

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2702  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committees on Economic Development, Tourism, and Technology, Public Safety, Intergovernmental, and Military Affairs, and Government Operations, to which was referred S.B. No. 2702 entitled:

"A BILL FOR AN ACT RELATING TO DEVELOPMENT OF THE AEROSPACE INDUSTRY,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Aerospace Development Corporation;
- (2) Transfer the rights, powers, functions, and duties of the Office of Aerospace Development and Pacific International Space Center for Exploration Systems to the Hawaii Aerospace Development Corporation; and
- (3) Repeal the Office of Aerospace Development and the Pacific International Space Center for Exploration Systems.

Your Committees received testimony in support of this measure from the University of Hawai'i and one individual. Your Committees received testimony in opposition to this measure from the State Procurement Office and three individuals. Your Committees received comments on this measure from the Department of Business,



Economic Development, and Tourism; Department of Budget and Finance; Department of Taxation; Office of Information Practices; Life of the Land; RedWorks Construction Technologies Inc.; and four individuals.

Your Committees find that Hawaii plays an important role in the development of the aerospace industry, given Hawaii's strategic near-equatorial location, substantial telemetry, space surveillance, and resident expertise in a broad range of aerospace-related technologies. Your Committees further find that combining the resources, goals, and expertise of the Office of Aerospace Development and Pacific International Space Center for Exploration Systems will allow the State to direct its efforts in advancing Hawaii in the aerospace industry.

Your Committees have amended this measure by:


- (1) Deleting language that exempts the Hawaii Aerospace Development Corporation from the Hawaii Public Procurement Code to solicit competitive sealed bids for certain contracts;
- (2) Adopting the language suggested by the Office of Information Practices that makes the confidentiality provision more consistent with the Uniform Information Practices Act and the Sunshine Law;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.


As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology, Public Safety, Intergovernmental, and Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2702, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2702, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committees on Economic  
Development, Tourism, and  
Technology, Public Safety,  
Intergovernmental, and Military  
Affairs, and Government  
Operations,

  
CLARENCE K. NISHIHARA, Chair

  
GLENN WAKAI, Chair

  
DONNA MERCADO KIM, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Economic Development, Tourism, and Technology**  
**ETT**


Bill / Resolution No.:* <b>SB 2702</b>	Committee Referral: <b>ETT/PSM/GVO, WAM</b>	Date: <b>1/31/18</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
BAKER, Rosalyn H.				✓
GALUTERIA, Brickwood				✓
THIELEN, Laura H.		✓		
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes



The Senate  
 Twenty-Ninth Legislature  
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**Record of Votes**  
**Committee on Government Operations**  
**GVO**

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<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)		X		
RUDERMAN, Russell E. (VC)			X	
GALUTERIA, Brickwood		X		
KEITH-AGARAN, Gilbert S.C.		X		
RHOADS, Karl				X
<b>TOTAL</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office              Drafting Agency              Committee File Copy				

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