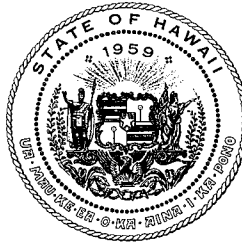


# SCR124/ SR73

REQUESTING THE AUDITOR TO CONVENE A WORKING GROUP TO EXAMINE THE STATUS AND PROGRESS OF THE HONOLULU RAIL TRANSIT PROJECT.



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**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,  
ON SENATE CONCURRENT RESOLUTION NO. 124,  
REQUESTING THE AUDITOR TO CONVENE A WORKING GROUP TO EXAMINE  
THE STATUS AND PROGRESS OF THE HONOLULU RAIL TRANSIT PROJECT**

**Senate Committee on Transportation  
March 31, 2015**

Chair Nishihara and Members of the Committee:

I am Jan Yamane, Acting State Auditor. Thank you for the opportunity to comment on Senate Concurrent Resolution No. 124, requesting the Auditor to convene a working group to examine the status and progress of the Honolulu rail transit project. This measure would, among other purposes, appoint the Auditor to serve as the chairperson of the working group to examine current sources of funding for the rail system and consider the feasibility of using alternative sources of funding. We respectfully request that the Auditor be removed from the working group.

As you are aware, the Auditor has a constitutional responsibility to conduct post-audits of the transactions, accounts, programs and performance of all departments, offices, and agencies of the State and its political subdivisions. Appointment to this working group asks the Auditor to examine funding issues for the rail system, which would likely impair my independence and thus conflict me from auditing any and all matters relating to rail. *Government Auditing Standards*—

to which we adhere—requires that auditors remain independent to enable us to act with integrity and exercise objectivity and professional skepticism.

Thank you for the opportunity to provide comments on Senate Concurrent Resolution No. 124. I am available for your questions.



IN REPLY REFER TO:  
CMS-AP00-01178

HONOLULU AUTHORITY for RAPID TRANSPORTATION

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Statement of  
**DANIEL A. GRABAUSKAS**  
Executive Director and CEO, Honolulu Authority for Rapid Transportation  
before the

**SENATE COMMITTEE ON TRANSPORTATION**

Tuesday, March 31, 2015  
2:50 p.m.  
State Capitol, Conference Room 229

In consideration of

**SCR124**

**REQUESTING THE AUDITOR TO CONVENE A WORKING GROUP TO EXAMINE THE STATUS AND  
PROGRESS OF THE HONOLULU RAIL TRANSIT PROJECT**

and

**SR73**

**REQUESTING THE AUDITOR TO CONVENE A WORKING GROUP TO EXAMINE THE STATUS AND  
PROGRESS OF THE HONOLULU RAIL TRANSIT PROJECT**

Chair Nishihara, Vice Chair Harimoto, and Members of the Senate Committee on Transportation,

The Honolulu Authority for Rapid Transportation (HART) supports the intent of SCR124 and SR73, which proposes to convene a working group to examine current sources of funding for the Honolulu Rail Transit Project (Project) and to consider the feasibility of using alternative sources of funding, as opposed to extending, making permanent, or increasing the one-half percent general excise tax (GET) surcharge currently collected for the Project.

While HART favors and supports legislative measures which seek to explore alternative revenues sources resulting in an increase of funding for the construction of the Project, HART believes an extension of the GET sunset date of December 31, 2022, is the best option to achieve our immediate goal of meeting the City's obligations under the Full Funding Grant Agreement (FFGA) to complete this Project under the time frame specified in the FFGA, including 20 miles, 21 stations, and 80 rail vehicles.

In addition, an extension of the GET surcharge during this Legislative Session by 25 years would provide sufficient revenues to cover the planning and design, preparation of environmental documents, including an archaeological inventory survey and the construction for extensions to West Kapolei and the University of Hawaii at Manoa, otherwise referred to as the Locally Preferred Alternative.

Thank you for this opportunity to provide written testimony.



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March 31, 2015  
2:50 PM  
Conference Room 229

**To: Senate Committee on Transportation**  
**Sen. Clarence Nishihara, Chair**  
**Sen. Breene Harimoto, Vice Chair**

**From: Grassroot Institute of Hawaii**  
**President Keli'i Akina, Ph.D.**

RE: SCR 124 -- REQUESTING THE AUDITOR TO CONVENE A WORKING GROUP TO EXAMINE THE STATUS AND PROGRESS OF THE HONOLULU RAIL TRANSIT PROJECT.

***Comments Only***

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on SCR 124, which envisions the creation of a working group that could examine the status and progress of the Honolulu rail project.

A comprehensive examination of the rail transit project is long overdue and would help inform the associated debate about the progress of the project, its costs, actual and projected, and the need for (and desirability of) the surcharge.

With similar municipal projects around the country running into countless delays and cost overruns, we have a responsibility to ensure that this project does not become a burden for Hawaii's taxpayers. Therefore, in addition to considering the costs, progress, and status of this project, it is also incumbent upon us to consider best practices for raising revenue for Rail and promoting efficiency in the management of the project. Such safeguards can include: examining how the surcharge is collected and distributed, discovering opportunities for cost cutting, and identifying better ways to generate revenue for the building and maintenance of the rail (freeing the state from reliance on a GET surcharge). This is an opportunity to ensure that the rail project remains responsible to the legislature and Hawaii's citizens.

Thank you for the opportunity to submit our comments.

Sincerely,  
Keli'i Akina, Ph.D.  
President, Grassroot Institute of Hawaii

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [TRA Testimony](#)  
**Cc:** [mendezj@hawaii.edu](mailto:mendezj@hawaii.edu)  
**Subject:** \*Submitted testimony for SCR124 on Mar 31, 2015 14:50PM\*  
**Date:** Wednesday, March 25, 2015 1:26:11 PM

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**SCR124**

Submitted on: 3/25/2015

Testimony for TRA on Mar 31, 2015 14:50PM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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