



Written Statement of
Robbie Melton
Executive Director & CEO
Hawaii Technology Development Corporation
before the
Senate Committee on Ways and Means
Wednesday, February 21, 2018
10:08 a.m.
State Capitol, Conference Room 211

In consideration of
SB3000, SD1
RELATING TO INNOVATION BUSINESS

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

The Hawaii Technology Development Corporation (HTDC) **supports the intent of SB3000, SD1** that establishes the research and development program in the Hawaii Technology Development Corporation to help Hawaii-based small businesses collaborate with commercial partners to further refine and optimize research and development performed in Hawaii.

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 growing the technology and innovation sector. Companies conducting R&D provide interesting, high wage jobs for our Hawaii workforce. Promoting R&D activities will spur innovation and job growth.

HTDC comments that SD1 clarifies that small businesses that claim the federal research and development tax credits are eligible to apply for grants and that HTDC shall analyze each application to determine whether the item to be undertaken will be economically viable and beneficial to the State. HTDC agrees that grants programs should have an application process that considers which projects are most advantageous to the State.

HTDC defers to the Department regarding the establishment of a Special Fund.

We support this initiative as long as it does not replace our priorities requested in the Executive Budget. HTDC comments that this measure should be coordinated with HB2599 to avoid duplication. Thank you for the opportunity to offer these comments.

Statement of
Duke Hartman, P.E.
Vice President, Business Development
Makai Ocean Engineering, Inc.
before the
COMMITTEE ON WAYS AND MEANS
Wednesday, February 21st, 2018,
10:08am
State Capitol, Conference Room 211
In consideration of
SB3000 SD1
RELATING TO INNOVATION BUSINESS

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

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS SB3000 SD1** that establishes the research and development program in the Hawaii technology development corporation.

Makai is a locally-owned and operated technology company based in Hawai'i for over 44 years. We are currently performing R&D on a variety of exciting ocean technology projects, including autonomous underwater vehicles, ocean thermal energy conversion (OTEC) and seawater air conditioning (SWAC) systems, submarine and subsea cable systems, and a Department of Energy project to grow and harvest macroalgae (limu) offshore in Hawaiian waters to produce a renewable biofuel alternative for transportation. Makai is not alone among Hawaii technology companies in bringing millions of federal R&D dollars to the state. There is a tech community here that has made a strong economic impact in terms of high paying jobs, and demonstrated success in commercializing federal R&D, which has increased taxable revenue for the state, and brought home kama'aina scientists and engineers to stay.

This bill would support high-paying, highly-skilled professional jobs for our keiki here at home.

This is why we **STRONGLY SUPPORTS SB3000 SD1** and respectfully request the following additions to clarify the administration of the program by HTDC:

- Page 3, Line 20: add “small” to a Hawaii-based small business
- Page 4, Line 2: replace “receive and amount” with “receive a grant in an amount”
- Page 4, Line 3: replace “past” with “prior” and add this definition:
 - A Hawaii-based small business is defined as
 - Have been doing business in the state for not less than 10 years
 - Have Hawaii-based employees, subject to the taxes imposed under HRS 235.

Thank you for the opportunity to offer these comments.



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

Before the

SENATE COMMITTEE ON WAYS AND MEANS

February 21, 2018

10:08 a.m.

State Capitol, Conference Room 211

In Support of

SB3000 RELATING TO INNOVATION BUSINESS

To: Chair Senator Donovan M. Dela Cruz, Vice Chair Senator Gilbert S.C. Keith-Agaran and Members of the Committees

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

Re: Testimony in Support of SB3000

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **in support of SB3000**

Oceanit is a local diversified science and engineering company with capabilities/facilities in advanced technology, life sciences, information systems, aerospace, energy, oil and gas and consulting engineering services.

In this twenty first century global economy, the creation and growth of technology companies is crucial for the State of Hawaii. It has been proven that through various federal funding sources, Hawaii companies have demonstrated the ability to develop “disruptive technologies” for the U.S. Department of Defense. However, the ability to take disruptive technologies to the next level or for commercialization and dual use, ie, tourism industry, agriculture industry, sports industry, finance industry, building and construction industry and other industries, has been a challenge.

SB3000 establishes a grant to accelerate commercialization which in turn will benefit the State from tax revenues, job creation and economic growth.

Therefore, we are in support of SB3000.

SB-3000-SD-1

Submitted on: 2/18/2018 11:33:08 AM

Testimony for WAM on 2/21/2018 10:08:00 AM

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

Comments:

Dear Chair Del Cruz and members of the WAM Committee:

Navatek strongly supports SB3000 SD1. There are many companies doing critical research and development in Hawaii and it is vital to Hawaii's future economic growth. The innovations that these companies are researching and developing bring in new dollars to our State's economy and create strong high-skilled, high-paying jobs - jobs for our kama'aina and to bring skilled kama'aina back home.

We urge you to pass this bill and suggest the following additions to further clarify and ease the administration of the program by HTDC:

- Page 3, Line 20 --- add "small" to a Hawaii-based small business

-Page 4,Line 1 --- add after corporation. "Proof shall be in the form of copies of the small business Federal Form 6765 credit for Increasing Research Activities as filed.

-Page 4, Line 2 --- then receive "a grant in " an amount

-Page 4, Line 3 --- replace past with "prior". and ADD this definition:

A Hawaii-based small business is defined as

-80% or more Hawaii resident owned. For purposes of this paragraph, "resident" shall have the same meaning as defined in Section 235-1, HRS.

-Have been doing business in the state for not less than 10 years

-Have Hawaii-based employees, subject to the taxes imposed under HRS 235.

Mahalo for this opportunity to testify.

SB-3000-SD-1

Submitted on: 2/19/2018 1:14:12 AM

Testimony for WAM on 2/21/2018 10:08:00 AM

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

Comments:

SB-3000-SD-1

Submitted on: 2/18/2018 11:34:50 AM

Testimony for WAM on 2/21/2018 10:08:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eric Schiff	Individual	Support	No

Comments:

I strongly support SB3000.

SB-3000-SD-1

Submitted on: 2/20/2018 8:13:53 AM

Testimony for WAM on 2/21/2018 10:08:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gary Shimosono	Individual	Support	No

Comments:

SB-3000-SD-1

Submitted on: 2/18/2018 3:38:29 PM

Testimony for WAM on 2/21/2018 10:08:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kacey Lock	Individual	Support	No

Comments: