

Agenda

CMTF Economic Development Subcommittee Meeting

2:00 p.m. Tuesday, April 24, 2007

- I. Introductions
- II. Issues/Discussions
 - Review of Minutes from February 2007 Meeting
 - DoD Environmental Impact Statement (EIS) – Proposed Actions by the Military and Public Scoping Meetings
 - Follow-up actions:
 - Continued discussions on how to use military expansion to increase business opportunities
 - Need to examine Guam's doing business requirements (i.e., bonding issuance, licensing)
 - Local preference criteria established for military to use in contracting with prime contractors/vendors and subcontractors.
 - Financial assistance needed to maximize business opportunities
 - Changes to local or federal laws
- III. Other Business
- IV. Schedule for Next Meeting: **May 18, 2007**
- V. Adjournment

CMTF Economic Development Subcommittee

Summary of Meeting

Monday, February 12, 2007

Attendees: Andreas Jordanou – GEDCA Administrator - Subcommittee Co-Chairman
Mike Benito – Chamber of Commerce - Subcommittee Co-Chairman
Gary Hiles – Department of Labor
Kenneth Lujan – SBA
Jack Corbett – SBA
Albert Perez – ~~Analyst~~ ^{Senior Economist} Dept. of Rev & Tax
Dr. Roseann Jones – University of Guam
James Martinez – Guam Contractors Association
Carlotta Leon Guerrero – Lt. Governor's Office
Elaine Dell'Isola – Lt. Governor's Office
Tyrone Taitano – Lt. Governor's Office
Larry Toyes – GEDCA Staff
Tony Blay - Incoming Administrator.

Summary of Items Discussed:

- Subcommittee members from SBA provided some discussion and information regarding the federal requirements for military contracts and some of the issues that affect Guam's small businesses including the ability for small businesses to incorporate with other major companies in order to compete for larger military construction and services contracts. Some members suggested that in order to entice both local and off-island companies to participate, the contracts should include the availability of low cost alternative disputes through local arbitration hearing on Guam as one example. Consensus of the group is there needs to be a greater push for programs that provide opportunities to use local small businesses in military growth initiatives.
- Members talked about issues that affect local wholesalers, retailers and franchises such as the example provided that local businesses may have a franchise to supply certain goods and service to Guam consumers, but an off-island business with the same franchise can ignore the local franchise holder if the product/service is supplied on base. Local wholesalers are at a disadvantage in competing with off-island wholesalers since shipping of goods is subsidized by the military. This is due to the non-domestic status which prevents the military from having to follow local laws.
- Members recommended that the subcommittee look further into how local businesses can benefit from what seems to be the military's preferred alternative method in dealing with the

buildup of infrastructure (utilities, roads, housing). The military has indicated its plans to enter into public/private partnerships to finance and construct infrastructure improvement projects on Guam's bases. We need to look at ensuring that local contractors and businesses can benefit from these public/private partnerships. Regarding off-island contractors, the subcommittee also needs to look into the enforcement of contractor's compliance with local tax laws and possibly increasing some of the fees including GRT, licensing fees, etc.

- The subcommittee members expressed concerns that there is not enough centralizing of communications regarding the military growth initiatives planned for the island and that we need to push to get the military to provide their specific plans. This is imperative so that the government of Guam can plan its course of action and then formalize these key strategic actions that the Governor and Congressional Delegate can present to the policy makers in D.C. in attempts to obtain more assistance from the federal government.
- The subcommittee Co-Chair briefed members on the status with the Office of Economic *Adjustment* (OEA) grant and the Request for Proposal (RFP) process to hire a consultant to conduct activities associated with military growth and integration initiatives described in the first phase of the grant project. It was requested that in addition to the ongoing OEA grant project, we need to begin planning for alternative funding sources within the federal government, and also looking at Japanese money to pay for the military's growth requirements.
- In closing, members were informed that they would be notified of the next subcommittee meeting date and that GEDCA staff would provide a summary of the meeting to the group.