



Statement of  
**Duke Hartman, P.E.**  
**Vice President, Business Development**  
**MAKAI OCEAN ENGINEERING, INC.**  
before the  
**COMMITTEE ON WAYS AND MEANS**  
Wednesday, April 4, 2018  
10:30 a.m.

**LATE**

State Capitol, Conference Room 211

In consideration of

**HB2610-HD2**

**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**  
Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways & Means

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS HB2610-HD2** that makes an appropriation for the continuation of the manufacturing development program within the High Technology Development Corporation (HTDC). However, Makai requests correction of the effective date of the program.

Makai Ocean Engineering, Inc. has historically been an engineering services provider, but now, with the help of the State's current manufacturing assistance program, Makai is diversifying into low-volume manufacturing. Makai has been involved in marine-related engineering in Hawaii for over 44 years, and recently began a heat exchanger R&D program. Now, we are ramping up production a small manufacturing plant for heat exchangers on the Big Island of Hawaii, which is sustaining approximately 8 highly-skilled, high-paying STEM / engineering jobs in rural Kona. We have a strategic advantage for developing and manufacturing low-volumes of these components in Hawaii for two reasons: the U.S. Navy and Air Force's presence in Hawaii, and Makai already owns and operates a marine heat exchanger test facility and marine corrosion lab on the Big Island. As an example, Makai was recently awarded a contract to design a new heat exchanger for the U.S. Air Force's next generation aircraft, including the new F-35 fighter jet, and we hope to be manufacturing units over the coming years.

According to the Chamber of Commerce of Hawaii in 2017, Hawaii has over 1,000 active manufacturers employing about 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. Because they are matching funds, a manufacturer is eligible only if they are already making an investment in the local community and providing jobs. The program amplifies these efforts, and shows the State's support for local manufacturers willing to make the investment and commitment to adding jobs, and growing their businesses and the industry in Hawaii.

Thank you for the opportunity to offer these comments.



**LATE**

Statement of  
**Julia Person**  
**Corporate Sustainability Manager**  
[Julia.person@konabrewingco.com](mailto:Julia.person@konabrewingco.com) / 971-271-0596  
**Kona Brewing Co.**  
before the  
**Senate Committee on Ways and Means**  
Wednesday, April 4, 2018  
10:30 a.m.  
State Capitol, Conference Room 211

In consideration of  
**HB2610, HD2**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

Kona Brewing Co. **supports** HB2610, HD2 that appropriates funds to HTDC  
for continuance and administration of the manufacturing development program.

Kona Brewing Co. is Hawaii's oldest and largest craft brewery, and is today a  
top 10 national craft beer brand. The flagship brewhouse operates in Kailua-Kona,  
where the company is embarking on a large expansion, with a commitment to grow  
in a sustainable manner. The new brewery has a goal to be net zero energy usage,  
net zero water usage, and a certified green building. The HTDC manufacturing grant  
program has enabled Kona Brewing Co. to pursue innovative energy efficient  
technology, helping to support more local jobs and revenue generation by growing  
our manufacturing business. We strongly recommend the continuation of HB1327.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000  
active manufacturers employing approximately 17,000 workers and Hawaii's  
manufacturing industry helped the local economy by exporting nearly \$570 million in  
manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at  
\$100,000. The program shows the State's support for local manufacturers willing to  
make the commitment to growing their businesses in Hawaii and growing the  
industry.

Thank you for the opportunity to offer these comments.