
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 201-72, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§201-72 Office of aerospace development; establishment.**

4 (a) There is established an office of aerospace development in
5 the department of business, economic development, and tourism.

6 (b) The director shall have experience, knowledge, and
7 expertise in space-related activities and development. The
8 director shall be nominated and appointed by the governor
9 without regard to chapter 76.

10 (c) The director shall hire staff necessary to carry out
11 the purposes of this part.

12 (d) The director and employees of the office shall be
13 included in any benefit program generally applicable to the
14 officers and employees of the State.

15 (e) Subject to funding, the office of aerospace
16 development may hire an executive director with an annual salary



1 of up to \$100,000, a business development officer with an annual
2 salary of up to \$80,000, a program manager with an annual salary
3 of up to \$70,000, and administrative support with an annual
4 salary of up to \$48,000. The executive director shall be
5 appointed by the governor, and the other positions shall be
6 civil service positions."

7 SECTION 2. Section 201-76, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "[~~§~~201-76[~~§~~] **Pacific international space center for**
10 **exploration systems.** (a) There is established the Pacific
11 international space center for exploration systems[~~7~~] division,
12 to be under the direction of the office of aerospace
13 development, and to be administratively attached to the office
14 of aerospace development in the department of business, economic
15 development, and tourism. This division of the office of
16 aerospace development shall be located on the island of Hawaii.

17 [~~(b)~~ ~~The space center may employ, subject to chapter 76,~~
18 ~~technical experts and officers, agents, and employees, permanent~~
19 ~~and temporary, as required. The space center may also employ~~
20 ~~officers, agents, and employees, prescribe their duties and~~
21 ~~qualifications, and fix their salaries, without regard to~~



1 ~~chapter 76, when in the determination of the board, the services~~
2 ~~to be performed by those employed are unique and essential to~~
3 ~~the execution of the functions of the space center.]~~

4 (b) Pacific international space center for exploration
5 systems employees shall promote and market Hawaii as an
6 aerospace and aviation destination for research and development,
7 shall actively solicit aerospace and aviation businesses to
8 establish facilities or work offices in Hawaii, shall work with
9 government agencies on aerospace and aviation related projects,
10 and shall encourage direct and indirect job creation related to
11 aerospace, aviation, technology, and robotics.

12 (c) Subject to funding, the Pacific international space
13 center for exploration systems may hire an administrator with an
14 annual salary up to \$82,000, a business development officer with
15 an annual salary up to \$70,000, a program specialist with an
16 annual salary up to \$60,000, and administrative support with an
17 annual salary up to \$48,000. The administrator shall be
18 appointed by the governor; the other positions shall be civil
19 service positions."

20 SECTION 3. Section 201-77, Hawaii Revised Statutes, is
21 amended to read as follows:



1 " [{}§201-77[{}] Pacific international space center for
2 exploration systems; advisory board of directors; establishment;
3 duties. (a) There is established the advisory board of
4 directors of the Pacific international space center for
5 exploration systems, consisting of [~~ten~~] seven members, to
6 include:

7 [~~(1)~~] ~~The executive director of the space center as an ex~~
8 ~~officio[,] voting member;~~

9 [~~(2)~~] ~~The director of business, economic development, and~~
10 ~~tourism, or the director's designated representative;~~

11 [~~(3)~~] ~~The president of the University of Hawaii, or the~~
12 ~~president's designated representative;]~~

13 [~~(4)~~] (1) Six members from government, industry, and
14 academia, both national and international, with
15 appropriate professional interests and backgrounds;
16 and

17 [~~(5)~~] (2) An invited representative from the National
18 Aeronautics and Space Administration as an ex
19 officio[{}], [{}] nonvoting member,
20 to be appointed by the governor, pursuant to section 26-34;
21 provided that of the members appointed under paragraph [~~(4)~~]



1 (1), two members shall be appointed from a list of nominees
2 submitted by the president of the senate, two members shall be
3 appointed from a list of nominees submitted by the speaker of
4 the house of representatives, and two members shall be appointed
5 by the governor.

6 The board shall select a chairperson from among its
7 members.

8 (b) [~~Five~~] Four members shall constitute a quorum, whose
9 affirmative vote shall be necessary for all actions by the space
10 center. The members of the board shall serve without
11 compensation, but shall be entitled to reimbursement for
12 necessary expenses, including travel expenses, incurred in the
13 performance of their duties.

14 (c) The director of business, economic development, and
15 tourism shall appoint an executive director to the space center,
16 subject to confirmation by the board, who shall be exempt from
17 chapter 76. The board shall set the salary and duties of the
18 executive director."

19 SECTION 4. Section 201-78, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "[+]§201-78[+] **General powers.** [~~(a)~~—The board may:



- 1 ~~(1) Sue and be sued;~~
- 2 ~~(2) Adopt a seal and alter the seal at pleasure;~~
- 3 ~~(3) Make and execute contracts and other instruments~~
- 4 ~~necessary or convenient to the exercise of its powers;~~
- 5 and
- 6 ~~(4) Adopt bylaws and rules, which shall be exempt from~~
- 7 ~~chapter 91, for its organization and internal~~
- 8 ~~management, and to carry into effect its purposes,~~
- 9 ~~powers, and programs.]~~

10 (a) The Pacific international space center for exploration
 11 systems advisory board of directors may meet quarterly and
 12 receive reports and updates from the staff of the Pacific
 13 international space center for exploration systems and shall
 14 make suggestions and recommendations to the Pacific
 15 international space center for exploration systems and the
 16 office of aerospace development.

17 (b) In addition to other powers conferred upon it, the
 18 board may do all things necessary and convenient to carry out
 19 the powers expressly provided in this subpart."

20 SECTION 5. Section 201-79, Hawaii Revised Statutes, is
 21 amended to read as follows:



1 "[\+]§201-79[\+] **Powers and duties of the Pacific**
2 **international space center for exploration systems [executive**
3 **director-] staff.** In addition to any other powers and duties
4 provided in this subpart, the [~~executive director~~] staff shall:

- 5 (1) [~~Oversee, supervise, and direct the planning,~~
6 ~~evaluation, and coordination of space-related~~
7 ~~activities, and] Identify and promote opportunities
8 for expanding and diversifying aerospace-related
9 industries on the island of Hawaii and in the State
10 ~~[pertaining to the space center]~~ ;~~
- 11 (2) Establish partnerships with corporate, government, and
12 University of Hawaii entities that can promote and
13 enhance the State's aerospace industry; and where
14 possible, help to generate additional revenue for the
15 University of Hawaii and create classes and other
16 educational opportunities for students;
- 17 (3) Work with local universities and community colleges to
18 facilitate internships for students with the space
19 center and associated companies;



- 1 (4) Continue to work with the University of Hawaii on
2 course development, teaching, workforce development,
3 and outreach;
- 4 (5) Promote innovative educational and workforce
5 development programs that will enhance public
6 awareness of the space center and enable residents to
7 pursue employment in Hawaii's aerospace industry;
- 8 ~~[-(6) Act as the public representative of the space center,~~
9 ~~-(7)]~~ (6) Monitor national and global trends in the
10 aerospace industry and promote global awareness of the
11 space center;
- 12 ~~[-(8)]~~ (7) Pursue projects in the aerospace sector that can
13 be leveraged for improvements to the State's broadband
14 and alternative energy capabilities;
- 15 ~~[-(9)]~~ (8) Serve as a clearinghouse for information on the
16 space center and associated activities;
- 17 ~~[-(10)]~~ (9) Target existing businesses that can provide
18 products or services of importance to the space center
19 and its projects to support the expansion of these
20 businesses in Hawaii;



1 ~~[(11)]~~ (10) Increase contact and maintain liaison with the
2 National Aeronautics and Space Administration, related
3 aerospace organizations, and other federal agencies
4 and facilities;

5 ~~[(12)]~~ (11) Maintain and expand liaisons with local business
6 and citizen groups;

7 ~~[(13)]~~ (12) Work with private landowners in the vicinity to
8 expand opportunities and physical space and
9 appurtenances for the participants in the space
10 center's aerospace technology research and development
11 park;

12 ~~[(14)]~~ (13) Adopt, amend, and repeal rules pursuant to
13 chapter 91 necessary to carry out this subpart;

14 ~~[(15)]~~ (14) Contract for services as may be necessary for
15 the purposes of this subpart; and

16 ~~[(16)]~~ (15) Do all other things necessary or proper to carry
17 out the purposes of this subpart."

18 SECTION 6. Section 201-80, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "~~[(1)]~~§201-80~~[(1)]~~ Pacific international space center for
21 exploration systems; reporting requirement. The Pacific



1 international space center for exploration systems shall submit,
2 no later than September 1 of each year, an annual report to the
3 legislature that [~~includes:~~

- 4 ~~(1) An updated business plan regarding the aerospace~~
5 ~~technology research and development park project;~~
- 6 ~~(2) Details on any progress made toward the development of~~
7 ~~a world-class space center in Hawaii;~~
- 8 ~~(3) The development of technologies and any concomitant~~
9 ~~effect on the level of resource imports into the~~
10 ~~State;~~
- 11 ~~(4) The status of all working relationships with~~
12 ~~educational and research institutions and federal~~
13 ~~agencies;~~
- 14 ~~(5) Details on any progress made toward the development of~~
15 ~~a robotic operator training and certification program;~~
- 16 ~~(6) The level of private sector investment in aerospace~~
17 ~~and related industries, including the number and~~
18 ~~nature of any partnerships with private industry to~~
19 ~~facilitate state-based manufacturing and operations~~
20 ~~related to green energy technology;~~



1 ~~(7) The status of the memorandum of understanding with~~
2 ~~Hawaii Techworks and the east Hawaii community~~
3 ~~development corporation regarding the cultivation of a~~
4 ~~skilled local workforce to support planned~~
5 ~~manufacturing operations; and~~
6 ~~(8) A detailed statement of assets, liabilities, revenues,~~
7 ~~and expenses for each fiscal year ending June 30.]~~
8 shall summarize the significant accomplishments and activities
9 of the space center for the past fiscal year and the status of
10 the development of partnerships."

11 SECTION 7. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so
13 much thereof as may be necessary for fiscal year 2016-2017 for
14 the purposes of this Act, including the hiring of personnel for
15 the office of aerospace development and the Pacific
16 international space center for exploration systems.

17 The sum appropriated shall be expended by the department of
18 business, economic development, and tourism for the purposes of
19 this Act.

20 SECTION 8. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 9. This Act shall take effect on January 1, 2017.

2

INTRODUCED BY:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

JAN 26 2016



H.B. NO. 2597

Report Title:

Pacific International Space Center for Exploration Systems
Division; PISCES; Office of Aerospace Development; Appropriation

Description:

Allows, subject to funding, the office of aerospace development to hire various positions. Establishes PISCES as a division of the office of aerospace development that is to be located on the island of Hawaii. Directs the PISCES staff to promote and market Hawaii as a research destination and allows PISCES to hire various positions, subject to funding. Amends the board of directors of PISCES to seven members and amends their powers and duties. Transfers various duties of the PISCES executive director to PISCES staff. Effective 1/1/2017. Simplifies PISCES' annual report to include a summary of significant accomplishments and activities, and also status of the development of partnerships.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
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Statement of

LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism

before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Tuesday, February 9, 2016
9:00 a.m.

State Capitol, Conference Room 312

in consideration of

HB 2597
**RELATING TO THE DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT AND TOURISM.**

Chair Kawakami, Vice Chair Kong, and Members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) **supports the intent** of this bill to reorganize and staff the Office of Aerospace Development, including the provision to incorporate the Pacific International Space Center for Exploration Systems (PISCES) as a division of this office.

DBEDT offers comments on this measure:

In Section 1 (subsections “b” and “c”), reference is made to a “director, nominated and appointed by the Governor,” who in turn “shall hire staff” for OAD to conduct operations; but then reference is made (subsection “e”) to “OAD” hiring an “executive director” and three additional staff to conduct OAD operations.

DBEDT notes that having both a Director and an Executive Director of OAD, both to be appointed by the Governor, may be redundant and unnecessary.

In Section 2, reference is made to establishing PISCES as a “division” under OAD (subsection “a”), to be led by an “administrator,” appointed by the Governor (subsection “c”); but Section 3 (subsection “c”) specifies that the DBEDT Director shall appoint an “executive director” to run PISCES (subject to confirmation by the PISCES Board).

DBEDT notes that the existing language in Section 201-77(c) would be moot under the proposed re-organization of OAD and PISCES in which the PISCES board would become an advisory board. To avoid confusion, Section 201-77(c) should be deleted for consistency with the proposed changes to the rest of the section.

Section 5 outlines the “powers and duties” of the PISCES staff, many of which are identical to the “powers and duties” of the OAD director (as originally set forth in Act 149, SLH 2007).

To avoid confusion, DBEDT recommends that subsections (2) through (15) of Section 210-79 be deleted as these duties are already assigned to OAD in its enabling legislation, Act 149 (SLH 2007) and can thus, under the proposed re-organization, be delegated to the PISCES staff as appropriate.

We support this bill provided that its passage does not replace or adversely impact the Administration’s priorities as indicated in the Executive Budget Request.

Thank you for the opportunity to testify on this measure.



Pacific International
Space Center for
Exploration Systems

February 8, 2016

Robert M. Kelso
Executive Director, PISCES
99 Aupuni St.
Suite 212-213
Hilo, HI 96720

TESTIMONY IN OPPOSITION OF:

HB 2597– RELATING TO REORGANIZATION OF PISCES AND THE OFFICE OF
AEROSPACE DEVELOPMENT (OAD)

Dear Members of the 28th Hawaii State Legislature,

As Executive Director for PISCES, I am writing in opposition of the passage of HB2597.

Note: Opposition by PISCES of this bill is NOT with respect to the proposed realignment/reorganization of PISCES/OAD toward a more focused economic development for aerospace.

- The opposition pertains to the effective date in this bill of FY17.
- PISCES believes that a transition year on FY2017 is required to position itself to the radical change and to better assess possible reorganizational models between OAD and PISCES under DBEDT.
- *Hence, PISCES opposes the bill in that the effective date should be changed to the start of the next Biennium (FY18/19) to allow the proposed change to be fully coordinated and also submitted as part of the Governor's budget for FY18/19 Biennium.*

As Executive Director, PISCES, other than disagreement of the Authority-to-Proceed (ATP) date, **I support the proposed change to the strategic direction of PISCES and OAD**...combining into one organization as an attached agency, similar to HTDC, for leading the economic development of Aerospace within the State of Hawaii. In addition to adding business development officers (BDO) into the organization, it has

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Pacific International
Space Center for
Exploration Systems

been suggested by outside organizations that a small component of the applied-research of PISCES remain in the new organization to continue valued work with stakeholders from international, federal and private sector groups world-wide....taking advantage of Hawaii's unique geo-physical assets that have become well-recognized as important to expanding human exploration and settlement beyond low-earth orbit.

As Executive Director of PISCES, I stand committed to support the state in this new direction and organizational change.

Your consideration for modification of this bill to an effective date of the 2018-2019 Biennium....or deferral of this bill will be deeply appreciated.

Mahalo,

Robert M. Kelso

Executive Director, PISCES



From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 08, 2016 1:05 PM
To: edbtestimony
Cc: rfvromo@gmail.com
Subject: Submitted testimony for HB2597 on Feb 9, 2016 09:00AM

HB2597

Submitted on: 2/8/2016

Testimony for EDB on Feb 9, 2016 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Rodrigo & Charlotte Romo	Individual	Support	No

Comments: My wife and I strongly support the funding of the Pacific International Space Center for Exploration Systems (PISCES) by the legislature. Hawaii should consider itself fortunate to have the opportunity to support and fund an organization like PISCES. The state dependency on tourism as a primary source of revenue does not present a sustainable model. PISCES brings Hawaii into the Aerospace arena and helps promote the state as a platform for aerospace development. PISCES also provides invaluable support and experience to Hawaii's youth in the form of its summer internship programs. Losing PISCES would be a terrible loss for the state, especially considering the current atmosphere surrounding the islands.

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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Letter from Honeybee Robotics in support of Hawaiian Legislative Bills

LATE

Feb 8, 2016

Re.: Letter in support of SB2758, HB2597 for PISCES and SB3107 for economic assessment of satellite launch and processing facility on the Big Island

Honeybee Robotics is the world's leading developer of planetary sample acquisition and manipulation systems in support of surface and subsurface planetary exploration missions.

Established in 1983, Honeybee Robotics is a NASA-approved flight hardware supplier with extensive experience in flexible automation technologies, custom mechanisms, spacecraft electro-mechanical components, and robotic systems and subsystems for the aerospace industry.

Honeybee Robotics has managed over 300 NASA-funded projects, from small research and development efforts under the SBIR program to larger efforts funded by various NASA ROSES programs and multi-million dollar flight development efforts such as the Mars Exploration Rovers (MER) Rock Abrasion Tool and Mars Science Laboratory (MSL) Sample Manipulation System (SMS) for the Sample Analysis at Mars (SAM) instrument suite.

In regard to the above referenced Senate and House bills, Honeybee Robotics supports the establishment of the Pacific International Space Center for Exploration Systems (PISCES) and is in favor to allow for an economic assessment to establish a small satellite launch and processing facility on the Big Island for the following reasons:

- PISCES helps in the diversification of industries in Hawaii and spurs the development of technological jobs, which would prevent brain drain and provide local high-tech job opportunities to local kids.
- PISCES would also serve to help prepare local students to better meet the demands of the global high-tech job market.
- A small satellite launch and processing facility will help establish Hawaii on the front line of aerospace industries worldwide due to its privileged geographical location for equatorial launches.

Please feel free to contact us for any questions regarding our support for the legislative bills discussed above.

With Kind Regards,
Kristian Mueller
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Pasadena, CA 91103