



Statement of
Robbie Melton
Executive Director & CEO
High Technology Development Corporation
before the
House Committee on Finance
Wednesday, February 24, 2016
3:00 p.m.
State Capitol, Conference Room 308
In consideration of
HB2668 HD1
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

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

The High Technology Development Corporation (HTDC) **strongly supports** HB2668 HD1 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 matching grants to SBIR awarded companies since 1989. For every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. Last year, through Act 216, the legislature appropriated \$2 million to expand the Hawaii SBIR program. HTDC has prepared the amended rules for the grant program, completed all of the steps required by Administrative Directive 09-01 including conducting a public hearing, and awaiting Governor's final approval to adopt the rules to expand the program.

HTDC anticipates awarding all of the fiscal year 2015-2016 appropriated funds. From the SBIR.gov award database, there are more federal Phase II SBIR award winning projects eligible for a matching grant than there are available funds. However, funding for grant awards after June 30, 2016 is not available. 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. Over time, the expanded program is anticipated to generate the same type of metrics of success as the Phase I only matching program. HTDC respectfully requests the appropriation amount be restored in the bill and comments that next year there would likely be sufficient qualified applications to justify the Economic Development and Business committee's recommendation of \$2 million for the program.

Thank you for the opportunity to offer these comments.



THE HOUSE
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2016

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair
Rep. Scott Y. Nishimoto, Vice Chair

DATE: Wednesday, February 24, 2016
TIME: 3:00 P.M.
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

HB 2668 HD1 RELATING TO THE HIGH TECHNOLOGY CORPORATION. Appropriates funds to continue the Small Business Innovation Research Program within the High Technology Development Corporation.

Aloha Chair Luke, Vice Chair Nishimoto, and Committee Members:

The Hawaii Aquaculture and Aquaponic Association (HAAA) strongly supports HB 2668 HD1 Relating to Technology.

Hawaii's aquaculture companies have been quite successful in obtaining Federal SBIR Phase I feasibility awards. However, they have sometimes been less successful than companies in other states in their pursuit of Phase II R&D awards and Phase III commercialization efforts, due in part to Hawaii's physical remoteness and the high costs associated with doing R&D and business in Hawaii.

This situation is exacerbated by the strict limitations placed on the use of Federal SBIR funds, which:

1. Do not cover the costs associated with the protection of intellectual property developed under the SBIR program, such as preparing non-disclosure agreements and obtaining critical patents;
2. May not cover the purchase of essential research equipment necessary to successfully carry-out the R&D effort; and
3. May only cover limited travel expenses, and not high trans-Pacific travel expenses.

These Federal programmatic limitations often place Hawaii companies at a clear disadvantage in:

1. Being able to meet with Federal agencies, National Program Leaders, and Federal Laboratory and University researchers;
2. In developing and carrying-out critical R&D collaborations; and
3. In pursuing and maintaining critical national and international business relationships and partnerships.

Such grant-related activities are often essential to the successful completion of a technology R&D effort, and the commercialization of novel technologies in our global economy.

These Federal programmatic limitations can also place Hawaii's technology companies at a particular disadvantage during the proposal review process as they are evaluated in comparison with companies from other states that do not have Hawaii's geographic challenges and our limited access to collaborative research support and equipment.

HB 2668 HD1 provides the opportunity for HTDC to continue to help level the playing field for Hawaii's technology companies, enabling them to compete on more even footing with mainland companies for these increasingly scarce and competitive Federal SBIR Phase II research dollars and Phase III commercialization investments, and thereby be more successful in their Phase II R&D and Phase III commercialization efforts.

In summary, HAAA strongly supports this important measure and urges its passage this session to help ensure the continued long term growth of Hawaii's technology sector, including the development of cutting-edge aquacultural and aquaponic technologies to help support increased local food production.

Thank you for the opportunity to testify in strong support of this important measure.

Sincerely,

Ron Weidenbach
HAAA President



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Wednesday, February 24, 2016 at 3:00 P.M.
Conference Room 308, State Capitol**

**RE: HOUSE BILL 2668 HD 1 RELATING TO THE HIGH TECHNOLOGY
DEVELOPMENT CORPORATION**

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2668 HD 1, which appropriates funds to continue the Small Business Innovation Research Program within the High Technology Development Corporation.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 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 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. HB 2668 HD 1 would allow HTDC to provide the necessary support of a commercialization assistance program.

Thank you for the opportunity to testify.

Statement of
Duke Hartman
Vice President, Business Development
Makai Ocean Engineering, Inc.
before the
House Committee on Finance
Wednesday, February 24, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
HB2668 HD1
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

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

Makai Ocean Engineering, Inc. **strongly supports** HB2668 HD1 that appropriates funds to continue the Small Business Innovation Research (SBIR) Program within the High Technology Development Corporation (HTDC).

Makai Ocean Engineering, Inc. is a locally-owned and operated technology company based in Hawaii for over 40 years and an active participant in the Small Business Innovation Research (SBIR) grant program. The SBIR program consists of three phases that encourages early stage investment and innovation in technology. Phase 1 provides a very small amount of money that is barely enough for “proof of concept” research. However, it is the Phase 2 and 3 funding stages that provide a “bridge” for companies to survive the “valley of death” between the idea and research stages of development, through prototyping to commercialization.

In 2012, the State of Hawaii matched an SBIR Phase I grant to Makai from the US Navy with \$20k in State funds. This Phase 1 and State matching grant led to a partnership between Makai and the University of Hawaii (UH) for our current work on an innovative new concept for an underwater vehicle for the Navy’s anti-submarine warfare surveillance efforts. The State’s matching grant enabled Makai to win Phases 2 and 2.5 and bring over \$4 million in Navy research and development (R&D) money to the State to date. This money is currently supporting several highly-paid, highly-skilled engineers, including a professor and a graduate student from UH. While this highly leveraged investment already has a multiplier of about 200X for the State, Makai is struggling to find funding to commercialize the technology, even though it has the promise to escalate into many more years and into the tens of millions of dollars for high tech R&D in the State.

The Phase 2 and 3 SBIR matching grants assist companies with a difficult, but commercially-promising stage of development than Phase 1. Carefully selected Phase 2 and 3 matching grants represent more of a “sure bet” in terms of the technology becoming a successful and highly leveraged investment in economic development for the State.

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. For example,



Makai's subsea cable laying software began as a Phase 1 SBIR (matched by State for \$20k in the year 2000) and then went on to Phase 2 and 3 and became the world's #1 commercial cable laying software, with over \$30 million in commercial revenues and high tech jobs for Hawaii over the last 16 years. This is a direct multiplier of more than 1,500X for the State's investment, not counting the indirect benefits of retaining some of the world's best engineers in Hawaii and the additional technologies they have generated during this time. Imagine a return like that on an investment more substantial than \$20k.

This is why we **STRONGLY SUPPORT HB2668 HD1**, which would provide the state matching funds for Phases 2 and 3 of the federal SBIR program to enable companies to commercialize new technologies more effectively. Not only would this expansion of funding enable our tech industry to compete and win more Federal monies for technology development, it would provide highly-skilled professional jobs for our keiki here at home.

Thank you for the opportunity to testify.

Statement of
Collin Kobayashi
President
3D Innovations
before the
House Committee on Finance
Wednesday, February 24, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
HB2668 HD1
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.
DEVELOPMENT CORPORATION.

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

3D Innovations **strongly supports** HB2668 HD1 that appropriates funds to continue the Small Business Innovation Research (SBIR) Program within the High Technology Development Corporation (HTDC).

3D Innovations provides Product Development, R&D, and Prototyping services that help to bring technologies to market. Through this grant, we have been able to assist companies with developing their ideas into prototypes and market ready devices that will aide in solving technological problems. SBIR grants have created a platform for assistance with conducting additional research, testing, and manufacturing strategies which may not have been possible without the additional funding and support. Hawaii's technology community is thriving and will benefit from this additional support.

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:
Todd J. Robertson
Hyperspective
Before the
House Committee on Finance
Wednesday, February 24, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of

HB2668 HD1

RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

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

Hyperspective **strongly supports HB2668 HD1** that appropriates funds to continue the Small Business Innovation Research (SBIR) Program within the High Technology Development Corporation (HTDC).

Hyperspective is a digital creative agency, focused on developing cutting edge communications, media and products within the State of Hawaii for global export. It is essential to continue the SBIR Program with HTDC, as it supports companies like Hyperspective in development of new technologies and products. Not only does this program pose a huge potential to grow the tech and innovation industry and economy, but also helps to build 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.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 23, 2016 9:30 AM
To: FINTestimony
Cc: jmorris@oceanit.com
Subject: *Submitted testimony for HB2668 on Feb 24, 2016 15:00PM*

HB2668

Submitted on: 2/23/2016

Testimony for FIN on Feb 24, 2016 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Patrick K. Sullivan, President/CEO	Oceanit Laboratories, Inc.	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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Statement of
3SRM Inc.
Sun, Sky Surface Radiation Measurements
(Environmental Measurements)

965 Hao St. Honolulu, HI 96821
contact (Dr. John N. Porter)
phone (808) 373-3243
web site 3SRM.com
email porterj005@hawaii.rr.com

before the
House Committee on Finance
Wednesday, February 24, 2016
3:00 p.m.
State Capitol, Conference Room 308
In consideration of
HB2668 HD1
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.
DEVELOPMENT CORPORATION.

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

3SRM Inc. **strongly supports** HB2668 HD1 that appropriates funds to continue the Small Business Innovation Research (SBIR) Program within the High Technology Development Corporation (HTDC).

3SRM Inc. is a company focused on developing and selling new sensors for measuring important aspects of the environment including atmosphere, ocean, and land processes. Environmental management and careful safety decisions are essential but often suffer from a lack of accurate observations. Hawaii is an ideal location for testing and developing new environmental sensors due to its location and natural features. Currently, 3SRM's efforts are focused on constructing sensors to measure coastal rip currents, and wave heights. Swimmers are often unaware of the presence of treacherous coastal currents (rip currents and along shore currents) and this leads to many drowning deaths each year. Even when signs are posted, the danger remains vaguely understood. It would be useful if maps of the location, speed, and direction of coastal currents were available. At this time ocean safety officials do not have an easy way to measure and map out coastal currents.

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
Doug Nelson
President
Studio Kinection, Inc. (dba Kinection)
before the
House Committee on Finance
Wednesday, February 24, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
HB2668 HD1
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

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

Kinection **strongly supports** HB2668 HD1, which appropriates funds to continue the Small Business Innovation Research (SBIR) Program within the High Technology Development Corporation (HTDC). My comments will refer specifically to the Phase II matching component of this program.

The SBIR program awards small contracts for Phase I, for feasibility and initial development, and significant contracts for Phase II, if the company has successfully completed Phase I. The goal of Phase II is to build a working prototype that could be launched into the commercial market.

Companies that successfully complete Phase II often face a “valley of death” situation where they lack the funds and the partnerships to move from the working prototype developed under SBIR funding to a commercial product that can sustain itself in the market. This is where the HTDC matching funds can make a crucial difference for Phase II companies. The HTDC funding can act as a bridge to bring Phase II prototypes to the commercial market.

Small businesses are the innovation engine of the new economy, and supporting small businesses to develop sustainable product lines should be a key priority for the State. SBIR awardees in Hawaii have successfully competed at the national level and have promising innovative technologies that could support the development and diversification of Hawaii’s economy. We strongly support the way in which HB2668 HD1 assists these companies in moving from working prototype to commercial product.

Thank you for the opportunity to offer these comments.

Statement of

Dr. Tak Sugimura
Hawaii Evolutionary Development, LLC
2221 Seaview Avenue
Honolulu, HI 96822

before the

House Committee on Finance

Wednesday, February 24, 2016
3:00 p.m.
State Capitol, Conference Room 308

In support of

HB2668 HD1

RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

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

Hawaii Evolutionary Development, LLC **strongly supports** HB2668 HD1 that appropriates funds to continue the Small Business Innovation Research (SBIR) Program within the High Technology Development Corporation (HTDC).

Our company has been supported by HTDC to capture SBIR Phase I and Phase II grants from the US Air Force valued at over \$1,500,000. We are now preparing to compete for a SBIR Phase III award for over \$2,000,000. Without the State funds through HTDC we would not have been successful.

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

Theodore E. Liu

Referentia Systems Incorporated
LiveAction Inc.
In2lytics LLC

before the

House Committee on Finance

Wednesday, February 24, 2016

3:00 p.m.

State Capitol, Conference Room 308

In consideration of

HB2668 HD1

RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

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

On behalf of Hawaii technology companies Referentia Systems Incorporated (www.referentia.com), LiveAction Inc. (www.liveaction.com) and in2lytics LLC (www.in2lytics.com), I wish to state our **strong support** of and urge your favorable consideration of HB2668 HD1. We support the continued appropriation of funds to sustain the Small Business Innovation Research (SBIR) Program within the High Technology Development Corporation (HTDC).

As the former Director of DBEDT, I have personally seen the impact of HTDC's SBIR program as a source of capital, matched by the private sector, for Hawaii technology companies with innovative intellectual property (IP). I would go as far as saying that, in the context of Hawaii's current state of capital formation, without this "seed-stage" SBIR program, many innovation companies would not survive to the stage where they can access other sources of financing, including venture capital, private equity or strategic partner funding. *The result would be the continued loss of innovation, entrepreneurial activity, successful companies and, most important, "home-grown" IP that has the potential to create high paying jobs, accrued value and increased momentum toward a more balance and diversified Hawaii economy.*

Now, from the other side of the table, I have seen how the SBIR supports the growth of Hawaii's innovation sector.

Referentia is a Hawaii-born and -bred technology company with two decades of track record in the dual-use technology sector. It has incubated and spun-off several successful technology firms, including LiveAction, which last week closed a \$36 million

Series B investment (see PBN edition for this week) to fund its growth. Referentia has been able to do so, based on accessing over the past two decades close to \$60 million from various streams of seed-stage funding, including federal contracts and SBIR grants. Referentia has employed (not contractors or at subsidiaries or spin-off companies, but directly employed) approximately 340 professionals over this period, many of whom are our returning Kama'aina. Referentia has several other IP launched through spin-offs or about to be launched through spin-offs, including in2lytics LLC, a data analytics solution that supports the transition of our nation's legacy electric grid to a smart grid (www.in2lytics.com).

SBIR funding grants received by Referentia over the years have contributed to this success. We strongly believe there is more to come.

I urge you to favorably consider and pass HB2668 HD1.

Thank you for the opportunity to offer these comments.



4009 Black Point Rd, Honolulu, HI 96816

Statement of
Rex Jakobovits, PhD
President,
Experiad Solutions
before the
House Committee on Finance
Wednesday, February 24, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
HB2668 HD1
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

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

Experiad **strongly supports** HB2668 HD1 that appropriates funds to continue the Small Business Innovation Research (SBIR) Program within the High Technology Development Corporation (HTDC). My story is direct proof that the HTDC SBIR program is critical to attracting high tech startups to Hawaii, and it has brought millions of additional federal dollars to our local economy.

My software startup Experiad has received matching funds for our Phase I SBIR, a grant funded by the National Institutes of Health (NIH) to develop software for behavioral therapists who **treat kids with autism**. The funds distributed by HTDC have been critical to our success, allowing us to conduct an extensive field test of our prototype product in the homes of kids with autism. The data we gathered allowed us to win a new fast-track NIH grant proposal this year. We could not have done it without the research funded by the Hawaii matching grant. Thus, **the Hawaii SBIR matching grant was directly responsible for us being awarded \$2.5M in additional federal dollars**. That money is feeding the local high tech economy, and acting as critical seed capital that will generate dozens of high tech jobs in Hawaii if we succeed.

Experiad is my 2nd software startup. I sold my first company to McKesson Corporation in 2008. That story is illustrative of the importance of the HTDC matching grant program. I grew up in Honolulu (Kalani grad) and went to the mainland for college and grad school. After completing my PhD in computer science in 1999, I knew I wanted to come home and start a company that built software for hospitals. But at the time, the business climate and expenses of



4009 Black Point Rd, Honolulu, HI 96816

doing business in Hawaii were too challenging for a small software startup, so I built the business in Seattle instead. My company, called Vivalog, grew to be a major success: our software was purchased by hundreds of hospitals. In 2008, I sold Vivalog to McKesson Corp, the world's largest hospital software vendor. In 2013, after working as a Vice President at McKesson for 5 years, I decided it was time to leave the big company and form a new startup. Was the time right for me to finally come home to Hawaii? My first company resulted in the creation of many high tech jobs which still exist to this day, but unfortunately none of those jobs are in Hawaii. Perhaps my second startup could have a similar trajectory, but this time in my beloved home state of Hawaii? In 2013 I could see that the business climate was improving for high tech startups in Hawaii, and I was encouraged by the presence of HTDC and the Hawaii matching grants. Being an SBIR-funded company, I knew that the matching funds would offset the extra cost of doing business in Hawaii, and so I made the fateful decision to bring the new startup here. I'm so glad that I did. **If it weren't for the presence of HTDC and the matching funds, I may not have made the decision to locate my business in Hawaii.**

As you can see, Experiad is a great example of how the HTDC SBIR program is critical to attracting high tech startups to Hawaii. Mahalo for listening,

A handwritten signature in black ink, appearing to read "Rex Jakobovits", with a stylized, flowing script.

Rex Jakobovits, PhD
President, Experiad Solutions

HAWAII FISH COMPANY, INC.

Since 1978

P. O. Box 740
Waialua, HI 96791, USA
Contact: 808-429-3147
E-mail: hawaiiifish@gmail.com

City Bank TIGR Award
US SBA Tibbitts Award
US SBA Small Business Award
Special Congressional Recognition

THE HOUSE
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2016

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair
Rep. Scott Y. Nishimoto, Vice Chair

DATE: Wednesday, February 24, 2016
TIME: 3:00 P.M.
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

HB 2668 HD1 RELATING TO THE HIGH TECHNOLOGY CORPORATION. Appropriates funds to continue the Small Business Innovation Research Program within the High Technology Development Corporation.

Aloha Chair Luke, Vice Chair Nishimoto, and Committee Members:

Hawaii Fish Company Inc. (HFC) strongly supports HB 2668 HD1.

HFC has been awarded nine USDA/SBIR awards since 1993 comprised of five Phase I awards and four Phase II awards. These awards have totaled \$1.8 M in Federal research dollars for our family-owned fish farm, providing an approximate 20:1 return on our Hawaii SBIR Phase I matching grants. However, we have always had to borrow additional funds to complete these grants and to pursue subsequent Phase III commercialization because of the high costs associated with doing R&D and business in Hawaii, and due to the fact that we must have most of our research supplies shipped in from the mainland.

In addition, Federal SBIR funds may not cover the purchase of essential research equipment necessary to successfully carry-out the R&D effort, do not cover the costs associated with the protection of intellectual property developed under the SBIR program, such as preparing non-disclosure agreements and obtaining critical patents; and cover only cover limited travel expenses, not the high trans-Pacific travel expenses necessary to meet with Federal program managers and R&D collaborators.

HB 2668 HD1 will provide Phase II and III matching funds that will help companies like HFC to compete more effectively with our mainland counterparts for these increasingly scarce and competitive Federal SBIR Phase II research dollars and Phase III commercialization investments, and to more completely develop and protect our intellectual property.

HFC strongly supports this important measure, which would help us develop cutting-edge aquacultural and aquaponic technologies for increased local food production.

Mahalo for your support.

Estralita Weidenbach
Hawaii Fish Company, Co-Owner

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 23, 2016 2:31 PM
To: FINTestimony
Cc: akrucky@tissuegenesis.com
Subject: *Submitted testimony for HB2668 on Feb 24, 2016 15:00PM*

HB2668

Submitted on: 2/23/2016

Testimony for FIN on Feb 24, 2016 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Anton Krucky	Tissue Genesis	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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Statement of
Isar Mostafanezhad, Ph.D.
CEO and President
Nalu Scientific, LLC.
before the
House Committee on Finance
Wednesday, February 24, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
HB2668 HD1
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

DEVELOPMENT CORPORATION.

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

Nalu Scientific, LLC **strongly supports** HB2668 HD1 that appropriates funds to continue the Small Business Innovation Research (SBIR) Program within the High Technology Development Corporation (HTDC).

We design and develop state of the art Application Specific Integrated Circuits, also known as microchips or ICs, with use in particle collider experiments and High Energy Physics Experiments (HEP). The primary customer is the US Department of Energy sponsored national labs, facilities and university programs. These high performing devices will be able to acquire and digitize ultra fast electronic pulses that are produced during experiments. They should function under stress and must be affordable and easily mass produced. An Integrated Circuit design lends itself very well to this concept. Currently there is no known commercially available solution to this need where the scientists can just 'buy' a device and get support for it. Rather, the users would have to build everything from scratch. While the designs are challenging, we have expertise

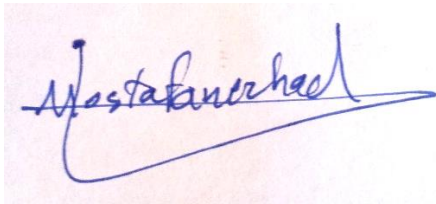
in electronics engineering and IC design within this market which will make this technically feasible for us.

We have recently won an SBIR Phase I award to address this need with the the US Department of Energy. As the PI, I have several years of extensive experience in designing and implementing advanced electronic systems. Having worked at the University of Hawaii I have trained students at graduate and undergrad levels for these epecific tasks and I have plans to hire these talents locally to make the desired product for the US DOE.

Additioanally, we have plans to use the matching funds to be able to fabricate the prototype device that we plan to deliver such that it well not only meet the desired performance metrics, but also exceeds in performance. This will help us secure a Phase II award with the DOE for product manufacturing and more advanced design during a longer project term.

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.



Isar Mostafanezhad, Ph.D.

CEO and President,
Nalu Scientific, LLC.
3524 Maluhia Street, Apt A
Honolulu, HI 96816
email: isar@naluscientific.com
phone: +1-808-343-9204

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 23, 2016 9:41 AM
To: FINTestimony
Cc: ktk@biodiesel.com
Subject: *Submitted testimony for HB2668 on Feb 24, 2016 15:00PM*

HB2668

Submitted on: 2/23/2016

Testimony for FIN on Feb 24, 2016 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kelly King	Individual	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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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 22, 2016 10:28 PM
To: FINTestimony
Cc: achung@navatekltd.com
Subject: Submitted testimony for HB2668 on Feb 24, 2016 15:00PM

HB2668

Submitted on: 2/22/2016

Testimony for FIN on Feb 24, 2016 15:00PM in Conference Room 308

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

Comments: I strongly support this bill which supports Hawaii projects with vetted technology and backed with federal funds.

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Statement of
Justin Hedani
Founder & Chief Software Engineer
Binary Habitat
before the
House Committee on Finance
Wednesday, February 24, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
HB2668 HD1
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.
DEVELOPMENT CORPORATION.

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

Binary Habitat **strongly supports** HB2668 HD1 that appropriates funds to continue the Small Business Innovation Research (SBIR) Program within the High Technology Development Corporation (HTDC).

I started my web application development and consulting company in November of 2014 and immediately gravitated towards the network, community and business ecosystem HTDC had created, specifically at the Manoa Innovation Center. Not only have they been crucial in providing office infrastructure, events and networks to elevate my company but they have also been a crucial foundation for a lot of my colleagues in tech over at Dev League, Sudokrew, Beaumont & Spectrum.

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 testimony in support of HB2668 HD1

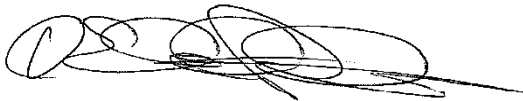
As the President and CEO of Hawaii's oldest biotech company, I am pleased to write in support of HB2668 HD1. This legislation enables the continuation of a grant program ably administered by the Hawaii Technology Development Corporation (HTDC) since 1983. As we can attest at Hawaii Biotech Inc, the program provides funds ONLY to the companies with programs that have sustained the highest level of peer review and scrutiny from the Federal agency awarding Small Business Innovation Research (SBIR) grants.

As you will appreciate, the Federal funds awarded under a SBIR grant is barely enough money to demonstrate proof-of-concept for a technology. Follow on funding from the State is essential to move the technology towards prototyping, customer interface and development. HB2668 HD1 will fill this critical "gap" by supplementing the SBIR program.

Most importantly, the program fueled by HB2668 HD1 allows the high-tech and biotech companies receiving the SBIR grant and HTDC matching award allows these companies to create and maintain jobs. The multiplier effect of these awards not only enhances the economic viability of our state, but repays the State of Hawaii in payroll and general excise tax.

Please support HB2668 HD1.

Thank you,

A handwritten signature in black ink, appearing to read 'Elliot Parks', with a long horizontal line extending to the right.

Elliot Parks, Ph.D.
President & CEO
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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 23, 2016 2:45 PM
To: FINTestimony
Cc: sudesh@kapalya.com
Subject: *Submitted testimony for HB2668 on Feb 24, 2016 15:00PM*

HB2668

Submitted on: 2/23/2016

Testimony for FIN on Feb 24, 2016 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Sudesh Kumar	Individual	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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