



Testimony of C. Mike Kido
External Affairs
The Pacific Resource Partnership
Senate Committee on Labor
Senator Dwight Takamine, Chair
Senator Brian Taniguchi, Vice Chair

SCR 132 and SR 87 – REQUESTING THE SENATE PRESIDENT
AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
TO ESTABLISH A TASK FORCE TO DETERMINE THE ECONOMIC VALUE OF
CONSTRUCTION IN HAWAII
Thursday, April 2, 2009
2:45 p.m.
Conference Room 224

Chair Takamine, Vice Chair Taniguchi and Members of the Committee on Labor:

My name is C. Mike Kido, External Affairs of the Pacific Resource Partnership (PRP), a labor-management consortium representing over 240 signatory contractors and the Hawaii Carpenters Union.

PRP strongly supports SCR 132 and SR 87 – Requesting the Senate President and the Speaker of the House of Representatives to Establish a Task Force to Determine the Economic Value of Construction in Hawaii. The construction industry is important to Hawaii's economy, contributing approximately \$3,400,000,000 to the State's economy and employing over six percent of the State's workforce in 2008. We support the resolution for the following reasons:

- Global/national credit crisis has worsened the outlook for construction in Hawaii
 - Commercial and resort building are practically at a standstill due to lack of financing options and higher equity and pre-sale requirements to ensure that a project is considered to be safe
- Residential construction will continue to slow down as wealth deteriorates due to the financial market crisis and people's apprehension to spend money during these times -- low consumer confidence.
- University of Hawaii Economic Research Organization (UHERO) forecasts a 10% drop in construction jobs in 2009 and an additional 7% in 2010.
- UHERO forecasts a 30% decline in overall construction spending during 2009-2010.
- UHERO estimates that the State Highway Modernization Plan and Oahu Rail Mass Transit project may provide a boost to the industry in the medium term, adding nearly \$2 billion in annual real contracting receipts and 6,000 additional jobs by 2013.
- According to the People's Pulse Survey, winter 2008, 65% of respondents felt that the construction industry was "very important" in generating jobs for the State of Hawaii.

- According to the People's Pulse Survey, winter 2008, 58% "strongly agree" that the construction industry supports others businesses and creates jobs in other related businesses.
- According to the People's Pulse Survey, winter 2008, 49% "strongly agree" that if the government helps the construction industry in bad economic times, it will help to improve Hawaii's economy overall.
- Statewide, roughly 40% of the 7,600 Hawaii Carpenter's Union (Local 745) members are unemployed.
- Neighbor islands are hit even harder as the Big Island has up to 75% of Hawaii Carpenter's Union (Local 745) members unemployed.

Thank you for the opportunity to share our views with you and we respectfully ask for your consideration on SCR 132 and SR 87.

The Twenty-Fifth Legislature
Regular Session of 2009

THE SENATE
Committee on Labor
Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair

State Capitol, Conference Room 224
Thursday, April 2, 2009; 2:45 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.C.R. 132 AND S.R. 87
REQUESTING THE SENATE PRESIDENT AND THE SPEAKER OF THE HOUSE OF
REPRESENTATIVES TO ESTABLISH A TASK FORCE TO DETERMINE THE
ECONOMIC VALUE OF CONSTRUCTION IN HAWAII**

The ILWU supports the intent of S.C.R. 132 and S.R. 87 calling for a task force to determine the economic value of construction in Hawaii.

This resolution seeks to validate the role of the construction industry in Hawaii's economy and, thus, the importance of protecting its contributions. Whether that intent will be accomplished depends on the composition of the task force and the questions posed for the task force to undertake.

The ILWU supports adoption of S.C.R. 132 and S.R. 87. Thank you for the opportunity to testify.