

SB-2904

Submitted on: 2/6/2018 2:53:10 PM

Testimony for ETT on 2/9/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Randall Francisco	County of Kauai	Support	No

Comments:



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

Executive Officers

Beau Oshiro, C&S Wholesale Grocers, *Chair*
John Erickson, Meadow Gold Dairies, *Immediate Past Chair*
Toby Taniguchi, KTA Superstores, *Vice Chair*
Lauren Zirbel, HFIA, *Executive Director*
Joe Carter, Coca-Cola Bottling of Hawaii, *Secretary / Treasurer*
Stan Brown, Acosta Sales & Marketing, *Advisor*
Paul Kosasa, ABC Stores, *Advisor*
John Shilf, Rainbow Sales & Marketing, *Advisor*
Barry Taniguchi, KTA Superstores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*

TO:
Committee on Economic Development, Tourism, and Technology
Senator Glenn Wakai, Chair
Senator Brian T. Taniguchi, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: Friday, February 9, 2018
TIME: 1:15pm
PLACE: Conference Room 414

RE: SB 2904 Relating to the Hawaii Technology Development Corporation

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

Small businesses are a vital part of our communities, our state, and our economy. The Hawaii Technology Development Corporation's Small Business Innovation Research Program is an important part of ensuring that Hawaii's small business sector continues, to innovate, develop, grow, and thrive. We urge you to vote yes on this measure and we thank you for the opportunity to testify.

SB-2904

Submitted on: 2/7/2018 11:39:43 AM

Testimony for ETT on 2/9/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
dennis boy		Support	No

Comments:



4009 Black Point Rd, Honolulu, HI 96816 • (206) 588-5811

Statement of
Rex Jakobovits, PhD
President, Experiad Solutions
before the
Senate Committee on Economic Development, Tourism, and Technology
Friday, February 9, 2018 - 1:15 p.m.
State Capitol, Conference Room 414

In consideration of: **SB2904**
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, and Technology.

Experiad **supports** SB2904 that makes an appropriation to HTDC to continue providing grants to businesses with a federal SBIR awards.

I am a graduate of Kalani High School. I went on to earn a PhD in computer science from the University of Washington. I am happy to be back home now, building a new company in Hawaii, Experiad Solutions, that I hope will ultimately create many local high tech jobs. We are developing software for behavioral therapists who treat kids with autism. We have received two large Phase I SBIR grants and a Phase II SBIR grant (totaling over \$3M) from the National Institute of Health, and we received some matching HISBIR funds from HTDC. These grants have allowed us to expand our local team, and we plan to hire 2-3 more software developers. **The HISBIR matching funds were critical to helping us meet the goals of our research. The HISBIR program was directly responsible for us bringing in a \$1.8M Phase II award.** To date, over 90% of our expended funds have been spent on employees in Hawaii.

This is direct, compelling evidence that dollars invested in HISBIR matching funds attract large amounts of federal dollars in return to the state, helping us to succeed in our Phase II efforts and will help us achieve a successful Phase III commercialization, which will lead to a large expansion of our local workforce and a sustainable business for years to come.

Mahalo,

A handwritten signature in black ink, appearing to read "Rex Jakobovits", written over a horizontal line.

Rex Jakobovits, PhD



**PO Box 1095
Kurtistown, Hawaii
+1-808-938-2840
jim.wyban@gmail.com**

February 7, 2018

Senate Committee on Economic Development, Tourism, and Technology

RE: SB2904 RELATING TO THE HAWAII SMALL BUSINESS INNOVATION RESEARCH PROGRAM

Dear Committee:

I am writing to express my strong support of SB2904 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) to continue the Hawaii Small Business Innovation Research (HSBIR) program.

I developed the World's first SPF shrimp broodstock company, High Health Aquaculture (HHA) based at NELHA in Kona. HHA was the beginning of what became a new industry in Hawaii – SPF Shrimp Broodstock, which exports more than \$20 M of product per year.

During my tenure at HHA, we received 9 SBIR grants from various federal agencies (NSF, USDA, DOC). For each of these we also received Hawaii SBIR matching grants. All of these greatly contributed to our IP development, which increased our company's value and success. This is a very valuable initiative that I strongly support.

After 20 years in business we sold HHA to an Asian multinational (SIS), which expanded the business and continues today.

I strongly support the Hawaii SBIR program and urge you to fund it.

Thanks,

Jim Wyban PhD



Statement of
Duke Hartman, P.E.
Vice President, Business Development
Makai Ocean Engineering, Inc.
before the
Senate Committee on Ways and Means
Friday, February 9, 2018
1:15pm
State Capitol, Conference Room 414
In consideration of
SB2904

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS SB2904** that makes an appropriation to HTDC to continue providing grants to businesses with a federal small business innovation research (SBIR) phase II or III awards.

Makai Ocean Engineering, Inc. is a locally-owned and operated technology company based in Hawaii for over 44 years and an active participant in the Small Business Innovation Research (SBIR) grant program. The SBIR program consists of three phases that encourages early stage investment and innovation in technology. Phase 1 provides a very small amount of money that is barely enough for proof of concept research. However, it is the Phase 2 and 3 funding stages that really provide a “bridge” for companies to survive the “valley of death” between the idea and research stages of development, through prototyping to commercialization.

According to HTDC, for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market. The Phase 2 and 3 SBIR matching grants assist companies with a more difficult, but also more commercially-promising stage of development than Phase 1. Carefully selected Phase 2 and 3 matching grants represent more of a “sure bet” in terms of a successful and highly leveraged investment in economic development for the State, and growing our tech sector.

For example, Makai’s subsea cable laying software began as a Phase 1 SBIR (matched by State for \$20k in the year 2000) and then went on to Phase 2 and 3 and became the world’s #1 commercial cable laying software, with over \$30 million in commercial revenues and high tech jobs for Hawaii over the last 18 years. This is a direct multiplier of more than 1,500X for the State’s investment, not counting the indirect benefits of retaining some of the world’s best engineers in Hawaii and the additional technologies they have generated during this time.

Makai is currently working on a Phase 2 SBIR program focused on autonomous underwater vehicles, which could easily surpass the \$30 million cable laying software in terms of revenue to the



state. Our federal customer noted that the work we had performed on the underwater vehicle under the HTDC Hawaii State matching grant program was a key reason we were selected for an additional \$2.1 million award that is currently underway. Makai will be testing this underwater vehicle technology in Hawaiian waters in the summer of 2018, using local engineers and partnering with professors and undergraduate students at the University of Hawaii at Manoa.

In addition, Makai and Referentia were two local companies honored with a national award, the SBIR Tibbetts Award at the Whitehouse in January, 2017. This award recognizes the very best SBIR companies in the country whose technologies have made a strong economic impact in terms of high paying jobs, and displaying success in **actually commercializing federal R&D**. We need this HTDC administered program to make possible more national success stories by local companies. See the Governor's press release about awards here: <http://governor.hawaii.gov/newsroom/latest-news/dbedt-news-release-htdc-small-business-grantees-honored-with-national-tibbetts-award-at-the-white-house/>

This is why we **STRONGLY SUPPORT HB595 HD1**, which would provide the state matching funds for Phases 2 and 3 of the federal SBIR program to enable companies to commercialize new technologies more effectively. Not only would this expansion of funding enable our tech industry to compete and win more Federal monies for technology development, it would provide highly-skilled professional jobs for our keiki here at home.

Thank you for the opportunity to offer these comments.



Written Statement of
Robbie Melton
Executive Director & CEO
Hawaii Technology Development Corporation
before the
Senate Committee on Economic Development, Tourism, and Technology
Friday, February 9, 2018
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB2904
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

The Hawaii Technology Development Corporation (HTDC) **supports** SB2904 that appropriates funds to HTDC for continuance of the Hawaii small business innovation research (HSBIR) program.

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 has been providing Phase I matching grants to SBIR awarded companies since 1989 and started awarding Phase II and Phase III matching grants in FY16.

A summary of the awards made by the matching grant program is listed below:

	FY16	FY17	FY18*
Appropriation	\$2 MM	\$2 MM	\$1 MM
# of Applications	11	9	9
# of Awards	7	8	5
\$\$ Awarded	\$2 MM	\$1.9 MM	\$900 K
Federal SBIR \$\$ (match)	\$7.9 MM	\$10.9 MM	\$5.4 MM
Estimated New Jobs	17	70	15

* FY18 data through 12/31/17

This year with \$900,000 available, only 5 of 9 companies were funded. Every year, there have been more qualified applicants than available funds. Since the phase II and III program started in FY16, none of the applicants have received the full eligible amount.

Over time, the current phase II and III program is anticipated to generate the same type of metrics of success as the Phase I only matching program. For every dollar invested through the Hawaii SBIR program, Hawaii companies have attracted over 20 federal dollars in return to the

state, plus commercialization funding. HTDC believes the grant program provides leverage and positive economic development value for the State by supporting projects with vetted technology and backed with federal funds. The bill appropriates \$2 million for the program.

HTDC agrees that this would be an appropriate amount for the program and support this initiative as long as it does not replace our priorities requested in the Executive Budget. HTDC **comments** that HB1958 HD1 amends the SBIR program authorizing HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract **funded by the private sector or government sources outside of the program.** HTDC comments that this amendment offers HTDC greater flexibility in making awards to companies that are progressing toward commercialization. Thank you for the opportunity to offer these comments.



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

Before the
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT,
TOURISM and TECHNOLOGY**

February 9, 2018

1:15 p.m.

State Capitol, Conference Room 414

In Support of

**SB2904 RELATING TO THE HAWAII TECHNOLOGY
DEVELOPMENT CORPORATION**

To: Chair Glenn Wakai, Vice Chair Brian T. Taniguchi and Members of the Committee

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

Re: Testimony in Support of SB2904

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **in support of SB2904**

The technology industry in Hawaii has grown over the past 12 years and has made significant strides towards achieving the goal of diversifying and stimulating Hawaii's economy. The continuation of the Small Business Innovation Research ("SBIR") grants is crucial to move the technology towards prototyping, customer interface, and commercialization,

The objectives of the SBIR grants are:

- To support economic growth and the diversification of our economy;
- To launch new ventures based on technology innovations; and
- To support the growth of the tech industry and the creation of intellectual property and innovation in the State.

We strongly urge you to support of SB2904 and we appreciate your continued support of the technology industry.

SB-2904

Submitted on: 2/7/2018 1:32:33 PM

Testimony for ETT on 2/9/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
ann chung		Support	Yes

Comments:

Chair Wakai and members of the Committee:

Navatek supports SB2904. Continuation of HTDC's SBIR program is very important for companies like us doing research and development. It helps us not only sustain and create additional high-skilled high-paying jobs in Hawaii but also helps us obtain further federal funding. According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market. Thank you for this opportunity to provide testimony.

SB-2904

Submitted on: 2/7/2018 3:25:27 PM

Testimony for ETT on 2/9/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jose Andres	Makai Ocean ENgineering	Support	No

Comments:

I strongly support this bill

SB-2904

Submitted on: 2/7/2018 3:37:03 PM

Testimony for ETT on 2/9/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephen Brennan	PSHI	Support	No

Comments:

Dear Committee Members,

Premier Solutions HI LLC, a Honolulu based SBA-certified disadvantaged minority-owned and woman-owned small business that provides information technology systems development and professional services to government and commercial customers, writes to offer our STRONG SUPPORT of SB2904.

Premier Solutions HI (PSHI) has benefited greatly from the programs offered by HTDC such as the Hawaii SBIR matching grant and the bi-annual Hawaii SBIR Conference. PSHI has grown from 8 full-time employees to over 52 FTEs in the past two years. That success has been driven largely by our work with the US Navy. PSHI has developed an IT system that is in use aboard every vessel in the Navy Fleet, and we support that system worldwide from our headquarters in Honolulu.

In 2017 PSHI was awarded our first Small Business Innovation Research contract from the Naval Supply Systems Command. I am pleased to report that yesterday, February 7, 2018, we were officially notified that we were successful in winning Phase II funding of \$750,000 for that project. In winning, we had to compete head-to-head with a Michigan-based company that has won hundreds of SBIRs. We attribute our success in large part to 2 things:

- 1) The creativity and knowledge of our Hawaii-based engineering team
- 2) HSBIR matching funds of \$60,000, which allowed us to travel to our mainland-based Navy customers and build invaluable relationships with our Federal sponsors

Lucky we live Hawaii.

Over the next 2 years, we expect to continue our growth as we build upon the new capabilities our SBIR success has provided, and we plan to hire more Hawaii-based innovators. We are very thankful for the support provided by HTDC and the State of Hawaii, and respectfully ask that the legislature pass SB2904.

If you have any questions, please feel free to contact me at 808-341-4702 or at steveb@premiersolutionshi.com

Very respectfully,

Steve Brennan
Business Development Director
Premier Solutions HI LLC

To: Senate Committee on Economic Development, Tourism, and Technology; Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology

From: Alex Cabello, Chief Technology Officer, AlgorithmHub Inc.

Re: SB2904 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

AlgorithmHub Inc., a Hawaii based startup, **strongly supports SB2904** that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

We believe SB2904 is instrumental in helping high-tech companies grow and expand operations in Hawaii. Grants such as the Hawaii SBIR/STTR matching grant allow local companies to continue development of commercial technology and generate high paying STEM jobs.

AlgorithmHub Inc., in collaboration with the University of Hawaii Cancer, has been awarded an NIH STTR Phase I grant in August of 2017 focusing on improving the effectiveness of immunotherapy. Immunotherapy is a relatively new cancer treatment which trains a person's immune system to fight cancer. Immunotherapy is very effective when it works, but not everyone responds to it. AlgorithmHub and the University of Hawaii Cancer Center are developing software which analyzes data from tumor samples to predict the effectiveness of immunotherapy in new cancer patients. Through this analysis, we save lives by allowing patients to receive the best treatment and incentivizes insurance companies to cover the cost.

AlgorithmHub Inc. will be submitting an application for an NIH STTR Phase II grant in April 2018. If awarded, the Hawaii SBIR/STTR matching grant will help significantly to commercialize this revolutionary technology. Through successful commercialization, we project to create 40 new high paying jobs in the field of computer science, data science, and biology within 5 years. Furthermore, the technology will be instrumental in the fight against cancer.

Thank you for the opportunity to submit testimony.

A handwritten signature in black ink, appearing to read 'Alex Cabello'.

Alex Cabello
CTO, AlgorithmHub Inc.



7 February 2018

To : Senate Committee on Economic Development and Business

R.e. SB2904

To be heard on Friday, February 9th, 2018, 1:15 p.m.

At State Capitol, Conference Room 414

Dear Chair Sen Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology,

I write in **strong support** of SB2904, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION, which appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program..

We are **highly supportive of the HTDC SBIR awards program**, which we believe are critical to the development of innovative small businesses in Hawaii, and which aid the transition from high-risk research to commercialization. Our company is an exemplar of how matching SBIR funds can aid in this transition.

For example, our Velella Project was an SBIR research grant funded by the National Science Foundation's SBIR program. This project was awarded one of **TIME Magazine's "25 Best Inventions of the Year"** for 2012, but *it was the matching funds that were critical to its successful transition to commercialization.*

Our Phase I and Phase II SBIR research work laid the ground-work for understanding the opportunity in the Velella project, but did not identify a ready path to commercialization. By the end of the Phase II project, we were still a long way from having a viable business plan. It was only through matching funds from another collaborating partner that we could obtain a **further \$500,000 in Phase IIB funds from NSF**. This follow-on funding meant we could go back out offshore, and deploy and operate a modified version of the original concept, which could then more clearly demonstrate the social, ecological and commercial benefits of the project.



Out of this research work has grown a new Kona-based Lockheed-Martin spin-off company that now operates independently out of NELHA, with Kona-based employees totaling three engineers, a PhD biologist, and one other supporting employee.

The Velella Project technologies developed through these matching funds also underpin our commercial expansions in Florida, Mexico and Honduras. Our Mexico project recently closed a Series A round. This operation will provide a solid platform for further research in Kona in new feeds, new mooring and net pen systems and selective breeding. This ongoing research relies on the unique, highly-compelling competitive advantage of the NELHA ocean seawater system – we aren't going to relocate anywhere! This research currently employs eight full-time marine biologists, plus two other part-times. (Six of these Kona-based biologists are either UH or UHH graduates). These technologies are also applicable to the Kona-based kampachi farm, and other future offshore farms in Hawaii and the Pacific Islands.

Without the matching support for our NSF SBIR, the NELHA-based Lockheed spin-off company, and our own ongoing research program at NELHA would all have wilted on the vine. Thirteen scientists and technicians in Kona would now be unemployed, or working elsewhere. As a Hawaii company, such critical support for SBIR match needs to be available locally, through HTDC, and we are most grateful for your ongoing support through this bill.

Thank you for the opportunity to offer these comments.

Mahalo, and aloha,

A handwritten signature in black ink, appearing to read 'Neil Anthony Sims'.

Neil Anthony Sims, M.Sc.
Co-Founder, CEO, Kampachi Farms, LLC
President, The Ocean Stewards Institute
neil@kampachifarm.com (808) 989 2438

MonsterWorks

P.O. Box 37254
Honolulu, HI 96837

Bob Mon
808-282-7867
robert_t_mon@yahoo.com



February 7, 2018

Statement of **Robert Mon, MonsterWorks,**
before the **Senate Committee on Economic
Development, Tourism, and Technology**

Friday, February 9, 2018, 1:15 p.m.
State Capitol, Conference Room 414

In consideration of **SB2904, RELATING TO THE
HAWAII TECHNOLOGY DEVELOPMENT
CORPORATION**

Chair Wakai, Vice Chair Taniguchi, and Members of the
Committee on Economic Development, Tourism, &
Technology.

MonsterWorks **supports** SB2904 that appropriates funds
to the Hawaii Technology Development Corporation
(HTDC) for continuance of the small business innovation
research (SBIR) program.

MonsterWorks helps Hawaii technology companies
develop and produce strong, compelling grant proposals.
Because of distance, time, and perception as a tropical
vacation destination, Hawaii companies are already at a
disadvantage in national funding competitions. If Hawaii
ever hopes to have a robust technology industry, it must
help level the playing field so its technology companies are
better able to overcome these inherent disadvantages.

According to HTDC for every dollar invested through this
program, Hawaii companies have attracted 20 federal
dollars in return to the state, plus commercialization
funding. The Hawaii SBIR program supports projects with
vetted technology backed with federal funds. The state
matching funds are critical to winning later phase awards
and getting some of the technologies to market.

Thank you for the opportunity to offer these comments.

Statement of
Dr. Michael Reiley
President, HNu Photonics, LLC
before the
Senate Committee on Economic Development, Tourism & Technology
Friday, February 8, 2018
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB2904
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development,
Tourism & Technology.

HNu Photonics **STRONGLY SUPPORTS** SB2904 that makes an appropriation to HTDC to continue providing grants to businesses with a federal small business innovation research (SBIR) phase II or III awards.

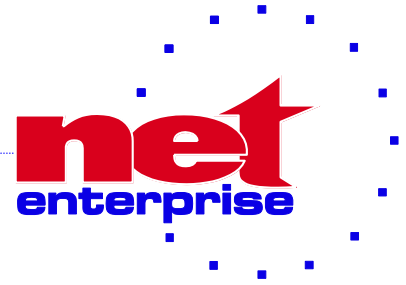
Recognizing that small businesses are the engine of economic growth in the United States, many Federal agencies fund early-stage research endeavors under the Small Business Innovative Research (SBIR) program. SBIR awards are extremely competitive with an overall win probability of about 15%.

These awards are firm fixed price at predetermined funding levels, regardless of the geographic location of the Company. This puts Hawaii companies at a distinct disadvantage to companies from many other states because our cost of doing business is so much higher. From salaries to facilities to taxes to travel expenses, it is much more difficult for Hawaii companies to deliver results to win awards for additional phases of SBIR research under a fixed budget.

The Hawaii SBIR matching grant program is crucial for leveling the playing field to enable Hawaii companies, who have been successful in winning an SBIR award, to deliver results of a caliber to secure funding for subsequent SBIR phases.

My company has been the grateful recipient of two of these matching awards and it has made an enormous contribution to accelerating much-needed technologies for NASA and the U.S. Army. This program truly has a real impact on economic development and diversification. One of our company's products will be launching to the International Space Station soon, thanks to funding provided through this program.

For my company, SBIR projects and matching Phase I and Phase II grants have directly resulted in our ability to hire additional qualified staff. Last month alone, we hired two full-time staff, who previously interned with us and recently graduated from University of Hawaii, Maui College. These new hires would not have been possible without the funding from both our SBIR awards and the HTDC matching grants. Living wage jobs for Kama'aina graduates are a tangible outcome of this program. Mahalo!



February 7, 2018

TO: Senate Committee on Economic Development, Tourism and Technology
Senator Glenn Wakai, Chair
Senator Brian T. Taniguchi, Vice Chair

RE: Testimony in Support of SB2904
Friday, February 9, 2018, 1:15 p.m.
State Capitol, Conference Room 414

Dear Senator Wakai, Senator Taniguchi and Members of the Committee:

Thank you for the opportunity to testify in support of SB2904, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

NetEnterprise is an end-to-end information technology solutions provider serving and based in Hawaii. We believe our local economy must keep pace with the rest of the nation and world in order for our state to be a viable and enjoyable place to live. Our remote location and limited natural resources have made it difficult to develop a large scale, sustainable industry. High technology is immune to both of those limitations; however requires adequate access to capital to encourage research and development in the State of Hawaii. The Small Business Innovation Research (SBIR) program is integral to the promotion of those pursuits.

For every dollar invested through this program, Hawaii companies have received 20 dollars in federal funding in addition to commercial backing. The matching funds provided by the SBIR program are critical to winning later phase awards, which in turn enable recipients to bring new technologies they have developed to market.

Should you have any questions, please do not hesitate to contact me at 808-441-5000. Thank you for the opportunity to submit written testimony.

Respectfully,

A handwritten signature in black ink, appearing to read "J. Toth".

J.Toth
CEO

JT:cmp

Statement of

**Elden Ito
President
RevaComm**

before the

Senate Committee on Economic Development, Tourism, and Technology

Friday, February 9, 2018

1:15 p.m.

State Capitol, Conference Room 414

In consideration of

SB2904

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

RevaComm **supports** SB2904 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

RevaComm is a world-class web, software and cyber security services company that has been in business in Hawaii for over 27 years. We serve clients in the Department of Defense, State and local government and large commercial companies. We employ a staff of twenty highly technical professionals with skills in computer programming and computer engineering, IT project management, cyber security, data analytics, user-experience design and business analysis and solutions.

We are actively pursuing SBIR grant opportunities with the Department of Defense and wish to leverage additional grant monies provided by the State of Hawaii through HTDC for research and development type projects. Continuing to support HTDC's Small Business Innovation Research Program at the level of funding it has received in the past is critical to helping technology companies like RevaComm reduce some of the risks involved in contributing to an innovation economy here in Hawaii.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

Thank you for the opportunity to offer these comments.



Elden Ito
President



Cindy Goldstein, PhD
Ag Matters, LLC
98-814 C Kaonohi St
Aiea, HI 96701

SB2904

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Senate Committee on Economic Development, Tourism, and Technology

Friday, February 9, 2018, 1:15 p.m. Conference Room 414

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism & Technology.

Position: SUPPORT

Ag Matters is an agricultural consulting company owned and operated by Dr. Cindy Goldstein, PhD. Ag Matters has carried out agricultural technology projects in Hawaii and written SBIR grants for businesses that apply new technology to innovative agricultural projects and solutions.

Funded SBIR grants have included the application of new technologies and innovative approaches for local agriculture, with projects that benefit farms and farmers growing diversified agriculture crops in Hawaii. Jobs that are created as a result of SBIR innovation projects are well paid technical and professional positions, often including a research component where research assistants and technicians gain career skills and experience that allows them to continue to work in Hawaii making a good living wage.

Funding of HTDC that allows continued support of the Small Business Innovation Research program is a good investment for the growth of a technology based economy in Hawaii. SBIR grants enable more rapid development of innovative technology. The SBIR program provides critical funds across the State of Hawaii for startups and enables continued growth of existing businesses developing new technology.

Ag Matters supports SB2904 that appropriates funds to the Hawaii Technology Development Corp to continue the Small Business Innovation Research Program. Thank you for the opportunity to provide testimony in support of SB2904.



Nalu Scientific
Data Acquisition Systems

Nalu Scientific, LLC
2800 Woodlawn Dr. Ste #240
Honolulu, HI 96822 USA
Phone: +1 (888) 717-6484
info@naluscientific.com

Statement of
Isar Mostafanezhad, Ph.D.
CEO and President
Nalu Scientific, LLC
before the
Senate Committee on Economic Development, Tourism, and Technology
Friday, February 9, 2018
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB2904
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

Nalu Scientific, LLC supports SB2904 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

Nalu Scientific was founded in 2015 to commercialize high speed integrated circuits for US Department of Energy and its national labs. Since then we have been receiving steady support from the DOE SBIR program -so far \$1.6M in commitments- which has allowed us to grow to 7 full time employees. We have plans to even grow further and provide support to DOE and the national labs in their mission.

Suffice it to say that the idea to fund Nalu Scientific through the SBIR program was solidified at a workshop organized in June 2015 at MIC by the HTDC where avenues to seek Federal funding were discussed. We have also benefited from the matching funds grant program administered through the Hawaii SBIR program of HTDC. Given high cost of doing business in Hawaii and the high risk- high reward nature of our innovation, these matching funds have been essential in helping us finish Phase I projects in time and bring in Phase II (\$1.0M+) follow on funding. HTDC has been extremely impactful in our existence, survival and growth. Given our early stage, we will be seriously and adversely affected if HTDC's programs and facilities are reduced. According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

Thank you for the opportunity to offer these comments.

Isar Mostafanezhad, Ph.D.

Founder and CEO

Nalu Scientific, LLC



Statement of
LETIZIA DE LANNOY
Manager
Hawaii Evolutionary Development, LLC
(HIEvoDEvo)

before the

Senate Committee on Economic Development, Tourism & Technology

Friday, February 9, 2018

1:15 p.m.

State Capitol, Conference Room 414

2800 Woodlawn Dr, #286

Honolulu, HI 96822

T (808) 636-3146

F (808) 988-2990

hed@evodevohi.com

FEIN 36-4683352

In consideration of

SB2904

RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

HIEvoDevo supports SB2904 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

HIEvoDevo is developing HEDS, an engineering design software using a novel methodology to find optimal solutions. With the Hawaii SBIR matching funds HIEvoDevo has hired two software developers, contracted AlgorithmHub, a leading local startup in cloud services, and partnered with the US Air Force and a lead defense contractor to test and validate HEDS. The success of this partnership can result in new projects and consequently the hiring of additional engineers and software developers.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

Thank you for the opportunity to offer these comments.



Statement of
Richard Bailey
Founder/President
DewPoint System

before the
Senate Committee on Economic Development, Tourism, and Technology

Friday, February 9, 2018

1:15 p.m.

State Capitol, Conference Room 414

In consideration of

SB2904

**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT
CORPORATION**

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

DewPoint System LLC **supports** SB2904 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

DewPoint System is a small technology company developing agriculture and freshwater production systems that can help Hawaii and other islands become more self-sufficient. Hawaii can be a leader in this field for the Pacific and beyond. This grant will help us develop our product here in Hawaii and hire employees to extend this technology and our expertise to other regions.

HTDC has been VERY instrumental in helping our company in applying for USDA SBIR federal grants, coordinating business introductions and helping in business development through workshops and one-on one mentoring. DewPoint System has relied extensively on HTDC support programs and the State's matching fund program increases business to take their technology to market expeditiously.

Thank you for the opportunity to offer these comments.



2800 Woodlawn Dr.
STE #150
Honolulu HI 96028
www.spectrum-photonics.com

Statement of
Edward Knobbe
President
Spectrum Photonics
before the
Senate Committee on Economic Development, Tourism, and Technology
Friday, February 9, 2018
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB2904
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

Spectrum Photonics **supports** SB2904 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

Spectrum Photonics' core business is largely based on intellectual property licensed from University of Hawaii. We are also an HTDC client company, having first started operations at the Manoa Innovation Center facility in 2008. During the past 8 years we have received approximately \$12,000,000 in federal SBIR funds, which in turn has enabled Spectrum to win highly-competitive broad agency announcement (BAA) awards. Recent follow-on contracts include \$3,000,000 from the Office of Scientific Development's Rapid Innovation Fund (RIF) program, \$4,500,000 of funding under the Next-Generation Chemical Detection (NGCD) program, \$3,600,000 under the Surface Contamination Detection (SCD) Stryker NBCRV sensor upgrade program, and \$16,900,000 under IARPA's Standoff ILluminator for Measuring Absorbance and Reflectance Infrared Light Signatures (SILMARILS) program.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting innovative new technologies to market.

Thank you for the opportunity to offer these comments.

Statement of
Doug Nelson
President
Studio Kinection, Inc. (dba Kinection)

before the
Senate Committee on Economic Development, Tourism, and Technology
Friday, February 9, 2018
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB2904
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

Kinection **strongly supports** SB2904 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

Companies that successfully complete Phase II projects often face a “valley of death” where they lack the funds to move from the working prototype developed under SBIR funding to a commercial product. This is where the HTDC matching funds can make a crucial difference for Phase II companies.

In 2016, we received funds under this program for our “Warrior Stories” software application, originally developed under contract with the Dept. of Defense. With the HTDC funding, we have hired a Hawaii-based employee, added key features to our software, and attracted new customers. Additionally, we secured additional federal funding to match the HTDC grant.

Small businesses are the innovation engine of the new economy, and supporting small businesses to develop sustainable product lines should continue to be a key priority for the State. We strongly support the way in which SB2904 assists these companies in moving from working prototype to commercial product.

Thank you for the opportunity to offer these comments.





Soojin Jun
Founder
Jun Innovations Inc

before the
Senate Committee on Economic Development, Tourism, and Technology
Friday, February 9, 2018
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB2904
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

Jun Innovations **supports** SB2904 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

Jun Innovations founded by Dr. Soojin Jun in 2015 has developed a proprietary supercooling technology that preserves perishable materials at below-freezing temperatures without the formation of ice crystals. The company were awarded with USDA SBIR Phase I and II grants, and State matching funds. Recently the company successfully completed tech demonstrations to interested parties including Samsung and LG home appliance manufacturers.

HTDC has provided HI SBIR matching grants to cover our labor costs, local manufacturing, and continuing R&D, which creates jobs in Hawaii. Grant would help us to offer comparable salaries to keep talented young local brains in Hawaii and State (or UH)-owned technologies. Patent cost (exceeding \$35,000 these days) and other lawyer fees associated with intellectual property (IP) protection is in general unallowable in federal grants although IP protection must be highly prioritized for our business activities. HTDC's SBIR grants provide a perfect solution to support our IP protection strategy and financial needs.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii



**Jun
Innovations**

✦ 2800 Woodlawn Dr. #298
Honolulu, HI 96822

✦ 808.388.9586
foodsupercool@gmail.com
juninnovationsinc.com

✦ Federal ID 81-0985975

SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

Thank you for the opportunity to offer these comments.



Smart Yields

Ryan Ozawa, Co-Founder & CMO
Impact Hub Honolulu
1050 Queen St.
Honolulu, HI 96814
ryan.ozawa@smartyields.com



4th February 2018

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

Smart Yields supports SB2904, funding the continuance of the small business innovation research (SBIR) program under the Hawaii Technology Development Corporation (HTDC).

Smart Yields is an ag-tech startup based in Honolulu, with partners and clients in Asia as well as the mainland U.S. Our meetings with farmers and agricultural firms and associations of all sizes over the past few years have validated our vision for an innovative, sustainable future... but have also shown that the hardware and manufacturing side of any new solution is perhaps the most challenging.

Whether designing new sensors and control modules for irrigation, to developing new ways to monitor or mitigate threats like pests and invasive species in the field, SBIR funding provides companies like ours an important foundation upon which to build.

For every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding, according to HTDC. But the state matching funds are critical to winning later phase awards and getting these technologies to market.

Mahalo for your consideration!

Statement of

**Nelson Kanemoto
President and CEO
Referentia Systems Incorporated**

before the
Senate Committee on Economic Development, Tourism & Technology

Friday, February 9, 2018
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB2904

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology:

Referentia Systems Inc. strongly supports SB2904 that makes an appropriation to HTDC to continue providing federal small business innovation research (SBIR) phase II or III grants to Hawaii's technology businesses.

Referentia Systems is a technology company with headquarters in Honolulu, Hawaii. Over the past 15 years, HTDC's SBIR grant funding has supported and enabled Referentia to develop proprietary technologies that are being commercialized within the State and on the U.S. mainland through several technology spin-offs.

One such technology and spin-off is LiveAction Inc., www.liveaction.com, which, on the basis of the technology supported by SBIR funding, raised over \$30 million in Series A and B venture financing. Most recently, with SBIR funding from HTDC, Referentia developed an innovative time-series database and analytics platform, In2lytics, which is providing the Hawaiian Electric Companies the insight needed to incorporate more renewables into their grid.

The grant that we received from HTDC in 2017 significantly helped further develop and commercialize this product, helping Hawaii work towards the goal of 100% renewables. More importantly, the funding helped position our technology platform to be the back-end database for a U.S. mainland partner with 900 electric utility co-operative customers. This achieves the State's objectives of increasing technology exports to grow high-tech companies and jobs at home.

February 8, 2018

2

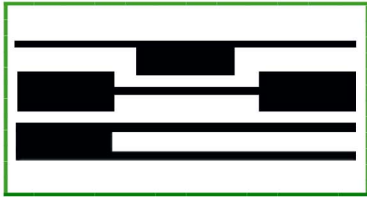
According to the federal Department of Commerce, for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

Thank you for the opportunity to offer these comments in strong support of SB2904.

Sincerely,



Nelson Kanemoto
President and CEO



TEA HAWAII & COMPANY

Statement of
Eva Lee
Founding Director
TeaHawaii.Com
before the
Senate Committee on Economic Development, Tourism, and Technology
Friday, February 9, 2018
1:15 p.m.
State Capitol, Conference Room 414
In consideration of
SB2904
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT
CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

Tea Hawaii & Company supports SB2904 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

TeaHawaii.com dba Tea Hawaii & Company has been growing and manufacturing Hawaii grown tea since 2003. We are headquartered in Volcano Village and contract 5 workers, and provide services for 4 farms and distribute our tea products to 4 countries. We have been recipients of grants awarded by SBIR 1 and HTDC. Continued support to move forward is greatly needed to expand our business to offer further employment opportunities in Hawaii agriculture and domestic marketing.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

Thank you for the opportunity to offer these comments.

Eva Lee & Tea Team

PO Box 362 Volcano, Hawaii 96785
Tel/Fax (808) -967-7637 email teahawaii@gmail.com
www.teahawaii.com

Hawaii Fish Company (HFC), a small, family-owned, multigenerational North Shore aquaculture farm, testifies in strong support of SB 2904 which would appropriate \$2.0 million in funds for the continuation of the Hawaii Small Business Innovation Research (SBIR) matching grant program administered by the High Technology Development Corporation (HTDC).

HFC has received six USDA/SBIR Phase I feasibility grants to date totaling \$452 thousand. With the added research enabled by six Hawaii SBIR Phase I matching grant awards totaling \$125 thousand, HFC has been able to secure four follow-on USDA/SBIR Phase II research & development grants totaling more than \$1.4 million in additional federal funds, with one Phase I grant currently in progress and subsequent Phase II funding anticipated.

In addition, HFC's two recent Hawaii SBIR Phase II matching grant awards totaling \$286 thousand will help support our farm's ambitious research and development efforts to expand our sustainable seafood production, product development, and sales, to develop our production-related renewable energy technologies, to protect our intellectual property, to retain our existing employees, and to support our carefully planned Phase III commercialization efforts.

The Hawaii SBIR program is well known to the Federal agencies with the additional support provided to Hawaii awardees helping enhance the quality of the research efforts and the opportunity for commercialization success by which Congress evaluates the Federal program. This can only help in the Federal review process.

In addition, the competitive written application, 5-minute pitch, and third-party review process employed by HTDC ensures that the States' investment in innovation awards is well targeted, and the carefully selected contract milestones tied to the award payment schedule ensures project performance.

In summary, this is a very strong State program supporting nationally-vetted local innovators across multiple economic sectors that is worthy of continued legislative support.

Thank you for the opportunity to testify in strong support of SB 2904.



Statement of
Monica Parks
Co-Founder
Akabotics LLC
before the
Senate Committee on Economic Development, Tourism, and Technology
Friday, February 9, 2018
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB2904
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

Akabotics LLC **supports** SB2904 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

Akabotics LLC is focused on the development of robots to clean waterways and create robotics jobs in Hawaii. Funding from the HTDC has allowed us to hire a grant writer to submit an SBIR proposal, which in turn resulted in a SBIR Phase 1 grant award from the National Science Foundation and the creation of 5 robotics jobs. Additionally, funding from this grant has enabled us to finish the development of our prototype and conduct pilot testing, propelling us quickly towards commercialization. We are currently applying for Phase 1 HISBIR funds, which will allow us to maintain operations and momentum during the waiting period between a SBIR Phase 1 and SBIR Phase 2 grant award. Without this assistance from the HTDC, we would not be where we are today, and the future of our company and efforts is uncertain.

According to HTDC for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical to winning later phase awards and getting some of the technologies to market.

Thank you for the opportunity to offer these comments.

SB-2904

Submitted on: 2/8/2018 12:48:22 PM

Testimony for ETT on 2/9/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Zisk		Support	No

Comments:

Dear Honorable Senators,

As a technology entrepreneur now raising a family on the North Shore of Maui, I wanted to write to express how important HTDC is to Hawaii's economy.

When looking at whether to relocate their families and jobs to Hawaii technology entrepreneurs look at how friendly the state is towards business. The funding of HTDC's SBIR Program has shown many of us that Hawaii does care, and that will in turn continue to bring more knowledge jobs to these great islands, and influence growing companies who are thinking of leaving to stay. This program has boosted companies providing jobs and tax revenues well in excess of its cost.

Please fund HTDC's SBIR Program to allow HTDC to continue helping Hawaii's businesses and economy.

Thank you!

Brian Zisk

SB-2904

Submitted on: 2/8/2018 1:12:46 PM

Testimony for ETT on 2/9/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments: