

SB 2948

RELATING TO
SHIP REPAIR



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Transportation and Energy and
Committee on Economic Development, Environment, and Technology
Tuesday, February 16, 2016 at 2:45 P.M.
Conference Room 229, State Capitol**

RE: SENATE BILL 2948 RELATING TO SHIP REPAIR

Chairs Inouye and Wakai, Vice Chairs Gabbard and Slom, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2948, which establishes the ship repair industry grant program.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Hawaii's ship repair companies already suffers a geographical disadvantage compared to its mainland counterparts, and can be overlooked completely if the industry cannot provide the level of customer service that is expected elsewhere. Today's vessel owners are more technologically inclined as they provide computer-aided designs of equipment or parts that they need repaired or fabricated. Hawaii's shipyards needs to keep up with the machinery and equipment used in the industry, which is more precise and relies on trained staff. SB 2948 would provide necessary support to bring the industry to a competitive level by replacing old equipment and training qualified staff.

Thank you for the opportunity to testify.

Kaala Coleman

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 11, 2016 1:59 PM
To: TRE Testimony
Cc: achung@navatekltd.com
Subject: Submitted testimony for SB2948 on Feb 16, 2016 14:45PM

SB2948

Submitted on: 2/11/2016

Testimony for TRE/EET on Feb 16, 2016 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Ann Chung	Pacific Shipyards International	Support	Yes

Comments: As an island state, Hawaii faces many unique micro and macroeconomic challenges not found in mainland economies. Hawaii's industrial base, labor markets, and intellectual expertise are critical to the State's economic health and growth. Mainland states can compete for labor and expertise and enjoy a significant cross border transfer of skills among industries. But due to the high cost of living and remoteness, Hawaii does not enjoy the same cross border transfer of industrial skills. The trend has been that once an industrial skill leaves, it is lost to the State. If a local industry or labor skill is lost to off-island interest, the ability to replace the industry or capability is difficult at best. Since the early 1990's, the ship repair industry in Hawaii has diversified into critical industrial sectors that insures Hawaii's ship repair industrial base remains robust and viable. It employs over 750 HIGHLY SKILLED TRADE EMPLOYEES and their related support team personnel and TOTAL INDUSTRY REVENUE EXCEEDS \$100M. Vessels repaired include cargo ships delivering goods to the islands, interisland barges for cargo and fuel, workboats including Tugs, Pilot boats, and other specialty boats, USCG ships and boats, US Navy ships and boats, US Army landing craft, State and C&C security patrol and first responder boats, commercial fishing boats and passenger boats. Due to our geographic isolation and high cost of labor and materials costs, the ship repair industry must REMAIN COMPETITIVE. It must also provide the level of customer service that is expected or the norm elsewhere. Today's vessel owners are increasingly providing computer aided design drawings of things that they need repaired or fabricated. Machinery and equipment used in ship repair are now faster, more precise and increasingly relies upon computer technology. THE SHIP REPAIR INDUSTRY IS AN IMPORTANT INDUSTRY WITH A CLEAR NEXUS TO HAWAII. HAWAII'S SHIPYARDS NEED TO PROVIDE THEIR WORKERS WITH THE RIGHT TOOLS AND TRAINING TO REMAIN COMPETITIVE - AND RETAIN THESE HIGH SKILLED JOBS AND REVENUE IN HAWAII.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Testimony in support of
SB2948

I support SB2948. A grant program will make a difference in our ability to improve the skills of our workforce and to provide them with better tools and equipment that will ultimately deliver a higher quality product to the vessel owner. Vessel owners can compare the quality and cost of a job between Hawaii and mainland shipyards but by delivering a high quality product and within the owner's time frame, the customer will be more satisfied and more likely to retain the work in Hawaii. A grant program will help to reduce the cost of training our employees who have to obtain and maintain certain annual certifications to work on Navy vessels and it will help us purchase new machinery and equipment which are more accurate and faster and which might not be economically feasible if external financial support isn't available. Retaining work on vessels at Hawaii shipyards benefits other local companies that supports the shipyard in the areas of environmental and waste disposal, equipment rental, material suppliers, trucking, marine chemists, inspectors, labor agencies, and other industry trade workers such as electrical, plumbing and air conditioning.

Your support of SB2948 will be greatly appreciated by all of these companies that rely upon the shipyards to keep the work in Hawaii.

Ben Nakaoka
Vice President of Finance
Pacific Shipyards International

Kaala Coleman

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 10, 2016 11:06 AM
To: TRE Testimony
Cc: eschiff5@gmail.com
Subject: Submitted testimony for SB2948 on Feb 16, 2016 14:45PM

SB2948

Submitted on: 2/10/2016

Testimony for TRE/EET on Feb 16, 2016 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Eric Schiff	Individual	Support	No

Comments: I strongly support SB2948.

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Kaala Coleman

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 09, 2016 5:15 PM
To: TRE Testimony
Cc: smatsuura@navatekltd.com
Subject: *Submitted testimony for SB2948 on Feb 16, 2016 14:45PM*

SB2948

Submitted on: 2/9/2016

Testimony for TRE/EET on Feb 16, 2016 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Matsuura	Individual	Support	No

Comments:

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Kaala Coleman

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To: TRE Testimony
Cc: mitchel@navatekltd.com
Subject: Submitted testimony for SB2948 on Feb 16, 2016 14:45PM

SB2948

Submitted on: 2/9/2016

Testimony for TRE/EET on Feb 16, 2016 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Mitchel Kagawa	Individual	Support	No

Comments: I strongly support SB2948. Thank You!

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Kaala Coleman

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To: TRE Testimony
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SB2948

Submitted on: 2/9/2016

Testimony for TRE/EET on Feb 16, 2016 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Kacey Lock	Individual	Support	No

Comments:

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Kaala Coleman

From: mailinglist@capitol.hawaii.gov
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To: TRE Testimony
Cc: tomg009@hawaii.rr.com
Subject: Submitted testimony for SB2948 on Feb 16, 2016 14:45PM

Categories: Red Category

SB2948

Submitted on: 2/9/2016

Testimony for TRE/EET on Feb 16, 2016 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Garrett Tom	Individual	Support	No

Comments: I strongly support this bill. It will be good for the industry.

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Kaala Coleman

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Cc: awhite@navatekltd.com
Subject: Submitted testimony for SB2948 on Feb 16, 2016 14:45PM

SB2948

Submitted on: 2/9/2016

Testimony for TRE/EET on Feb 16, 2016 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Audra White	Individual	Support	No

Comments: I strongly support SB2948.

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