



Written Statement of  
**Robbie Melton**  
Executive Director & CEO  
Hawaii Technology Development Corporation  
before the  
**Senate Committee on Ways and Means**  
Wednesday, April 4, 2018  
10:30 a.m.  
State Capitol, Conference Room 211

In consideration of  
**HB1958, HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

The Hawaii Technology Development Corporation (HTDC) **supports** HB1958, HD1 that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program.

HTDC comments that HB1958 HD1 allows Hawaii SBIR matching awards for SBIR phase III projects funded by the private sector. These projects were previously unintentionally excluded.

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. HTDC has been providing Phase I matching grants to SBIR awarded companies since 1989 and started awarding Phase II and Phase III matching grants in FY16.

A summary of the awards made by the matching grant program is listed below:

	FY16	FY17	FY18*
Appropriation	\$2 MM	\$2 MM	\$1 MM
# of Applications	11	9	9
# of Awards	7	8	5
\$\$ Awarded	\$2 MM	\$1.9 MM	\$900 K
Federal SBIR \$\$ (match)	\$7.9 MM	\$10.9 MM	\$5.4 MM
Estimated New Jobs	17	70	15

\* FY18 data through 12/31/17

This year with \$900,000 available, only 5 of 9 companies were funded. Every year, there have been more qualified applicants than available funds. Since the phase II and III program started in FY16, none of the applicants have received the full eligible amount.

Over time, the current phase II and III program is anticipated to generate the same type of metrics of success as the Phase I only matching program. For every dollar invested through the Hawaii SBIR program, Hawaii companies have attracted over 20 federal dollars in return to the state, plus commercialization funding. HTDC believes the grant program provides leverage and positive economic development value for the State by supporting projects with vetted technology and backed with federal funds. In the 2017 HTDC economic impact survey, 29 SBIR companies reported 379 jobs in Hawaii, \$61 million in total revenue generating \$117 million in total economic impact.

The Senate version, SB2904 appropriates \$2 million for the program. HTDC agrees that this would be an appropriate amount for the program and support this initiative as long as it does not replace our priorities requested in the Executive Budget. HTDC respectfully requests correction of the defective effective date. Thank you for the opportunity to offer these comments.



**HYPERSPECTIVE**  
INSPIRE BELIEF

Statement of:  
Todd J. Robertson  
Hyperspective  
Before the  
**Senate Committee on Ways and Means**  
Wednesday, April 4, 2018  
10:30 a.m.  
State Capitol, Conference Room 211

In consideration of  
**HB1958, HD1 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

Hyperspective **supports** HB1958, HD1 that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program. Appropriates moneys.

Hyperspective is a digital creative agency, focused on developing cutting edge technology for communications and products within the State of Hawaii for global export. As a technology company, Hyperspective benefits from programs like the manufacturing grant, directly through application for such grants and in-directly through services provided to companies that are awarded grants. This program supports the growth of an ecosystem of companies that attract large-scale business, talent and investments to Hawaii.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

We respectfully request correction of the defective effective date. Thank you for the opportunity to offer these comments.



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

Before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
April 4, 2018  
10:30 a.m.  
State Capitol, Conference Room 211  
In Support of  
**HB1958 RELATING TO THE HAWAII TECHNOLOGY  
DEVELOPMENT CORPORATION**

To: Senator Donovan Dela Cruz, Chair, Senator Gilbert S.C. Keith-Agaran, Vice  
Chair and Members of the Committee

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

Re: Testimony in Support of HB1958

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **in support of HB1958**

The technology industry in Hawaii has grown over the past 12 years and has made significant strides towards achieving the goal of diversifying and stimulating Hawaii's economy. The continuation of the Small Business Innovation Research ("SBIR") grants is crucial to move the technology towards prototyping, customer interface, and commercialization,

The objectives of the SBIR grants are:

- To support economic growth and the diversification of our economy;
- To launch new ventures based on technology innovations; and
- To support the growth of the tech industry and the creation of intellectual property and innovation in the State.

We strongly urge you to support of HB1958 and we appreciate your continued support of the technology industry.

Statement of  
**Yoshito L'Hote**  
**Executive Director**  
**“Āina Ho'okupu o Kilauea**  
before the  
**Senate Committee on Ways and Means**  
Wednesday, April 4, 2018  
10:30 a.m.  
State Capitol, Conference Room 211

In consideration of  
**HB1958, HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

“Āina Ho'okupu o Kilauea (AHK) **supports** HB1958, HD1 that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program. Appropriates moneys..

AHK strongly support HTDC as they have supported and educated us about the need and availability of technology in the field of agriculture. As we are looking for ways to keep Hawai'i agriculture relevant and successful the incorporation of technology is a vital element. It helps with our high cost of labor and engages the youth to see farming under a different light and to get into the field.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

We respectfully request correction of the defective effective date. Thank you for the opportunity to offer these comments.

Yoshito L'Hote

Statement of  
**Nelson Kanemoto**  
**President and CEO**  
**Referentia Systems Incorporated**  
before the  
**Senate Committee on Ways and Means**  
Wednesday, April 4, 2018  
10:30 a.m.  
State Capitol, Conference Room 211

In consideration of  
**HB1958, HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

Referentia Systems Incorporated strongly **supports** HB1958, HD1 that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program.

Referentia Systems is a technology company with headquarters in Honolulu, Hawaii. Over the past 15 years, HTDC's HB1958 grant funding has supported and enabled Referentia to develop proprietary technologies that are being commercialized within the State and on the U.S. mainland through several technology spin-offs.

One such technology and spin-off is LiveAction Inc., [www.liveaction.com](http://www.liveaction.com), which, on the basis of the technology supported by SBIR funding, raised over \$30 million in Series A and B venture financing. Most recently, with SBIR funding from HTDC, Referentia developed an innovative time-series database and analytics platform, In2lytics, which is providing the Hawaiian Electric Companies the insight needed to incorporate more renewables into their grid.

The grant that we received from HTDC in 2017 significantly helped further develop and commercialize this product, helping Hawaii work towards the goal of 100% renewables. More importantly, the funding helped position our technology platform to be the back-end database for a U.S. mainland partner with 900 electric utility co-operative customers. This achieves the State's objectives of increasing technology exports to grow high-tech companies and jobs at home.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

We respectfully request correction of the defective effective date. Thank you for the opportunity to offer these comments.

# **HAWAII FISH COMPANY**

## **Established 1978**

P. O. Box 740  
Waialua, HI 96791, USA  
Cellular: 808-429-3147, 429-3187  
E-mail: [hawaiifish@gmail.com](mailto:hawaiifish@gmail.com)

City Bank TIGR Award 2000- Aquaculture  
U.S. SBA Tibbetts Award/  
SBIR Hall of Fame 2000  
Certificate of Congressional Recognition

---

Hawaii Fish Company (HFC), a small, family-owned, multigenerational North Shore aquaculture farm, testifies in strong support of HB 1958 HD1 which would appropriate funds for the continuation of the Hawaii Small Business Innovation Research (SBIR) matching grant program administered by the High Technology Development Corporation (HTDC).

HFC has received six USDA/SBIR Phase I feasibility grants to date totaling \$452 thousand, with one currently in progress. These research efforts have been enhanced by six Hawaii SBIR Phase I matching grant awards totaling \$125 thousand. HFC has subsequently received four follow-on USDA/SBIR Phase II research & development grants totaling more than \$1.4 million, with a fifth Phase II award anticipated. i

HFC's two most recent USDA/SBIR Phase II awards were matched enhanced by two Hawaii SBIR Phase II matching grant awards totaling \$286 thousand to help support our farm's ambitious research and development efforts to expand our sustainable seafood production, product development, and sales, to develop our production related renewable energy-based aquaculture technologies, to protect our intellectual property, to retain our existing employees, and to support our carefully planned Phase III commercialization efforts. Phase III commercialization is anticipated for both, and these efforts would benefit from and be enhanced by a Phase III matching grant opportunity.

The Federal SBIR program is increasingly known in the innovation technology and investment sectors as America's Seed Fund. Similarly, the Hawaii SBIR matching grant program is well known to the Federal agencies, with the additional support provided to Hawaii awardees helping to enhance the quality of awardees research efforts and the opportunity for commercialization success by which Congress evaluates the Federal program. This can only help Hawaii's applicants in the Federal review process.

The Hawaii matching grant program's competitive written application, 5-minute pitch, and third-party review process employed by HTDC in their review and award process ensures that the States' investment in innovation awards is well targeted, and the carefully selected contract milestones tied to the award payment schedule ensures project performance.

In summary, this is a very strong and beneficial State program supporting nationally-vetted local innovators across multiple economic sectors that is worthy of continued legislative support.

Thank you for the opportunity to testify in strong support of HB 1958 HD1.

Ronald P. Weidenbach, Co-Owner & President





2758 S. King St., Ste. 202, Honolulu, HI 96826  
[www.revacomm.com](http://www.revacomm.com)

Statement of  
**Elden Ito**  
**President**  
**RevaComm**  
before the  
**Senate Committee on Ways and Means**  
Wednesday, April 4, 2018  
10:30 a.m.  
State Capitol, Conference Room 211

In consideration of  
**HB1958, HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

RevaComm **supports** HB1958, HD1 that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program. Appropriates moneys.

We are actively researching SBIR grant opportunities with the Federal Government and wish to leverage additional grant monies provided by the State of Hawaii through HTDC for research and development type projects. Continuing to support HTDC's Small Business Innovation Research Program at the level of funding it has received in the past is critical to helping technology companies like RevaComm reduce the risks involved in contributing to an innovation economy here in Hawaii.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

We respectfully request correction of the defective effective date. Thank you for the opportunity to offer these comments.

A handwritten signature in black ink, appearing to read "Elden Ito".

Elden Ito  
President



Statement of  
**LETIZIA DE LANNOY**  
**Manager**

**Hawaii Evolutionary Development, LLC**  
**(HIEvoDevo)**

before the

**Senate Committee on Ways and Means**

Wednesday, April 4, 2018

10:30 a.m.

State Capitol, Conference Room 211

In consideration of

**HB 1958, HD1**

**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT  
CORPORATION**

2800 Woodlawn Dr, #286

Honolulu, HI 96822

**T** (808) 636-3146

**F** (808) 988-2990

[hed@evodevohi.com](mailto:hed@evodevohi.com)

**FEIN** 36-4683352

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

HIEvoDevo **supports** HB1958, HD1 that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program. Appropriates moneys.

HIEvoDevo is a startup company developing HEDS, an engineering design software using a novel methodology to find optimal solutions. This methodology has a wide range of applications in industries such as engineering (aircraft and airspace, automotive, drones, and building design, etc.), health care, finance, to name a few.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

We respectfully request correction of the defective effective date.

Thank you for the opportunity to offer these comments.

Statement of  
J.R. Robinson, Co-Founder/CEO  
Nest Egg Guru, Inc.  
before the  
**Senate Committee on Ways and Means**  
Wednesday, April 4, 2018  
10:30 a.m.  
State Capitol, Conference Room 211

In consideration of  
**HB1958, HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

Nest Egg Guru **supports** HB1958, HD1 that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program. Appropriates moneys..

Nest Egg Guru is an incubator tenant at Manoa Innovation Center. HTDC has been instrumental in helping our company launch and implement its business plan and in supporting us from grass roots startup to our current post-revenue stage. We are grateful for HTDC's guidance and programs. We respectfully urge Ways & Means to continue to foster our fledgling tech community by approving grants to HTDC.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

We respectfully request correction of the defective effective date. Thank you for the opportunity to offer these comments.



3 April 2018

**To : Senate Committee on Ways and Means**

**R.e. HB 1958 HD1**

**To be heard on Wednesday, 04-04-18 10:30AM.**

**At State Capitol, Conference Room 211**

Dear Chair Sen. Dela Cruz, Vice Chair Sen. Keith-Agaran, and Members of the Senate Committee on Ways and Means,

I write in **strong support** of HB 1958 HD1, RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION, which authorizes HTDC to issue Phase I, II and III awards. We believe that these awards are critical to the development of innovative small businesses in Hawaii, and aid the transition from high-risk research to commercialization.

Our company is an exemplar of how these funds can aid in this transition. Consider our experience with the Velella Project, which was awarded one of **TIME Magazine's "25 Best Inventions of the Year"** for 2012.

The Velella Project was funded by the National Science Foundation's SBIR program. Our Phase I and Phase II research work laid the ground-work for understanding the opportunity, but did not identify a ready path to commercialization. By the end of the Phase II project, we were still a long way from having a viable business plan. By good fortune, one of our collaborating partners – the Illinois Soybean Association – had provided a significant matching contribution to our Phase II research to allow us to obtain a **further \$500,000 in Phase IIB funds from NSF**. This follow-on funding meant we could go back out offshore, and deploy and operate a modified version of the original concept, which could then more clearly demonstrate the social, ecological and commercial benefits of the project. Out of that Phase IIB work grew a new Lockheed-Martin spin-off company that now operates independently out of NELHA, with Kona-based employees totaling three engineers, a PhD biologist, one other technician (who is a UH Hilo graduate), and one other supporting employee.



The Velella Project technologies developed through these matching funds also underpin the commercial expansions that we are pursuing in Florida, Mexico and Honduras. Our Mexico project recently closed a Series A round. This operation will provide a commercial platform for application of additional technologies that we are developing in Kona in new feeds, new mooring and net pen systems and selective breeding. These technologies are also applicable to the Kona-based kampachi farm, and other future offshore farms in Hawaii and the Pacific Islands.

Without the Phase II matching support of Illinois soybean farmers, then the NELHA-based Lockheed spin-off company, and our own ongoing research program at NELHA would all have wilted on the vine. As a Hawaii company, we cannot always rely on friends from Illinois; such critical support for Phase II and Phase III match needs to be also available locally, but without the complexities of a convertible note (included in the original draft).

We would also like to applaud one proposed amendment to the governing language for Phase II and III awards that is included in HD1. In past iterations of this program, HTDC Phase III match awards have only been available for companies that had Phase III funding from **government** sources (i.e. DoD, or NIH). These HTDC awards were therefore not made available to companies that had **private** sources of Phase III matching funds. This is completely wrong-headed! HTDC should be charged with offering **greater** support for private investors in SBIR technologies, not **less**. We therefore were very pleased to see in 4.(b) of the draft legislation that the clause now reads "phase II or III award or contract **from any participating federal agency**" (my emphasis added). This change is greatly appreciated.

Thank you for the opportunity to offer these comments.

Sincerely,

Julien Stevens, M.Sc.  
Researcher & Outreach Coordinator, Kampachi Farms, LLC  
Social Media Director, The Ocean Stewards Institute  
Julien@kampachifarm.com (808) 333 9842



**PO Box 1095  
Kurtistown, Hawaii  
+1-808-938-2840  
jim.wyban@gmail.com**

---

April 2, 2018

**RE: HB1958, HD1 THAT APPROPRIATES FUNDS TO CONTINUE SBIR PROGRAM**

Dear Committee:

I am writing to express my strong support of HB1958, HD1 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) to continue the Hawaii Small Business Innovation Research (HSBIR) program.

I developed the World's first SPF shrimp broodstock company, High Health Aquaculture (HHA) based at NELHA in Kona. HHA was the beginning of what became a new industry in Hawaii – SPF Shrimp Broodstock, which exports more than \$20 M of product per year.

During my tenure at HHA, we received 9 SBIR grants from various federal agencies (NSF, USDA, DOC). For each of these we also received Hawaii SBIR matching grants. All of these greatly contributed to our IP development, which increased our company's value and success. This is a very valuable initiative that I strongly support.

After 20 years in business we sold HHA to an Asian multinational (SIS), which expanded the business and continues today.

I strongly support the Hawaii SBIR program and urge you to fund it.

Thanks,

Jim Wyban PhD



**Nalu Scientific**  
Data Acquisition Systems

Nalu Scientific, LLC  
2800 Woodlawn Dr. Ste #240  
Honolulu, HI 96822 USA  
Phone: +1 (888) 717-6484  
info@naluscientific.com

April 3, 2018

**Statement of**  
Isar Mostafanezhad, Ph.D.  
Founder and CEO  
**Nalu Scientific, LLC**  
before the  
**Senate Committee on Ways and Means**  
Wednesday, April 4, 2018  
10:30 a.m.  
State Capitol, Conference Room 211  
In consideration of  
**HB1958, HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

Nalu Scientific, LLC **supports** HB1958, HD1 that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program

Nalu Scientific was founded in 2015 to commercialize high speed integrated circuits for US Department of Energy and its national labs. Since then we have been receiving steady support from the DOE SBIR program which has allowed us to grow to 7 full time employees. We have plans to even grow further and provide support to DOE and the national labs in their mission.

Being in Manoa, and having access to a subsidized facility, has been extremely helpful in our growth. Additionally, we have immensely benefited from various HTDC's programs. We have also benefited from the matching funds grant program administered through the Hawaii SBIR program of HTDC. Given high cost of doing business in Hawaii and the high risk- high reward nature of our innovation, these matching funds have been essential in helping us finish Phase I projects in time and bring in Phase II follow-on funding.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market. We respectfully request correction of the defective effective date. Thank you for the opportunity to offer these comments.

Thank you for the opportunity to offer these comments.  
Isar Mostafanezhad, Ph.D.  
Founder and CEO at Nalu Scientific, LLC

**HB-1958-HD-1**

Submitted on: 4/2/2018 11:44:21 AM

Testimony for WAM on 4/4/2018 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Tom Leonard	Testifying for TeleVoice 2000	Support	No

Comments:





# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the Senate Committee on Ways and Means  
Wednesday, April 4, 2018 at 10:30 A.M.  
Conference Room 211, State Capitol**

**RE: HOUSE BILL 1958 HD 1 RELATING TO THE HAWAII TECHNOLOGY  
DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 1958 HD1, which authorizes the Hawaii Technology Development Corporation (HTDC) to issue Small Business Innovation Research program (SBIR) Phase III federal grant awardees up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside the program.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ 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.

Based on data provided by HTDC, 20 federal dollars are returned to the State for every dollar invested through the SBIR program. The existing grant program is successful in promoting innovation and stimulating economic development by supporting emerging technologies developed by Hawaii companies and creating innovation jobs.

Thank you for the opportunity to testify.

**HB-1958-HD-1**

Submitted on: 4/2/2018 9:14:08 PM

Testimony for WAM on 4/4/2018 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

**HB-1958-HD-1**

Submitted on: 4/3/2018 8:34:38 AM

Testimony for WAM on 4/4/2018 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lisa Vollbrecht	Individual	Support	No

Comments: