

Agenda

CMTF Economic Development Subcommittee Meeting

10:00 a.m., Thursday, December 27, 2007

- I. Introductions
- II. Issues/Discussions
 - Minutes of Last Meeting
 - Village Meeting Highlights
 - IGIA Meeting Highlights
 - FY 2010 Federal Budget
- III. Upcoming Events
 - Jan. 2008 – GAO Visit
 - Feb. 2008 – Next IGIA Meeting
 - March 2008 – Navy's Guam Industry Forum 2
- IV. Other Discussion Items
- V. Next Meeting
- VI. Adjournment

CMTF Economic Development Subcommittee

Summary of Meeting

2:00 p.m., Thursday, August 30, 2007

Attendees: Tony Blaz – GEDCA Acting Administrator - Subcommittee Chairman
Gary Hiles – Department of Labor
Albert Perez – Bureau of Statistics and Plans
Dr. Roseann Jones – University of Guam
Elaine Dell'Isola – Lt. Governor's Office
Tony Lamorena – Bureau of Statistics and Plans
James Martinez – Guam Contractors Association
Albert Wu – Chinese Chamber of Commerce
Carl Peterson – Guam Chamber of Commerce
Mike Cruz - GEDCA
Larry Toves – GEDCA

Summary of Items Discussed:

- Members were briefed on the Joint Guam Program Office (JGPO) Update presented at the Interagency Forum in Washington D.C. on August 2, 2007. Highlights of the presentation were:
 - Special Purpose Entity (SPE) Concepts
 - Local business opportunities for participation with Housing SPEs and Utility SPEs
 - Explanation of how SPEs will be paid down
 - Larger companies would benefit with limited participation from smaller local companies
- Guam Contractors Association (GCA) President provided an explanation on how SPEs would bid on projects and who would make up the total workforce from the Japanese government's perspective. Notion is that JGO will bring in management-level team experts while the skilled and lower-level positions would be filled by the local labor work force on Guam. Chamber of Commerce representative touched on how the Japanese government's position in using the local labor workforce on Guam and partnering with U.S. companies experienced in military contracts would provide for economic opportunities for Guam.
- Members discussed some of the labor issues critical to the construction program including the estimated 12,000 to 15,000 immigration of H-2 workers from off-island needed to support the program. The military has indicated its desire to contract one firm to house workers on federal land and to fabricate temporary housing to meet military requirements.

Members also discussed about how this would be a great opportunity for the CNMI due to their exemption from the Jones Act and U.S. labor laws.

- There was some discussion on how we need to better prepare our local businesses to be more competitive and be able to obtain sub-contracting with larger companies for short and long-term sustainability through some outreach programs conducted by both the private and public sectors. The membership felt the objective of the EDS was to seek opportunities for local businesses and local financing. Consensus from the group is that there will be a lot of opportunities for local businesses to partner with US companies who have the capabilities and resources to compete for the large projects. The membership also directed that we look into ways to prepare local retail business for the increase in military population expected by 2014.
- The Guam Contractors Association does not believe that it would be feasible or costs effective for off-island companies to bring their mainland labor force out to Guam and strongly supports the notion that there will be enough opportunities for local contractors to provide all services, materials and construction for the military
- It was suggested that:
 - Subcommittee recommend percentage of local business participation in military contracts.
 - Subcommittee establish percentage of local business participation in non-appropriated funds (i.e. Japanese money)
 - Local government subsidize local companies to allow them to compete for military contracts.
 - Request Japanese to utilize local companies.
 - Establish preference points program for local companies.
- Meeting adjourned.