



Soojin Jun Founder Jun Innovations Inc

before the

## Senate Committee on Economic Development Tourism and Technology

Monday, March 12, 2018 1:15 p.m. State Capitol, Conference Room 414

In consideration of

## HB1958, HD1 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, & Technology.

Jun Innovations supports HB1958, HD1 that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program.

Jun Innovations founded by Dr. Soojin Jun in 2015 has developed a proprietary supercooling technology that preserves perishable materials at below-freezing temperatures without the formation of ice crystals. The company were awarded with USDA SBIR Phase I and II grants, and State matching funds. Recently the company successfully completed tech demonstrations to interested parties including Samsung and LG home appliance manufacturers.

HTDC has provided HI SBIR matching grants to cover our labor costs, local manufacturing, and continuing R&D, which creates jobs in Hawaii. Grant would help us to offer comparable salaries to keep talented young local brains in Hawaii and State (or UH)-owned technologies. Patent cost (exceeding \$35,000 these days) and other lawyer fees associated with intellectual property (IP) protection is in general unallowable in federal grants although IP protection must be highly prioritized for our business activities. HTDC's SBIR grants provide a perfect solution to support our IP protection strategy and financial needs.



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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.



Hawaii Fish Company (HFC), a small, family-owned, multigenerational North Shore aquaculture farm, testifies in strong support of HB 1958 HD1 which would appropriate funds for the continuation of the Hawaii Small Business Innovation Research (SBIR) matching grant program administered by the High Technology Development Corporation (HTDC).

HFC has received six USDA/SBIR Phase I feasibility grants to date totaling \$452 thousand. With the added research enabled by six Hawaii SBIR Phase I matching grant awards totaling \$125 thousand, HFC has been able to secure four follow-on USDA/SBIR Phase II research & development grants totaling more than \$1.4 million in additional federal funds, with one Phase I grant currently in progress and subsequent Phase II funding anticipated.

In addition, HFC's two recent Hawaii SBIR Phase II matching grant awards totaling \$286 thousand will help support our farm's ambitious research and development efforts to expand our sustainable seafood production, product development, and sales, to develop our production related renewable energy technologies, to protect our intellectual property, to retain our existing employees, and to support our carefully planned Phase III commercialization efforts.

The Hawaii SBIR program is well known to the Federal agencies with the additional support provided to Hawaii awardees helping enhance the quality of the research efforts and the opportunity for commercialization success by which Congress evaluates the Federal program. This can only help in the Federal review process.

In addition, the competitive written application, 5-minute pitch, and third-party review process employed by HTDC ensures that the States' investment in innovation awards is well targeted, and the carefully selected contract milestones tied to the award payment schedule ensures project performance.

In summary, this is a very strong State program supporting nationally-vetted local innovators across multiple economic sectors that is worthy of continued legislative support.

Thank you for the opportunity to testify in strong support of HB 1958 HD1.



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March 9, 2018

## Statement of Isar Mostafanezhad, Ph.D. Founder and CEO Nalu Scientific, LLC

before the



Senate Committee on Economic Development Tourism and Technology
Monday, March 12, 2018
1:15 p.m.
State Capitol, Conference Room 414

# In consideration of HB1958, HD1 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism and Technology.

Nalu Scientific, LLC supports **HB1958**, **HD1** that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program.

Nalu Scientific was founded in 2015 to commercialize high speed integrated circuits for US Department of Energy and its national labs. Since then we have been receiving steady support from the DOE SBIR program -so far \$1.6M in commitments- which has allowed us to grow to 7 full time employees. We have plans to even grow further and provide support to DOE and the national labs in their mission.

Being in Manoa, and having access to a subsidized facility, has been extremely helpful in our growth. Additionally, we have immensely benefited from various HTDC's programs. Suffice it to say that the idea to fund Nalu Scientific through the SBIR program was solidified at a workshop organized in June 2015 at MIC by the HTDC where avenues to seek Federal funding were discussed. We have also benefited from the matching funds grant program administered through the Hawaii SBIR program of HTDC. Given high cost of doing business in Hawaii and the high risk- high reward nature of our innovation, these matching funds have been essential in helping us finish Phase I projects in time and bring in Phase II follow-on funding.

HTDC has been extremely impactful in our existence, survival and growth. Given our early stage, we will be seriously and adversely affected if HTDC's programs and facilities are reduced. 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.

Please do not hesitate to contact me if you need more information.

Isar Mostafanezhad, Ph.D. Founder and CEO at Nalu Scientific, LLC

<u>HB-1958-HD-1</u> Submitted on: 3/12/2018 10:52:58 AM

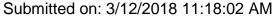
Testimony for ETT on 3/12/2018 1:15:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Steve Miller	Individual	Support	No

Comments:





Testimony for ETT on 3/12/2018 1:15:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Todd Robertson	Testifying for Hyperspective Studios, Inc.	Support	No

### Comments:

Hyperspective **supports** HB1958, HD1 that authorizes HTDC to issue grants to phase III federal grant awardees of up to fifty percent of the amount of the award or contract funded by the private sector or government sources outside of the program. Appropriates moneys..

Hyperspective is a digital creative agency, focused on developing cutting edge technology for communications and products within the State of Hawaii for global export. As a technology company, Hyperspective benefits from programs like the SBIR program, directly through application for such grants and in-directly through services provided to companies that are awarded grants. This program supports the growth of 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.

We respectfully request correction of the defective effective date.

Thank you for the opportunity to offer these comments.