



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
Thursday, February 2, 2017 at 2:00 p.m.

by

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

HB 847 – RELATING TO THE UNIVERSITY OF HAWAII RESEARCH

Chair Woodson, Vice Chair Hashem 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 UH-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).

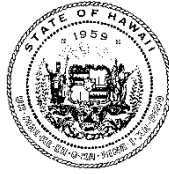
With its array of program strengths in ocean sciences, energy research, sustainable agriculture and astronomy; and its growing strength in cybersecurity and health sciences -- UH is the primary public institution generating academic research in the state.

A portion of the academic research has the potential to be converted to commercially viable products. In the past, UH secured patents on its inventions and licensed the patents to private companies willing to risk commercialization. After observing how UH's mainland public university counterparts promote innovation and research, it is clear that University of Hawai'i needs to be more active in its support and more focused in its efforts to commercialize its research products – which in turn will contribute to a dynamic and more diverse workforce in the state and promote economic health.

The University of Hawai'i established a proof of concept center/venture accelerator program named "XLR8UH" to turn university-related research into viable commercial products in cooperation with private investment. If a clear legal framework authorizing UH to participate directly and indirectly in new enterprises were established, UH could more efficiently contribute to the Hawai'i Innovation Initiative's effort to help diversify the state's economy. 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 participation in promising concepts.

The University of Hawai'i's brand will also be enhanced. Currently, UH lags its peer institutions in having the support infrastructure to encourage and nurture technology transfer. To keep UH competitive with its mainland peers in the competition for external commercial research sponsorship and in the completion for hiring entrepreneurial faculty or staff, it needs to develop a commercialization capacity.

Thank you for this opportunity to testify on this measure.



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>
Twitter: [@hawaiispo](https://twitter.com/hawaiispo)

TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
HIGHER EDUCATION

February 2, 2017

House Bill 847
RELATING TO THE UNIVERSITY OF HAWAII RESEARCH

Chair Woodson Vice-Chair Hashem, and members of the committee, thank you for the opportunity to submit testimony on HB 847. The State Procurement Office's (SPO) comments are limited to SECTION 2 of the bill amending HRS §304A by adding a section exempting all costs and expenses expended from the University's innovation and commercialization initiative special fund's revenues from chapter 103D as follows:

"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 103D. Revenues not expended as provided in this section may be transferred to other university funds to be expended for the general benefit of the university."

The SPO is not in opposition of this bill, however, would like to submit comments pertaining to SECTION 2, page 10, lines 4 to 10.

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.

The Code should not be viewed as an obstacle to a purchasing agency's mission, but rather as the single source of public procurement policy to be applied equally and uniformly to obtain its requirements, which was the legislature's intent for the Code. If individual agencies are

exempted and allowed to develop their own individual processes, it becomes problematic for the administration and vendors/contractors that must comply with a variety of processes. Most agencies agree that fairness, open competition, a level playing field, and government disclosure and transparency in procurement and contracting process are vital to good government. They believe that for this to be accomplished, we must participate in the process with one set of statutes and rules.

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 taxpayer 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.

The National Association of State Procurement Officials state: "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

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. As such, the authority can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost saving efficiencies found in the consistent application of the procurement code are lost. It also means the authority is not required to adhere to the Code's procurement integrity laws.

When public bodies are removed from the State's procurement code it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the different jurisdictions and the entire procurement process becomes less efficient and more costly for the State and vendors.

Thank you.



HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

Committee: Committee on Higher Education
Bill Number: H.B. 847
Hearing Date/Time: Wednesday, February 2, 2017, 2:00 p.m.
Re: Testimony of the Hawaii State Ethics Commission with
COMMENTS on H.B. 847, Relating to University of Hawaii
Research

Dear Chair Woodson and Committee Members:

The Hawaii State Ethics Commission (“Commission”) hereby submits **comments** on H.B. 847, which seeks to promote the commercialization of research conducted at the University of Hawaii.

In short, the Ethics Commission fully supports the University’s efforts to take advantage of its employees’ outstanding research; as the saying goes, a rising tide lifts all boats, and the University and its employees ought to be encouraged to promote (and profit from) their many accomplishments. So long as the University establishes safeguards to ensure that the University’s interests are adequately protected, these activities are already permitted by the Ethics Code, Hawaii Revised Statutes (“HRS”) chapter 84.¹

¹ Indeed, more than twenty years ago, the Commission issued an Advisory Opinion stating:

[W]hen the State of Hawaii stood to benefit from arrangements in which an employee acquired a financial interest subject to his official action, or took official action directly affecting that interest, or assisted or represented a business on a matter in which the employee had participated or would participate, or assisted or represented that business before the agency of which he or she was an employee, the conflicts of interests law did not per se prohibit such arrangements, so long as the State’s interest was adequately protected.

See Hawaii State Ethics Commission, Advisory Opinion No. 1992-2 at 5-6, available at <http://files.hawaii.gov/ethics/advice/AO1992-2.pdf>. The Commission reviewed several technology transfer proposals and concluded that they satisfied the Ethics Code because, among other things, they were subject to “strict oversight and review by appropriate State authorities for the purpose of insuring that [University employees’] official action would be directed toward the stated goals of the proposal.” Id. at 8.

The Legislature intended that Advisory Opinions “be a source of reference for all persons concerned and contribute to a proper understanding of the code. These opinions should reflect the practical operation of the code and begin to develop a body of ‘case law’ on ethics.” Conf. Comm. Rep. No. 16, in 1967 House Journal, at 856.

The Commission respectfully suggests that the proposed language in HRS § 304A-___ (page 12, line 18 to page 13, line 2 of the bill), requiring that the Ethics Code be construed “in recognition of the public benefits created and state interests advanced by university activities,” is redundant. Both the Commission and the courts already construe statutes in relation to one another; the phrase used by courts is that statutes that are “in pari materia,” or on the same subject matter, are to be construed together. In evaluating the Ethics Code’s application to any proposed activities, the Commission always considers the state purpose at hand; as such, while the Commission does not oppose the proposed language, the Commission respectfully suggests that it is unnecessary.

The Commission does, however, oppose any efforts to exempt University employees and/or broad categories of activities from the Ethics Code itself. As such, while the Commission offers comments on this measure, the Commission opposes a related measure on today’s agenda (H.B. 425).

Thank you for considering the Commission’s testimony on H.B. 847.

Very truly yours,

Daniel Gluck
Executive Director and General Counsel



Written Statement of
Robbie Melton
Executive Director & CEO
High Technology Development Corporation
before the
House Committee on Higher Education
Thursday, February 2, 2017
2:00 p.m.
State Capitol, Conference Room 309

In consideration of
HB847
RELATING TO UNIVERSITY OF HAWAII RESEARCH.

Chair Woodson, Vice Chair Hashem, and Members of the Committee on Higher Education.

The High Technology Development Corporation (HTDC) **supports** HB847 that establishes the Innovation and Commercialization Initiative Program to expressly give the University of Hawaii the legal authority to create, promote, and participate in new economic enterprises and expand workforce opportunities based on inventions and discoveries generated by or at the University.

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. HB847 allows UH to engage in economic promotion activities that will support university technology transfer and workforce development through programs like XLR8UH.

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 help nurture the efforts of regionally developed intellectual property, entrepreneurs, and startups affiliated with the university. We look forward to continued partnerships with the XLR8UH program.

HTDC is also partnered with the University of Hawaii Engineering and Computer Science departments in facilitating stronger connections between industry, students, and professors through HTDC's WetWare Wednesday networking event. The monthly event has been bringing together stakeholders in the tech community for the past 5 years.

HTDC defers to UH on the implementation of the bill. Thank you for the opportunity to offer these comments.



Statement of
Omar Sultan
Managing Partner
XLR8UH

Testimony Presented Before the
House Committee on Higher Education
February 2, 2017 at 2:00 pm

In Consideration of
HB 847 – RELATING TO UNIVERSITY OF HAWAII RESEARCH

Chair Woodson, Vice Chair Hashem and members of the Committee:

XLR8UH respectfully submits testimony in **strong support** of HB 847 to authorize The University of Hawai'i (UH) to promote, financially support and directly participate in innovation and commercialization of university-related research.

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 2 years old, XLR8UH is already a multiple award winning, venture accelerator program, nationally recognized by the Small Business Association in 2015 and 2016 and the Economic Development Association in 2016 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 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. 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.

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.

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.

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

THE CIVIL BEAT
LAW CENTER FOR THE PUBLIC INTEREST

700 Bishop Street, Suite 1701
Honolulu, HI 96813

Office: (808) 531-4000
Fax: (808) 380-3580
info@civilbeatlawcenter.org

House Committee on Higher Education
Honorable Justin H. Woodson, Chair
Honorable Mark J. Hashem, Vice Chair

**RE: Testimony Commenting on H.B. 847,
Relating to the University of Hawai`i Research**
Hearing: February 2, 2017 at 2:00 p.m.

Dear Chair and Members of the Committee:

My name is Brian Black. I am the Executive Director of the Civil Beat Law Center for the Public Interest, a nonprofit organization whose primary mission concerns solutions that promote governmental transparency. Thank you for the opportunity to submit testimony **commenting** on an unnecessary provision in H.B. 847. To avoid confusion, the Law Center recommends removing or clarifying the intent of the first sentence of proposed section 304A-, concerning confidential records.¹

On its face, the confidential records provision of H.B. 847 only repeats existing law under the Uniform Information Practices Act (UIPA). The provision specifies certain information (trade secrets and confidential business information) as confidential if protected by the UIPA and otherwise a public record if not confidential. That is law already under the UIPA, which has protected trade secrets and confidential business information for more than two decades. *See, e.g.,* OIP Op. No. 94-14 at 5-6. Thus, the confidential records portion of H.B. 847 does not add to the law.

If that provision is intended to do something different than existing UIPA law, the intent should be clarified. Otherwise, the provision will cause confusion because standard rules of statutory interpretation would counsel that a statute must not be superfluous. *E.g., Keliipuleole v. Wilson*, 85 Hawai`i 217, 221, 941 P.2d 300, 304 (1997) (“[C]ourts are bound to give effect to all parts of a statute, and that no clause, sentence, or word shall be construed as superfluous, void, or insignificant if a construction can be legitimately found which will give force to and preserve all words of the statute.”). As it stands, the provision seems entirely unnecessary in light of existing law.

¹ “Any documents or data made or received by the university under this subpart, to the extent that the material or data consist of trade secrets or confidential commercial or financial information that may be withheld from public disclosure under chapter 92F, shall not be disclosed; provided that, if the university purchases a qualified security, the non-confidential commercial and financial information regarding that security shall be a public record of the university.”

Further, it is unclear why the statute only references public access when the University purchases a qualified security. The public has a comparable interest in access to information – and would have access under the UIPA – when the University provides loans or other financial assistance to a project, yet none others are mentioned. While H.B. 847 borrows select language from statutes concerning Hawaii’s Strategic Development Corporation and mentions its other programs in the preamble, H.B. 847 fails to incorporate all the relevant language from that statute (*e.g.*, defining “qualified securities,” see HRS § 211F-1).

We note that the second sentence of proposed section 304A- (concerning confidential records) allows for an executive session under Sunshine Law, HRS chapter 92, that otherwise does not exist. Thus, that portion of the bill is not superfluous and does not suffer from the same lack of clarity as the rest of that section.

Thank you again for the opportunity to testify.



Testimony to the House Committee on Higher Education

February 2, 2017

2:00 p.m.

Conference Room 309

**RE: RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII –
HOUSE BILL 847**

Chair Woodson, Vice Chair Hashem 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 House Bill 847, relating to the University of Hawaii Research. The bill is to provide to provide express statutory authority to enable and facilitate the deployment of university educational and instructional resources, university managerial and fiscal resources, and university personnel to promote the economic health and diversification of workforce opportunities in the State through the commercialization of inventions and discoveries generated by or at the university.

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 can 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



Feb. 2, 2017

Rep. Justin Woodson
House Committee on Higher Education
State Capitol
Honolulu, HI 96813

Re: House Bill 847

Chairman Woodson and Committee Members:

We do not offer an opinion on whether the committee should create an innovation program at the University of Hawaii.

However, we would like to point out a portion of the bill that we ask be deleted:

“The board of regents, or any subcommittee of the board, may hold an executive session as provided in section 92-4 to discuss trade secrets or confidential commercial or financial information that may be withheld under chapter 92F.”

We question this because the Sunshine Law already exempts items confidential under state or federal law. We also do not feel that some unnamed UH subcommittee should be given meeting exceptions. We also oppose any link between the open meetings law and chapter 92F.

Thank you for your time.

Sincerely,

Stirling Morita
President, Hawaii Chapter SPJ

EST. 1988

HVCA

HAWAII VENTURE CAPITAL ASSOCIATION

Statement of
Melialani James
President
Hawaii Venture Capital Association (HVCA)

Testimony Presented Before the
House Committee on Higher Education
February 2, 2017 at 2:00 pm

In Consideration of
HB 847 – RELATING TO UNIVERSITY OF HAWAII RESEARCH.

Chair Woodson, Vice Chair Hashem 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 HB 847.

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2017 4:11 PM
To: HEDtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB847 on Feb 2, 2017 14:00PM*

HB847

Submitted on: 1/31/2017

Testimony for HED on Feb 2, 2017 14:00PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Oppose	No

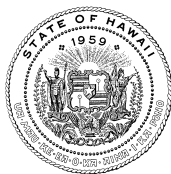
Comments:

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DAVID Y. IGE
GOVERNOR

LATE



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 HIGHER EDUCATION
ON
HOUSE BILL NO. 847

February 2, 2017
2:00 p.m.
Room 309

RELATING TO THE UNIVERSITY OF HAWAII RESEARCH

House Bill No. 847 establishes the Innovation and Commercialization Initiative Program (Program) within the University of Hawaii to allow the University to commercialize the inventions and discoveries generated by or at the University. The bill also creates the University Innovation and Commercialization Initiative Special Fund to pay for costs and expenses associated with the Program.

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. 847, it is difficult to determine whether the proposed special fund would be self-sustaining.

LATE



Statement of
Tarik Sultan
Managing Partner
Sultan Ventures

Testimony Presented Before the
House Committee on Higher Education
February 2, 2017 at 2:00 pm

In Consideration of
HB 847 – RELATING TO UNIVERSITY OF HAWAII RESEARCH

Chair Woodson, Vice Chair Hashem and members of the Committee:

Sultan Ventures respectfully submits testimony in **strong support** of HB 847 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.

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.

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



Chamber of Commerce HAWAII
The Voice of Business

LATE

**Testimony to the House Committee on Higher Education
Thursday, February 2, 2017 at 2:00 P.M.
Conference Room 309, State Capitol**

RE: HOUSE BILL 847 RELATING TO UNIVERSITY OF HAWAII RESEARCH

Chair Woodson, Vice Chair Hashem, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 847, which establishes the Innovation and Commercialization Initiative Program to expressly give the University of Hawaii the legal authority to create, promote, and participate in new economic enterprises and expand workforce opportunities based on inventions and discoveries generated by or at the University.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The University of Hawaii is the state's public institution supporting an array of programs such as ocean sciences, energy research, sustainable agriculture, astronomy, and more. Much of the research produced by these many fields has strong commercial potential that has not been capitalized. In order to reach its full potential, UH needs to proactively move these research projects to commercialization in order to become a major contributor to the state's economy and workforce. HB 847 would establish the Innovation and Commercialization Initiative Program and create the second state agency with this capability that could help move projects along and achieve maximum commercial potential within the University.

Thank you for the opportunity to testify.