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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 HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
ON
SENATE BILL NO. 2703, S.D. 1

March 14, 2018
9:30 A.M.
Room 309

RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST SPINLAUNCH

Senate Bill No. 2703, S.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
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Term: 2014 – 2018

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

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Term: 2015 – 2018

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Term: 2015 - 2019

Statement of
Rodrigo Romo
Program Director

Pacific International Space Center for Explorations Systems (PISCES),
Before the
Committee on Economic Development & Business
Wednesday, March 14th, 2018 @ 09:30
State Capitol, Conference Room 309

In consideration of
SB2703-SD1

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

Chair Evans, Vice Chair Keohokalole and members of the Committees.

Dear members of the committees, I want to express my support for SB2703-SD1.

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 & BUSINESS

Wednesday, March 14, 2018

9:30 am

Conference Room 309

SB 2703 RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST SPINLAUNCH INC

Chair Evans, Vice Chair Jarrett Keohokalole and members of the Economic Development & Business Committee:

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 & BUSINESS

Wednesday, March 14, 2018

9:30 am

Conference Room 309

SB 2703 RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST SPINLAUNCH INC

Chair Evans, Vice Chair Jarrett Keohokalole and members of the Economic Development & Business Committee:

Thank you for the opportunity to testify on Senate Bill No. 2703. 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 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 SB 2703.

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 & BUSINESS

Wednesday, March 14, 2018

9:30 am

Conference Room 309

SB 2703 RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST SPINLAUNCH INC

Chair Evans, Vice Chair Jarrett Keohokalole and members of the Economic Development & Business Committee:

Thank you for the opportunity to testify on Senate Bill No. 2703. 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 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.

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 Pāhoia 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

SB-2703-SD-1

Submitted on: 3/13/2018 6:24:22 AM

Testimony for EDB on 3/14/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Derek Lang	Engineering Space	Support	No

Comments:

COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Wednesday, March 14, 2018

9:30 am

Conference Room 309

SB 2703 RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST SPINLAUNCH INC

Chair Evans, Vice Chair Jarrett Keohokalole and members of the Economic Development & Business Committee:

Thank you for the opportunity to testify on Senate Bill No. 2703 addressing the issuance of special purpose revenue bonds to provide financing to assist SpinLaunch Inc. in constructing a portion of its small satellite launch system. I respectfully encourage support to this bill.

I am Derek Lang, of Engineering Space, an aerospace technology development and consulting firm. I am a life-long space enthusiast and have been an advocate of the public traveling to, and using space, since the early days of the US allowing private companies launch into space. I began working with SpinLaunch because of its vision for dramatically changing the way we access space and use space to improve life back here on earth. This is a project that can benefit Hawaii's economic development, tourism industry, and technology base.

It is often the in technology, agriculture, and raw commodities that Hawaii must export in order to create income. However similar to tourism, operation of a launch site draws customers and business opportunity, i.e., it brings people and money. SpinLaunch offers this unique opportunity to bring positive financial benefit island without Hawaii giving up its resources.

My family used to visit Hawaii since I was a youth, and we continue to do so on a regular basis. I am not a native and want to be respectful of Hawaii's cultural heritage and people. It is often a balancing act to look forward to the future, while protecting a rich history. In this case, space is something about which people, young and old, can get excited. The vision of space offers hope and wonder. It also offers economic opportunity and benefit. If there are ways to tap into this in a way that does not compromise Hawaii's deep rooted values, they should be seriously considered and supported.

SB-2703-SD-1

Submitted on: 3/13/2018 9:21:26 AM

Testimony for EDB on 3/14/2018 9:30:00 AM

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

Comments:

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 **SB2703 SD1**, relating to Special Purpose Revenue Bonds; SpinLaunch Inc.; and a Satellite Launch System.

The OCC Legislative Priorities Committee is in favor of **SB2703 SD1** and support its passage.

SB2703 SD1 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 "[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)).

The benefits from the SpinLaunch Satellite Launch System are as follows: (1) creates a market and a landmark for the first nonrocket based orbital launch technology in the world; (2) eliminates the need for chemical rocket fuel first stage propulsion and the resulting atmospheric pollution; (3) uses an abundant, infinite, renewable energy resources - solar energy and regenerative braking - to provide electrical loading; (4) reduces cost access to space and operating costs compared to conventional rocket launch programs; (5) generates millions of dollars in construction project spending and create long-term technical jobs relating to the operation of the launch facility; (6) helps the State, counties, and federal government to meet their goals and mandates for expanding access to space under the U.S. Commercial Space Launch Competitiveness Act" and facilitation of a pro-growth environment for the developing commercial space industry; and (7) contributes to space exploration, observation, and transportation.

Given that **SB2703 SD1** 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

SB-2703-SD-1

Submitted on: 3/13/2018 9:40:03 AM

Testimony for EDB on 3/14/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jo Jeffries	Individual	Comments	No

Comments:

My concerns about SpinLaunch are the following:

1- It is a new start up company that is in its 'infant' stage.

2- How much will the tax payers of Hawaii have to pay to foot the bill for this company and how much will the company itself have to invest?

3- How will the shore line be protected and available for the public.

4- What is the decible level of the launch and how will it affect the wildlife (aviary and fish) not to mention the people who live in the area?

5- How many launches are forecast per day, month, year and what time of day will they typically occur?

6- Who will pay for road maintenance during the building of this site and how will that affect those who live in the area and tourists who visit?

There are many more questions that I have regarding this project and wish that more information was available to the public before approval of these bonds.

Thank you for considering my testimony.

Jo Ann Jeffries

SB-2703-SD-1

Submitted on: 3/13/2018 10:22:16 AM

Testimony for EDB on 3/14/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jacqui Hoover	Hawaii Island Economic Development Board	Support	No

Comments:

Hawaii Island Economic Development Board (HIEDB) a member-based 501(c)3 incorporated in 1984 to help strengthen and diversify Hawaii Island's economy, had the privilege of preparing the updated (2016-2020) Comprehensive Economic Development Strategy (CEDS) for Hawaii County and collaborating to update the CEDS for Hawaii State. Working with hundreds of stakeholders across the State of Hawaii, the CEDS identifies aerospace as an important, emerging industry for Hawaii that provides positive socio-economic and environmental impacts.

SpinLaunch, Inc. provides an avenue to implement this opportunity and develop infrastructure in support of an aerospace industry that will provide education, workforce development and opportunities via direct jobs and ancillary industries,

HIEDB supports SB2703 SD1 and humbly requests your approval.

Mahalo for this opportunity to speak in support of SB2703 SD1 and please do not hesitate to contact me with any questions or concerns.