

Honolulu, Hawaii

FEB 17 2017

RE: S.B. No. 1247

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Higher Education and Public Safety, Intergovernmental, and Military Affairs, to which was referred S.B. No. 1247 entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to make an appropriation, subject to the availability of matching funds, to the University of Hawaii to conduct necessary studies to ascertain the feasibility and benefits of establishing a small satellite launch and processing facility, as well as to conduct any related public outreach programs.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Pacific International Space Center for Exploration Systems; University of Hawai'i at Hilo; Office of the Mayor, County of Hawai'i; Oceanit; Alaska Aerospace Corporation; X-Bow Launch Systems Inc.; W.H. Shipman Limited; Hawaii Island Chamber of Commerce; David S. De Luz, Sr. Enterprises, Inc.; Hawaii Island Economic Development Board; and fifteen individuals.

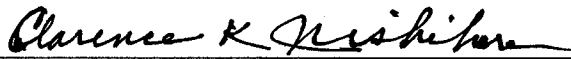
Your Committees find that the small satellite industry in Hawaii is an emerging market and is rapidly transforming space access to the communications, imaging, navigation, and data industries. Hawaii provides a unique opportunity for the small commercial satellite market because it is located at an ideal geographic site for the launching of satellites into low earth equatorial orbit. Estimates indicate that more than 3,600 small



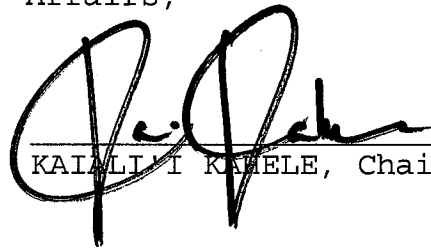
satellites are expected to be launched in the next ten years which has an industry value of more than \$22,000,000,000. Your Committees further find that it is important for the State to support this expanding industry in order to remain competitive and realize the enormous potential economic benefits in this area. Your Committees recognize that success of the emerging small satellite industry requires public-private partnerships, and that the private sector has increasingly expressed interest in establishing space-oriented businesses in Hawaii.

As affirmed by the records of votes of the members of your Committees on Higher Education and Public Safety, Intergovernmental, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1247 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Higher Education
and Public Safety,
Intergovernmental, and Military
Affairs,



CLARENCE K. NISHIHARA, Chair



KAILANI KAMELE, Chair



