consideration of these bills.

Mahalo,

Ernesto Esparza



*Nick Gencarelle - Smarter Building Systems LLC
4 Porter Ave.
Newport, RI 02840*

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
SYSTEMS (PISCES)

Dear Members of the 29th Hawaii State Legislature,

Aloha.

I am writing in support of the passage of HB574 and SB766.

Smarter Building Systems LLC in RI, which has particular defined projects aligned with the expertise of Pisces in motion, sells basalt fibers, fabrics and reinforcements for concrete.

We have a very unique opportunity to introduce an invention to NASA and the world for an energy storage mechanism using basalt that can have significant impact on current energy storage methodologies. Not only on earth but most very significantly in space. We implore you to understand the potential economic benefits of this technology. Presently we have the interest not only of NASA but Sandia Labs in NM to develop this technology. Pisces will be an integral part of this development for space and Earth energy storage. Many jobs will be created upon successful development.

Our advanced basalt fiber knowledge also offers the ability to replace fossil fuel dependent fiberglass and carbon fiber to a great degree. In housing, commercial and composite constructions basalt offers a “greener”, non-respirable, less environmentally imposing and long-term life expectancy than other fibers with many superior properties. You have the resource and gift of the very volcanoes that provide for these materials to be made locally forever producing economic resource that can reduce imports and reduce price for these most important products.

The State of Hawaii has a genuine need to broaden its economic base. We now have a major opportunity to support and fulfill that necessity.

Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community.

PISCES’ continued work to expand and develop products and markets (including basalt-based concrete, basalt rebar, basalt mesh, cording and fabric) derived from Hawaii’s naturally occurring basalt will positively impact the demand for quarried basalt in the Islands with long-term economic benefits. While produced internationally, the lack of a domestic basalt material industry in Hawaii offers an untapped market that could yield profitable returns. Basalt-based products and materials have the potential to create new manufacturing opportunities while significantly reducing Hawaii’s dependence on imported products.

I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,

Nicholas J Gencarelle

Owner Smarter Building Systems LLC

401-481-8422

Hugh D Kefford
PO Box 6637 Hilo, HI, 96720
102 Opio Rd, Hilo HI 96720

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
SYSTEMS (PISCES)

Dear Members of the 29th Hawaii State Legislature,

I am writing in support of the passage of HB574 and SB766.

The State of Hawaii has a genuine need to broaden its economic base. We now have a major opportunity to support and fulfill that necessity.

Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community.

PISCES' continued work to expand and develop products and markets (including basalt-based concrete, basalt rebar, basalt mesh, cording and fabric) derived from Hawaii's naturally occurring basalt will positively impact the demand for quarried basalt in the Islands with long-term economic benefits. While produced internationally, the lack of a domestic basalt material industry in Hawaii offers an untapped market that could yield profitable returns. Basalt-based products and materials have the potential to create new manufacturing opportunities while significantly reducing Hawaii's dependence on imported products.

I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,

Hugh D Kefford

James R. Kennedy, PhD

PO Box 1939
Hilo, HI 96721

TESTIMONY IN SUPPORT OF:

HB574 and SB766-- RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS (PISCES)

Dear Members of the 29th Hawaii State Legislature:

I am writing in support of the passage of HB574 and SB766.

The State of Hawaii has a genuine need to broaden its economic base, in general, and on Hawai'i Island in particular. We now have a major opportunity to support and fulfill that necessity.

Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt, which have real applications both in space exploration and on-island. These are generating significant interest within the aerospace sector and also our local business community.

PISCES' continued work to expand and develop these products and markets (including basalt-based concrete, basalt rebar, basalt mesh, cording and fabric) based on Hawaii's naturally occurring basalts will positively impact the demand for quarried basalt in the Islands with long-term economic benefits. While produced internationally, the lack of a domestic basalt material industry in Hawaii offers an untapped market that could yield profitable returns. Basalt-based products and materials have the potential to create new manufacturing opportunities while significantly reducing Hawaii's dependence on imported products.

I believe that the passage of these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,

A handwritten signature in black ink, appearing to read 'J.R. Kennedy', written over a light blue horizontal line.

James R. Kennedy, PhD

*Megan Moseley
1025 Ukiu Rd. Apt. B1
Makawao, HI 96768*

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
SYSTEMS (PISCES)

Dear Members of the 29th Hawaii State Legislature,

I am writing in support of the passage of HB574 and SB766.

The State of Hawaii has a genuine need to broaden its economic base. We now have a major opportunity to support and fulfill that necessity.

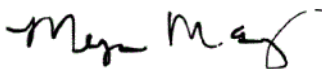
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I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo



Megan Moseley

Charlotte Godfrey-Romo
1445 Waianuenu Ave
Hilo, HI 96720

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
SYSTEMS (PISCES)

Dear Members of the 29th Hawaii State Legislature,

I am writing in support of the passage of HB574 and SB766.

As an intermediate Science Teacher I appreciate and value the possibilities that agencies like PISCES bring to our future generations. PISCES has been actively involved with the students of the school where I teach and they have presented our students with a world of opportunities in STEM related careers .

The State and its keiki will benefit from activities developed by PISCES.

Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community.

I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,



Charlotte Godfrey-Romo

Middle School Science Teacher

Curtis Rodgers Jr
Brick & Mortar Ventures
92 S Park St, San Francisco, CA

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
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Through applied research, PISCES has successfully manufactured innovative materials using Hawaiian basalt with applications both in space exploration and on-island, generating significant interest from the aerospace sector and the local business community.

PISCES' continued work to expand and develop products and markets (including basalt-based concrete, basalt rebar, basalt mesh, cording and fabric) derived from Hawaii's naturally occurring basalt will positively impact the demand for quarried basalt in the Islands with long-term economic benefits. While produced internationally, the lack of a domestic basalt material industry in Hawaii offers an untapped market that could yield profitable returns. Basalt-based products and materials have the potential to create new manufacturing opportunities while significantly reducing Hawaii's dependence on imported products.

I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,



Curtis Rodgers
Vice President
Brick & Mortar Ventures

Ruth Niino-DuPonte
1230B Puhau Place
Hilo, HI 96720

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
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These bills are necessary to provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills to support the cutting-edge, yet highly applicable results being accomplished by PISCES.

Mahalo,



Ruth Y Niino-DuPonte

Pauline Roth
HC3 Box 13581
Kea'au, HI 96749

TESTIMONY IN SUPPORT OF:

HB574 and SB766— RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
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I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,

A handwritten signature in black ink that reads "Pauline Roth". The signature is written in a cursive, flowing style.

Pauline Roth

Aleks Velhner
Blue Planet Research
#71 – 1645 Mamalahoa Hwy. #2
Kailua Kona, HI, 96740

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
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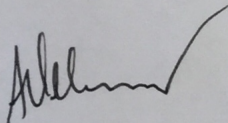
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I would greatly appreciate your affirmative consideration of these bills.

Mahalo,



Aleks Velhner

Kris Zacny
630 S Orange Grove Blvd, Apt 2
Pasadena, CA 91105

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
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I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,

Kris Zacny

A handwritten signature in blue ink, appearing to read 'Kris Zacny', with a stylized flourish at the end.

*Douglas Bath
20 Hoaka Rd.
Hilo, HI 96720*

TESTIMONY IN SUPPORT OF:

HB574 and SB766– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION
SYSTEMS (PISCES)

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Mahalo,



Douglas Bath

Christina Cauley
1029 Ainako Ave. Hilo, Hawaii 96720

TESTIMONY IN SUPPORT OF:

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I believe these bills will provide PISCES with the sustained, market-driven revenue it needs to continue developing cutting-edge, basalt-based products and materials that will directly benefit Hawaii's economy, and quarry and mining industries.

PISCES taking the lead in the responsible growth of these industries will provide greater opportunities to Hawaii's youth through providing local internship opportunities in geology and engineering. Providing these opportunities will increase local students' expertise in economically relevant fields, further making them competitive applicants for post-graduation jobs that would best be filled by those who understand Hawaii's complex present and historical relationship with land use.

As a student, PISCES provided my paid internship in geology. The experience and connections provided by PISCES lead to my successful NASA internship the following year. Hawaii must further develop such opportunities for students and post-graduation, for the success of our youth and the future of the state.

I would greatly appreciate your affirmative consideration of these bills.

Mahalo,

Christina Cauley

House Bill 574 RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATIONS SYSTEMS.

I oppose HB 574. Imposing a special excise tax on the rock product industry to support a non-profit research institute is totally inappropriate and most of the cost will be simply passed on to the taxpayer as most rock products are purchased by the government. The proposed transfer of any excess revenue from this special tax to the general fund suggests this is just another undercover effort to increase taxes. Please reject this bill.

J. W. Morrow
jwmorrow@att.net



HAWAII ISLAND CONTRACTORS' ASSOCIATION

494-C Kalanikoa Street * Hilo, Hawaii 96720 * Phone: 808/935-1316 * Fax: 808/934-7779 * Email: hical@hawaiiantel.net

February 7, 2017

Representative Mark Nakashima
Chairman of the Committee on Economic Development and Business
State Capitol Conference Room 309
415 South Beretania Street
Honolulu, HI 96813

Re: House Bill 574 RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATIONS SYSTEMS.

Chairman Nakashima, Vice Chair Keohokalole and members of this committee,

The Hawaii Island Contractors Association, which represents over 150 businesses on the Big Island is in strong opposition to HB 574. The Pacific International Space Center for Explorations Systems (PISCES) is part of an international effort to study space. Their work may have merits, but establishing tax and regulatory burdens on the construction industry to support one research organization does not.

This bill, HB 574, establishes a targeted excise tax on rock products and rock product dealers – this includes quarries, crushing companies, concrete companies, asphalt companies, pre-cast companies, distributors and retailers who sell rock products, and will benefit only ONE research entity, PISCES. One large, important industry segment will be made responsible for an added tax and regulatory burden for one research entity.

This bill not only establishes the tax, but will set up an entire regulatory system for tracking, paying and reporting this tax that will add burdens to both industry and government alike. It also sets (or reinforces) a bad precedent for a non-profit group to target specific industries to pay for their research or enterprise. Rather than approaching the rock industry for support, this group is using legislative action to fund their activities, and allows for a back door increase to the general fund when the targeted limit is met. This is bad policy and makes for bad government. It is very possible that the cost of setting up the system to collect and distribute the tax will exceed the cost of the tax revenues generated for PISCES.

Government agencies are the largest consumer of basalt products and the majority of the cost of the tax and its collection will be therefore passed on to the taxpayers. Surely there are more efficient and transparent ways to fund PISCES.

I am strongly opposed to this bill and sincerely request that legislators not pass it.

Sincerely,

Craig Takamine, President 2016-2017

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS
ON
HOUSE BILL NO. 574

February 8, 2017
9:00 a.m.
Room 309

LATE

RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR
EXPLORATION SYSTEMS

House Bill No. 574 establishes an excise tax on basalt cinder and trap rock sold by wholesalers or dealers; establishes the Pacific International Space Center for Exploration Systems (PISCES) Special Fund into which the tax will be deposited; and requires moneys in excess of \$1,000,000 in the PISCES Special Fund at the end of the fiscal year to lapse to the general fund.

As a matter of general policy, the Department of Budget and Finance does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be

financially self-sustaining. In regards to House Bill No. 574, it is difficult to determine whether the proposed special fund would be self-sustaining and whether there is a clear nexus between basalt cinder and trap rock sales and the PISCES program.

Thank you for your consideration of our comments.

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

LATE

February 8, 2017

TO: HONORABLE MARK NAKASHIMA, CHAIR, HONORABLE JARRETT KEOHOKALOLE, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS

SUBJECT: **OPPOSITION TO H.B. 574**, RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS. Establishes an excise tax on basalt cinder and trap rock sold by wholesalers or dealers. Provides that the excise tax is paid into the Pacific international space center for exploration systems special fund. Requires moneys in excess of \$1,000,000 in the Pacific international space center for exploration systems special fund to lapse to the general fund.

HEARING

DATE: February 8, 2017
TIME: 9:00 a.m.
PLACE: Conference Room 309

Dear Chair Nakashima, Vice Chair Keohokalole and Members of the Committee,

The General Contractors Association (GCA) is an organization comprised of over 500 general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

GCA is in opposition to H.B. 574, Relating to PISCES which proposes an excise tax on basalt cinder and trap rock sold by wholesalers or dealers. The measure further provides that the excise tax is paid into the Pacific international space center for exploration systems special fund. Requires moneys in excess of \$1,000,000 in the Pacific international space center for exploration systems special fund to lapse to the general fund. While we appreciate the value of the program the funds are trying to promote, there are many worthy projects out there also needing funds. All of them need to be vetted thru the budget process to ensure the State has the funds necessary to fund them. Taxing specific businesses such as the aggregate industry that have no nexus to the program being funded is, in our opinion, an improper form of taxation targeting a business trying to make a go without the burden of funding unrelated program, however worthy the program may be."

The GCA urges the committee to defer H.B. 574. Thank you for this opportunity to present our views on this very important measure.