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Testimony of Thomas Smyth

Military Officers Association of America, Hawaii Chapter

Before the House Committee on Public Safety and Military Affairs

Thursday, February 2, 2012, 9:00 am, Room 309

HB 2410 Relating to the Military

Chair Aquino, Vice Chair Cullen and Committee Members

Our chapter of more than 400 retired and currently serving officers of the Uniformed Services strongly supports HB 2410 that directs 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. Legislation to formally have a military representative become an appointed BOE member is under consideration.

In recent months there was much debate, but only a little action, on making major cuts to the DOD and Homeland Defense budgets. 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 the President, the Secretary of State, and the Secretary of Defense 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 in the last month 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 home-ported vessels, Marine and Air Force aircraft and the related construction needed to make that presence grow, more than it is today.

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.

**Testimony to the House Committee on Public Safety and Military Affairs
Thursday, February 2, 2012
9:00 AM
Conference Room 309**

RE: HOUSE BILL NO. 2410 RELATING TO MILITARY

Chair Aquino, Vice Chair Cullen, 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 defines the defense and tourist industries as the two primary business pillars in Hawaii's economy, and the defense industry accounting for 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 in Hawaii. 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.

Furthermore, the actions proposed in this measure would protect, and expand as appropriate, the defense industry from the challenges that are being launched by competing defense communities throughout the US. The ongoing

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 has 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.

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.