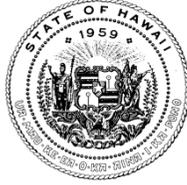


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



EDWIN H. SNIFFEN  
DIRECTOR  
KA LUNA HO'OKELE

Deputy Directors  
Nā Hope Luna Ho'okele  
DREANALEE K. KALILI  
TAMMY L. LEE  
CURT T. OTAGURO  
ROBIN K. SHISHIDO

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII  
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

March 11, 2025  
3:00 P.M.  
State Capitol, Room 224

**H.B. 960 H.D. 1  
RELATING TO TRANSPORTATION**

Senate Committee on Transportation and Culture and the Arts

---

The Department of Transportation (DOT) **supports** of this measure. This measure proposes to increase the current limits on capital advancement contracts.

The existing law authorizes DOT to enter into capital advancement contracts with private parties for any public improvement to or construction of a state port facility when the director determines that a capital advancement contract promotes the best interest of the State. In recent years, this tool has proven effective in expediting project delivery, especially for projects that increase port resilience and operational efficiency.

The current cap of \$2,000,000 per contract or aggregate \$5,000,000 per party limits the scope and type of work and number of projects that can be done under a capital advancement contract. By increasing these caps to at least \$5,000,000 and \$20,000,000, respectively, DOT can accomplish more in improving port facilities through these contracts. DOT anticipates escalating project costs due to inflation and rising costs of materials and labor and the higher limits will facilitate improved project delivery given these factors.

Thank you for the opportunity to provide testimony.



# Hawai'i Island Chamber of Commerce

1321 Kino'ole Street - Hilo, Hawai'i 96720

Phone (808) 935-7178 - Fax (808) 961-4435 - Email [exec@hicc.biz](mailto:exec@hicc.biz) - [www.hicc.biz](http://www.hicc.biz)

## **Executive Officer**

Carla Kuo

**2024-2025**

## **Board of Directors**

### **President**

Keith Marrack

### **President-Elect**

David Kurohara

### **Vice President**

Dennis Lin

### **Treasurer**

Joshua Vierra

### **Immediate Past**

#### **President**

Randall Kurohara

### **Directors**

Kehau Amorin

Mary Begier

Vanessa Carlson

Rebecca Choi

Jeremy Chong

Chelsey Chow

Mark Chun

Kapaelani Comstock

Dean Fuke

Larisa Hamamoto

Bonnie Irwin

Daniel Kea

Tyson Klask

Geoli Ng

Lisa Shiroma

James Staub

Jase Takeya

Nimr Tamimi

Irene Yamanaka

Tracie Yoshimoto

## TESTIMONY BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS

### HB 960 HD1 - Relating to Transportation – IN SUPPORT

Tuesday, March 11, 2025 3:00 PM

Aloha Chair Lee, Vice Chair Inouye, and Members of the Committee,

On behalf of the Hawai'i Island Chamber of Commerce, representing over 300 businesses and individual members primarily on the East side of Hawai'i Island, I submit this testimony in strong support of House Bill 960 House Draft 1 (HB960 HD1). This bill seeks to enhance the efficiency of capital advancement projects by increasing the maximum value of contracts the Department of Transportation (DOT) may execute without legislative approval, eliminating the requirement for legislative approval of contracts exceeding \$2,000,000, and raising the total aggregate value of such contracts per fiscal year.

Hawai'i faces significant challenges in expediting critical capital advancement projects necessary for improving harbor resilience and operational efficiency. Current fiscal caps restrict the scope and number of projects the DOT can undertake, even when such projects serve the state's best interests. By amending Section 266-19.5 of the Hawai'i Revised Statutes, this bill raises the fiscal cap to \$5,000,000 per fiscal year and introduces reporting requirements to ensure legislative oversight while streamlining project execution.

These changes will remove bureaucratic obstacles, allowing for faster implementation of essential harbor infrastructure improvements. I respectfully urge the passage of HB960 HD1.

Thank you for the opportunity to provide testimony.

Sincerely,

Carla Kuo

Executive Officer

Hawai'i Island Chamber of Commerce

**Testimony to the Senate Committee on Transportation and Culture and the Arts  
Senator Chris Lee, Chair  
Senator Lorraine R. Inouye, Vice Chair**

**Tuesday, March 11, 2025, at 3:00PM  
Conference Room 224 & Videoconference**

**RE: HB960 HD1 Relating to Transportation**

Aloha e Chair Lee, Vice Chair Inouye, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 960 House Draft 1 (HB960 HD1), which increases the maximum value of capital advancement contracts that may be executed by the Department of Transportation without legislative approval. Repeals the requirement for the Department of Transportation to obtain legislative approval through concurrent resolution for capital advancement contracts greater than \$2,000,000. Increases the total aggregate value of capital advancement contracts that the Department of Transportation may enter into in a fiscal year. Establishes certain reporting requirements related to capital advancement contracts

HB960 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Maritime. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Hawaii faces significant challenges in accelerating capital advancement projects that are essential for enhancing harbor resilience and operational efficiency. Currently, fiscal caps on these contracts limit the scope, type, and number of projects the Department of Transportation can execute, even when such projects are in the best interest of the state. To address this need, the bill proposes to increase the maximum value of capital advancement contracts that can be executed without legislative approval, eliminate the requirement for obtaining legislative approval for contracts above \$2,000,000, and raise the total aggregate value of such contracts per fiscal year. The bill amends Section 266-19.5 of the Hawaii Revised Statutes to set a new fiscal cap of up to \$5,000,000 per fiscal year and establish reporting requirements to keep the legislature informed of all executed contracts. These changes are designed to streamline the process and remove bureaucratic obstacles, thereby enabling faster execution of essential harbor infrastructure projects. The Chamber supports this measure because it will significantly improve the efficiency and impact of capital projects that boost the state's economic resilience and operational capacity.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass House Bill 960 House Draft 1. Thank you for the opportunity to testify.



March 9, 2025

Senator Chris Lee, Chair  
Senator Lorraine R. Inouye, Vice Chair  
Senate Committee on Transportation and Culture and the Arts

**RE: House Bill 960, HD1 – RELATING TO TRANSPORTATION**  
**Hearing date: March 11, 2025, 3:00 p.m.**

Aloha Chair Lee, Vice Chair Inouye, and Members of the Committee:

Thank you for the opportunity to submit testimony on behalf of Young Brothers, LLC (“YB”)<sup>1</sup> offering **STRONG SUPPORT** for House Bill 960, HD1 – Relating to Transportation.

This measure would increase the annual cap for the total contract value for any single Capital Advancement Contract (“CAC”) from \$2M to an unspecified amount and the annual cap for the total aggregate value of all CACs entered into by the Department of Transportation (“DOT”) from \$5M to an unspecified amount. This measure would also create a new requirement that DOT submit an annual report to the legislature of all executed CACs in the prior year.

YB notes that CACs allow the DOT to enter into an agreement with a private entity for the improvement of State harbor properties or other State-owned waterfront properties in situations where private development is likely to be cheaper, faster, or allows for more readily available funds than any other type of contract. CACs are also required to ensure that public works and procurement laws are followed. These agreements have been capped at \$2M per CAC for over 20 years. This measure would raise this cap to an unspecified amount, recognizing inflation and other design and construction costs that have escalated over time. Increasing the limit will also help support our harbors by strengthening public-private partnership agreements for certain federal grant funding.

For the reasons stated above, YB offers **STRONG SUPPORT** for this measure.

Thank you for your service to the State of Hawaii, and for the opportunity to testify offering comments on this measure.

Sincerely,

Kris Nakagawa  
Vice President, External and Legal Affairs

---

<sup>1</sup> YB is a common carrier by water, transporting property by tug and barge between the islands of O‘ahu, Hawai‘i, Kaua‘i, Maui, Moloka‘i, and Lāna‘i. YB is currently the only water carrier authorized to transport property under Chapter 271G, Hawaii Revised Statutes (“HRS”) (i.e., the Hawaii Water Carrier Act), subject to the regulatory authority of the Public Utilities Commission of the State of Hawaii (“PUC”). Since 1900, customers across Hawaii have relied on YB’s frequent, regular, and universal sailings to serve as the bridge that connects all communities in this island-state.