



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**Luis P. Salaveria**  
Director  
Department of Business, Economic Development and Tourism  
Before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
Wednesday, February 21, 2018  
10:10 AM  
State Capitol, Conference Room 211  
In consideration of  
**SB2751, SD1**  
**RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR  
EXPLORATION SYSTEMS.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) respectfully offers **comments, with support in part and opposition in part** on SB2751, SD1, relating to the Pacific International Space Center for Exploration Systems (PISCES).

DBEDT **opposes** Part I, Section 1. Section 1 places the Hawaii Unmanned Aerial Systems Test Site program under PISCES. The purposes of PISCES and Hawaii's UAS Test Site program are entirely different: PISCES conducts applied research and workforce development for NASA space missions. Hawaii's UAS Test Site is an FAA-designated program to integrate civilian drones into the National Air Space while protecting the privacy and property of citizens. Please correct an error in ACT 208(15) that made the UAS Test Site Advisory Board a sub-committee by deleting the phrase, "... as a sub-committee of the board of directors,..." on page 1, lines 11-12.

DBEDT **opposes** Part II, Section 2. Section 2 changes the title of the Office of Aerospace Development to the Pacific International Space Center for Exploration Systems.

DBEDT **supports** Part II, Sections 3 – 7, which places PISCES under DBEDT, makes two changes to the membership of the PISCES Board of Directors, and adds an appropriation ceiling of \$1.0 million. Since Section 26-35(a), HRS, states that the administrative supervision of any board or commission should be established or placed within a principal department for administrative purposes, PISCES should be administratively attached to DBEDT. Section 3 corrects this error.

Section 201-77(a), HRS, designates the executive director of PISCES as an ex officio Board Member. Since the PISCES Board hires and sets the salary and duties of the executive director of the space center, there is a built-in conflict of interest. Section 4 corrects this problem by deleting the executive director as an ex officio Board member and adding the Chancellor of the University of Hawaii at Hilo or his/her designee, which would provide the island of Hawaii academia's perspective to the Board.

Section 7 corrects a previous omission of an appropriation ceiling for the PISCES Special Fund to allow it to expend private donations, grants, and contract revenues.

DBEDT **opposes** Part III, Sections 8 – 12, which abolishes the Office of Aerospace Development and transfers its functions and funds to PISCES. This requires the PISCES board and staff to oversee programs designed to grow Hawaii businesses supporting civilian and defense aviation operations, in addition to their primary mission of supporting space exploration.

Thank you for the opportunity to comment on SB2751, SD1.

**SB-2751-SD-1**

Submitted on: 2/19/2018 5:45:35 PM

Testimony for WAM on 2/21/2018 10:10:00 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:

We strongly SB2751... a private company through state bond funds that taxpayers will be burden with through the state and banked on the general public 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. Aole to SB2751.

**SB-2751-SD-1**

Submitted on: 2/20/2018 9:50:55 AM

Testimony for WAM on 2/21/2018 10:10:00 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:

**PRESENTATION OF THE  
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES  
DEMOCRATIC PARTY OF HAWAI'I**

TO THE COMMITTEE ON WAYS AND MEANS

THE SENATE

TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Wednesday, February 21, 2018

10:10 a.m.

Hawaii State Capitol, Conference Room 211

RE: Testimony in Support of SB 2751 SD1 RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS.

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

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 Senate Bill No.2751 SD1 relating to the Pacific International Space Center for Exploration Systems; Office of Aerospace Development; and PISCES Special Fund Ceiling.

The OCC Legislative Priorities Committee is in favor of Senate Bill No.2751 SD1 and support its passage.

Senate Bill No.2751 SD1 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it (1) amends section 201-76, Hawaii Revised Statutes, to expressly place the Pacific International Space Center for Exploration Systems within the Department of Business, Economic Development, and Tourism, (2) deletes the executive director of the space center as a member of the board and adds the Chancellor of the University of Hawaii at Hilo, (3) establishes a ceiling of \$1,000,000 for the Pacific international space center for exploration systems special fund, and (4) repeals the office of aerospace development and transfers all rights, powers, functions, and duties to the Pacific international space center for exploration systems.

The DPH Platform states that "[w]e 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 Senate Bill No.2751 SD1 (1) amends section 201-76, Hawaii Revised Statutes, to expressly place the Pacific International Space Center for Exploration Systems within the Department of Business, Economic Development, and Tourism, (2) deletes the executive director of the space center as a member of the board and adds the Chancellor of the University of Hawaii at Hilo, (3) establishes a ceiling of \$1,000,000 for the Pacific international space center for exploration systems special fund, and (4) repeals the office of aerospace development and transfers all rights, powers, functions, and duties to the Pacific international space center for exploration systems, 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

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