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

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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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 SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 2703

**February 23, 2018**  
**10:00 A.M.**  
**Room 211**

RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST SPINLAUNCH

Senate Bill No. 2703 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 –

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Term: 2016 – 2020

**Luke Flynn**  
Governor Nominee  
Term: 2016 – 2019

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Term: 2015 – 2018

**Patrick Sullivan**  
House Nominee  
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  
Committees on Ways and Means  
Friday, February 23<sup>rd</sup>, 2018 @ 10:00  
State Capitol, Conference Room 211

In consideration of  
**SB2703**  
**RELATING TO THE SPECIAL PURPOSE REVENUE BONDS TO ASSIST SPINLAUNCH**

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committees.

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

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 WAYS AND MEANS

Friday, February 23, 2018

10:00 am

Conference Room 211

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

Chair Donovan M. Dela Cruz, Vice Chair Gilbert S.C. Keith-Agaran and members of the Ways and Means Committee:

Thank you for the opportunity to testify. I am Charles Wagner, owner of CLW Engineering, LLC. I represent SpinLaunch Inc and request favorable consideration for SB 2703.

CLW Engineering supports attempts to facilitate a pro-growth environment for the developing the commercial space industry. The authorization of special purpose revenue bonds will allow the development of new infrastructure. SpinLaunch proposes new and exciting products that would positively help the State move toward these goals as well as generate millions of dollars in construction project spending. Additionally, SpinLaunch will revolutionize access to space by drastically reducing costs compared to conventional rocket programs. Long term, this program has the potential to create a new market for the production and launching of small satellites, creating high paying jobs and millions of dollars of state revenue.

Thank you for the opportunity to testify on this measure.

COMMITTEE ON WAYS AND MEANS

Friday, February 23, 2018

10:00 am

Conference Room 211

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

Chair Donovan M. Dela Cruz, Vice Chair Gilbert S.C. Keith-Agaran and members of the Ways and Means 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 WAYS AND MEANS

Friday, February 23, 2018

10:00 am

Conference Room 211

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

Chair Donovan M. Dela Cruz, Vice Chair Gilbert S.C. Keith-Agaran and members of the Ways and Means 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.

Recently my family and I moved to the the Pāhoā area of the Big Island in 2017. 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

COMMITTEE ON WAYS AND MEANS

Friday, February 23, 2018

10:00 am

Conference Room 211

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

Chair Donovan M. Dela Cruz, Vice Chair Gilbert S.C. Keith-Agaran and members of the Ways and Means 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 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.

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

**SB-2703**

Submitted on: 2/19/2018 5:42:54 PM

Testimony for WAM on 2/23/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Teresa L. Nakama	Testifying for BIFA	Oppose	No

Comments:

Strongly oppose SB2703...our legislators should not be supporting a bond fund to finance a private company through taxpayers hard earned monies. We do not need a space station on the island of Moku O'Keawe, which is pristine and shall not be polluted by space rockets emissions.

**SB-2703**

Submitted on: 2/21/2018 5:13:37 PM

Testimony for WAM on 2/23/2018 10:00:00 AM

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

Comments:

**OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES**

**DEMOCRATIC PARTY OF HAWAI'I**

THE COMMITTEE ON WAYS AND MEANS

THE SENATE

TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Friday, February 23, 2018

10:00 AM

Hawaii State Capitol, Conference Room 211

RE: Testimony in Support of SB2703 RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST SPINLAUNCH

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice-Chair, and Members of the Committee on Ways and Means:

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 Senate Bill No.2703, relating to Special Purpose Revenue Bonds; SpinLaunch Inc.; and a Satellite Launch System.

The OCC Legislative Priorities Committee is in favor of Senate Bill No. 2703 and support its passage.



Senate Bill No. 2703 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 Senate Bill No.2703 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, Tel.: (808) 258-8889