

Highlights of Economic Subcommittee Meeting
April 17, 2008

Attendees:

- Anthony Blaz, Chairman
- Tom Ada
- Joe Diego
- Gary Hiles
- Ken Lujan
- Rufo Lujan
- David Okada
- Albert Perez
- Captain Neil Ruggiero
- Carol Perez
- Rita Nauta
- Mike Cruz

Highlights:

1. Members introduced themselves. The subcommittee welcomed Captain Neil Ruggiero, the Public Affairs Officer from the Joint Guam Program Office.
2. Members reviewed a summary of the March 20th meeting. Reference to Bill 193 should be changed to Bill 194. A public hearing on the bill is being held this evening.
3. The Chairman gave a status report on the letters prepared for the Governor's signature regarding the Committee's request to expand the scope of the Navy's EIS. It was explained that the letter contained details on EIS deficiencies including multiplier effects, impact on cost of living, impact on real estate values, etc. JGPO will look into the matter.
4. Regarding the Procurement Technical Assistance Center, an application is expected to be submitted before the deadline. It was explained that the PTAC does not duplicate the services provided by UOG's Small Business Development Center as its focus is on federal procurement opportunities and regulations. PTAC and SBDC provide complementary services.
5. Ken Lujan briefed members on HR 3867 – the Small Business Contracting Program Improvements Act, which is designed to achieve local preference in federal construction contracts by requiring HUBZone contracts to be let to small businesses that are located within a 150 mile radius of the location of the federal construction contract. A downside of the proposed program is that local HUBZone-certified small businesses may be prevented from obtaining awards in locations outside the 150 mile radius. Local large businesses are already prevented from obtaining contracts set aside for HUBZone businesses however, under the Guam Buildup program, it is expected that opportunities for both small and large businesses would be available. Congresswoman Madeleine Z. Bordallo is supporting the legislation and the Guam Legislature has introduced Resolution 137 in support of the legislation.

6. Members expressed concern that small businesses may be intimidated by HUBZone application requirements. It was mentioned that there are approximately 3000 businesses on Guam of which 575 are registered in the federal government's Central Contractor Registration system. Of this number, 430 are certified by SBA as small businesses but only 140 are certified as HUBZone. It is expected that PTAC and SBDC will be able to assist potential applicants through the registration and certification processes.
7. It was suggested that the Congresswoman's office be invited to future subcommittee meetings.
8. Regarding local preference in projects that implement Joint Base Guam, the JGPO representative was requested to seek a determination on whether the Defense Federal Acquisition Regulation that requires local preference in contracting for communities affected by Base Realignment and Closure would apply to Guam since Joint Base Guam was mandated by BRAC 2005. It was explained that ComNavMar is the regional commander for Joint Base Guam.
9. It was suggested that the Department of Revenue and Taxation be informally approached regarding the need to require and input NAICS codes on business licenses. This information is needed by the subcommittee to allow it to determine whether there are small businesses in Guam that can perform military contract requirements. Other useful purposes (eg, Gross Island Product) would benefit from coding and inputting such information.
10. It was also mentioned that at an earlier meeting, members indicated that the subcommittee encourage new business startups so it was suggested that JGPO assist the subcommittee in identifying the types and quantity of business services required by the military such as in Okinawa, to allow local businesses to begin preparing to offer these services.
11. In response to the question on when Marine relocation will be completed, JGPO indicated that completion will occur in 2014. It was suggested that the fact sheet prepared by the Bureau of Statistics and Plans reflect 2014 rather than 2016.
12. JGPO was asked to obtain the information requested above and report back to the subcommittee at its next meeting on May 15, 2008.