

Q1/2016

A Quarterly Publication

WRITTEN AND PRODUCED BY
PACIFIC RESOURCE PARTNERSHIP

INSIGHTS

U.S. MILITARY



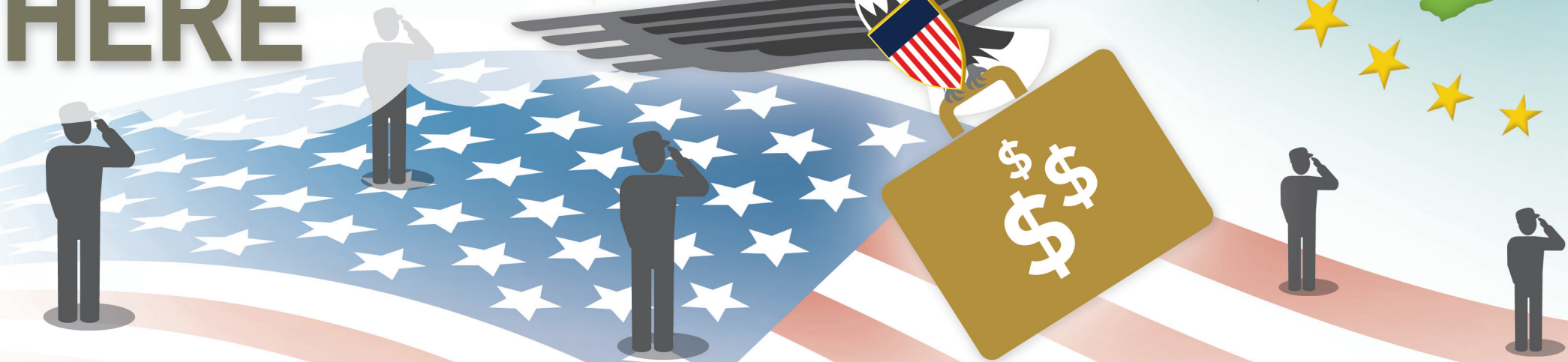
INSIDE:

KEEPING THE MILITARY
IN HAWAII

Photo: Mass Communication Specialist 2nd Class Liam Kennedy, U.S. Navy

How to Keep

HAWAII'S SECOND LARGEST INDUSTRY HERE



The U.S. military's presence in Hawaii is crucial for many reasons, with national security the foremost among them. But the military is also an enormously important pillar of Hawaii's economy. It generated \$12.6 billion in economic output in 2009, the last year figures are available, accounting for 18.4 percent of Hawaii's GDP – the state's second biggest economic contributor, after the hospitality industry.

The military is also an enormously important pillar of Hawaii's economy.

To make sure Hawaii continues to enjoy the many economic and social benefits of the U.S. military presence here, we need to stay attuned to the military's needs and make sure Hawaii meets them better than any other state. According to the Military Affairs Council of the Chamber of Commerce Hawaii, the military has four main priorities affecting decisions to keep – and perhaps expand – its economic footprint in Hawaii.

1 ENERGY

- The Department of Defense is the largest consumer of energy in Hawaii
- More renewable energy would have a significant impact on the military's costs and enhance the safety, security and reliability of power in the state
- Each branch of military service has expended billions of dollars to achieve ambitious energy goals to achieve net zero energy consumption (meaning energy generated offsets all energy consumed)

2 TRAINING LANDS

- Lack of training land inventory in Hawaii means the military must send troops to the U.S. mainland, a solution that isn't economically viable
- Without the proper real estate to train, the military can't justify a continued military presence in Hawaii
- Training lands in Hawaii are under a number of threats, from legal action due to environmental and cultural concerns at Makua to leases for Pohakuloa and Oahu North that will be expiring in 2029

3 EDUCATION

- Hawaii's schools have a poor reputation, despite recent improvements in standardized tests indicating that we are competitive with other states
- Many military families turn down assignments in the islands because of the poor quality of public schools, making it very difficult for Hawaii military leaders to draw or maintain high-quality personnel
- Quality public school education is imperative for Hawaii to be seen as a desirable duty station
- Civilian-military partnerships, like the Joint Venture Education Forum, can have a significant impact on improving public schools

4 CYBERSECURITY

- The security of digital information is essential not only for the military but also for business and other government agencies
- The National Security Administration (NSA) faces a shortage of trained personnel
- To build its workforce, the NSA has partnered with the Hawaii Department of Education and the University of Hawaii to develop and create a path for students to become cybersecurity professionals

MILITARY BENEFITS FOR HAWAII

The military's total economic footprint in Hawaii isn't regularly studied. But the latest data available, from 2009, shows that the military is an absolutely vital piece of Hawaii's economy.



\$6.5B DIRECT SPENDING PER YEAR

Economic Impact

The military spent \$6.5 billion total on average per year from 2007 to 2009 (in 2009 dollars) and accounted for \$12.2 billion in total economic output.

101,533
TOTAL JOBS

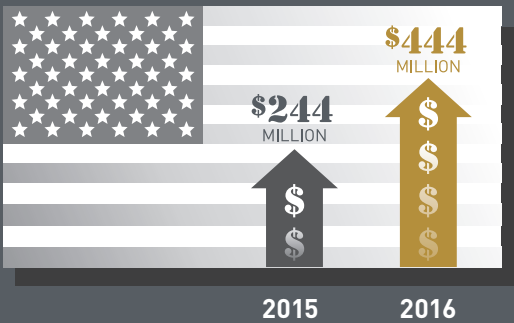
Jobs

The military directly employed 75,000 personnel in Hawaii in 2009 and military spending accounted for another 35,000 jobs.

Source: RAND Report FY 2007-2009

WHAT'S COMING?

Hawaii will benefit from \$444 million in military appropriations recently approved by Congress for fiscal year 2016, up from approximately \$244 million the year before. The appropriations will fund projects at several bases.



\$30.6
MILLION

To upgrade the electric grid at Kauai's Pacific Missile Range Facility.

\$61.1
MILLION

For improvements at Joint-Base Hickam-Pearl Harbor, including a new F-22 fighter alert facility, an electrical interconnect project and a new covered, all-weather welding school shop at Pearl Harbor Naval Shipyard.

\$123.8
MILLION

For a new Behavioral Health and Dental Clinic at Schofield Barracks.

\$228.6
MILLION

For improvements at Marine Corps Air Station Kaneohe Bay, including a replacement Medical/Dental Clinic, a new facility to support P-8A maritime surveillance aircraft, a new Bachelor Enlisted Quarters and modernized lighting on the airfield.

\$\$\$

A pending relocation from Okinawa would also bring 2,500 Marines and their families to Oahu, with a significant economic impact in Hawaii.



Expert Q&A

REAR ADMIRAL JOHN V. FULLER

UNITED STATES NAVY

Rear Admiral John V. Fuller received his commission from the United States Naval Academy in 1987 and in 2015 assumed duties as Commander of Navy Region Hawaii and Naval Surface Group, Middle Pacific. He discussed the U.S. Navy's relationship to Hawaii with us.



Rear Admiral John V. Fuller
United States Navy

Q: WHY IS HAWAII IMPORTANT TO THE U.S. NAVY?

JVF: The United States is a maritime power and a Pacific nation. Here in Hawaii we are a central strategic point for our nation's strategy to rebalance to Indo-Asia-Pacific.

The Navy you see in Hawaii has a long history of providing operational readiness support and base operating support – including port operations, logistics, training, and ship and submarine repair.

Our installations at Joint Base Pearl Harbor-Hickam on Oahu and Pacific Missile Range Facility on Kauai provide vital training, communications, medical support, housing and quality-of-life services to service members and their families.

The Navy in the Pacific is able to satisfy our mission needs in great part because of the superior support we receive from Hawaii, most importantly the great people in Hawaii.

Q: HOW DO YOU THINK THE NAVY AND YOUR COMMAND BENEFIT HAWAII?

JVF: America's Navy protects the interconnected trade, information and security systems that underpin not only the U.S. economy but the free flow of goods to Hawaii and the economies of our international partners, friends and allies.

We defend the homeland, train to maintain our perpetual readiness and work with other nations to build strong partnerships.

For kama'aina, we provide jobs and opportunities at our shipyard and installations. Pearl Harbor Naval Shipyard & Intermediate Maintenance Facility is the largest industrial employer in the state with a combined civilian and military workforce of about 5,000 people. The Pacific Missile Range Facility, which supports the nation's ballistic missile defense initiative, is the third largest employer on Kauai.

The Navy is a supportive neighbor with a proven track record for helping in times of emergency, including in hurricanes, earthquakes and tsunamis. Eighty percent of all goods and 100 percent of fuel are brought to Oahu at Honolulu Harbor and distributed throughout Hawaii and other Pacific Islands. The Navy in Hawaii can provide a safe alternative and a ready response in an emergency.

Q: DO YOU FEEL THAT THE MILITARY IS ADEQUATELY SUPPORTED IN HAWAII? WHAT COULD THE COMMUNITY DO TO INCREASE SUPPORT?

JVF: We greatly appreciate the warm aloha here and the understanding that we are part of the ohana.

We have much to learn and share and as a learning organization, we embrace the quest to become a smarter and more aware neighbor.

As such, training is especially important to your Navy. The Navy's ability to test and train – including training with weapons, systems, equipment and sonar – is critical to U.S. operational readiness and national defense. The Navy in Hawaii trains with safety and the environment in mind at all times.

As a learning organization, the Navy places great emphasis on education. As active members of the Joint Venture Education Forum and with proactive school liaison officers, Navy leaders and mentors work with dozens of elementary, middle and high schools throughout the state to promote reading, robotics and responsible behavior.

The Navy in Hawaii is a big proponent of Science, Technology, Engineering and Mathematics – in the classroom and at work. Working with the University of Hawaii and other schools of higher learning, the Navy provides opportunities for research projects and innovation. The Navy offers apprentice programs and technology career opportunities that help the people of Hawaii.



Integrated Communities

RAIL TRANSFORMS THE PEARL HARBOR AREA

Road closures and traffic are hard to deal with. Looking past those short-term frustrations to see the benefits of light rail is tough, but if you do, you can see how rail is so much more than a new mode of transit. It's a complete transformation of our neighborhoods and an opportunity to overcome years of stagnation to build communities that are more walkable, livable and exciting than we ever could have fathomed.

The Pearl Harbor rail station coming to the intersection of Makalapa Road and Kamehameha Highway helps us envision the possibilities when we don't just build rail – we build an integrated community around it.

The area surrounding the future Pearl Harbor Station right now is arduous to traverse, particularly for people walking on foot or bicycling along Radford Drive, especially where it intersects with Kamehameha Highway. Improvements envisioned for the new rail station area include a more pedestrian-friendly experience on Radford Drive with a "kiss 'n ride" bus connection, additional bicycle lanes, sidewalk extensions and widening; the area will be easier to get to and navigate via multiple modes of transportation. The planned improvements will change it from a place for cars to drive through to a place where people want to congregate.

This vision presents an opportunity to redevelop the surrounding land, such as Little Makalapa, an underutilized parcel adjacent to the future station that's currently the site of dilapidated and vacant Navy housing. Potential improvements could include homes, shops, civic sites, an expansion of the Federal Fire Department and a small park or plaza featuring food and convenience stores. Naval Facilities Engineering Command (NAVFAC) Hawaii



Renderings (for illustrative purposes only) are courtesy of the Department of Planning and Permitting.

has said that they may consider relocating their facilities to the main Joint Base Pearl Harbor-Hickam (JBPHH) installation, potentially freeing up a prime stretch of land within a half-mile of the rail stop for multi-family residential use with neighborhood commercial, retail and dining options.

Over time, rail will bring more than trains and a traffic-free commute to Pearl

Harbor. It will bring a vibrant, mixed-use community, with an assortment of attractive and affordable housing and employment options for military families and civilians, all within easy walking distance of the rail station, JBPHH, The Mall at Pearl Harbor and other nearby shopping and service options. That's the real promise of rail: the opportunity to build integrated communities and, ultimately, a better future for Hawaii. ■



Richard Young is a military veteran who joined Nan, Inc. in 2012. He spent over 30 years as an officer in the U.S. military, serving with the Army Corps of Engineers in Korea and as part of the Hawaii Army National Guard. Presently, Richard is part of the quality control team for military projects as a structural engineer for Nan, Inc. A few of Nan's military projects include renovations at Schofield Barracks, building new barracks at Wheeler Air Force Base and flood mitigation efforts at Fort Shafter.

COMPANY:
Nan, Inc.

GENERAL CONTRACTOR:
Historic renovations and modernization, upgrades to new building construction, including multi-purpose facilities and single-family homes, with a special focus on Design-Building.

WEBSITE:
www.nanhawaii.com

CONTACT:
Frank Okimoto

PHONE:
808-842-4929

EMAIL:
fokimoto@nanhawaii.com



Contractor Profile

RICHARD YOUNG

NAN, INC.

As a youth, Richard didn't foresee a future in the military or in engineering. "I didn't know what I was going to do – it was the 60s, the hippie days. I went into engineering because they didn't have a language requirement – I said 'that's for me!'" Richard jokes. "And to be in the military, that was the last thing on my mind. Iolani didn't have ROTC or anything. The only thing I knew about the military was what was written in the paper."

After graduating from high school, Richard went away to Syracuse University. However, the Vietnam draft was looming and so was its probable interruption of his higher education, so Richard decided to enlist in ROTC. The program allowed him to stay in school, but also required a 6-year commitment as an officer. "As it turned out, it was fate that I signed up and went through all the training. I really became gung ho because after airborne school, I wanted to go to Ranger school. I wanted to go through everything, the Rambo type. It was a complete 180."

By the time he finished his undergraduate degree, the Vietnam War was winding down so Richard was sent to Korea with the Army Corps of Engineers. Later, he was stationed at Schofield Barracks.

"When I came back in the 70s, we were at Quad K at Schofield. Quad K is no longer there, but my current assignment with Nan is renovating Quad B. In the old days, it was not like this. We had open everything – community showers, restroom, mess hall. But the barracks that we're renovating now, they're one-man or two-man with separate bathroom and

kitchen. It's really nice. So I tell these young soldiers, 'ah, you guys don't know what it's like.'"

Teasing aside, Richard takes pride in making sure the renovation is of the highest quality for the troops. "We do everything we can to take care of the soldiers. They deserve it, for all that they do," he says.

He also appreciates the investment the military makes in the careers of its personnel. "The military spends thousands of dollars on soldiers, in their military education and training and also in their civilian education."

Richard's training – and the skills and habits he absorbed while serving – have been an asset to his work as an engineer at Nan, Inc. His ideal approach to a project is treating it like a mission. "A lot of things correspond. The procedures, planning, preparation and review that the military goes through are exactly the same as what the civilian goes through. So having that background, you don't think about it, you just do it naturally."

That can-do attitude is desirable for contractors who want to get a project done on time and within budget. "Some companies recognize that, so they hire people with the military background. I think what they like is the leadership. The military, they send these guys off to Fort Benning, Fort Leavenworth, and train them to be leaders. So when they come on a job site, they have the ability to understand what the mission is – what your boss wants – and take it from there." ●

Afterword

JOHN WHITE
EXECUTIVE DIRECTOR, PRP



Learn more about Integrated Communities

We'd like to visit your office, trade association or other group to share a short, powerful presentation by John White about integrated communities and their importance for the future of Hawaii. Please email Cheryl Walthall at cwalthall@prp-hawaii.com for more information or to schedule a visit.

SUPPORT THE MILITARY AND THE LOCAL ECONOMY

The military is hugely important to Hawaii's economy. And just as we go to great lengths to support our visitor industry and protect Hawaii's reputation as a global destination, we have to step up as a community and assure military stakeholders that we will continue to provide a desirable home for military families, a world-class training ground for their troops and a reliable supply of personnel for high-quality military careers.

Hawaii's relationship with the military is good, but it faces a number of challenges. U.S. Senator Daniel Inouye's seniority and longtime rapport with the military are sorely missed. His passing has cast a long shadow on Hawaii's ability to maintain the flow of military dollars to our state. And while Hawaii's post-Inouye federal clout has waned, other states have ramped up the competition for a military presence in their area, particularly in Alaska and San Diego.

Those areas are trying to take advantage of President Obama's pivot to the Asia-Pacific region, which also presents an opportunity for Hawaii. To make sure we make the most of that opportunity and fend off the competition, we need to mobilize community support for the military now more than ever.

We have a solid foundation to work with. Our congressional delegation, in concert with the state administration and state legislators, is working hard to maintain Senator Inouye's legacy. Participation in military appreciation month each May has been laudable in communities with military families. Now we need to see that enthusiasm spread state-wide. Testimony and online petitioning have helped make the case to the Base Realignment and Closure (BRAC) commission that Hawaii's military bases are vital to our communities. Those efforts are more effective when they are supported by a large, diverse body of civilians from all over Hawaii.

Beyond those efforts, the best way to show your support of the military is to get involved with your local installation. If you don't have base access, you can reach out to the Public Affairs Officer on each base to see how you can help. Social media makes it easier than ever to get engaged and involved with our men and women in uniform. I hope you'll join me in extending your appreciation of and support for the military, doing all we can to ensure our troops want to call Hawaii home just as much as we do.



1100 ALAKEA STREET, 4TH FLOOR
HONOLULU, HAWAII 96813
808.528.5557
WWW.PRP-HAWAII.COM

PRESORTED
STANDARD
US POSTAGE PAID
HONOLULU, HI
PERMIT NO. 169

