

SB 2948

RELATING TO  
SHIP REPAIR

LATE TESTIMONY



# Ship Repair Association of Hawaii

P.O. Box 29001, Honolulu HI 96820  
Ph# (808) 848-6211 Fax# (808) 848-6279

LATE

16 February 2016

## COMMITTEE ON TRANSPORTATION AND ENERGY

Senator Lorraine R. Inouye, Chair  
Senator Mike Gabbard, Vice Chair

## COMMITTEE ON ECONOMIC DEVELOPMENT, ENVIRONMENT, AND TECHNOLOGY

Senator Glenn Wakai, Chair  
Senator Sam Slom, Vice Chair

Testimony for Ship Repair Industry Grant Program - SB2948

DATE: Tuesday, February 16, 2016

TIME: 2:45 p.m.

PLACE: Conference Room 229  
State Capitol, 415 South Beretania Street

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

On behalf of the Ship Repair Association of Hawaii (SRAH), I am submitting this written testimony in response to Senate Bill 2948. The SRAH strongly supports the establishment of a ship repair industry grant program.

The ship repair industry in Hawaii has been fighting to maintain our industrial base since the mid 1990s. Owing to a number of unique economic factors that exist in Hawaii, our industry struggles to keep Hawaii's military and commercial home ported vessels in the State for ship modernization and repair requirements. Hawaii is the only Island State in the Union. We have a unique, encapsulated economy which restricts our ability to import the material and resources necessary to maintain our industry.

Because of our encapsulated economy and the resultant costs of having to ship all material needed from the mainland, along with the necessity to provide an appropriate and livable wage to our skilled island workforce, the Hawaii ship repair industry is, and has been, at a significant cost competitive disadvantage with mainland and foreign repair entities for years. Compounding the matter are the challenges of fluctuating workflows in the marine industry and the difficulties of recruiting, training and retaining the skilled workforce necessary to perform marine repairs.

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### Member Firms

Aerrotek - Airgas Gaspro - Anawati & Associates - BAE Hawaii Shipyards - C & S Services - Certified Coatings - CB Tech Service - Dresser-Rand - EMS Ice Epsilon Systems - Hawaii Marine Cleaning - Honolulu Marine, LLC - HSI-Electric Boat - HSI Mechanical, Inc. - Inspec Testing - IMIA, LLC. - Jo-Kell, Inc. - Kratos Defense & Security Solutions - Leeward Marine, Inc. - Marisco, LTD. - NSC Technologies - Pacific Shipyards International - Phoenix International - Potter Electric, Inc. - PCE Hawaii, LLC. - Q.E.D. Systems, Inc. - Safway Services, LLC. Trident Maritime Systems US Joiner - US Joiner JCI Metal Products UTS Maritime Services



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The employees and families of our Ship Repair Association of Hawaii constitute a significant industrial benefit to our community, with sound skills, technology and employment, good wages and a positive input to the State's tax base.

Additionally, our ship repair businesses are significantly engaged in critical industrial services to our community, including electric motor and generator repairs and service; welding and metal manufacturing and repairs; ventilation and air conditioning, among others.

Due to the mobility of ships, they can be easily moved by owners to be repaired in a port of their choice, Hawaii's ship repair industry has historically been at a disadvantage when competing with U.S. mainland and foreign shipyards. A ship repair industry grant will help reverse this situation, make it advantageous for local companies and government agencies to contract their work locally.

Representing the SRAH, we ask you to **support** SB2948 for the establishment of a Ship Repair Industry Grant Program.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Iain S. Wood".

Iain S. Wood, President  
Ship Repair Association of Hawaii

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Aerotek - Airgas Gaspro - Anawati & Associates - BAE Hawaii Shipyards - C & S Services - Certified Coatings - CB Tech Service - Dresser-Rand - EMS Ice Epsilon Systems - Hawaii Marine Cleaning - Honolulu Marine, LLC - HSI-Electric Boat - HSI Mechanical, Inc. - Inspec Testing - IMIA, LLC. - Jo-Kell, Inc. - Kratos Defense & Security Solutions - Leeward Marine, Inc. - Marisco, LTD. - NSC Technologies - Pacific Shipyards International - Phoenix International - Potter Electric, Inc. - PCE Hawaii, LLC. - Q.E.D. Systems, Inc. - Safway Services, LLC. Trident Maritime Systems US Joiner - US Joiner JCI Metal Products UTS Maritime Services

LATE

**Kaala Coleman**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 16, 2016 9:12 AM  
**To:** TRE Testimony  
**Cc:** iwood@pacificshipyards.com  
**Subject:** Submitted testimony for SB2948 on Feb 16, 2016 14:45PM

**SB2948**

Submitted on: 2/16/2016

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

Submitted By	Organization	Testifier Position	Present at Hearing
Iain Wood	Pacific Shipyards International	Support	No

Comments: Strong Support

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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