

Guam's Money is on the Military: Navy, Air Force Projects Keep Construction Industry Alive

By *Therese P. Howe*

"Military projects are probably the only game in town right now," said James Martinez, executive director of the Guam Contractors Association. "Until we see more activity in the private sector and the visitor industry as well as the government of Guam, we're putting all our hopes on the military. That's where the money's at."

Guam's main industry, tourism, has been struggling to resurface in the aftermath of the Asian economic crisis, a Korean airliner crash on Nimitz Hill in 1997, and the Sept. 11, 2001 terrorist attacks in New York and Washington, D.C. Construction industry executives and representatives say an overca-

capacity of hotels, retail outlets and office space make it unlikely private sector work will rebound anytime soon. The same appears to be true for non-federally funded capital improvement projects, as the local government's coffers are being depleted because of the prolonged economic downturn.

It's little wonder, then, that construction industry representatives are counting on military projects to help keep their companies afloat.

"We were told that \$64 million was approved by Congress for 2002 military construction projects," Martinez said. "On top of that, they have additional funds for the different branches of the military. The Navy and the Air Force have their own separate budgets,



A pump is lowered into a facility as part of Phase V of Andersen Air Force Base's POL Hydrant Fueling System and Consolidated Fuels Project.

so that could easily double to \$120 million to \$130 million for Fiscal Year 2002. We're putting our hopes in that for the construction industry."

The optimism may be justified. In late June, Guam Delegate Robert A. Underwood reported that the House passed the Defense Appropriations Act and the Military Construction Appropriations Act, with \$75 million in FY 2003 military construction funding for Guam still intact. The \$75 million total tops last year's budget by about \$9 million and exceeds FY 2001 spending by \$39 million, according to figures from Underwood. Among the FY 2002 military projects for the Navy are construction for submarine repair and port facilities in preparation for



As part of Phase II of Andersen Air Force Base's POL Hydrant Fueling System and Consolidated Fuels Project, 10 inoperative fueling pits and two pump houses were removed by Nova Group Inc. Nova is scheduled to complete Phases V and II of the five-phase project in October.