



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
House Committee on Economic Development and Business
Wednesday, March 13, 2019
10:00 a.m.
State Capitol, Conference Room 309

In consideration of
SB995, SD2
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair McKelvey, Vice Chair Kitagawa, and Members of the Committee.

The Hawaii Technology Development Corporation (HTDC) **supports** SB995, SD2 that requires HTDC to adopt rules to require businesses that receive a Hawaii Small Business Innovation Research (SBIR) grant award to maintain their principal place of business in Hawaii for five years or, if they do not, to return the award and makes an appropriation into and out of the Research and Development special fund for the Research and Development Program of the Hawaii 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. Last session \$1,000,000 was appropriated for the Eearch and Development Program. HTDC has completed the required public hearing on the proposed administrative rules for the program. HTDC intends to open the application period and make FY19 awards before the end of the fiscal year. HTDC comments that HB623 repeals this program so the bills should be coordinated.

HTDC comments that the 5 year requirement for the Hawaii SBIR grant program sets expectations to ensure the State receives benefit for its investment into companies. We support this request provided it does not supplant the Governor's priorities in the Administrative budget. Thank you for the opportunity to offer these comments.



Statement of
Hermann Kugeler
Business Development Manager
Makai Ocean Engineering, Inc.

before the
House Committee on Economic Development & Business

Wednesday, March 13, 2019

10:00am

State Capitol, Conference Room 309

In consideration of

SB995

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Wakai, Vice Chair Taniguchi, and members of the Committee on Energy, Economic Development, and Tourism

Chair McKelvey, Vice Chair Kitagawa, and Members of the Committee

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS SB995** 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 45 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 offshore in Hawaiian waters to produce a renewable biofuel alternative for transportation.

Makai has been successful in bringing in tens of millions of dollars in R&D funds from federal and international sponsors to Hawai`i, helping to stem the tide of “brain drain” of talented kama`aina kids going to the mainland. Makai is not unique among Hawaii technology companies in this. 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.

This bill would enhance the ability of Hawaii companies like Makai to outshine mainland peers in competitive federal R&D projects, bring home R&D dollars that greatly exceed the initial investment, and create a critical mass and a truly vibrant industry of innovative R&D companies in Hawaii. It would expand and diversify Hawaii’s economy, and enable our tech industry to support high-paying, highly-skilled professional jobs for our keiki here at home.

This is why Makai **STRONGLY SUPPORTS SB995**. Thank you for the opportunity to testify.

SB-995-SD-2

Submitted on: 3/12/2019 9:55:52 AM

Testimony for EDB on 3/13/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

SB-995-SD-2

Submitted on: 3/10/2019 10:29:42 PM

Testimony for EDB on 3/13/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ann Chung	Individual	Support	Yes

Comments:

I STRONGLY SUPPORT SB995 relating to the Hawaii Technology Development Corporation which makes an appropriation into and out of the research and development special fund for the research and development program of HTDC. This is an existing program that was funded last session as Act 141 and I urge you to continue funding this very important program. 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.

Mahalo for this opportunity to testify.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Economic Development and Business
Wednesday March 13, 2019 at 10:00 A.M.
Conference Room 309, State Capitol**

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**RE: SB 995 SD2, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT
CORPORATION**

Chair McKelvey, Vice Chair Kitagawa and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 995 SD2, which requires the Hawaii Technology Development Corporation (HTDC) to adopt rules to require businesses that receive a technology research and development grant award to return the award if the business relocates its principal place of business within 5 years of receiving the grant. Additionally, this bill also makes an appropriation into and out of the research and development special fund for HTDC's research and development program.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 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 Chamber continues to support the State's efforts to promote and foster innovation research and development in Hawaii. Innovation is a proven catalyst for economic growth and the creation of high-skilled and high-paying jobs. This bill would help to provide necessary capital to help assist these small businesses in innovation research and expansion and provide support to grow their businesses and compete globally while remaining in Hawaii.

Thank you for the opportunity to express our views and concerns.