



Hawaii Technology Development Corporation
521 Ala Moana Blvd, Ste 255 | 808-539-3806
Honolulu, Hawaii 96813 | www.htdc.org

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

Written Statement of
Wayne Inouye
Interim Director
Hawaii Technology Development Corporation
before the
House Committee on Economic Development

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10:30 AM
State Capitol, Conference Room #423

In consideration of
HB1959
RELATING TO ECONOMIC DEVELOPMENT

Chair Holt, Vice Chair Lamasao and members of the Committee.

The Hawaii Technology Development Corporation (HTDC) **supports** HB1959 establishing an Aerospace and Aeronautics Development Program within the Department of Business, Economic Development, and Tourism (DBEDT).

The aerospace industry plays a key role in the State's economic diversification by providing alternative avenues for growth, high-paying jobs and revenue generation beyond tourism. By investing in a focused aerospace program, the State can take advantage of its geographic positioning and geological features which make Hawaii uniquely qualified to support emerging industries such as: space surveillance, stratospheric monitoring, environmentally responsible satellite launch, and clean electric powered transportation of people and goods within our island chain. HTDC is currently engaged in discussions with providers of the aforementioned technologies that will benefit greatly by this Bill.

Some examples of existing aerospace assets in the State include:

The Pacific Missile Range Facility (PMRF) on Kauai, is the world's largest instrumented multi-environmental range capable of supported surface, subsurface, air, and space operations simultaneously. The military has conducted a variety of missile defense tests at PMRF since the 2000s. There are over 1,100 square miles of instrumented underwater range and over 42,000 square miles of controlled airspace. In addition to missile defense, the facility supports training operations, which vary from small, single-unit exercises up to large scale, multiple-unit battle group scenarios. PMRF is the third largest employer on the island, and the key driver in infusing approximately \$80-\$100 million annually - primarily by the Department of the Navy - to Kauai County, with another \$1 million annually to Niihau (Source: <https://defenseeconomy.hawaii.gov/pmrf-2/>);

The Maui Space Surveillance Complex (MSSC), operated by the 15th Space Surveillance Squadron and the Air Force Research Laboratory (AFRL), located on the summit of Haleakala, hosts various tracking optics, including the DoD's largest optical telescope,

designed for tracking and imaging satellites; as well as Ground-Based Electro-Optical Deep Space Surveillance Systems (GEODSS), which plays a vital role in tracking deep space objects. The MSSC is taking on an increasingly prominent role in the expanding operations, research and connected funding from the Space Force providing much needed economic diversification, high-tech STEM related jobs and revenue to Maui County; and

The Hawaii Space Flight Laboratory (HSFL) at the University of Hawaii which is involved in the design, building, launching, and operation of small satellites for science and educational tasks. It has developed a low-cost CubeSat kit and an undergraduate course that prepares its students to enter the aerospace industry. HSFL brings in nearly \$7 million annually for space-science initiatives through grants from agencies such as NASA, the Department of Defense, and the National Science Foundation (Source: <https://research.hawaii.edu/noelo/higp-propelling-aerospace-innovation>).

PMRF, MSSC, and HSFL are examples of just some of the capable entities and operations which have demonstrated the ability to attract, build and support a base of the aerospace industry within the State. Although successful on their own, these and other like entities provide a greater collective opportunity to the State at large that can be leveraged by a focused program that supports and drives the industry as a whole, supporting collaboration, funding, workforce development, and private sector partnerships enabled by State, Federal and private funding. The Aerospace program will not be focused on policy but rather on business development of the industry in the State. A robust and growing aerospace industry will provide the State with expanding opportunities in high-tech, high-paying jobs that will extend our capabilities in key areas such as advanced manufacturing, artificial intelligence and machine learning.

Passing this Bill to establish the Aerospace and Aeronautics Program within DBEDT will provide a force and fund multiplier in the growth of the aerospace industry within the State by creating a much-needed point of responsibility to support and bring together the substantial assets operating in Hawaii with a unified vision and goal. Along with the establishment of the Aerospace and Aeronautics Program, we request the establishment of an Aerospace Development Specialist position that will focus on planning, implementation and evaluation of aerospace-related programs and maintains a strategic plan to ensure that Programs are align with the Aerospace Strategic Plan. One other major task of this position is to look out for grants that can fund Program projects and activities to carry out the Program's mission. The position will also monitor grants to ensure that grant funds are spent in accordance with grant specifications and that grant reports are filed timely and effectively.

Thank you for the opportunity to provide this testimony.