



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Friday, February 24, 2017
9:35 AM
State Capitol, Conference Room 211

in consideration of
SB 764
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) **supports** SB764 which appropriates funds for the High Technology Development Corporation's (HTDC) Manufacturing Development Program provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

HTDC, along with DBEDT's Foreign-Trade Zone Division, support local manufacturers through programs and infrastructure which lead to the growth and development of Hawaii-made products. Due to its remote location, Hawaii must constantly work to lower the cost of consumer goods in the State while stimulating economic growth through exports of locally-made products. The manufacturing industry provides for import substitution products and the production of exported goods which stimulates economic growth and creates jobs.

Local manufacturers are also the key driver to an innovative economy with their ongoing development of cost-effective methods, new technologies and their creation of export products which allow Hawaii to compete in a global market.

In fiscal year 2016, HTDC awarded over \$1.9 million to Hawaii companies who, in turn, invested over \$31 million of their own monies toward the growth and development of their products and technologies. The result was the addition of 363 new jobs, 70 of these earning more than \$80,000 a year, and over 260 jobs saved. These awards were made to companies statewide and in a variety of industries including food, beverage, chemicals and plastics.

Interest for this manufacturing grant program remains high, and due to the program's 20 percent reimbursement-\$100,000 cap structure, companies must put a significant amount of

capital forward prior to the grant award and therefore have a vested interest in the success of the venture and a commitment in the growth of their business in Hawaii.

DBEDT believes that this grant program provides the seeds for positive economic growth and continued job creation for the State.

Thank you for the opportunity to provide these comments.



**Testimony to the Senate Committee on Ways and Means
Friday, February 24, 2017 at 9:35 P.M.
Conference Room 211, State Capitol**

**RE: SENATE BILL 764 RELATING TO THE HIGH TECHNOLOGY
DEVELOPMENT CORPORATION**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** SB 764, which appropriates funds to the High Technology Development Corporation for the Manufacturing Development Program.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ 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 Chamber supports this bill that continues the manufacturing grant program, which has become a positive resource to aid companies with their investments for manufacturing equipment, training of their employees on newly purchased equipment, energy efficiency, and feasibility studies. We believe that the continuation of this program will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export. There is movement to begin to manufacture more back in the U.S. At the same time, Hawaii still has some competitive disadvantages. This bill will help companies in Hawaii to start or grow their operations.

In Hawaii there are over 700 active manufacturers in the state that employ almost 14,000 people and contribute to the overall state economy. In 2015 Hawaii manufacturers helped our state's economy by contributing nearly \$1.7 billion in manufactured goods exported outside of Hawaii.

The grant program supports the industry by increasing production and economic activity. According to the High Technology Development Corporation's Innovate Hawaii, the agency that administers the grant, they gave out approximately \$1.9 million in grant funding that spurred over \$31 million in private investment. We believe that this is worthwhile and financially smart investment for state funding.

Thank you for the opportunity to testify.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
FRIDAY, FEBRUARY 24, 2017 AT 9:35AM**

To The Honorable Jill N. Tokuda, Chair;
The Honorable Donovan M. Dela Cruz, Vice Chair; and
Members of the Committee on Ways and Means

**TESTIMONY IN SUPPORT OF SB 764 TO APPROPRIATE FUNDS TO THE HIGH TECHNOLOGY
DEVELOPMENT CORPORATION FOR THE MANUFACTURING DEVELOPMENT PROGRAM**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce representing approximately 600 businesses and 16,000 employees. I am writing share our support of SB 764.

The high technology development corporation is extremely important to develop and sustain the state's manufacturing industry. The manufacturing industry increases the workforce and resources for our community. With the loss of Maui's largest manufacturing company, HC&S, we believe supporting our other local manufacturers is vital. We support any programs that help the manufacturing industry and see the funding for the high technology development corporation as essential..

We appreciate the opportunity to testify on this matter and therefore ask that this bill be passed.

Mahalo for your consideration of our testimony and we hope you will move this bill forward.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



Statement of
Adelheid Kuehnle
President and CEO
Kuehnle AgroSystems
before the
Senate Committee on Ways and Means
Friday, February 24, 2017
9:35 a.m.
State Capitol, Conference Room 211

In consideration of
SB764
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee on Ways and Means.

Kuehnle AgroSystems supports SB764 that makes an appropriation for the continuation of the manufacturing grant program within the High Technology Development Corporation.

Our company is a life sciences R&D company now adding manufacturing capabilities for ingredients used in personal care. We hire scientists at high pay scales and focus on hiring local talent. We also offer internships and train and hire student workers from the University of Hawaii to work for us hopefully after they graduate. Last year we were recipients of a Manufacturing Grant, which enabled us to train two employees on sophisticated manufacturing equipment that we purchased, and we were able to install the system infrastructure required to perform the manufacturing process. Our customers tell us that Hawaii-manufactured goods are high quality and in demand.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.

« Recipient's Name »
« Subject »

February 23, 2017

2



KYD, Inc. dba k. yamada distributors

An independent leader in packaging and wholesale distribution

P.O. BOX 29669, Honolulu, Hawaii 96820 Phone: (808) 836-3221 Fax: (808) 833-8995

SB764, Relating to High Technology Development Corporation
Senate WAM Hearing – Decision Making

Fri. Feb 24, 2017

9:35am - Room 211

Written Testimony by: Dexter Yamada

Position: Support

Chair Tokuda and Members of the Senate WAM Committee:

I am Dexter Yamada, President of KYD, Inc. dba: K. Yamada Distributors. KYD, Inc. is a local family run business that originated in the 1940's as a florist and florist supply distributor, and in 1958, evolved into a packaging company. Today, KYD, Inc and its sister company, Hawaii Foam Products, LLC, employ about 90 employees and contribute to Hawaii's economy through taxes and payroll. Our companies manufacture packaging materials such as food-grade EPS (Expanded Polystyrene) food containers, and distribute a variety of supplies, to include compostable containers, for food processors, food establishments, supermarkets, hotels hospitals and other institutions.

Appreciation is expressed for this measure that continues to recognize that local manufacturers make finished products in Hawaii, provide employment and contribute to the State's economy.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. It encourages local manufacturers to make the commitment to grow their businesses in Hawaii.

Please support this bill. Thank you for the opportunity to testify.





ALOHA SHOYU COMPANY

Statement of
David Y. Morikawa
Vice President - Operations

**Testimony to the Senate Committee on Ways and Means
Friday, February 24, 2017 at 9:35 P.M.
Conference Room 211, State Capitol**

In consideration of
SENATE BILL 764
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee on Ways and Means:

The Aloha Shoyu Company, Ltd. **supports** SB 764, as part of the Chamber of Commerce Hawaii's economic development package. There are approximately 1,000 active manufacturers in the state that employ almost 14,000 people. Manufacturers helped Hawaii's economy by contributing nearly \$1.7 billion in manufactured goods exported in 2015.

The bill continues the manufacturing grant program, which has become a positive resource to aid companies with their investments for manufacturing equipment, training of their employees on newly purchased equipment, energy efficiency, and feasibility studies. We believe that the continuation of this program will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export. There is movement to begin to manufacture more back in the U.S. At the same time, Hawaii still has some competitive disadvantages. This bill will help Hawaii companies in Hawaii to start to grow their operations.

According to the High Technology Development Corporation's Innovate Hawaii, they gave out approximately \$1.9 million in grant funding that spurred over \$31 million in private investment. We believe that this is a worthwhile and financially smart investment for state funding.

Our company has received the benefit of partial funding through the manufacturing grant program resulting in plant equipment expansion and upgrades. If the program is extended, we intend to continue utilizing grant funding for equipment upgrades and provide more products to Hawaii and on the Mainland.

Thank you for the opportunity to testify.

Statement of
Marisa Maen
Owner
Dyezigns LLC
before the
Senate Committee on Ways and Means
Friday, February 24, 2017
9:35 a.m.
State Capitol, Conference Room 211

In consideration of
SB764
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee on Ways and Means.

Dyezigns LLC supports SB764 that makes an appropriation for the continuation of the manufacturing grant program within the High Technology Development Corporation.

Our company originally started as a local, handmade bikini company. We soon realized that if we wanted to produce everything on island, from start to finish, we would need to purchase our own Dye Sublimation Printer and Heat Press. After months of research we finally purchased one and had both the printer and heat press shipped here from the West Coast and East Coast. Our money was running dry after payment, shipping, training, and purchasing necessary materials. The HTDC grant saved our business. We were finally able to keep our heads above water. We were finally able to not have to keep investing our own money. And since then, Our business has grown and continues to grow daily. We are not profitable yet, but I know we will be within the next 6 months to a year.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.

HAWAII COFFEE COMPANY™

1555 Kalani Street
Honolulu, Hawaii 96817
Ph: 808-847-3600
Fax: 808-847-7900
www.hicoffeeco.com



Written Testimony of
Daniel Dinell
President, Hawaii Coffee Company

before the
Senate Committee on Ways & Means
February 24, 2017; 9:35 1.m.
State Capitol, Conference Room 211

RE: SB764 "A BILL FOR AN ACT RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION"

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee on Ways & Means:

Hawaii Coffee Company **supports** SB764, which appropriates funds to the High Technology Development Corporation (HTDC) for the Manufacturing Development Program.

Hawaii Coffee Company has been in the coffee roasting business since 2000 and today is the world's largest roaster of Kona Coffee. Our 100 plus employees at our plant in Kalihi and other locations around the State earn a livelihood milling, roasting, packing, distributing, and retailing coffee. We have a major retail presence throughout Hawaii, are a leading provider of coffee to Hawaii hotels and restaurants and export our products around the globe.

One of the most surprising things I've learned since assuming the role leading this company in June 2015 is how the Legislature is providing funds for State entities such as HTDC, DOA and DBEDT to support Hawaii-based manufacturers. My company and our employees have benefited from this support and it has made us even more bullish to invest more to increase our manufacturing capacity and add jobs. This kind of grant program is important to leverage dollars by encouraging investment and growth, especially export-oriented, to further strengthen and diversify Hawaii's economy. We believe the Return on Investment makes this initiative very worthy of your support.

Mahalo for your continued support of manufacturing in the State.



February 22, 2017

Senate Committee on Ways and Means
Friday, February 24th, 2017, 9:35am
State Capitol, Conference Room 211

Re: SB764, RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

Aloha Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee,

Maui Brewing Co. supports SB764 that appropriates funds for the “Manufacturing Development Program” under HTDC. In fact, we would encourage the expansion of funding and grant opportunities for various businesses in order to bring manufacturing back to Hawaii. As a State, we often focus on film, military and technology but we seem to ignore supporting local manufacturing which would bring a number of skilled jobs to the islands.

Maui Brewing Co. is a small, independent craft brewery that began with just 23 on our team in 2005. We are now 355 strong and Hawaii’s largest craft brewery. We did this in the face of significant challenges to growth at all levels; financial, shipping, taxation, legislative and more. We were a recipient of a portion of grant funds last year and that has allowed us to continue growth in job creation and production. We are currently investing more than 10 million dollars over the next several years to take our company off-grid and to grow our manufacturing and retail facilities. Every bit of support that we can get is critical to our success as a truly local, 100% Hawaii grown company.

We support this program and its passage would show the State’s support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.

Sincerely,



Garrett W. Marrero
CEO/Founder

Handcrafted Ales & Lagers Brewed with Aloha
605 Lipoa Parkway, Kihei, HI 96753
808.213.3002



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

Before the
SENATE COMMITTEE ON WAYS AND MEANS
February 24, 2017
9:00 AM
State Capitol, Conference Room 211
In Support of
**HB764 REALTING TO THE HIGH TECHNOLOGY
DEVELOPMENT CORPORATION**

To: Chair Jill N. Tokuda, Vice Chair Donovan Dela Cruz, and Members of the Committee

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

Re: Testimony in Support of HB764

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **IN SUPPORT of HB764.**

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. Many of our technologies are ready for commercialization and hope to manufacture our technologies here in Hawaii.

This bill will allow Hawaii companies to keep the manufacturing of their products here in Hawaii. In turn, there will be job creation and long term investments for the people of Hawaii.

Oceanit is committed to manufacturing technology in the State of Hawaii.

Therefore, we **SUPPORT HB764.**

First Commercial Kitchen LLC

94-538 Puahi St., Ste A., Waipahu, Hi 96797
Ph: 808-676-0880 Fax: 808-676-0400

Statement of

Peter Kam, LLC Managing Partner

before the

Senate Committee on Ways and Means

Friday, February 24, 2017

9:35 a.m.

State Capitol, Conference Room 211

In consideration of

SB764

RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee on Ways and Means.

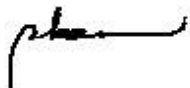
First Commercial Kitchen LLC **supports** SB764 that makes an appropriation for the continuation of the manufacturing grant program within the High Technology Development Corporation.

SB764 has provided an incentive to expand and grow our business by purchasing more equipment, making production more efficient. Additional personnel has also been hired to handle an increased work load.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.



Peter Kam



Statement of
Duke Hartman
Vice President, Business Development
Makai Ocean Engineering, Inc.
before the
Senate Committee on Ways and Means
Friday, February 24, 2017, 9:35 a.m.
State Capitol, Conference Room 211

In consideration of
SB764
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Tokuda, Vice Chair Dela Cruz, Members of the Committee on Ways and Means.

Makai Ocean Engineering, Inc. **supports SB764** that makes an appropriation for the continuation of the manufacturing grant program within the High Technology Development Corporation (HTDC).

Makai Ocean Engineering, Inc. has historically been an engineering services provider, but now, with the help of the State's current manufacturing assistance program, Makai is diversifying into low-volume manufacturing. Makai has been involved in marine-related engineering in Hawaii for over 40 years, and recently began a marine heat exchanger R&D program. Now, we are in the process of building a small manufacturing plant for marine heat exchangers on the Big Island of Hawaii, which is sustaining approximately 6 highly-skilled, high-paying jobs in rural Kona. We have a strategic advantage for developing and manufacturing low-volumes of these components in Hawaii for two reasons: the U.S. Navy's presence in Hawaii, and Makai already owns and operates a marine heat exchanger test facility and marine corrosion lab on the Big Island.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. Because they are matching funds, a manufacturer is eligible only if they are already making an investment in the local community and providing jobs. The program amplifies these efforts, and shows the State's support for local manufacturers willing to make the investment and commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.



Written Statement of
Robbie Melton
Executive Director & CEO
High Technology Development Corporation
before the
Senate Committee on Ways and Means
Friday, February 24, 2017
9:35 a.m.
State Capitol, Conference Room 211

In consideration of
SB764
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee on Ways and Means.

The High Technology Development Corporation (HTDC) **supports** SB764 that appropriates funds for the Manufacturing Development Program.

HTDC supports local manufacturers through our INNOVATE Hawaii program which was recently awarded \$2.5 million (\$500k a year over 5 years) in federal funding by the U.S. Department of Commerce, National Institute of Standards and Technology's (NIST) to continue the Manufacturing Extension Partnership (MEP) program.

The Hawaii manufacturing industry provides export and import substitution opportunities to improve our economy and has been identified nationally as a key driver for innovation. Hawaii manufacturers face the additional challenge of the high cost of energy and shipping. The grant program can assist to make the manufacturers more competitive.

In 2015, the legislature appropriated \$2 million to establish a manufacturing grant program and in 2016, appropriated \$1 million to continue the program in the current fiscal year.

In FY16, the first year of the program, HTDC awarded \$1.9 million to 51 companies who invested \$31.4 million of their own money into growing their businesses. There were a total of 69 applicants. The projected economic impact of the program, as reported by the applicants, was 363 new employees, 70 earning over \$80k per year, and 266 jobs saved.

45% of the funding was awarded to food manufacturers, 20% to beverage and tobacco, 13% to chemical, plastics, etc. 29 awards were made in City and County of Honolulu, 7 in Maui County, 6 in Hawaii County, and 9 in Kauai County.

Interest in the program remains high and HTDC anticipates awarding all of the \$1 million fiscal year 2016-2017 appropriated funds. HTDC suggests that \$1.5 million is an appropriate annual budget for the program. HTDC believes this program provides leverage and positive economic development value for the State. 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.



Executive Officers:

John Erickson, Young's Market Company –Chair
Beau Oshiro, C&S Wholesale – Vice Chair
Toby Taniguchi, KTA Superstores – Secretary/Treasurer
John Schilf, Rainbow Sales and Marketing - Advisor
Stan Brown, Acosta – Advisor
Paul Kosasa, ABC Stores – Advisor
Barry Taniguchi, KTA Superstores – Advisor
Derek Kurisu, KTA Superstores – Immediate Past Chair
Lauren Zirbel, Executive Director

1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax: 808-791-0702
Telephone: 808-533-1292

TO: COMMITTEE ON WAYS & MEANS
Senator Jill Tokuda, Chair
Senator Donovan Dela Cruz, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: Friday, Feb. 24, 2017
TIME: 9:35 p.m.
PLACE: Conference Room 211

RE: SB764 (Manufacturing Development Program)
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.

This bill's continuation of the manufacturing grant program will complement existing efforts in building and diversifying our economy; keeping more dollars in Hawaii; decreasing our dependence on imports; and growing and strengthening the Made in Hawaii brand.

Research has shown that a diversified economy and a business-friendly tax climate are key factors in keeping unemployment low. This bill allows manufacturers in our state to continue to grow their businesses and incentivizes production in Hawaii. This means more jobs and a stronger economy for the entire state.

Increasing manufacturing will also mean we are less reliant on imported goods. Hawaii currently imports over 90% of the products used in the state. This reliance leaves us vulnerable to potential supply chain interruptions, adds shipping cost to almost every product and sends millions of dollars per year out of the state- millions of dollars that could be spent and reinvested here. Importing less and manufacturing more could have a wide reaching positive impact on everyone- from manufacturers to consumers.

This bill will also open the door for more products to earn the proud distinction of being "Made in Hawaii." Hawaii made products have a worldwide reputation for quality and excellence and are in

demand both within the state and abroad. Extending the grant program will help our manufacturing industry meet that demand while concurrently growing and expanding our economy.

For these reasons, we ask that you please pass this measure.

Thank you for the opportunity to testify.

Statement of
Kristen McReynolds
before the
Senate Committee on Ways and Means
Friday, February 24, 2017
9:35 a.m.
State Capitol, Conference Room 211

In consideration of
SB764
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee on Ways and Means.

Kristen McReynolds **supports** SB764 that makes an appropriation for the continuation of the manufacturing grant program within the High Technology Development Corporation.

“ I write to you as an employee of the manufacturing industry in Hawaii. I am a 9 year resident of Hawaii with a Masters degree in Chemistry and experience in Production Management with a local manufacturing company. As a professional who depends on the manufacturing industry for my career, I support this bill. I’ve witnessed the struggle of manufacturuing in Hawaii and realize the great benefit a 20% reimbursement can provide to a company. I hope to continue working in the manufacturing industry for many years. With the extremely high cost of production, I know there may be a time when the industry is not viable in Hawaii. I hope you will support this bill as it supports a very important industry in Hawaii and allows some of us to have jobs in industries other than the saturated hospitality industry. Please continue this program. Thank you for your sincere consideration. It is much appreciated.”

Hawaii Fish Company (HFC), a family-owned North Shore Oahu aquaculture farm, testifies in strong support of SB764 which would appropriate funds for the continuation of the Hawaii manufacturing development grant program administered by the High Technology Development Corporation (HTDC). HFC is currently developing value-added aquafarm products with support from a USDA/SBIR Phase II research and development grant and a Hawaii SBIR Phase II matching grant.

Once our current SBIR Phase II R&D efforts are complete, we will move forward with Phase III commercialization. This will include the development of manufacturing infrastructure for the preparation of refrigerated and/or shelf-stable value added seafood products. The continuation of this supportive manufacturing development grant program would provide HFC a much needed cost sharing opportunity to enable our small company to take this important commercialization step which, in turn, will enable us to support increased rural employment, seafood production, and sales.

In summary, the manufacturing support potentially available to our company through this HTDC program has already been successfully provided to many other local manufacturing companies for the past two years. With the manufacturing development grant program's positive track record, HFC feels strongly that this program is worthy of continued State support. As such, we strongly support SB764.