

Hawaii Fish Company (HFC), a family-owned North Shore aquaculture farm, testifies in strong support of SB763 which would appropriate 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 five USDA/SBIR Phase I feasibility grants to date totaling \$352K. With the added research enabled by five Hawaii SBIR Phase I matching grant awards totaling \$90K, HFC was able to secure four follow-on USDA/SBIR Phase II research & development grants totaling more than \$1.4M in additional federal funds.

In addition, HFC's two recent Hawaii SBIR Phase II matching grant awards will help support our farm's ambitious research and development efforts to expand our sustainable seafood production, value-added product development, and sales, to protect our intellectual property, and to support our carefully planned Phase III commercialization efforts.

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



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Economic Development, Tourism and
Technology
Monday, January 30, 2017 at 1:15 P.M.
Conference Room 414, State Capitol**

**RE: SENATE BILL 763 RELATING TO THE HIGH TECHNOLOGY
DEVELOPMENT CORPORATION**

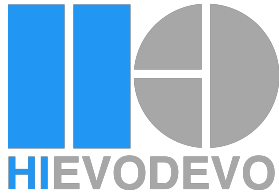
Chair Wakai, Vice Chair Taniguchi, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 763, 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 1,400 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.



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

before the

Senate Committee on Economic Development, Tourism & Technology

Monday, January 30, 2017

1:15 p.m.

State Capitol, Conference Room 414

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Honolulu, HI 96822
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hed@evodevohi.com
FEIN 36-4683352

In consideration of

SB763

RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance.

HIEvoDevo supports SB763 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.

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 a software developer, contracted AlgorithmHub, a leading local startup in cloud services, and partnered with the US Air Force and Lockheed Martin Aeronautics 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
Dr. Michael Reiley
President, HNu Photonics, LLC
before the
Senate Committee on Economic Development, Tourism & Technology
Monday, January 30, 2017
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB763
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance.

HNu Photonics **supports** SB763 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.

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.

My company has been the 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. Thank you for the opportunity to offer these comments.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, January 28, 2017 1:18 PM
To: ETT Testimony
Cc: achung@navatekltd.com
Subject: *Submitted testimony for SB763 on Jan 30, 2017 13:15PM*

SB763

Submitted on: 1/28/2017

Testimony for ETT on Jan 30, 2017 13:15PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
ann chung	Navatek	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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KOLOHALA HOLDINGS, LLP

January 28, 2017

Statement of
Robert J. Robinson
Managing Partner
Kolohala Holdings, LP

before the
Senate Committee on Economic Development, Tourism & Technology
Monday, January 30, 2017
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB763
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Dear Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance,

Kolohala Holdings **supports** SB763 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.

We support, mentor, and invest in startups in the Hawaii entrepreneurial ecosystem. Since 2006 we have facilitated the investment of over \$60MM in local companies here in HI. A key to getting those businesses started and developing proof of concept are SBIR grants. In order to have a vigorous innovation and entrepreneurial sector in the Hawaii economy, programs supported by SB763 are critical.

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.

Sincerely,

Rob Robinson
Manager, Kolohala Venture Fund



HYPERSPECTIVE
INSPIRE BELIEF

Statement of:
Todd J. Robertson
Hyperspective
Before the
Senate Committee on Economic Development, Tourism & Technology
Monday, January 30, 2017
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB763 RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance.

Hyperspective supports SB763 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.

Hyperspective is a digital creative agency, focused on developing cutting edge technology for communications, media and products within the State of Hawaii for global export. As a technology company, Hyperspective benefits from programs like the SBIR phase II and III awards, directly through application for such grants and indirectly 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.



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

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

January 30, 2017

1:15 p.m.

State Capitol, Conference Room 414

In Support of

**SB763 RELATING TO THE HIGH 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 SB763

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **in support of SB763**

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 SB763 and we appreciate your continued support of the technology industry.



High Technology Development Corporation

2800 Woodlawn, Ste. 100 | 808-539-3806

Honolulu, Hawaii 96822 | www.htdc.org

Written Statement of
Robbie Melton
Executive Director & CEO
High Technology Development Corporation
before the
Senate Committee on Economic Development, Tourism & Technology
Monday, January 30, 2017
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB763
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

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

The High Technology Development Corporation (HTDC) **supports** SB763 that appropriates funds to continue the Small Business Innovation Research Program within the High Technology Development Corporation.

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 last year.

In FY16, the first year of the Phase II Phase III matching program, HTDC awarded \$2 million to 7 companies who had secured \$7.9 million of federal SBIR funding. There were more eligible applicants than available funds. HTDC anticipates awarding all of the fiscal year 2016-2017 appropriated funds and suggests that \$2 million is an appropriate annual budget for the program. Phase III awards are eligible for matching grants and subject to the same application and evaluation process as Phase II awards.

Over time, the expanded 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 20 federal dollars in return to the state, plus commercialization funding. HTDC believes this program provides leverage and positive economic development value for the State by supporting projects with vetted technology and backed with federal funds. We support this initiative as long as it does not replace our priorities requested in the Executive Budget.

Thank you for the opportunity to offer these comments.