



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Finance

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By

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### **H.B. 1279 H.D. 2 Relating to the Innovation Economy**

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

I am here today to testify on H.B. 1279 H.D. 2, which proposes a number of measures aimed at supporting innovation and the sustainability of Hawai'i's economy.

Larry Foster, former dean of UH's Richardson School of Law and the current president of the East-West Center Alumni Association, opened their recent conference in Hanoi by recalling that Copernicus was criticized for asserting the world is round, when the conventional wisdom was that it is flat.

Ironically today, 500 years later, Tom Friedman, the messenger of globalization, is being taken to task for asserting that, in a competitiveness sense, the world is indeed flat.

It's not time to shoot the messenger, however uncomfortable his message might be. These United States, all 50 of them, are facing a crisis of competitiveness, unlike any seen in a couple of generations.

In my youth, the Cold War threat of a Soviet launch of Sputnik in 1957 galvanized a competitive American response that culminated with placing a man on the moon in 1969.

Today, the challenge to our economy is much more subtle. Creeping globalization has slowly eroded America's competitive advantage.

Our predicament today, as compared with the Sputnik era, reminds us of the old story about the frog thrown into a pot of boiling water knowing to jump out, but the frog sitting in a pot where the temperature rises slowly learning too late, and being cooked.

The temperature of the global competitive challenge is rising, and we need to respond before it's too late for America, and too late for Hawai'i, that is, before we're cooked.

We support the aspects of the bill that relate specifically to the University, provided that if any funds are appropriated, they not displace the priorities of the Board of Regent's budget request. More specifically:

### **SECTION 13 – DIGITAL MEDIA INCUBATOR FACILITY**

The Pacific Center for Advanced Technology Training at Honolulu Community College has partnered with the college's Architecture, Engineering, and CAD program to begin training in the area of Rapid Prototyping and Additive Manufacturing. 3D printers allow for the construction of three-dimensional models out of drawings, thus bring the model to life much faster than by traditional means. HCC is part of the proposed National Science Foundation Advanced Technology Education Center for Rapid Prototyping. The college's role will be to become the national curriculum developer for 3d prototyping and modeling for the construction industry. The addition of \$301,000 in advanced media 3D printers requested will provide Hawaii with state of the art technology to both train and provide services to local construction, planning, and architectural design industry.

### **SECTION 15 – THE MUSIC AND ENTERPRISE LEARNING EXPERIENCE**

The University of Hawaii, through its Honolulu Community College campus, has been planning the development of a Music Enterprise Learning Experience (MELE). MELE is a unique and exciting program for Hawai'i. The program will take people interested in a music career and teach them music enterprise management, song writing, and sound production. Keep in mind that this program will not teach musicians music; it will teach you how to make a career in the music industry. We believe that MELE will serve as the catalyst for Hawai'i's music industry growth. Much like Nashville started out, Hawai'i has all of the right elements to fuel the industry's growth – musical talent, a unique and distinct sound, and a culture that supports music.

It is important to note that the proposed funding is for the renovation, or construction, of a sound studio, which is currently not available at any of our university campuses. This sound studio facility is essential for the program's technical aspects. The funding is not to lease performance space or a performance venue.

With regard to MELE program operations, the proposed funding level does not include the full amount of operating funds necessary for the program. While HCC has received a 5 year Title III grant to meet some of its program needs, this is not the full amount necessary to make MELE successful. The amount originally requested for operating purposes was \$746,000.

As Jim Ed Norman, former Nashville producer and one of the program's seminal thinkers, notes, "the program sits on the corner of Art and Commerce streets." In echoing his thoughts we believe that Hawai'i's music industry can eventually rival

Nashville's, Austin's, New York's, and LA's and MELE will be a critical piece of the foundation upon which it is built.

**SECTION 16 – THE PUBLIC PRIVATE PARTNERSHIP FOR TECHNOLOGY TRANSFER**

Invention disclosures at UH in 2005-2006 were at an all-time high (61, up from an average of 22 in 1995-2000), and licensing revenues quadrupled between 2001 and 2005 to more than \$1 million, before receding to \$900 thousand in 2006. Still, translating new inventions into the formation of new companies has been notably less frequent.

UH success in this effort would be enhanced by collaboration with private sector entities which are more expert in this highly specialized and competitive area.