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Statement of
RICHARD C. LIM
Director

Department of Business, Economic Development & Tourism
before the

**HOUSE COMMITTEES ON
ECONOMIC REVITALIZATION AND BUSINESS
and
HIGHER EDUCATION**

Tuesday, February 7, 2012
11:00 a.m.

State Capitol, Conference Room 312

in consideration of
HB 2873

**RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER
FOR EXPLORATION SYSTEMS (PISCES).**

Chairs McKelvey and Nishimoto, Vice Chairs Choy and Nakashima, and members of the Committees. The department supports the intent of this bill, especially as it addresses initiatives supportive of our goals and objectives, but we also are concerned about the potential cost implications generated by this legislation.

We recognize the substantial contributions PISCES has made to date, including its role in supporting aerospace research, education, and the development, testing and evaluation of innovative technologies to support the exploration of space. However, in light of limited State resources, we believe a business plan that clearly articulates the costs and benefits of PISCES for Hawaii would help clarify the ability of this program to help grow and diversify our State economy. We look forward to working with the University of Hawaii in exploring the potential for PISCES to achieve this goal.

Thank you for the opportunity to testify on this bill.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Economic Revitalization & Business
and the
House Committee on Higher Education
February 7, 2012 at 11:00 a.m.
by
Donald O. Straney, Ph.D.
Chancellor, University of Hawai'i at Hilo

HB 2873 RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR
EXPLORATION SYSTEMS

Chairs McKelvey and Nishimoto, Vice Chairs Choy and Nakashima and Members of the
Committees,

My name is Donald Straney, Chancellor of the University of Hawai'i Hilo. I am testifying in support of the intent of HB 2873 relating to the Pacific International Space Center for Exploration Systems (PISCES), although I have concerns about specific features of the bill as it is currently written.

Hawai'i is unique within the United States in providing the opportunities to develop and test equipment and techniques we will need in the exploration of space. We have locations on our islands with characteristics similar to those found on the moon and other planets, providing conditions otherwise available only in artificial laboratory settings. We have extreme environments, mimicking the conditions in space, within easy reach of well-supported laboratories and technical facilities. We also have the experience, gained over several generations, of research at the cutting edge of geology, space technology, engineering and human performance.

Hawai'i has every reason to believe it can help lead the development and testing of the technology needed for the next phase of our nation's exploration of space. Companies are beginning to develop the new technology that will be required and, under PISCES, have begun testing their prototypes in the state. As has happened several times in our nation's history, these companies are most likely to expand and locate in our state to take advantage of the economies of scale and ease of access to testing locations. I believe it is likely that we will be able to take advantage of this promising area of growth to stimulate new commercial opportunities and new career opportunities in the state.

To date, PISCES has been a largely volunteer effort by people in academia, government and industry. It has been supported by funds from grants, from personnel efforts from within the Department of Business, Economic Development, and Tourism and Office of Aerospace Development and from non-general funds made available by the University of Hawai'i Hilo. Despite limited means, it has supported industry-based research and educational outreach on the island of Hawai'i.

PISCES is constrained by not having an articulated plan for expanding its efforts from a largely informal arrangement to one that can become a significant stimulus for our economy. Without such a plan, it is not able to assemble the infrastructure or dedicated industry partners needed to fulfill its promise. I believe having a development plan, with industry, academic and government support is a prerequisite to deciding how PISCES might grow and what forms of support and organization it needs to flourish.

I would like to suggest that the Department of Business, Economic Development and Tourism, the University of Hawai'i Hilo, and the Research Corporation of the University of Hawai'i be charged with developing a joint plan for the future of PISCES and submitting it to you by January, 2013. From the campus's perspective, such a plan is needed to understand how we can support the development of part of our existing Science and Technology Park or our industry incubator to support space industries. We also need to understand what key industry partners will expect in the form of infrastructure and workforce for them to be successful. And we need to include other areas of excellence within the University (e. g. engineering, robotics, space and planetary exploration) in the planning efforts.

With a development plan, government, the university and industry will have a better sense of the direction we need to take with PISCES. I suggest it is premature to make decisions about how PISCES should be integrated into the state economic development structure or about how its governance and management should be designed.

PISCES has considerable promise to stimulate growth in an important new aspect of our state economy. While I believe there is planning needed before we can realize that potential, I am firmly convinced that the industry partners PISCES will have will create important new careers. The University of Hawai'i will be an important component in PISCES' success.