

George R. Ariyoshi  
999 Bishop Street, 23<sup>rd</sup> Floor  
Honolulu, HI 96813

**TESTIMONY**

February 5, 2009

Re: SB222 and HB994

Dear Members of the Twenty-Fifth Legislature:

I am writing this testimonial in strong support of two timely and visionary bills that have been introduced to help position Hawaii as both a competitive and globally recognized leader in the aerospace industry – SB222 and HB994.

This legislation addresses a very promising opportunity for aerospace in Hawaii – the development of commercial space launch capabilities. To date, over several billion dollars have been invested nationally in developing innovative (e.g., smaller, more fuel-efficient, and safer) technologies to facilitate the launch of satellites, scientific payloads, and tourists to both sub- and low-earth orbits. One outstanding example is the “XP Spaceplane” under development by Rocketplane Global, which takes off and lands at an airport like a commercial jet plane, but also uses an onboard rocket engine to carry this vehicle (and its cargo of satellites, experiments and tourists!) to space.

Rocketplane Global has approached our State requesting permission to launch this vehicle from Hawaii by the year 2011. Its detailed business plan projects initial intra-state launch trajectories, launching from Honolulu International Airport and returning to HNL and/or Kona International Airport at Keahole. Long-term buildout (five to ten years after initial operations) will include trans-Pacific flights between Hawaii, Japan, and the continental U.S.

Over \$200 million in annual gross revenues are projected through this plan from launch fees paid by tourists and by universities, private companies and the U.S. Dept. of Defense launching research/remote sensing experiments and payloads. In addition, Rocketplane is planning to develop a terrestrial space-themed education and training center in the Kalaeloa district that will provide opportunities for both tourists and local residents to experience “virtual reality” simulations of space flight and exploration missions to the moon and Mars, as well as two to three day “space camp” experiences involving “zero-G” simulated spaced flights.

In order for spaceplanes like the Rocketplane XP to launch from Hawaii's airports, our State needs to obtain a commercial space transportation license from the Federal Aviation Administration. The funding requested through this legislation will help support the environmental and safety studies required to secure this license and make both spaceplane and other commercial space launch operations in Hawaii possible.

The potential scientific, educational and economic development opportunities afforded by this enterprise are truly substantial. Suborbital spaceflights facilitated by spaceplanes will expand and enrich our visitor industry by adding a completely new dimension to this experience – space tourism! It also will provide low cost and frequent access to space for our academic and private sectors, enabling new R&D opportunities for the development of innovative drug, biotech, and materials science applications by both university researchers and entrepreneurial companies.

Microsats launched aboard spaceplanes will support remote sensing operations to facilitate oceanographic surveillance, pollution monitoring and terrestrial resource management. The development of a spaceport visitor's center at Kalaeloa in tandem with spaceplane operations also will provide unique aerospace education opportunities for both visitors to Hawaii and local residents.

Finally, spaceplane operations will generate new high-paying employment opportunities for local residents, and tax revenues from spaceport operations will quickly help recapture the State's upfront investment in a space transportation license (the only major public sector investment that will be required to realize income from suborbital space flight operations).

Our State is uniquely poised to partake of the tremendous scientific, economic and educational opportunities and benefits afforded through space exploration. I applaud the Legislature's efforts to support this vision through these two bills, and urge you to pass this legislation.

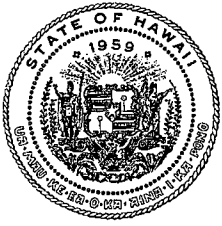
Thank you for the opportunity to provide these comments.

I know the difficult financial circumstances facing our State Government but we must not overlook the opportunities that are before us. This happens to be one of those that Hawaii cannot afford to pass up.

Sincerely,



George R. Ariyoshi



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

**LINDA LINGLE**  
GOVERNOR  
**THEODORE E. LIU**  
DIRECTOR  
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DEPUTY DIRECTOR

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Statement of  
**THEODORE E. LIU**  
Director

Department of Business, Economic Development & Tourism  
before the

**SENATE COMMITTEE ON PUBLIC SAFETY AND MILITARY AFFAIRS  
AND THE  
SENATE COMMITTEE ON TOURISM**

March 24, 2009

1:15 p.m.

State Capitol, Conference Room 229

in consideration of

**HB994 HD1**

RELATING TO TOURISM.

Chair Espero, Chair Nishihara, Vice Chair Bunda, Vice Chair Galuteria, and members of the Committees. The Department acknowledges that this measure has merit; however, given the current fiscal difficulties, we would recommend pursuing non-general fund sources for the purposes designated in this bill.

The effort to establish an international commercial spaceport in Hawaii builds upon the recent development of innovative “spaceplanes” that take off and land at airports like commercial jet planes, but also use onboard rockets to carry these vehicles (and their cargo of satellites, experiments and tourists) to space. Rocketplane Global is one of several companies that have approached our state to request permission to launch these types of vehicles from Hawaii as early as 2011. Its business plan projects initial intra-state launch trajectories

(launching from and returning to Honolulu), with future trans-Pacific flights between Hawaii, Japan, and the continental U.S. – initially projected to generate approximately \$200 Million in annual gross revenues from user fees.

Rocketplane Global also plans to develop a terrestrial space-themed education and training center in the Kalaeloa district on Oahu that will provide opportunities for both tourists and local residents to experience “virtual reality” simulations of space flight and exploration missions to the moon and Mars, as well as 2-3 day “space camp” experiences involving “zero-G” flights simulating interplanetary space travel.

In order for spaceplanes to launch and land from Hawaii’s airports, our state must apply for and receive a commercial space transport license from the Federal Aviation Administration (FAA).

Thank you for the opportunity to testify on this bill.



February 7, 2009

Members of the 24<sup>th</sup> Legislature  
State of Hawaii  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

RE: S.B. 222 and H.B. 994 Space Transportation License Bill

Dear Members of the Senate and House of Representatives:

I am writing to offer support for the above referenced appropriations bill and to commend the Legislature for taking this visionary step and continuing work on bringing new aerospace jobs, economic development, and new space business opportunities to Hawaii. We understand fully that the current state budget situation is extraordinarily challenging, and making an investment in the development of a new industry in this budget climate is very difficult.

Market studies over the last five years have validated the concept that space tourism can become a billion dollar industry over the next ten years, with thousands of people from all over the world flying to space in new reusable suborbital spacecraft in order to experience the unique views of the Earth from space and the thrill of acceleration and the feeling of weightlessness. Hawaii's unique geographic position will draw customers from all around the Pacific Rim to be able to see the entire chain of islands and the beauty of the blue planet from 100 kilometers altitude. Since last year when we submitted testimony there have been some very encouraging developments in our industry, most notably the FAA / AST Office of Commercial Space Transportation beginning a new initiative to develop international cooperation and licensing standards to facilitate the future growth of long distance suborbital point-to-point transportation systems. There is now an official International Programs Officer at AST, and discussions are underway right now about the licensing of international spaceports that could in the future provide direct 90 minute flight connections to Hawaii from Asia.

Rocketplane Global is committed to becoming an anchor tenant for Spaceport Hawaii as soon as a Spaceport Operator's License is approved by FAA / AST. Our experience in dealing with this agency during the licensing process for the Oklahoma Spaceport was extremely positive, and much of the work that was done for that license will also be applicable to the licensing effort for Spaceport Hawaii. The Programmatic Environmental Impact Statement that was prepared by the FAA / AST office for the horizontal takeoff and landing class of suborbital launch vehicles (including the Rocketplane XP) will also be applicable for licensing the existing airport infrastructure in Hawaii as dual use airport / spaceport facilities. Because the physical infrastructure to

support space flight operations is already in place on Oahu and Kona, the state can enter the spaceflight business without any public sector investment beyond the cost of the licensing effort. This will provide a strong competitive advantage to Spaceport Hawaii, augmented by the climate and natural beauty that the state is already famous for. In contrast, New Mexico is now spending over \$200 million in state taxpayer money to develop and build NEW infrastructure that when completed will not even be close to the existing airport infrastructure base in Hawaii. Hawaii is in essence investing in intellectual property to bring an entire new category of economic activity to its existing world-class airport and tourist infrastructure.

In addition to space tourism, microgravity research, remote sensing applications and the affordable launch of small satellite payloads are all significant business opportunities for Rocketplane Global spaceplanes operating from Spaceport Hawaii. The ability to launch payloads in any direction from an existing runway without any noise or environmental impact associated with ground-based expendable rocket launches will open up significant new markets for both civil and government small satellite payloads, as well as provide new space test capabilities for the Pacific Missile Test Range. The USAF "Operationally Responsive Spacelift" initiative and other DoD programs would also find additional markets and opportunities in Hawaii once a licensed commercial spaceport is available.

We believe that there are also significant terrestrial space-theme tourism development opportunities associated with the spaceport development. With proper planning and design, the Spaceport Hawaii Visitor's Center could become one of the top tourist attractions on Oahu as well as being a world class immersive space education facility for residents. Promoting educational opportunities, seeing real spaceflights, and hands-on participation by students from across the state will be an additional benefit of the development of Spaceport Hawaii.

Second generation spaceplanes with much greater speed and range should begin to enter service within five to ten years of the start of space flight operations in Hawaii. These vehicles will have the ability to fly from Japan or the mainland US to Hawaii in an hour or less. By entering service as a commercial spaceport now, Hawaii is also positioning itself as a key node in a global spaceport network. In the future, suborbital spaceplanes will allow people and cargo to move anywhere on Earth in about two hours, and Hawaii will benefit greatly from this increased global ease of access. The FAA / AST new initiatives to encourage international spaceport development under a single global safety, environmental and operations standard will only serve to bolster Hawaii's place as a major node in a future global spaceport network.

There are now six licensed commercial spaceports in the US and another 8 being proposed. In addition, commercial spaceports in Europe, the Middle East and Asia are now in development. These locations will form the backbone of a global network of spaceports which will provide access points to long range hypersonic travel. Hawaii can be a critical node in this network connecting the US to Asia. Transportation has long been a driver in new economic development activity, and the development of Spaceport

Hawaii will position the state for this growth, both now using first generation spaceplanes and into the future with long range hypersonic transportation.

We encourage the Legislature to approve this appropriation, and look forward to working closely with the state in a spirit of public / private partnership to create new jobs and economic activity.

With Warmest Regards,

ROCKETPLANE GLOBAL, INC.

A handwritten signature in black ink, appearing to read "G. French, Jr.", written in a cursive style.

George D. French, Jr.  
CEO

# HASTIC NPO

301 Akai-Mansoin Hokudai-Mae, N-10, W-4, Kita-ku Sapporo 001-0010 Japan

February 8, 2009

Members of the 24<sup>th</sup> Legislature  
State of Hawaii  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

RE: S.B. 222 and H.B. 994 Space Transportation License Bill

Dear Members of the Senate and House of Representatives:

The Hokkaido Aerospace Science & Technology Incubation Center (HASTIC) commends the Hawaii Legislature for your initiative to create a commercial spaceport in Hawaii and we offer our support and encouragement of these bills. HASTIC has been working on the development of a similar commercial spaceport in the Tokachi district in eastern Hokkaido and we believe that Spaceport Hawaii and the Hokkaido Spaceport can become "Sister Spaceports" to encourage the development of high speed trans-oceanic suborbital flights between our locations.

HASTIC is also involved in R&D activities in support of small satellite development, microgravity life science, combustion and fluid physics research, and the development of new high performance hybrid rocket motors that can be used as upper stage propulsion for low cost microsatellite launch. We believe that there are strong synergies between our activities and the future business activities of Spaceport Hawaii. We see Hawaii's unique geographic position as a bridge between the mainland US and Japan as well as the ability to safely launch satellites in any direction as crucial business advantages that will bring new high technology business opportunities to both Hawaii and Hokkaido.

Japan and Hawaii have long-standing cultural, business and tourism linkages and the development of a commercial spaceport in Hawaii will provide HASTIC with opportunities to develop our own international business connections with the US. In the long term, we see the potential for one hour-suborbital flights between Hokkaido and Hawaii as the next phase of space tourism development.

We encourage the Hawaii Legislature to pass these bills and put Hawaii on the map as a key node in the development of a global spaceport infrastructure. We are considering to being able to come to Hawaii to sign a Sister Spaceports Agreement with your Office of Aerospace Development near future.

Best Regards,



Kenichi Ito, President, HASTIC



Judith Fox-Goldstein  
1236 Moku Place  
Hilo, Hawaii 96820

February 6, 2009

Re: SB222 and HB994

Dear Members of the Twenty-Fifth Legislature:

I am submitting this testimony in support of SB224 and HB994, because I believe it to be imperative that we position Hawaii to be a global leader in the aerospace industry and in the field of innovative and technical tourism.

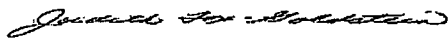
As we continue to experience this economic tsunami, we need to keep focused on the fact that our state is well-positioned to take a leading role in innovative tourism which could stand as a national model for creativity and ingenuity. We should not hesitate to support the development of commercial space launch capabilities. We should be *running*, not just walking, behind this bill because we need to be out in front, in terms of innovative tourism, and taking a leadership role in this industry. We need to look at creative ways to generate significant dollars, small business and an increased number of visitors to our beautiful islands and commercial space tourism fits the bill... literally and figuratively!

Having been in the business of educational tourism for over twenty years, I can testify to the fact that we are now in significant competition for tourism dollars from competing "sand and surf" destinations. Hawaii CAN take the lead here in both educational tourism and techno tourism. We literally need to *reach for the stars* here and build this industry. With opportunities for both tourists and local residents to experience 'virtual reality' simulations of space flight and exploration missions to the moon and Mars, we can expand our litany of extraordinary 'hands-on' science experiences for visitors. Adding to our incredible edu-tourism activities such as volcanology, astronomy and marine science, the added value of space tourism activities has such significant potential that we must embrace and support this initiative.

In addition to the added attraction for visitors, the economic development opportunities are also quite substantial in terms of employment, research and private sector development.

Thank you for the opportunity to provide these comments.

Sincerely,



Administrative Director, Hawaiian EDventure &  
University of Hawaii at Hilo Conference Center

Will Espero, Chair  
Public Safety and Military Affairs  
Hawaii State Capitol  
415 South Beretania Street – Room 207  
Honolulu, Hawai'i 96813

P.O. Box 30848  
Anahola, Hawai'i 96703-0848  
808-822-5547  
17 March 2009

Re: **HB994 HD1** – *Tourism; Space Industry; Federal Aviation Administration; Spaceport License*  
*PLEASE – in good conscious – assure that this proposed bill will fail – “Kill the Bill”*

Dear Senator Espero:

Aloha! This bill will be heard in a ‘Joint Committee’ – with the ‘Senate Committee of Tourism’ on the 24<sup>th</sup> of March at 1:15pm. I beseech you and your fellow committee members to Kill HB994 HD1 – as there are numerous reasons:

Originally this bill requested \$500 thousand – Now that has been changed to an **unspecified amount** of funds for the application of a spaceport license from the Federal Aviation Administration to establish space tourism in Hawai'i. Additionally and particularly, the HD 1 – states that “...Effective July 1, 2112 (HB994 HD1)”; that I assume is a **purposeful typo**. What's the hidden agenda with that?!

✓ It is a well know fact that the State of Hawaii is facing enormous budget shortfalls... \$900 million! With 20% budget cuts next fiscal year.

➤ **Significantly, who are the population that will be able to afford ‘Space Travel Tourism?’**

The global economy, our National economy, State of Hawaii, and nearly *every* other state is experiencing frightful, *critical* economic conditions... the worse since the Great Depression. It is nonsensical and outlandish that the State of Hawaii would appropriate \$500 thousand **and more** (being upgraded to an ‘unspecified’ request of funding for a Spaceport License application fee. By that token, **what will be the total cost to taxpayers for the ‘full on’ Spaceport License?!** Please, find the answer out BEFORE passing this bill—to be able to make an informed and fiscally responsible decision — for the sake of the tax payers — Education, Public Libraries, DOE repair/maintenance backlog to our schools, Mental Health programs that are being slashed, ‘Meals on Wheels-to feed a hot meal to our seniors’, DLNR enforcement on holidays (when most needed), State workers whom are being asked to sacrifice a days pay to help balance the budget and et cetera.

Let's not forget the **poor decision** making of the Legislature to appropriate \$40 million to pay for harbor infrastructure upgrades to accommodate the Superferry... not to mention the additional \$6 million for a new mooring system at Kahului Harbor. Also, the additional \$350,000 for Honolulu Harbor for the Superferry's 2<sup>nd</sup> vessel. Additionally, the tax payers are picking up the tab (\$6 million) for the Environmental Impact Statement (EIS) for the Superferry. By the way, how much did it cost to convene a ‘Special Session’ of the Legislature to accommodate the Superferry? Why wasn't Aloha Airlines given the ‘Red Carpet’ treatment that the Superferry is receiving?! 350 jobs for the Superferry vs. 4,000 jobs for Aloha Airlines — what kine discrepancy is that?!

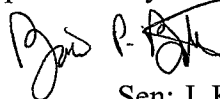
Will creating a new tourist attraction for ‘Space Travel’ be another ‘Special Interest Business’ that the tax payer is expected to ‘hapai’ (carry the burden of) at the expense of Hawai'i's keiki, elderly, and the general public?!

If the Legislature is considering funds from DBEDT's budget to procure funding for monies for the application for a spaceport license from the Federal Aviation Administration — I understand there is a House Finance bill pending to ax (terminate) DBEDT. Refer to Marion Higa's, (State Auditor) 2003 Financial Audit of DBEDT.

Lastly, *how will the residents of Kapolei enjoy the fumes from weekly Space Launches in their neighborhood?!*

MAHALO for your valuable time ~ I look forward to a response that you've received this correspondence.

Sincerely with ALOHA,



Bonnie P. Bator & 'Ohana

C: Rep: Hermina M. Morita

Sen: Gary L. Hooser

Sen: J. Kalani English