

**HB-2709**

Submitted on: 1/30/2018 11:02:23 AM

Testimony for EDB on 2/2/2018 8:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Randall Francisco	County of Kauai	Support	No

Comments:



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-NINTH LEGISLATURE, 2018**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 2709, RELATING TO TECHNOLOGY.

**BEFORE THE:**

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS

**DATE:** Friday, February 2, 2018

**TIME:** 8:45 a.m.

**LOCATION:** State Capitol, Room 309

**TESTIFIER(S):** Russell A. Suzuki, First Deputy Attorney General, or  
Margaret S. Ahn, Deputy Attorney General

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Chair Evans and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill establishes a new Hawaii Innovation and Technology Authority (Authority) headed by a board of directors.

This bill does not include the powers, duties, and functions of this new Authority. We recommend that such powers, duties, and functions of the Authority as the Legislature deems appropriate be inserted.

In addition, page 3, lines 4-10, of this bill provides that the members of the board of directors "shall be appointed by the governor, senate president, and speaker of the house of representatives for a term of four years; provided that membership on the board shall not exceed eight consecutive years; provided further that each member shall hold office until the member's successor is appointed and qualified." (Emphasis added).

First, "appointed by the senate president and speaker of the house" is inexact, as the rest of the bill makes clear that the Governor shall appoint the members, albeit some of the members shall be appointed by the Governor from names submitted by the Senate President and Speaker of the House.

Second, providing for a term of four years, not to exceed eight consecutive years, is unnecessary, as section 26-34, Hawaii Revised Statutes (HRS), already contains these provisions.

Third, the holdover wording of this bill is not in conformance with section 26-34, HRS, which provides:

(b) Any member of a board or commission whose term has expired and who is not disqualified for membership under subsection (a) may continue in office as a holdover member until a successor is nominated and appointed; . . .  
(Emphasis added).

Because section 26-34, HRS, contains the holdover provision in subsection (b), additional holdover wording is not necessary.

To avoid a conflict between statutes and unnecessary verbiage, we recommend that page 3, lines 4-10, of this bill be amended to read as follows:

(1) The members shall be appointed by the governor as provided in section 26-34.

Thank you for providing this opportunity to comment.



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

Before the  
**HOUSE OF REPRESENTATIVES**  
**COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS**

February 2, 2018  
8:45 a.m.  
State Capitol, Conference Room 309  
In Support of  
**HB2709 RELATING TO TECHNOLOGY**

To: Representative Cindy Evans Chair, Representative Jarrett Keohokalole, Vice Chair and Members of the Committee

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

Re: Testimony in Support of HB2709

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **IN SUPPORT of HB2709.**

We supported the introduction of State House and Senate legislation (SB3084 and HB2709) to create a new entity called the “Hawaii Innovation and Technology Authority” to help bring coherency to Hawaii’s endeavors to develop a more diverse economy through the development of a technology based industry and knowledge based jobs. The HITA would have primary responsibility for developing strategic policy around three major areas, including (1) Start-ups, (2) Sustainment of existing enterprises, and (3) Attraction of companies that could establish an office in Hawaii with high quality jobs. The Authority would also be appropriated resources that would have overarching responsibility for funding HTDC, HSDC, etc. initiatives to help ensure that there is coherency in how the State works as a team.

At its core, HITA attempts to accelerate progress and address needs that current approaches have inadequately addressed. Moreover, from my personal perspective, after over 30+ years of supporting the current framework, I believe a fresh approach with an overarching authority for innovation and technology, could bring the much needed change and speed.

Therefore, we **SUPPORT HB2709.**



Written Statement of  
**Michael Pfeffer**  
CEO, Ibis Networks, Inc.

Before the  
**House Committee on Economic Development & Business**

Friday, February 2, 2018  
8:45 a.m.  
State Capitol, Conference Room 309

In consideration of  
**HB2709**  
**RELATING TO TECHNOLOGY**

Honorable Chair Evans, Vice Chair Keohokalole, and Members of the Committee,

Ibis Networks **strongly supports** HB2709 that establishes the Hawaii Innovation and Technology Authority to create coherent policy, prioritize investments, and promote efficient use of the State's resources to institute and grow Hawaii's innovation and technology industry.

Ibis Networks is a local energy efficiency technology company focused on helping large commercial organizations manage their plug load energy consumption. We have multiple projects and installations both in Hawaii and on the mainland.

Establishment of the Hawaii Innovation and Technology Authority would promote a more diverse economy that offers high quality knowledge-based jobs as well as support start-ups, sustain existing companies, and attract companies to relocate or establish offices in Hawaii.

**We strongly urge you to support HB2709** and appreciate your continued support of the technology industry.

Thank you for the opportunity to testify.

**HB-2709**

Submitted on: 2/1/2018 11:02:26 AM

Testimony for EDB on 2/2/2018 8:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Neenz Faleafine		Support	No

Comments:



Written Statement of  
**Robbie Melton**  
Executive Director & CEO  
Hawaii Technology Development Corporation  
before the  
**House Committee on Economic Development & Business**  
Friday, February 2, 2018  
8:45 a.m.  
State Capitol, Conference Room 309

In consideration of  
**HB2709**  
**RELATING TO TECHNOLOGY**

Chair Evans, Vice Chair Keohokalole, and Members of the Committee on Economic Development & Business.

The Hawaii Technology Development Corporation (HTDC) offers **comments** on HB2709 that creates a Hawaii Innovation and Technology Authority to grow Hawaii's innovation and technology industry to be placed under the Department of Business, Economic Development, and Tourism for administrative purposes.

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 appreciates the intent of the bill to provide more support for technology commercialization through coherent policies and priorities relating to innovation and technology.

HTDC comments that coherent policies and priorities should be a common goal for all stakeholders in the innovation sector. While we all work to fulfill our own mission and duties, moving the state forward requires collaboration and buy-in toward a unified goal. Tech and innovation are no longer siloed industries and are instead driving the growth of many industries. Coordinated efforts such as the Comprehensive Economic Development Strategy (CEDS) led by the DBEDT Office of Planning and the Economic Development Alliance of Hawaii can and should be better utilized.

HTDC comments that adding a new innovation authority seems to only complicate the goal of better coordination. HTDC also comments that if a new governing body is desired by the legislature, an advisory commission may be a more appropriate structure. The body should be able to advise on policy and direction without the bias and burden of program funding considerations. HTDC comments that as written, the authority has purpose without the appropriate powers to implement.

HTDC looks forward to working with any and all stakeholders in moving forward the innovation economy. Thank you for the opportunity to offer these comments.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

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Statement of  
**LUIS P. SALAVERIA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS**

Friday, February 2, 2018  
8:45 am  
State Capitol, Conference Room 309

in consideration of  
**HB 2709**  
**RELATING TO TECHNOLOGY.**

Chair Evans, Vice Chair Keohokalole, and Members of the Committee on Economic Development & Business.

The Department of Business, Economic Development and Tourism (DBEDT) offers **comments** on HB2709 that creates a Hawaii Innovation and Technology Authority to grow Hawaii's innovation and technology industry to be placed under the Department of Business, Economic Development, and Tourism for administrative purposes.

DBEDT appreciates the intent of the bill to provide clarity in Hawaii's initiative to create a knowledge based-economy and more support for technology commercialization through coherent policies and priorities relating to innovation and technology. However, there currently exist organizations with similar missions including the Hawaii Technology Development Corporation, the Hawaii Strategic Development Corporation, the Office of Planning, and the Economic Development Alliance of Hawaii, which coordinates efforts such as the Comprehensive Economic Development Strategy (CEDS).

Thank you for the opportunity to provide these comments.





**HAWAII  
STRATEGIC  
DEVELOPMENT  
CORPORATION**

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Honolulu, Hawaii 96804  
Telephone: (808) 587-3830

Statement of  
**Karl K. Fooks**  
**President**

Hawaii Strategic Development Corporation

Before the  
**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS**

Friday, February 2, 2018  
8:45 AM  
State Capitol, Conference Room 309

With comments on

**HB 2709**  
**RELATING TO THE HIGH TECHNOLOGY**

Chair Evans, Vice Chair Keohokalole and Members of the Committee on Economic Development and Business:

The Hawaii Strategic Development Corporation (HSDC) **provides comments on** HB 2709, which creates a Hawaii Innovation and Technology Authority to grow Hawaii's innovation and technology industry to be placed under the Department of Business, Economic Development, and Tourism for administrative purposes.

HSDC welcomes the Legislature's interest in providing commitment and funding to support innovative activities in the state. HSDC recommends the proposed measure include a section on the purpose and duties of the Hawaii Innovation and Technology Authority to avoid any duplication of efforts with other state departments and agencies currently supporting innovation and technology in the state.

The focus on creating coherent policy and developing resource allocations should support more than the objective of positioning Hawaii to be a leader in technology development, transfer and commercialization. To succeed in the 21<sup>st</sup> century global economy Hawaii needs more than tech transfer and commercialization capabilities.

Hawaii, over the past several years, has proven that a comprehensive approach that includes support for business acceleration, access to startup capital, the support of broadband and co-working infrastructure and the encouragement of talent through pitch competitions, hackathons and startup weekends, in addition to support for tech transfer and commercialization, can create a vibrant, entrepreneurial innovation economy in Hawaii.

This approach has yielded concrete results. The Kauffman Foundation ranked Hawaii #2 out of the 25 smaller states in Growth Entrepreneurship in 2017. An increase in Hawaii's ranking of 9 places from 2016. Hawaii ranked #7 out of all 50 states in 2017.

Thank you for the opportunity to provide testimony.

February 1, 2018

Representative Cindy Evans, Chair  
Representative Jarrett Keohokalole, Vice Chair  
Members of the Committee  
Hearing on SB 1059  
State Capitol, Conference Room 309

**LATE**

Aloha Chair Cindy Evans, Vice Chair Jarrett Keohokalole, and Committee Members,

Thank you for the opportunity to submit testimony **IN SUPPORT of HB2709.**

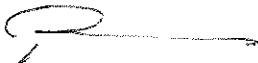
The Oahu Economic Development Board supports the creation of a new entity called the "Hawaii Innovation and Technology Authority" to help bring coherency to Hawaii's endeavors to develop a more diverse economy through the development of a technology based industry and knowledge based jobs. The HITA would have primary responsibility for developing strategic policy around three major areas, including (1) Start-ups, (2) Sustainment of existing enterprises, and (3) Attraction of companies that could establish an office in Hawaii with high quality jobs. The Authority would also be appropriated resources that would have overarching responsibility for funding HTDC, HSDC, etc. initiatives to help ensure that there is coherency in how the State works as a team.

At its core, HITA attempts to accelerate progress and address needs that current approaches have inadequately addressed. The Oahu Economic Development Board believes a fresh approach with an overarching authority for innovation and technology, could bring the much needed change and speed.

Therefore, we **SUPPORT HB2709.**

Please feel free to contact me directly should you have any questions.

Sincerely,



Pono Shim  
President and CEO  
Oahu Economic Development Board



**ENTERPRISE**  
HONOLULU

THE BUSINESS CLIMATE OF PARADISE



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Economic Development & Business**  
**Friday, February 2, 2018 at 8:45 A.M.**  
**Conference Room 309, State Capitol**

**LATE**

**RE: HOUSE BILL 2709 RELATING TO THE TECHNOLOGY**

Chair Evans, Vice Chair Keohokalole, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2709, which creates a Hawaii Innovation and Technology Authority to grow Hawaii's innovation and technology industry to be placed under the Department of Business, Economic Development and Tourism.

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.

We agree that the creation of a Hawaii Innovation and Technology Authority will assist in moving our state's technology industry to achieve local technology commercialization which will result in us moving toward success in the global marketplace and being able to better support our sustainable development goals which include having a viable and vibrant technology and manufacturing labor force.

Thank you for the opportunity to testify.

**LATE**

**HB-2709**

Submitted on: 2/1/2018 9:29:10 PM

Testimony for EDB on 2/2/2018 8:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:

**PRESENTATION OF THE  
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES  
DEMOCRATIC PARTY OF HAWAII  
TO THE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS  
THE HOUSE OF REPRESENTATIVES  
TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2018  
Friday, February 2, 2018  
8:45 a.m.  
Hawaii State Capitol, Conference Room 309**

**RE: Testimony in Support of HB 2709, RELATING TO TECHNOLOGY**

To the Honorable Cindy Evans, Chair; the Honorable Jarrett Keohokalole, Vice Chair, and Members of the Committee on Economic Development & Business:

Good morning. 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 House Bill No. 2709, relating to the Hawaii Innovation and Technology Authority with which to grow Hawaii's innovation and technology industry. The OCC Legislative Priorities Committee is in favor of House Bill No. 2709 and support its passage.

House Bill No. 2709, is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it creates the Hawaii Innovation and Technology Authority to

grow Hawaii's innovation and technology industry to be placed under the Department of Business, Economic Development, and Tourism for administrative purposes.

Specifically, the DPH Platform states, "We believe in efforts to build and retain a qualified workforce in Hawai'i . . . As the party of working men and women in Hawai'i, we work to protect labor rights and social security; to ensure fair labor right and social security; to ensure fair labor practices, a living wage for all workers, equal pay for equal work and fair taxation; we encourage legislation to raise the minimum wage and paid family and sick leave; to protect employees' rights to organize and bargain collectively with their employers; to oppose the outsourcing of Hawaii's jobs; to promote employment opportunities and sustainable growth; to assist the economically disadvantaged and advocate for sound trade and economic policies; and build our workforce for jobs in emerging technologies, in green industries, in renovation and in green construction, so that their jobs are not dependent on ever-expanding real estate development. (Platform of the DPH, P. 3, Lines 119, 122-129 (2016)).

We recognize that the responsible use and development of technology in all its manifestations offers immense potential for our community, government, including institutions of higher education and business sectors. We encourage synergistic research, development, commercialization and educational programs to promote technological proficiency and innovation. In particular, we support Science, Technology, Engineering and Math (STEM) initiatives in our public, private and charter schools as these prepare the next generation to address the needs of our State. We also support programs that facilitate incubator, i.e. start-up, opportunities for new and promising technologies, and encourage the local retention of our intellectual resources. (Platform of the DPH, P. 3, Lines 149-156 (2016)).

Given that House Bill No. 2709 it creates a Hawaii Innovation and Technology Authority to grow Hawaii's innovation and technology industry to be placed under the Department of Business, Economic Development, and Tourism for administrative purposes; 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](mailto:legislativepriorities@gmail.com), Tel.: (808) 258-8889

