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

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

WRITTEN ONLY

TESTIMONY BY LAUREL A. JOHNSTON
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM,
AND TECHNOLOGY
ON
HOUSE BILL NO. 2559, H.D. 1

March 12, 2018
1:15 P.M.
Room 414

RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST SPINLAUNCH

House Bill No. 2559, H.D. 1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist SpinLaunch Inc. with the financing of the planning, design, and construction of a satellite launch system pursuant to Part V, Chapter 39A, Hawaii Revised Statutes.

The Department is providing comments only to advise the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. For additional information, please consult our FAQ located at the following link:

<http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

Thank you for your consideration of our comments.



Pacific International
Space Center for
Exploration Systems

**PISCES BOARD OF
DIRECTORS**

Henk Rogers, Chair
Senate Nominee
Term: 2014 – 2018

Vacant
Ex-Officio, Executive Director,
PISCES
Term: 2013 –

Kim Binsted
Senate Nominee
Term: 2016 – 2020

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Term: 2016 – 2019

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Term: 2015 – 2018

Patrick Sullivan
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Term: 2014 – 2018

Vacant, House Nominee
Term: 2015 - 2019

Statement of
Rodrigo Romo
Program Director

Pacific International Space Center for Explorations Systems (PISCES),
Before the
Committee on Economic Development, Tourism & Technology
Monday, March 12th, 2018 @ 13:15
State Capitol, Conference Room 414

In consideration of
HB2559-HD1

**RELATING TO THE SPECIAL PURPOSE REVENUE BONDS TO ASSIST
SPINLAUNCH**

Chair Wakai, Vice Chair Taniguchi and members of the Committee.

Dear members of the committee I want to express my support for HB2559-HD1.

It is important for the State of Hawai'i to diversify its economy away from tourism and agriculture. Attracting companies from the aerospace industry is one of PISCES primary goals.

The small satellite industry is going through rapid growth. Two limiting factors that are inhibiting the industry from achieving its potential are the lack of small launch vehicles and launch sites. Companies like SpinLaunch address both issues.

Hawai'i's geographical location make it an ideal candidate for both equatorial and polar orbit launches. SpinLaunch has expressed interest in developing a launch facility in Hawai'i. This would bring high paying jobs that are desperately needed in the State and place Hawai'i on the map in the Small Satellite Industry.

Thank you for this opportunity to offer comments.

Rodrigo Romo
Program Director
PISCES
99 Aupuni St. Ste 212-213
Hilo, HI 96720

COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY

Monday, March 12, 2018

1:15pm

Conference Room 414

HB 2559 RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST SPINLAUNCH INC

Chair Wakai, Vice Chair Taniguchi and members of the Committee on Economic Development, Tourism, and Technology:

Thank you for the opportunity to testify on Senate Bill No. 2703. I am Raphael Feldman, Project Manager at SpinLaunch Inc. The purpose of this bill is to address the issuance of special purpose revenue bonds to provide financing to assist SpinLaunch Inc. in constructing a portion of its electrical small satellite launch system which will make the development of such a system more economically feasible and provide the public benefits listed in SB 2703.

I have recently become acquainted with Hawaii and have found the people of the Islands to respect and honor the value and prestige of the land in a way more passionately than I have seen in most other places around the world. SpinLaunch aims to uphold and honor these values while working with communities to help propel economies of new technology.

SpinLaunch is an inspiring program that I am proud to be a part of and would encourage this Committee to support on the Hawaiian Islands

Thank you for the opportunity to testify on this measure.

Raphael Feldman

COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY

Monday, March 12, 2018

1:15pm

Conference Room 414

HB 2559 RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST SPINLAUNCH INC

Chair Wakai, Vice Chair Taniguchi and members of the Committee on Economic Development, Tourism, and Technology:

Thank you for the opportunity to testify on House Bill No. 2559. I am Jonathan Yaney, CEO of SpinLaunch Inc. The purpose of this bill is to address the issuance of special purpose revenue bonds to provide financing to assist SpinLaunch Inc. in constructing a portion of its electrical small satellite launch system which will make the development of such a system more economically feasible and provide the public benefits listed in HB 2559.

SpinLaunch's adoption in Hawaii will facilitate a pro-growth environment for the developing commercial space industry on the Islands, bringing a unique capability to market that will facilitate new satellite based business models. SpinLaunch will contribute to the continued development of the Hawaii aerospace presence with new technologies, creating a diversity of 21st century jobs locally, while educating communities and improving on the sustainability of Hawaii.

Thank you for the opportunity to testify on this measure.

Jonathan Yaney

COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY

Monday, March 12, 2018

1:15pm

Conference Room 414

HB 2559 RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST SPINLAUNCH INC

Chair Wakai, Vice Chair Taniguchi and members of the Committee on Economic Development, Tourism, and Technology:

Thank you for the opportunity to testify on House Bill No. 2559. I am Ryan Hampton, Director of Launch Site Development at SpinLaunch Inc. The purpose of this bill is to address the issuance of special purpose revenue bonds to provide financing to assist SpinLaunch Inc. in constructing a portion of it's electrical small satellite launch system which will make the development of such a system more economically feasible and provide the public benefits listed in HB 2559.

My background comes from time spent in the US Navy and working in various capacities of deep water diving and construction such as natural disaster relief and clean up. My history allows me a unique perspective and love for life on tropical islands, populated by ecological wonders that I feel are ever present in the Hawaiian Islands.

My family and I live in the Pāhoā area of the Big Island. Being able to spend time with my wife and kids at the many State and National parks and recreation areas while experiencing the awe of Madame Pele and learning about the Aloha Spirit brings so much of the Island's natural features to life in ways I could have never imagined second hand. My family and I are truly grateful for this privilege.

I see SpinLaunch development on the Islands as a way to continue the rich history of navigation, exploration and discovery while stimulating and encouraging technological advancements and education that can help humankind understand more about our planet, our universe and ourselves.

Thank you for the opportunity to testify on this measure.

Ryan Hampton

HB-2559-HD-1

Submitted on: 3/10/2018 12:01:31 PM

Testimony for ETT on 3/12/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES
DEMOCRATIC PARTY OF HAWAII
TO THE COMMITTEE OF ECONOMIC DEVELOPMENT, TOURISM, AND
TECHNOLOGY

THE SENATE
TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018
Monday, March 12, 2018
1:15 p.m.

Hawaii State Capitol, Conference Room 414

RE: Testimony in Support of **HB2559 HD1**: RELATING TO SPECIAL
PURPOSE REVENUE BONDS TO ASSIST
SPINLAUNCH

To the Honorable Glenn Wakai, Chair; the Honorable Brian T. Taniguchi, Vice-Chair and Members of the Committee on Economic Development, Tourism, and Technology:

Good afternoon. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB2559 HD1** relating to the Special Purpose Revenue Bonds; SpinLaunch Inc.; and the Satellite Launch System.

The OCC Legislative Priorities Committee is in favor of **HB2559 HD1** and supports its passage.

HB2559 HD1 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it authorizes the issuance of special purpose revenue bonds to assist SpinLaunch Inc., with the financing of the planning, design, and construction of a satellite launch system.

The DPH Platform states that a "diversified and healthy economy in Hawai'i requires a well-educated and healthy citizenry. To encourage existing and new

enterprise, we need to develop a combination of tax policies and credits, lending programs, and financial incentives that will attract the business community. The creation of intellectual property and new start-ups should be a part of the curriculum of our business schools. Business training should stress ethical company management that is responsive to customer needs. (Platform of the DPH, P. 1, Lines 38-42 (2016)).

We believe that government plays a vital role in nurturing and regulating our economic system. We believe that private and public employers, as responsible members of the community, by providing good jobs and fair pay and benefits, are essential for economic expansion, diversification, innovation, and entrepreneurship.

Availability of financial support and a capable educated people are critical to our economic expansion and diversification. The management of businesses should be ethical and responsive to the community with transparency for investors and shareholders guaranteeing sound, healthy management. Innovation through the generation of intellectual property should be the goal of our economic diversification. We support the continuing protection of intellectual property developed in the state of Hawai'i.

We need to give priority to the development of "green" sustainable industries and business. We need financial literacy and asset building programs to strengthen our 'ohana. We need to pursue relationships with the information technology industry. We need to invest in world-class higher education to stimulate our economic resources. We need to reduce our dependence on tourism, real estate development, and military. A diversified economy will help to create diversified jobs. (Platform of the DPH, P. 2, Lines 56-73 (2016)).

Given that **HB2559 HD1** authorizes the issuance of special purpose revenue bonds to assist SpinLaunch Inc., with the financing of the planning, design, and construction of a satellite launch system, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889