



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**MIKE MCCARTNEY**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**

Wednesday, April 7, 2021  
1:30 PM  
VIA VIDEOCONFERENCE  
Conference Room 308  
State Capitol

In consideration of  
**SB 1421, SD2, HD1**  
**RELATING TO DUAL USE TECHNOLOGY**

Chair Luke, Vice Chair Cullen and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of SB1421, SD2, HD1 that creates a task force with the University of Hawaii and DBEDT that explores how dual use technology can be used to promote economic recovery and diversify the State's economy and makes an appropriation.

DBEDT supports the intent to diversify Hawaii's economy leveraging dual use technology. DBEDT points out that the Hawaii Technology Development Corporation (HTDC) administers the Hawaii Small Business Innovation Research (HSBIR) program, which serves many businesses from the dual-use community. HTDC has been working closely with UH to increase commercializing technologies for the Department of Defense through the Hawaii Tech Bridge program.

DBEDT supports this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

Thank you for the opportunity to offer these comments.



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

Before the  
**HOUSE COMMITTEE ON FINANCE**

Wednesday, April 7, 2021  
1:30 p.m.  
State Capitol, Conference Room 308  
In Support of

**SB1421 RELATING TO DUAL USE TECHNOLOGY**

To: Chair Representative Sylvia Luke, Vice Chair Ty J.K. Cullen and Members of the Committee

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

Re: Testimony in Support of SB1421

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony in **Support of SB1421.**

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

Through various federal funding sources we have demonstrated the ability to develop “disruptive technologies” that are changing the way we live and work in the world. However, the ability to take disruptive technologies to the next level or to commercialize has been a challenge. Federal R&D funding is restricted to research and development activities, i.e., no marketing or commercialization activities allowed. And only a small percentage of tech businesses are venture-fundable. To diversify Hawaii’s economy and the help Hawaii’s economic recovery, the State needs to support Hawaii technology companies who are stuck in the “ditch” between research and product realization.

Previous support of Hawaii’s Dual Use technologies, has created several new high tech startups in Hawaii, as well as product development efforts which have brought funding and people to Hawaii. This bill will create a task force to explore potential dual use technology research and development efforts to create high income jobs opportunities for Hawaii’s residents and graduates of Hawaii’s educational institutions. In return, the State will benefit from tax revenues, job creation and economic growth.



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Finance  
Wednesday, April 7, 2021 at 1:30 P.M.  
Written Testimony**

**RE: SB 1421, SD 2, HD 1, RELATING TO DUAL USE TECHNOLOGY**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 1421, SD 2, HD 1 which creates a dual use technology task force within the Department of Business, Economic Development, and Tourism to explore how dual use technology can be used to promote economic recovery and diversify the State's economy.

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.

We appreciate the intent of this measure in exploring initiatives that help diversify and grow Hawaii's economy beyond the state's main economic driver: tourism. Given that Hawaii's second economic driver is the military, the associated defense economies and bridge for dual-use technology is commendable and The Chamber looks forward to being a valuable contributor in advancing economic opportunities and diversity in Hawaii's broader economy.

Thank you for this opportunity to provide testimony.



Written Statement of  
**Len Higashi**  
Acting Executive Director  
Hawaii Technology Development Corporation  
before the  
**House Committee On Finance**  
Wednesday, April 7, 2021  
1:30 p.m.  
Videoconference

In consideration of  
**SB1421, SD2, HD1**  
**RELATING TO DUAL USE TECHNOLOGY.**

Chair Luke, Vice Chair Cullen, and Members of the Committee

The Hawaii Technology Development Corporation (HTDC) **supports** the intent of SB1421, SD2, HD1 that creates a dual use technology task force within the Department of Business, Economic Development, and Tourism to explore how dual use technology can be used to promote economic recovery and diversify the State's economy; and requires the task force to submit reports to the legislature prior to the regular sessions of 2023 and 2025.

HTDC supports efforts to diversify Hawaii's economy through innovation. HTDC administers the Hawai'i Small Business Innovation Research (HSBIR) program serving many businesses from the dual-use community. We are working very closely with the University of Hawaii on pilot initiatives aimed at getting University technology to market and increasing the pipeline of new small businesses securing federal SBIR funds. We are also partnered with the University of Hawaii and the Naval Information Warfare Center (NIWC formerly known as SPAWAR) Pacific on the Hawai'i Tech Bridge Program to facilitate new opportunities for local technology companies to provide solutions for the Navy. Exploring new project opportunities for dual-use technology is well aligned with HTDC's current priorities. HTDC prefers the original draft of the bill which included an appropriation.

HTDC looks forward to working with all stakeholders in moving dual-use technology forward. HTDC supports this bill provided it does not supplant the priorities in the Administration's budget. Thank you for the opportunity to offer these comments.