



DEPARTMENT OF THE NAVY
PACIFIC MISSILE RANGE FACILITY
P.O. BOX 128
KEKAHA, HAWAII 96752-0128

IN REPLY REFER TO:

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22 FEB 2012

Honorable Marcus R. Oshiro
State House of Representatives
415 South Beretania Street
Suite 306
Honolulu, HI 96813

SUBJECT: HOUSE BILL 2410

Thank you for recognizing the important role which the Military plays in support of Hawaii's economy and for its efforts in protecting our environment and cultural resources. House Bill 2410 validates the vital role the Military plays in Hawaii, and we offer a few comments in making minor adjustments to the Bill as follows:

1. Page 2, line 4: Replace "Pearl Harbor Naval Air Station and Barbers Point Naval Air Station" with "Joint Base Pearl Harbor Hickam, Pacific Missile Range Facility".
2. Page 3, line 3: Revise to read, "Retaining or expanding military bases, including research, development, test and evaluation and training areas in the State".
3. Page 3, line 6: Revise to read, "Limiting the development of areas adjacent to military bases and training areas to ensure land uses that are compatible with base activities and sustains military readiness".

If you have any questions regarding this matter, please contact Mr. Roland Sagum at (808) 335-7828. Thank you for your consideration of our comments.

Sincerely,

L. TOTTORI
Deputy Public Works Officer
By direction of the
Commanding Officer

**Testimony to the House Committee on Finance
Thursday, February 23, 2012
10:00 AM
Conference Room 308**

RE: HOUSE BILL NO. 2410, RELATING TO MILITARY

Chair Oshiro, Vice Chair Lee, and members of the committee.

My name is Charles Ota and I am the Vice President for Military Affairs at The Chamber of Commerce of Hawaii (The Chamber). I am here to state The Chamber's support of House Bill No. 2410, Relating to Military.

The measure proposes to require the Governor to enter into a memorandum of understanding with the US Department of Defense to provide continued support for the military's presence in Hawaii.

The Chamber's Military Affairs Council (MAC) has served as the liaison for the state in matters relating to the U.S. military since 1985, and provides oversight for the State's multi-billion dollar defense industry.

We concur with the comments stated in Section 1 of the proposed bill, which clearly indentifies the defense industry as one of the two primary pillars in Hawaii's economy. The action proposed in this measure would help to protect and enhance growth in the defense industry

A 2011 study by the RAND Corporation clearly indentified Hawaii's defense industry being the second major source of revenues to the state, accounting for more than \$12.2 billion in annual revenues and creating some 101,500 well paying jobs that report in excess of \$3.5 billion in annual household incomes.

A formal written document as proposed in this measure is essential to protecting against any misunderstandings between the state and the military. It would add clarity in indentifying the needs of the military and the actions necessary on the part of the state to satisfy those needs. This is especially

important since senior military commanders rotate in and out of Hawaii at two to three year intervals, leaving little time for them to learn about state land use policies and collaborate with state officials in matters relating to land use.

Furthermore, the actions proposed in this measure would protect the defense industry from the challenges that are being launched by competing defense communities throughout the US. The ongoing budget-cutting debates and actions being considered by the Congress and defense officials in the Pentagon have prompted US defense communities to expedite the adoption of measures to protect its existing military bases and even offering incentives to relocate more defense agencies to their states.

The Pentagon and President Obama have already proposed conducting two Base Realignment and Closure (BRAC) proceedings in 2013 and 2015, raising an ominous threat of the severity of actions that must be taken within the next 5-10 years to balance the federal budget.

In light of the above, the MAC and the Chamber strongly recommend that this measure be passed and expedited to counter actions being taken by the US Department of Defense, the Congress, and competing defense communities.

Thank you for this opportunity to testify on this important measure.



Hawaii Chapter, MOAA
P.O. Box 1185
Kailua, Hawaii 96734-1185

Testimony of Thomas Smyth
Military Officers Association of America, Hawaii Chapter
Before the House Committee on Finance
Thursday, February 23, 2012, 10:00 am, Room 308
HB 2410 Relating to the Military

Chair Oshiro, Vice Chair Lee and Committee Members

Our chapter of more than 400 retired and currently serving officers of the Uniformed Services strongly supports HB 2410 directing the Governor to enter into a Memorandum of Understanding with the U.S. Department of Defense.

The unique Technical Report by RAND National Defense Research Institute cited in this bill clearly shows that Hawaii is currently benefiting from the military presence here. Hawaii is the only state that has been studied by RAND, so it is hard to compare defense spending here with other states. We do know that Hawaii has the largest percentage of active duty personnel per capita compared to other states. So, clearly the economic and community benefits are high. As is often noted when we specifically thank those who serve so honorably here, the contribution that these individuals and their families make to our state goes far beyond the contribution to our economy. They actively support youth groups, adopt schools for both infrastructure repairs and maintenance and in the classroom and participate in our community activities in a big way.

It is important to note that Hawaii is the only state public school system funded from general revenues, not local property taxes. Since almost all of the military bases in Hawaii are located in what I would call "urban areas" military personnel spend much more time in the civilian community than is the case in other states where bases are often located far from major population centers. They shop in the same stores and eat at the same restaurants as their civilian counterparts, thus putting money into our economy, supporting jobs and taxes. In other states those living on-

base pay no property tax and thus do not directly contribute to those school districts, even when their children attend local public schools. We are also aware that a Military Representative attends meeting of the BOE and actively participates in their deliberations.

In recent months there was much debate on likely cuts to the DOD budget. Initially the local press, citing the RAND Study opined that this would mean a drastic reduction in funding in Hawaii. More recently however, that perception has changed as senior Administration officials have stressed the importance of a strong military presence in our Asia Pacific region. The Chief of Staff of the Army and the Chief of Naval Operations, visiting here recently, assured their personnel and all of us that there would be few, if any, cuts to local military units and contracts. On the contrary, we expect to see some increases in Marine and Air Force aircraft and the related construction needed to make that presence grow, more than it is today. We also are now aware that many Marines now on Okinawa will be stationed at MCB-Kaneohe Bay.

The proposed MOU is an important step in reinforcing this relationship, so I urge the Legislature to express its strong support of such an agreement.

Thank you for the opportunity to provide testimony.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 22, 2012 1:29 PM
To: FINTestimony
Cc: smenor-mcnamara@cochawaii.org
Subject: Testimony for HB2410 on 2/23/2012 10:00:00 AM

Testimony for FIN 2/23/2012 10:00:00 AM HB2410

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Charlie Ota
Organization: The Chamber of Commerce of Hawaii
E-mail: smenor-mcnamara@cochawaii.org
Submitted on: 2/22/2012

Comments: