



Written Statement of  
**Robbie Melton**  
Executive Director & CEO  
Hawaii Technology Development Corporation  
before the  
**Senate Committee on Ways and Means**  
Wednesday, February 28, 2018  
11:00 a.m.  
State Capitol, Conference Room 211

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

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

The Hawaii Technology Development Corporation (HTDC) **supports with comments** 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.



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the Senate Committee on Ways and Means  
Wednesday, February 28, 2018 at 11:00 A.M.  
Conference Room 211, State Capitol**

**RE: SENATE BILL 2904 RELATING TO THE HIGH TECHNOLOGY  
DEVELOPMENT CORPORATION**

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2904, which appropriates funds to the High Technology Development Corporation for the Small Business Innovation Research Program.

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.

The High Technology Development Corporation (HTDC) has offered assistance to SBIR awarded companies since 1989; as a result, Hawaii companies have attracted 20 federal dollars in return to the state plus commercialization funding for every dollar invested through this program. Although the federal SBIR grant program has increased efforts to move companies through grant awards to commercial product sales, funds have not been dedicated towards these efforts. This bill would allow HTDC to continue to provide the necessary support of a commercialization assistance program to all phases in the program.

We believe that this program is one of the key state components in diversifying Hawaii's economy and the continued development of an innovation economy. Thank you for the opportunity to testify.



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

Before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
February 28, 2018  
11:00 AM  
State Capitol, Conference Room 211  
In Support of  
**SB2904 RELATING TO THE HAWAII TECHNOLOGY  
DEVELOPMENT CORPORATION**

To: Chair Senator Donovan Dela Cruz, Vice Chair Senator Gilbert S.C. Keith-Agaran 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.



Statement of  
**Duke Hartman, P.E.**  
**Vice President, Business Development**  
**Makai Ocean Engineering, Inc.**  
before the  
**Senate Committee on Ways and Means**  
Wednesday, February 28, 2018  
11:00 a.m.  
State Capitol, Conference Room 211  
In consideration of  
**SB2904**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means.

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS SB2904** that that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for continuance of the small business innovation research (SBIR) program.

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.

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 mentioned 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 project 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 College of Engineering and SOEST 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 from the SBIR program**. We need this HTDC administered program to make possible more national success stories by local SBIR 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.

**SB-2904**

Submitted on: 2/23/2018 3:22:25 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
ann chung	Testifying for Navatek	Support	No

Comments:

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.

Statement of  
**Doug Nelson**  
President  
**Studio Kinection, Inc. (dba Kinection)**  
before the  
**Senate Committee on Ways and Means**  
Wednesday, February 28, 2018  
11:00 a.m.  
State Capitol, Conference Room 211

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

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

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

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 forward.

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.







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#### **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*

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TO:  
Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: Friday, February 28, 2018  
TIME: 11am  
PLACE: Conference Room 415

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.

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.

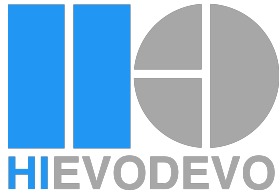
In addition, HFC's two recent Hawaii SBIR Phase II matching grant awards totaling \$286 thousand will help support our farm's ambitious research and development efforts to expand our sustainable seafood production, product development, and sales, to develop our production-related renewable energy technologies,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



**HAWAII EVOLUTIONARY DEVELOPMENT, LLC**

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

before the

**Senate Committee on Ways and Means**

Wednesday, February 28, 2018

11:00 a.m.

State Capitol, Conference Room 211

In consideration of

**SB2904**

**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT  
CORPORATION**

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**FEIN** 36-4683352

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

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

HIEvoDevo is a startup company developing HEDS, an engineering design software using a novel methodology to find optimal solutions. This methodology has a wide range of applications in industries such as engineering (aircraft and airspace, automotive, drones, and building design, etc.), health care, finance, to name a few.

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.



**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

Feb 27, 2018

**Statement of  
Isar Mostafanezhad, Ph.D.  
Founder and CEO  
Nalu Scientific, LLC**  
before the  
**Senate Committee on Ways and Means  
Wednesday, February 28, 2018  
11:00 a.m.  
State Capitol, Conference Room 211**  
In consideration of  
**SB2904**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

**Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.**

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.

Being in Manoa, and having access to a subsidized facility, has been extremely helpful in our growth. Additionally, we have immensely benefited from various HTDC's programs. 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 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.

Please do not hesitate to contact me if you need more information.

Isar Mostafanezhad, Ph.D.  
Founder and CEO at Nalu Scientific, LLC



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Statement of  
**Rex Jakobovits, PhD**  
**President, Experiad Solutions**  
before the  
**Senate Committee on Ways and Means**  
Wednesday, February 28, 2018 - 11:00 a.m.  
State Capitol, Conference Room 211

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

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

Experiad **supports** SB2904! My Honolulu software startup, Experiad Technologies, has raised over \$4M in SBIR grants from the National Institutes of Health. We are developing software that will change how healthcare is performed in a wide range of fields, including the treatment of autism. I am a Kalani grad who went on to earn a PhD in computer science from the University of Washington. Thanks in part to HTDC's matching SBIR program, I am happy to be back home now, winning millions of federal dollars to build a company that will ultimately create many local high-tech jobs.

During critical stages of our development effort, we received matching HISBIR funds from HTDC. **The HISBIR matching funds were critical to helping us expand our team and 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

**SB-2904**

Submitted on: 2/22/2018 11:43:28 AM

Testimony for WAM on 2/28/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jose Andres	Testifying for Makai Ocean Engineering	Support	No

Comments:



**HYPERSPECTIVE**  
INSPIRE BELIEF

Statement of:  
Todd J. Robertson  
Hyperspective  
Before the  
**Senate Committee on Ways and Means**  
Wednesday, February 28, 2018  
11:00 a.m.  
State Capitol, Conference Room 211

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

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

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

Hyperspective is a digital creative agency, focused on developing cutting edge technology for communications and products within the State of Hawaii for global export. As a technology company, Hyperspective benefits from programs like the SBIR program, directly through application for such grants and in-directly through services provided to companies that are awarded grants. This program supports the growth of an ecosystem of companies that attract large-scale business, talent and investments to 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.



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www.spectrum-photonics.com

Statement of  
**Edward Knobbe**  
**President**  
**Spectrum Photonics**  
before the  
**Senate Committee on Ways and Means**  
Wednesday, February 28, 2018  
11:00 a.m.  
State Capitol, Conference Room 211

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

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

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. During the past 8 years we have received approximately \$13,000,000 in federal SBIR funds. It is these government-funded SBIR projects, in combination with the HSBIR matching grant funding, that has enabled Spectrum to win highly-competitive follow-on broad agency announcement (BAA) awards. Recent follow-on BAA contracts totaling more than \$28,000,000 in additional funding has been awarded since 2015, 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 some of the technologies to market. While the HSBIR matching funds are relatively small percentage of Spectrum's total funds received, we are able to use these matching funds to much greater benefit, with regard to technology transition, than US government funds.

We strongly support the appropriation of funds to this important State Agency, Thank you for the opportunity to offer these comments.



**SB-2904**

Submitted on: 2/22/2018 4:58:32 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ben Nakaoka	Individual	Support	No

Comments:

We need to support programs such as the SBIR which will attract outside capital from the federal government or investors to increase the economic diversity of our Hawaii economy.

**SB-2904**

Submitted on: 2/26/2018 3:12:08 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Steve Brennan	Individual	Support	No

Comments:

Statement of

**Premier Solutions HI LLC**

before the

**Senate Committee on Ways and Means**

Wednesday, February 28, 2018

11:00 a.m.

State Capitol, Conference Room 211

In consideration of

**SB2904**

**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

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

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 three years. That success has been driven largely by our work with the US Navy. PSHI has developed a military logistics information technology system that is currently 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 in February 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 research, development and engineering team.
- 2) HSBIR Phase I matching funds of \$60,000 which allowed us to travel from Hawaii to our mainland-based Navy customers, build invaluable relationships with our Federal sponsors, and develop product prototypes that exceeded our customer's expectations.

Over the next 5 years, we plan 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.

**Access to state SBIR matching funding for Phase II and Phase III efforts is vital to our strategy of attracting more SBIR funding and other Federally-funded projects to leverage our current success.**

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](mailto:steveb@premiersolutionshi.com)

Very respectfully,

Steve Brennan  
Premier Solutions LLC  
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