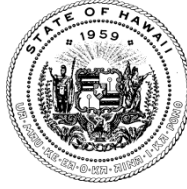


DAVID Y. IGE  
GOVERNOR



**Testimony by:**  
FORD N. FUCHIGAMI  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
ROSS M. HIGASHI  
EDWIN H. SNIFFEN  
DARRELL T. YOUNG

IN REPLY REFER TO:

**STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

March 23, 2016  
10:30 a.m.  
State Capitol, Room 309

**S.B. 2938, S.D. 2  
RELATING TO TRANSPORTATION**

House Committee on Transportation

---

The Department of Transportation (DOT) **strongly supports** S.B. 2938, S.D. 2. This bill will provide additional funding resources needed to accomplish its primary mission and sustainability goals by increasing the user fees on fuel, State motor vehicle registration, and State weight tax.

The Highways Division (HDOT) requires \$70 million in additional funding for its Highways Program. This funding would increase available resources to provide a safe, efficient, accessible, well maintained, and sustainable transportation system to all users. HDOT is requesting an increase in user fees collected through fuel sales, State motor vehicle registration, and the State motor vehicle weight fees to provide the necessary additional funding. The adjustment would help HDOT catch up with maintenance of the State's aging system, which was delayed by approximately two years when money was drawn from the State Highways Fund in 1996, 1997, 1998, 1999, 2000, 2001, 2003, and 2006.

The sooner the maintenance cycle on State roadways is reset, the less it will cost to keep State roads in good condition. An analogy is the cost of routine roof maintenance (i.e., replacing shingles when needed) versus having to replace your roof and dealing with damage from a leaky roof. If additional funding is not received, conditions on State interstates, highways, and roads are expected to degrade. In other words, system preservation and repaving projects would focus on the roads in the poor condition status and pavement preservation for roads currently in good condition would be deferred.

The estimated \$70 million raised by the proposed user fee adjustment would also provide funding for operational congestion relief at key bottlenecks, key widening

projects, and allow implementation of the Intelligent Transportation System (i.e., traffic cameras, fiber connectivity, remote traffic signal control, and GoAkamai) Statewide.

Currently, there are 1.3 million registered vehicles in the State of Hawaii, one for each man, woman, and child living in the islands. The amount of cars and people continue to rise, but our ability to add capacity through more lanes for drivers is severely limited due to land restrictions and funding. We cannot build ourselves out of congestion.

Therefore, HDOT is focusing resources toward making the system that we have work better. Safety and maintenance of highway facilities are now our #1 priorities. Nearly 80% of highways funding is now earmarked for repaving and reconstructing roads, repairing and rebuilding bridges and tunnels, revising bike and pedestrian facilities, and reconfiguring roadways to meet federal safety requirements.

From a regulatory perspective, this approach is required by the Moving Ahead for Progress in the 21st Century Act (MAP-21) and Fixing America's Surface Transportation Act (FAST), the new funding legislation for the federal highways program. From a practical perspective, if we don't refocus the program in this way, the system will degrade, the roads will be less safe, and interruptions to commutes will increase.

FAST funding increases the allocation of Federal-aid Highway funds for the State of Hawaii by approximately 5% for fiscal year 2016 with additional annual increases of 2% to 2.4% for a five-year period. Future Federal-aid Highway funding after this five-year period will be largely determined by the incoming President and his or her administration.

HDOT is required to provide qualifying state matching funds for any funding from the Federal-aid Highways program. The availability of State Highway Funds to meet federal matching requirements is necessary to enable DOT to utilize its share of available federal funds. HDOT has spent down the pipeline of available federal funds from a historic high of \$940 million in 2010 to \$584 million as of March 2016. The normal federal share for eligible projects on the interstate system is 90% and for other eligible roadways it is 80%.

With the bulk of HDOT funding going towards safety and maintenance, only a small portion of the funds will be available for projects that would add lanes and capacity. Therefore, we will not be able to afford projects that widen freeways and highways. Instead, HDOT will be looking at solutions that will bring immediate congestion relief at lower costs and with shorter lead times. These solutions include retiming signals and upgrading equipment in corridors, adding contraflow operations in congested areas, using more shoulders as travel lanes during peak hours, adding traffic control to busy intersections, and building out transportation systems that allow us to control signals remotely and inform the public of any incidents or delays. These changes can be implemented faster and cheaper than building new roads.

At this time, the needs of the highways system and its users already outweigh available funding. If revenues are not increased, more of the available funds will be repurposed

to safety and maintenance, and there would be little to no funding available to address congestion and delay. Examples of projects to address congestion and delay that would be deferred if the funding issue is not resolved are: The Farrington Highway turning lane extension; H-1 Freeway eastbound widening projects; Kahekili Highway widening; and, Kuhio Highway short-term improvements.

The additional State Highway Fund revenues will enable the DOT to address any unforeseen emergency highway projects that may be critical to ensure the safety of the public. The DOT has historically been required to expend approximately \$5 million to \$10 million of unbudgeted State Highway Funds each year to address emergency highway projects due to flooding, shoreline erosion, lava flow, earthquakes and other natural disasters or events. The lack of available funds in the State Highway Fund may significantly impact the DOT's ability to respond to emergencies such as the erosion of Kamehameha Highway in Kaaawa in a timely manner.

The DOT strongly supports the amendments to Section 243-3, Hawaii Revised Statutes subsection (a) to increase the fuel tax; amend Section 249-31, Hawaii Revised Statutes to increase the annual vehicle registration fee; and amend Section 249-33, Hawaii Revised Statutes subsection (a) to increase the annual vehicle weight tax.

Act 188, 2012 Session Laws of Hawaii repealed the 17 cents per gallon liquid fuel tax that was enacted in Act 207, 2007 Session Laws of Hawaii on December 31, 2015 to the current 16 cents per gallon liquid fuel tax. Therefore, the DOT is requesting to restore the 17 cents per gallon fuel tax to maintain its current fuel tax collections from the previous fiscal years with an increase of 2 cents per gallon. Each one cent per gallon in the state tax on liquid fuel is estimated to cost an average driver an additional \$5.50 annually per one cent increase while generating approximately \$5.1 million in revenues for the State Highway Fund. The state fuel tax revenue for fiscal year 2015 was \$86.58 million or 32% of the total State Highway Fund revenue.

The DOT is requesting to amend Section 249-31, Hawaii Revised Statutes, to increase the annual vehicle registration fee rate from \$45 to \$76.50 and the amount to be deposited into the State Highway fund from each annual vehicle registration fee from \$40 to \$71.50. This adjustment in the vehicle registration fee would provide an estimated additional \$35 million annually for the State Highway Fund.

The DOT is also requesting to amend Section 249-33, Hawaii Revised Statutes subsection (a) to increase the annual vehicle weight tax rates from 1.75 cents to 2.75 cents per pound for each vehicle up to and including four thousand pounds net weight; from 2.00 cent to 3.00 cents per pound for vehicles over four thousand pounds up to and including seven thousand pounds; from 2.25 cents to 3.25 cents a pound for vehicles over seven thousand pounds and under ten thousand pounds; and the flat rate for vehicles over ten thousand pounds from \$300 to \$400. The increase in the state vehicle weight tax is estimated to provide an additional \$25 million annually for the State Highway Fund.

The increase in revenues for the State Highway Fund will improve the Department of Transportation's ability to construct, operate and maintain the State Highway System.

## **OPERATIONS AND ROUTINE MAINTENANCE**

The state fuel tax, the state motor vehicle registration, and the state motor vehicle weight tax are the major revenue sources for the State Highway Fund. It is also the major sources of pledged revenues for the Highway Revenue Bonds. The additional revenue sources will positively impact the Highways Revenue Bond ratings of AA, Aa2, and AA+ from Fitch, Moody's, and Standard & Poor's respectively. The high bond ratings decrease our cost of borrowing.

The highways financial plan relies on the state fuel tax, the state motor vehicle registration, and the state motor vehicle weight tax to support the continued operations and maintenance of the State Highway System. Appropriations from the State Highway Fund are used for the construction, operations, and maintenance of the State Highway System.

Any increases in these primary sources of revenues for the State Highway Fund will enhance the Departments ability to construct, operate and maintain the State Highway System. This would enable an increase in the highways capital improvement program and special maintenance programs. The failure of the State to properly maintain the State Highway System may result in sanctions by the Federal Highway Administration including the loss of federal funds.

The increases in revenues will provide safer infrastructure enhancements for all users including pedestrians, bicyclists, transit users and motorists and would positively impact the department's ability to qualify state matching funds for the highways federal-aid program. The availability of state matching funds will result in attracting its share for federal funds. The normal federal share for eligible projects on the interstate system is 90% and for other eligible roadways it is 80%.

To meet the economic needs of the State and preserve the unique quality of life of its residents and visitors to these precious islands, the Department of Transportation must provide a safe, efficient, and effective land transportation system for the movement of people and goods. The state land transportation system, however, has not kept pace with our growing economy, land use development patterns, and increased demand for travel. For example, when the interstate was authorized in 1960, it was planned to accommodate 90,000 drivers per day. In 2016, H-1 sees approximately 240,000 drivers daily. The land transportation system will continue to deteriorate as demand for travel continues to increase; and costs to manage, construct, and administer the system increases.

Fuel tax revenues have been affected by the increased sales of fuel efficient and electric vehicles. These types of vehicles will decrease the amount of fuel tax revenue collections significantly in the future. As the average fuel economy of motor vehicles improves in accordance with the Corporate Average Fuel Economy standards and the

increase in electric, plug-in hybrid electric vehicles and alternative fuel vehicles, it is clear that the current gas fuel tax is not sustainable for future highway funding. The fate of the State's ability to provide safe and efficient roadways to the public relies upon its ability to acquire the needed funding for all highway programs and projects. With the funding needs of the State Highway Program severely outweighing the revenues being generated through the state fuel tax, more innovative and diverse revenue generating programs are needed to sustain the State Highway Fund revenues.

The DOT feels that the proposed user fee adjustments is the most equitable method to provide funding for the State Highway Program, which has not seen a significant increase in revenue since the last time the vehicle weight tax and vehicle registration fees were increased in 2011. The proposed registration fee would affect all vehicles the same. Those driving heavier vehicles causing more wear and tear would pay more than those with lighter vehicles. The smallest increase comes from the proposed fuel fee. People who do not own a vehicle will not pay any of these fees directly.

Thank you for the opportunity to testify on this bill.

LATE

# LATE



Capacity Program at Various Funding Levels (20 yr)										
	Preserv/ Safety	Capacity/ Congestn	Funds/ Yr		Funds/ Yr	20 yr Total	Oahu	Maui	Hawaii	Kauai
							50%	18%	24%	8%
<b>Ratio 65:35</b>	65%	35%								
\$M	195	105	300							
				Capacity	80	1600	800	288	384	128
				Congestn	25					
<b>Ratio 80:20</b>	80%	20%								
\$M	240	60	300							
				Capacity	40	800	400	144	192	64
				Congestn	20					
<b>Ratio 90:10</b>	90%	10%								
\$M	270	30	300							
				Capacity	10	200	100	36	48	16
				Congestn	20					
Add'l 70M										
<b>Ratio 70:30</b>	70%	30%								
\$M	259	111								
\$M say	260	110	370							
				Capacity	85	1700	850	306	408	136
				Congestn	25					
3/10/2016										

LATE

**LATE**

DAVID Y. IGE  
GOVERNOR OF  
HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the House Committee on  
TRANSPORTATION**

**Wednesday, March 23, 2016  
10:30 AM  
State Capitol, Conference Room 309**

**In consideration of  
SENATE BILL 2938, SENATE DRAFT 2  
RELATING TO TRANSPORTATION**

Senate Bill 2938, Senate Draft 2 proposes to increase the State Fuel Tax to generate additional revenues for the State Highway Fund, allow for an increase in the state motor vehicle registration fee and increase the amount of the fee to be deposited into the State Highway Fund, and increase the state motor vehicle weight tax. **The Department of Land and Natural Resources (Department) appreciates the intent of this measure and provides the following comments.**

Under Section 248-8, Hawaii Revised Statutes (HRS), 0.3% of the Highway Fuel Tax (Liquid Fuel Tax/State Fuel Tax), but not more than \$250,000 collected under Chapter 243, HRS, is allocated each fiscal year for the purposes of management, maintenance, and development of trails and trail accesses under the jurisdiction of the Department established under Section 198D-2, HRS.

The Department's Na Ala Hele Program (NAHP) is designated to be the recipient of the \$250,000, which provides access to and maintains approximately 500 miles of public trails statewide. These trails are used by residents, visitors, and in many cases access for emergency and land management purposes. As the general and visitor populations continue to grow, so do the needs to utilize these trails, which require ongoing maintenance to keep them from becoming dangerous to use.

Due to these consistent pressures on these trail systems, the Department requests that any increases in the State Fuel Tax proportionately increase the funds to the NAHP.

**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**KEKOA KALUHIWA**  
FIRST DEPUTY

**JEFFREY T. PEARSON, P.E.**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

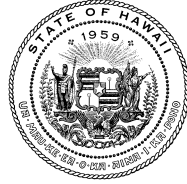


We also believe that biofuels should be exempt from a fuel tax increase in order to support Hawaii's sustainability goals and to address the threat of climate change.

Thank you for your consideration of this testimony.

DAVID Y. IGE  
GOVERNOR

SHAN TSUTSUI  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI  
DIRECTOR OF TAXATION

JOSEPH K. KIM  
DEPUTY DIRECTOR

To: The Honorable Henry J. C. Aquino, Chair  
and Members of the House Committee on Transportation

Date: Wednesday, March 23, 2016  
Time: 10:30 A.M.  
Place: Conference Room 309, State Capitol

From: Maria E. Zielinski, Director  
Department of Taxation

Re: S.B. 2938, S.D. 2, Relating to Transportation.

The Department of Taxation (Department) supports S.B. 2938, S.D. 2, an Administration measure, and offers the following comments for your consideration.

S.B. 2938, S.D. 2, increases the fuel tax rates found at section 243-4, Hawaii Revised Statutes. Specifically, this measure sets the rates as follows: 2 cents for each gallon of diesel oil; 2 cents for each gallon of gasoline or other aviation fuel sold for use in or used for airplanes; 19 cents for each gallon of liquid fuel other than diesel oil, aviation fuel, or alternative fuel, sold or used in the City and County of Honolulu, or sold in any county for ultimate use in the City and County of Honolulu; 19 cents for each gallon of liquid fuel other than diesel oil, aviation fuel, or alternative fuel, sold or used in the County of Hawaii, or sold in any county for ultimate use in the County of Hawaii; 19 cents for each gallon of liquid fuel other than diesel oil, aviation fuel, or alternative fuel, sold or used in the County of Maui, or sold in any county for ultimate use in the County of Maui; and 19 cents for each gallon of liquid fuel other than diesel oil, aviation fuel, or alternative fuel, sold or used in the County of Kauai, or sold in any county for ultimate use in the County of Kauai.

The measure additionally changes the rates for motor vehicle registration and the motor vehicle weight tax, as well as changing the amounts deposited into the state highway fund. S.D. 2 is effective on July 1, 2016.

The Department notes that it is able to implement the proposed changes to the fuel tax rates according to the effective date of this measure. The Department defers to the counties regarding their ability to administer the changes to the motor vehicle weight tax and the motor vehicle registration fee.

Thank you for the opportunity to provide comments.



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
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DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**LUIS P. SALAVERIA**  
Director

Department of Business, Economic Development, and Tourism  
before the

**HOUSE COMMITTEE ON TRANSPORTATION**

Wednesday, March 23, 2016

10:30 a.m.

State Capitol, Conference Room 309

in consideration of  
**SB 2938, SD2**

**RELATING TO TRANSPORTATION.**

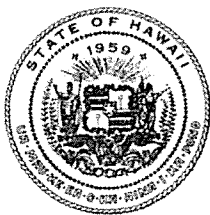
**LATE**

Chair Aquino, Vice Chair LoPresti and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) **supports** Senate Bill 2938, SD2, which increases the state fuel tax, motor vehicle weight tax and motor vehicle registration fee to generate additional revenues for the state highway fund.

With increases in fuel efficient vehicles available to the public it is clear that the current gas fuel tax is not sustainable for future highway funding. Transportation industry experts have indicated that Federal Corporate Average Fuel Economy (CAFE) standards are driving improvements in fleet fuel efficiency, which is expected to reduce fuel consumption and erode Hawaii's state gas tax revenue per mile driven. DBEDT recognizes that public infrastructure requires everyone to share responsibility and supports modestly increasing revenues to provide needed infrastructure enhancements for motorist, pedestrians, bicyclists, and transit users.

Thank you for the opportunity to provide these comments regarding SB 2938, SD2.



## DISABILITY AND COMMUNICATION ACCESS BOARD

919 Ala Moana Boulevard, Room 101 • Honolulu, Hawaii 96814  
Ph. (808) 586-8121 (V/TDD) • Fax (808) 586-8129

**LATE**

March 23, 2016

### TESTIMONY TO THE HOUSE COMMITTEE ON TRANSPORTATION

#### Senate Bill 2938, SD2 – Relating to Transportation

The Disability and Communication Access Board (DCAB) takes no position but offers comments on Senate Bill 2938, SD2 – Relating to Transportation. This measure increases the state fuel tax to generate additional revenues for the state highway fund by amending §243-4, Hawaii Revised Statutes, allows for an increase in the state motor vehicle registration fee and increases the amount of the fee to be deposited into the state highway fund by amending §249-11, Hawaii Revised Statutes, and increases the state motor vehicle weight tax by amending §249-33, Hawaii Revised Statutes.

We appreciate and support the need to improve our highway system and the need to increase revenue to replenish the Highway Fund to pay for the improvements.

Our comments relate to Part II, Motor Vehicle Registration, Section 2. We offer no comments on the liquid fuel or the motor vehicle weight taxes. This bill proposes to raise the motor vehicle registration fee from \$45.00 to \$76.50, of which \$71.50 is to be deposited into the Highway Fund and \$5.00 into the Emergency Medical Services Special Fund.

We would like to call the Committee's attention to House Bill 1154, HD1 that was carried over from the 2015 Legislative Session. This bill proposes to raise the motor vehicle registration fee from \$45.00 to an unspecified (but requested \$1.00) to fund and improve the disabled person parking program. This request was approved in Conference Committee of the Legislature in 2011 but not enacted due to a technical drafting error. The bill was reintroduced in 2012 and 2015.

We do not wish to diminish the request of the Department of Transportation for their funding. We simply ask that as you incorporate the language of House Bill 1154 to include the provision of the \$1.00 for the disabled person parking program.

Thank you for the opportunity to testify.

Respectfully submitted,

BARBARA FISCHLOWITZ-LEONG  
Chairperson  
Legislative Committee.

FRANCINE WAI  
Executive Director

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

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SUBJECT: LIQUID FUEL, MISCELLANEOUS, Vehicle Registration, Vehicle Weight, and Fuel Tax Increases

BILL NUMBER: SB 2938, SD-2

INTRODUCED BY: Senate Committee on Ways and Means

EXECUTIVE SUMMARY: Increases the fuel tax, vehicle registration fee, and vehicle weight tax that go into the Highway Fund. The Department of Transportation is having difficulty spending the money it has, as shown by its backlog of \$650 million in federal grants. We suggest that the department be more efficient in spending the money it has before coming to taxpayers for more.

BRIEF SUMMARY: This bill is sponsored by the Department of Transportation TRN-12 (16). It amends HRS section 243-4 by increasing the state fuel tax on each gallon of liquid fuel as follows:

- Diesel oil and gasoline or other aviation fuel sold for use in or used for airplanes: from 1 cent to 2 cents.
- Liquid fuel other than the aforementioned fuels and other than alternative fuels sold or used in, or sold in any county for ultimate use in: the city and county of Honolulu, the county of Hawaii, the county of Maui, the county of Kauai: from 16 cents to 19 cents in addition to the counties' respective fuel taxes as prescribed in HRS section 243-5.

Amends HRS section 249-31 by increasing the registration fee for all vehicles and motor vehicles in the State from \$45 to \$76.50 annually and by increasing the amount of deposit from each registration into the state highway fund from \$40 to \$71.50 and \$5 into the emergency medical services special fund.

Amends HRS section 249-33 by increasing the motor vehicle weight tax, based on net weight, for all vehicles and motor vehicles:

- Up to and including four thousand pounds: from 1.75 cents to 2.75 cents per pound.
- Over four thousand pounds and up to and including seven thousand pounds: from 2.00 cents to 3.00 cents per pound.
- Over seven thousand pounds and up to and including ten thousand pounds: from 2.25 cents to 3.25 cents per pound.
- Over ten thousand pounds: from \$300 to \$400 flat rate.

EFFECTIVE DATE: July 1, 2016

STAFF COMMENTS: This bill asks for a tax hike of approximately \$71.3 million for the state highway fund.

Some of the requested increases bring the tax up to last year's levels because the sunset of Act 188, SLH 2012, dropped the tax rates to those that existed before passage of that Act. For example, the tax rate for gasoline and diesel was 17 cents per gallon last year, and the repeal of Act 188 rolled it back to 16 cents. DOT is now asking that it be raised to 19 cents.

These requested tax hikes all seek to generate additional revenue for the improvement of highways. The rationale for said tax hike is that while the average fuel economy of motor vehicles, number of electric, hybrid electric, and alternative fuel vehicles all increase, the fuel taxes don't keep up and so the current rates are not sustainable for future highway funding.

At least part of the rationale is questionable because the fuel tax is also applied to the fuel oil that is now used to generate electricity on all islands. Thus, electric and hybrid vehicles pay at the plug even if they might not pay at the pump.

On November 5, the Senate Ways and Means Committee held a hearing on federal moneys awarded but unspent. It heard from DOT, which has a backlog of over \$650 million in federal funding for highway projects. Some backlog is inevitable because the federal government encumbers the entire grant amount when it is awarded and then pays the money out as costs are incurred, which could be years later. The federal agency wrote DOT a letter "praising" it for reducing the balance down to that number from, well, 2010 when the unspent balance was \$940 million. We understand that the backlog level should be around \$450 million.

Why can't we spend the money? Let's look at the highway funding, which represents the biggest chunk. It was given to us for large construction projects, mostly bridges and highways. DOT told the Senate committee that there were "various issues that delayed these major construction project[s], including environmental issues, bid protests, utility and rights-of-way issues, and others."

Even so, \$200 million over what it "should be" is a tremendous amount of money, and the sheer size of this amount is an indictment of "the system" we now have in place.

Furthermore, in a report from the nonprofit Reason Foundation, available at [http://reason.org/files/21st\\_annual\\_highway\\_report.pdf](http://reason.org/files/21st_annual_highway_report.pdf), Hawaii was found to have spent \$90,000 in administrative costs per state-controlled highway mile, the worst in the country and 100 times the \$900 per mile spent in Kentucky. The Department of Transportation states that this figure is too high, and results from it mistakenly reporting debt service as administrative costs to the Federal Highway Administration; the data for the Reason Foundation report was compiled from data reported to the FHA. In a letter to Senate President Kim dated December 10, 2014, the DOT stated that it amended its FY 2013 report to reflect an administrative cost per mile of \$46,621 rather than the \$78,194 previously reported, and that such amendment would have ranked our state 45th or 46th instead of dead last.

It's apparent that the Department of Transportation needs to implement more efficient spending practices, or, if existing law is getting in the way of its work, it needs to ask the Legislature for appropriate changes so it can carry out its work, prior to squeezing the taxpayers for more and more funding.



Digested 2/26/16



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Transportation  
Wednesday, March 23, 2016 at 10:30 A.M.  
Conference Room 309, State Capitol**

**RE: SENATE BILL 2938 SD 2 RELATING TO TRANSPORTATION**

Chair Aquino, Vice Chair LoPresti, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **has concerns regarding** SB 2938 SD 2, which proposes to:

- Increase the State Fuel Tax to generate additional revenues for the State Highway Fund by amending section 243-4, Hawaii Revised Statutes;
- Increase in the state motor vehicle registration fee and deposits the money into the State Highway Fund by amending section 249-31, Hawaii Revised Statutes;
- Increase the state motor vehicle weight tax and deposits the money into the State Highway Fund by amending section 249-33, Hawaii Revised Statutes.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We understand the need for additional revenues for the State Highway Fund; however, as vehicles become more and more fuel efficient or switch over to electric or hydrogen, more and more of the tax burden is shifted to families or businesses using gas or diesel vehicles. Perhaps the legislature should consider creating a higher vehicle registration fee and vehicle weight tax on those non-gasoline or diesel powered vehicles to spread the burden of the construction and maintenance of roads in Hawaii more equitable among all the various users.

In addition, we believe that there needs to be more accountability on how these funds are expended, including how projects are prioritized in the use of the highway funds. The primary use of these funds should be to insure adequate transportation infrastructure is constructed to support population increases in areas of identified growth. The lack of investment in our State Highway system to support the planned growth in Kapolei is the major reason why there is congestion and grid-lock during rush hour between Honolulu and West Oahu.

The planning and implementation of transportation projects needs to be more focused, open and transparent. And once projects are prioritized and funded, they need to be constructed in a timely manner in order to take full advantage of the matching federal funds.



Chamber *of* Commerce HAWAII  
*The Voice of Business*

Increases in the taxes and fees without some assurance or game plan on how the projects will be identified, prioritized, and implemented would be irresponsible at this time.

Thank you for the opportunity to express our views on this matter.



AMERICAN SOCIETY OF CIVIL ENGINEERS

Hawai'i Section | PO Box 917 | Honolulu, HI 96808-0917

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### **IMMEDIATE PAST-PRESIDENT**

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(808) 488-7579  
e-mail: [glenn@mkellc.com](mailto:glenn@mkellc.com)

### **YOUNGER MEMBER FORUM PRESIDENT**

**Amanda Tanaka, P.E.**

Fukunaga & Associates, Inc.  
1357 Kapiolani Blvd, Ste 1530  
Honolulu, Hawai'i 96814  
(808) 944-1821  
e-mail: [atanaka@ascehawaii.org](mailto:atanaka@ascehawaii.org)

March 22, 2016

Honorable Henry J.C. Acquino, Chair

Honorable Matthew S. LoPresti, Vice Chair

Members of the House Committee on Transportation

## TESTIMONY IN SUPPORT FOR SB 2938 SD 2 RELATING TO TRANSPORTATION

The American Society of Civil Engineers was established in 1852 and is the oldest professional engineering organization in the United States. More than 1,000 members are assigned to Hawaii. The Hawaii Section of ASCE was established in 1937 and is comprised of more than 400 civil engineers from both the public and private practice.

We support the passage of SB 2938 SD 2 which would increase various motor vehicle taxes and fees to generate additional funds for the state highway fund. Travel on our state highways clearly demonstrate the need to increase capacity, reduce congestion, and provide essential repairs to the pavements and bridges essential for safe and efficient movement of vehicles.

ASCE publishes a comprehensive report every four years on the state of our nation's infrastructure. In the 2013 Report Card for America's Infrastructure, a GPA of D+ was given with a backlog of \$3.6 trillion for repairs and improvements. Hawaii is included in the report which can be found at <http://www.infrastructurereportcard.org/hawaii/hawaii-overview/>. In the report roads are costing motorists \$483 million driving on roads in need of repair. 27% of the roads are in poor condition. 144 of the 1,125 bridges are structurally deficient. Without increased investment from user fees the highway program will continue to fall behind the increasing volume of traffic it must carry.

In addition to the traditional fuel taxes and fees a system of indexing the taxes based on the cost of living index and tolling for interstate highway users may have to be considered for additional revenues.

We urge your passage of SB 2938 SD 2. Thank you for allowing us to testify on this legislation.

Sincerely yours,

Owen Miyamoto

Chair, Local Legislative Affairs Committee



Civil Engineers – Designers and Builders of the Quality of Life

To: Rep Henry J. C. Aquino, Chair, Rep Matthew LoPresti, Vice Chair and the members of the Committee on Transportation.

From: Scott Stensrud, Executive Director of Community Programs-Hawaii, Blue Zone Project

Re: SB 2938

Date: 3/22/16

Aloha,

Raising fees or taxes is always a sensitive issue and not one that garners a lot of public support. But looking at the task ahead for the Hawaii Department of Transportation it's clear that they need additional financial support in order to achieve their goals of a sustainable transportation system for all users.

With the current administration's willingness to consider how other methods of transportation can impact congestion and the subsequent improvements to the communities health and wellness that comes from making our roads more walkable and bikeable and not solely focused on adding more lanes I support SB 2938.

Making roads safer for all users has been shown to reduce travel times in other communities such as Seattle, Portland and Vancouver for not just the pedestrians and bikers but also for the motor vehicles as well, it has a huge side benefit of reducing accidents and injuries/death associated with these accidents. Providing the Hawaii Department of Transportation a stronger revenue stream that allows it to make safety improvements and traffic calming initiatives is critical on so many levels.

On a personal level I understand I need to share in the costs of maintaining and improving our infrastructure. As a driver of an electric vehicle and someone that doesn't pay gasoline taxes, I am not opposed to the higher weight fees that are part of this bill adjusting user fees. We all have to share these costs to make Hawaii a safer place for all residents.

Mahalo

Scott Stensrud

From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 2:27 PM  
To: TRNtestimony  
Cc: robert.carroll@mauicounty.us  
Subject: Submitted testimony for SB3072 on Mar 23, 2016 10:00AM

**SB3072**

Submitted on: 3/22/2016

Testimony for TRN/WAL on Mar 23, 2016 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
robert carroll	Individual	Support	No

Comments: I support SB 3072 SD2 for the reasons stated in testimony provided by Maui County Council Chair White. Thank you.

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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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 2:42 PM  
To: TRNtestimony  
Cc: wind99@msn.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Burt Martin	Individual	Oppose	No

Comments: The percentage increases in both the State Fee and the State Weight Tax are outrageous. If my math is correct State Fee to increase by 70% and my vehicle weight tax to increase by 50%. I ask the committee to take a close look at the proposed increases. They will put an unreasonable financial burden on all of us. As a senior, my social security increase this year was zero. Thanks for listening.

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 2:44 PM  
To: TRNtestimony  
Cc: makahababy@aol.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Sara Perry	Individual	Oppose	No

Comments: While I understand that the DOT is asking for this to be able to do more projects, I don't think they've shown enough progress with current fund usage, nor success in traffic improvement with current funds, to justify asking for more from taxpayers. As a Wai'anae resident, I sit in over two hours of traffic ONE WAY each day to and from work in town. That equates to 15-20 hours a week sitting in my car in traffic just to get to and from work. That is awful and DOT is responsible for not having planned far enough ahead to widen roads, address congestion, and spend federal funds properly to combat this problem proactively rather than reactively. While DOT has been scrambling this past year to play catch-up, and legitimately have been doing pretty well, I don't think it's fair to add more fees to already financially strapped citizens to address a traffic problem that the DOT, presently and historically, created by not doing enough. I ask that this bill be killed, deferred indefinitely, or voted against until such a time as the DOT has proven that they can work with the resources they currently have AND has addressed current problems with real solutions and not just temporary Band-Aid fixes. Additionally, if it must be passed, please create an exemption for low-income people who this could greatly impact, or implement it gradually over 5-10 years and hold the DOT to progress standards during that time.

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lopresti2 - Jasmine

---

From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 2:46 PM  
To: TRNtestimony  
Cc: rustonu@gmail.com  
Subject: \*Submitted testimony for HCR174 on Mar 23, 2016 10:00AM\*

**HCR174**

Submitted on: 3/22/2016

Testimony for TRN/WAL on Mar 23, 2016 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Ruston Utu	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 2:55 PM  
To: TRNtestimony  
Cc: mendezj@hawaii.edu  
Subject: \*Submitted testimony for SB2938 on Mar 23, 2016 10:30AM\*

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 3:15 PM  
To: TRNtestimony  
Cc: tony@rmasalesco.com  
Subject: \*Submitted testimony for SB2938 on Mar 23, 2016 10:30AM\*

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Anthony B. Borge	Individual	Oppose	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 3:15 PM  
To: TRNtestimony  
Cc: success881@hawaiiantel.net  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Chuck Lee	Individual	Support	No

Comments: Aloha Chair Aquino and Members of the Transportation Committee, I am in strong support of SB2938 which involves the transportation funding user fee adjustments. The increases in revenues will provide safer infrastructure enhancements for all users including pedestrians, bicyclists, transit users, and motorists and would positively impact the department's ability to qualify state matching funds for the highways federal-aid program. Thank you for the opportunity to testify. Chuck Lee

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 3:21 PM  
To: TRNtestimony  
Cc: destiny96797@aol.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
renee kawelo	Individual	Oppose	Yes

Comments: I oppose SB2938 and any bills similar that would increase taxes and fees on individuals. Until the state can show they are affectively using funds that they are collecting from our pockets all increases should stop. This government not only at a state level but also a national level is going unchecked. Your responsibility to the people is to speak for US NOT FOR YOU OR THE GOVERNMENT! We the people cannot keep shelling out more and more money to this corrupt and bankrupt system. We are not a bank! Our families are suffering and are barely making it while politicians are making more then double what we make in labor intensive positions. The rail went way over budget! FAILURE! Our roads are crap despite the amount of funds that are generated every year for that specific reason. I live on the westside and we receive the least amount of funds and effort to helping our people create a safe road way. We have one way in one way out. When do we get the attention that we need? We pay taxes to we also should have been budgeted in and not set aside. Look within first. Figure other ways if not WHEN DOES IT STOP?

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**TESTIMONY REQUESTING AMENDMENT OF SB 2938, SD 2  
RELATING TO TRANSPORTATION  
SUBMITTED BY DOUGLAS MELLER FOR THE  
MARCH 23, 2016 10:30 AM HEARING OF THE  
HOUSE COMMITTEE ON TRANSPORTATION**

Public notice of the March 23, 2016 10:30 am public hearing on SB 2938, SD 2 was first provided at 1:30 pm on March 22, 2016.

State tax rates are set by statute. State user fee rates are set by agency rules. DOT has adopted rules to set user fees for Hawaii airports and harbors.

To ensure timely and adequate funding of state highway maintenance, instead of enacting statutory highway tax increases, I request that this Committee amend SB 2938, SD 2 to authorize the state DOT to adopt rules to administratively assess highway user fees to be collected in the manner as state taxes currently deposited to the state highway fund, with ALL highway user fee revenues earmarked to pay for maintenance, operation, and management of highways under DOT's jurisdiction.

In Hawaii Insurance Council v. Lingle, the Hawaii Supreme Court ruled that transfer of state user fees to the general fund would unconstitutionally blur the distinction between the executive power to assess user fees and the legislative power to tax for general purposes. If DOT assessed highway user fees could only be spent for state highway maintenance, operation, and management, there would be much less incentive for elected officials and political appointees to inappropriately defer state highway maintenance.

Before I retired, I used to work for the state DOT. Practically every year before I retired, I heard complaints that the Legislature, the Governor, the Department of Budget and Finance, and/or the DOT Director were inappropriately restricting both expenditures for state highway maintenance and the number (and filling) of positions required for state highway maintenance. Although responsibility is shared by many parties, I believe that state highway maintenance has been underfunded and understaffed because elected officials and political appointees have other priorities for use of state highway tax revenues and do not understand the consequences of their actions.

Regardless of State priorities, deferral of timely public expenditures for state highway maintenance will substantially increase the cumulative long-term public expenditures which will inevitably be required for highway maintenance. It also is relevant that the short-term public costs to fund routine highway maintenance will normally be less than the additional short-term private costs (for vehicle maintenance and fuel) which would be incurred without routine public expenditures to keep highways sealed and smooth.

There is no way the current Legislature can limit the future expenditure of state highway tax revenues for purposes unrelated to state highways or guarantee that highway tax revenues will be used for timely highway maintenance rather than capital improvements to increase highway capacity. There obviously are political pressures to defer state highway maintenance so that state highway tax revenues and DOT's apportionment of FHWA funds can be used for other purposes. Between 1996 and 2003, about \$144 million was transferred from the state highway fund to the state general fund. Act 178, Session Laws of Hawaii 2005, appropriated \$10 million from the state highway fund for use by the counties. Act 125, Session Laws of Hawaii 2006, amended Section 248-9(a)(4), Hawaii Revised Statutes, to allow unlimited future use of state highway tax revenues for county roads. Even though most of the state's apportionment of FHWA funds could be "obligated" to reimburse DOT expenditures for maintenance of state highways, the Legislature has allowed HDOT to decide how much FHWA funds may be "obligated" for reimbursement of county highway expenditures. For federal FY 2002 through federal FY 2010, about \$190 million of HDOT's apportionment of FHWA funds was contractually "obligated" to reimburse county expenditures for county projects. (Actual FHWA reimbursement of county expenditures may have been smaller or larger than this.)

from: [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)

to: [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)

date: Tue, Mar 22, 2016 at 1:30 PM

subject: Hearing Notice HEARING\_TRN\_03-23-16\_2\_ - HI State  
Legislature

mailed-by: [capitol.hawaii.gov](mailto:capitol.hawaii.gov)

These measures have been added to the hearing notice: SB2938

TO: Members of the Committee on Transportation

FROM: Natalie Iwasa  
Honolulu, HI 96825  
808-395-3233

HEARING: 10:30 a.m. Wednesday, March 23, 2016

SUBJECT: SB 2938, SD2 Relating to Increases in Fuel Tax - **OPPOSED**

Aloha Chair and Committee Members,

Thank you for allowing me the opportunity to provide testimony on SB 2938, SD2, which would increase various fuel and vehicle taxes and fees, including doubling aviation fuel, increasing others by 50% or more.

Please just stop the waste and require the DOT to use federal funds as allotted.

*In addition, the hearing notice for this measure came in about 1:30 p.m. March 22, which is less than 24 hours prior to the hearing. This does not give the public much time to provide testimony or even become aware that this measure is going to be heard.*

From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 4:30 PM  
To: TRNtestimony  
Cc: lkakatsu@hawaii.rr.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Murakami-Akatsuka	Individual	Oppose	No

Comments: I strongly oppose SB2938. Taxpayers don't need another tax to add to our burden of being able to pay our bills, take care of our family, be able to eat, and to travel to and from home to work. Please give us some tax relief so that we won't have to choose between living in Hawaii or leaving. It is already so hard with what taxes we have to pay in Hawaii. Please consider the Hawaii residents when voting on this bill.

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 5:06 PM  
To: TRNtestimony  
Cc: ikeimiloa@gmail.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Abraham Narvaez	Individual	Oppose	No

Comments: I strongly Oppose SB 2938 and the companion bill HB 2409 and any other bill or measure associated with this bill. Please do not raise the taxes and fees. I can barely afford many things in life as I already live a humble and simple one. I work hard and contribute to society. I can barely make ends meet. If the cost of living continue to increase, I may be forced to move from this land, which my family have inhabited for many generations, to the mainland. I humbly ask that those in legislation rethink how a stroke of pen could change the lives of so many. Please understand that the people of Hawaii can't bare to pay more for many things. I live in Hilo and public transportation cannot accommodate my daily routine. I feel that this bill is not specific enough for me to feel confident to support these bills and measures, with the little information that has been provided, that it will directly benefit my community. This is a couple of reasons, amongst many, as to why I am Strongly against these measures. Mahalo for your time and effort to making Hawaii a better place. Mahalo. Abraham Narvaez.

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lopresti2 - Jasmine

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 6:37 PM  
To: TRNtestimony  
Cc: mjdiii13@gmail.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
mike	Individual	Oppose	No

Comments: please please please dont do this !! i can not afford an increase in vehicle costs and my family needs our vehicles for work. thank you.

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 6:48 PM  
To: TRNtestimony  
Cc: bkulbis@reagan.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Brett Kulbis	Individual	Oppose	No

Comments: This is nothing more than a money grab to save the failing State Highway Fund, and to force hard working families out of their cars and on to the dependence of government transportation. STOP PICKING OUR POCKETS!!! The fact that Chairman Aquino would pull this stunt is outrageous. How can anyone testify in person with less than 24 hours notice.

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March 23, 2016

House Committee on Transportation  
Representative Henry J.C. Aquino, Chair

RE: **SB2938 SD2** Relating to Transportation

Chair Aquino and Committee Members,

My name is Vicki Franco and I am a resident of Manoa, Hawaii. More taxes is that your answer to living within your means. Why are we raising the registration fees again after they were just increased two years ago. Enough is enough. The legislature's answer to not enough money is raising fees and taxes. No, no, no. Start learning to live within your means. We do it every day here in Hawaii. We have to constantly decide if we can afford to buy something. Is there a need or is it a want. Apparently the State Government does not have the same issues. You will just raise taxes to pay for things. Maybe someone should be looking into how we are spending our existing revenues and not immediately determine that a hike in fees or taxes would solve all the problems. I am against the passage of this bill. No more tax increases. I am against the passage of this bill. Mahalo for the opportunity to testify.

Respectfully submitted by,

Vicki Franco – Manoa Resident

From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 8:24 PM  
To: TRNtestimony  
Cc: blawaiianlvr@icloud.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Ho'omana Pono, LLC.	Oppose	Yes

Comments: We STRONGLY OPPOSE this bill, as the Hawaii tax payers are already taxed out & struggling just to live. The State & City & County of Honolulu has caused the Residents of this State to end up footing the bill of the "Rail". Initially, the rail was slated to be a \$4.6 billion project, as applicable during the 2008 rail referendum, that was to be funded by a combination of city and federal funds. The city had set aside hundreds of millions of dollars in tax revenue for the project and in 2012 was awarded a total of \$1.55 billion in federal funding. Now with the collusion of the FTA and members of this legislative body, the 20-mile rail which was originally supposed to cost \$4.6 billion, in a blink of an eye jumped to \$5.2 billion! Rail is now projected to cost about \$10 billion. HART's own estimates is slated to add another \$240 million to the cost of the rail project. HART originally used an average of 4.5% per year rate of construction cost escalation in 2012 when it presented its financial plan to the Federal Transit Administration. The actual construction cost escalation for Oahu for years 2013 and 2014 has averaged 10.3% per year, more than double the original estimate. Based on most recent cost data, the estimated construction escalations for Oahu are projected to be 12%-15% for 2015. In our opinion, it's your mess, you must clean it up & not continue to look to the Hawaii Taxpayers to bail you out of a self- created crisis. Here's a solution, how about you reduce your pay to the minimum wage limit ( so you know what it's like to feel the heavy burden of Government imposed taxes on what little you will make!), and donate the rest of the money that you would have made,to go into the rail project. This will allow you to show the Hawaii Taxpeyers that you are truly remorseful in getting us stuck in this mess & that collectively you're accepting the responsibility. THIS IS AN ELECTION YEAR, LET'S GET THIS INFORMATION OUT ON THE RECORD: EITHER DEFER THIS BILL OR HOLD IT OR PASS IT WITH YOUR VOTE. THE TAXPAYERS WILL HAVE YOUR RESPONSE IN NOVEMBER.

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 8:27 PM  
To: TRNtestimony  
Cc: lssjamias@gmail.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Leonardo Jamias	Individual	Oppose	No

Comments: I oppose increasing the car registration fees. Cut expenses before raising taxes.

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 8:42 PM  
To: TRNtestimony  
Cc: princewilson.shopping@gmail.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
emma prince	Individual	Oppose	No

Comments: I do not agree

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 8:43 PM  
To: TRNtestimony  
Cc: armando.r.apolinar@gmail.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
armando r.apolinar	Individual	Oppose	No

Comments: I do not agree.

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 8:50 PM  
To: TRNtestimony  
Cc: tatitati45@hotmail.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/22/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Tatiana Q	Individual	Oppose	No

Comments: I'm paying more than double for my registration. From around \$170 to OVER \$350. I have 2 children in preschool- they have to go so I can work. I need my car to get to and from work and also pick/drop them off, but cannot afford to keep paying for higher registration. Gas and maintenance alone is enough along with the already high cost to live in the state that I love. I'm born and raised, I don't want to move, but with the cost of living always increasing. It is becoming harder and harder for me to stay! Please come up with better ways to improve this state. Taxing the middle class isn't working! How about cutting some entitlements for those that DO NOT work! Instead of punishing those that DO work! Thank you for your time and consideration. I appreciate it

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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**Testimony to the House Committee on Transportation**  
**Wednesday, March 23, 2016**  
**10:30 a.m.**  
**State Capitol - Conference Room 309**

**RE: SB 2938 S.D. 2 – Relating to Transportation.**

Dear Chair Aquino, Vice-Chair LoPresti, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA Hawaii has concerns regarding S.B. 2938 S.D. 2, which proposes to:

- Increase the state fuel tax to generate additional revenues for the state highway fund by amending section 243-4, Hawaii Revised Statutes.
- Increase in the state motor vehicle registration fee and increases the amount of the fee to be deposited into the state highway fund by amending section 249-31, Hawaii Revised Statutes.
- Increase the state motor vehicle weight tax by amending section 249-33, Hawaii Revised Statutes.

We understand the need for additional revenues for the State Highway Fund; however, as vehicles become more and more fuel efficient or switch over to electric or hydrogen, more and more of the tax burden is shifted to families or businesses using gas or diesel vehicles. Perhaps the legislature should consider creating a higher vehicle registration fee and vehicle weight tax on those non-gasoline or diesel powered vehicles to spread the burden of the construction and maintenance of roads in Hawaii more equitable among all the various users.

In addition, we believe that there needs to be more accountability on how these funds are expended, including how projects are prioritized in the use of the highway funds. The primary use of these funds should be to insure adequate transportation infrastructure is constructed to support population increases in areas of identified growth. The lack of investment in our State Highway system to support the planned growth in Kapolei is the major reason why there is congestion and grid-lock during rush hour between Honolulu and West Oahu.

The planning and implementation of transportation projects needs to be more focused, open and transparent. And once projects are prioritized and funded, they need to be constructed in a timely manner in order to take full advantage of the matching federal funds.

Increases in the taxes and fees without some assurance or game plan on how the projects will be identified, prioritized, and implemented would be irresponsible at this time.

Thank you for the opportunity to express our views on this matter.

bikeshare hawaii is a local 501(c)(3) nonprofit that will launch and manage a large-scale bikeshare system in hawaii. *let's move hawaii forward. try bike.*



999 Bishop Street, Suite 1202  
Honolulu, HI 96813

BikeshareHawaii.org  
@bikesharehawaii

Lori McCarney, *CEO*  
Benjamin Trevino, *President & COO*

Board of Directors  
Greg Gaug, *Chair*  
Dr. Geoffrey Bannister  
Bruce Coppa  
Mike Formby, *Board Observer*

March 22, 2016

**Re: Support for SB2938**

Chair Aquino and Members of the House Committee on Transportation

Bikeshare Hawaii strongly supports SB2938, Relating to Transportation

Today's state transportation system is a marvel. It handles hundreds of thousands of users daily, is pounded by vehicles carrying thousands of pounds of weight, and stands up to weather conditions of all kinds. It is a system that benefits all through the activities that it affords: commuting, delivering services, and promoting economic activity.

The pressures on this system are only growing more. And the growing pressure compounds the maintenance needs, not merely scaling them linearly. To plan for the future, HDOT needs the resources to continue serving the needs of today, while having enough capacity to plan and invest in the solutions – multimodal, transit, pedestrian and bike accommodations – that will carry us through tomorrow.

HDOT is thinking carefully about the future, involving the community and planning for facilities that will serve the state for years to come. This bill outlines precious revenue for them to be able to execute their plan, a vision that will ultimately benefit us all.

A handwritten signature in black ink, appearing to be "Ben Trevino", with a long, sweeping line extending from the end of the signature.

Ben Trevino  
President & COO  
Bikeshare Hawaii

## **Spend Unspent Federal Funds and Reduce Waste and Inefficiencies Before Asking Taxpayers for More Tax Dollars for SB2938 SD2**

Aloha Distinguished State Senators,

Mahalo for your time and attention to my concern as well as many other overburdened taxpayers who share my anger with more and bigger government spending, when we forget that we should focus on our priorities and spend within our limited budget and spend as if it were your own money and not just other people's money.

First, when I read in our Honolulu Star-Advertiser about many millions of Federal funds that are not spent expeditiously by our State Government, including our State Department of Transportation, my blood just boils over with anger, when our State Government asks our poor taxpayers to pay more tax dollars when existing funds go unspent for many years, recognizing that the State is paying more attention and is reducing this huge backlog of unspent Federal funds.

I worked for the Federal Government for 35 distinguished years, and whenever I had to justify my program funds during quarterly budget reviews, I had to show that we were on target for both our funding obligations and expenditures. Not only that, I had to justify why the funding was necessary in the first place and continue to be necessary, including our program accomplishments to justify continued funding of our programs.

Second, when I read in our Honolulu Star-Advertiser about our wasted tax dollars due to our State Government employees' inattention to detail, it makes my blood boil over again, when our hard-earned taxpayer dollars are being mismanaged and State-run operations are very inefficient. For example, on February 23, 2016, the Honolulu Star-Advertiser had a front-page headline, "Department of Transportation – Report on roads left by wayside: A national pavement consultant's suggestions are being taken up by the state eight years later!" Is this what you consider to be an efficient use of our hard-earned taxpayer money? Absolutely not – this is both absolutely ridiculous and UNACCEPTABLE!

This absolute mismanagement and waste of our taxpayer money was first brought to our attention in the February 8, 2016 Honolulu Star-Advertiser headline, "Paradise for Potholes – Oahu behind the times, road repair experts say: A 43-page report in 2008, with 16 pages of recommendations, "fell on deaf ears" at the DOT!" Again, this is both ridiculous and UNACCEPTABLE!

I respectfully request your attention to my dual concerns discussed above and take the appropriate action of DISAPPROVING SB2938 SD2 for the reasons stated above.

Mahalo nui loa,

George Tsuchida

Mililani Mauka



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Geolabs, Inc.  
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March 22, 2016

**Senate Committee on Transportation and Energy**

**Hearing Date: Wednesday, March 23, 10:30 a.m., Conference Room 309**

Honorable Representatives Henry J.C. Aquino, Chair; Matthew S. LoPresti, Vice Chair; and Members of the House Committee on Transportation

Subject: **SB 2938 SD2, Relating to the Transportation  
Testimony in SUPPORT**

Dear Chair Aquino, Vice Chair LoPresti, and Committee Members:

The American Council of Engineering Companies of Hawaii (ACECH) represents more than 70 member engineering consulting firms with over 1,500 employees throughout Hawaii. ACEC nationally is a strong supporter of long-term transportation infrastructure investment as a driver of our economy. A modern and efficient transportation system is critical for protecting public health and safety, promoting commerce, and providing mobility. It allows our local businesses to get their products to market and our workers to get to their jobs.

National studies tracked by ACEC have shown:

- *Transportation infrastructure forms the basis of economic growth.* Every dollar invested in highway and transit development generates between \$4 - \$8 in economic output.
- *Continued under-investment hampers the economy,* as congestion and other transportation inefficiencies negatively impact businesses.
- *The public supports infrastructure investment as a core government responsibility.* Public polling and numerous recent funding initiatives in mainland states show that voters are willing to support user fee increases when additional revenues are dedicated to repair or replace aging infrastructure.

Consistent with our national organization's strong commitment to stable transportation funding, ACECH supports SB 2938 regarding increasing transportation funding. We appreciate the opportunity to provide testimony on this matter. Please do not hesitate to contact us if you have any questions.

Respectfully submitted,  
AMERICAN COUNCIL OF ENGINEERING COMPANIES OF HAWAII

A handwritten signature in blue ink, appearing to read "Robin M. Lim".

Robin M. Lim, P.E.  
President



Testimony of

Mufi Hannemann  
President & CEO  
Hawai'i Lodging & Tourism Association

Committees on:  
Transportation  
Water and Land

Senate Bill 3072 SD2: Relating to an Airport Authority

Chair Aquino, Chair Yamane, and members of the Committees on Transportation and Water & Land:

Thank you for the opportunity to testify. On behalf of the Hawai'i Lodging & Tourism Association, we support Senate Bill 3072 SD2 which would establish the Hawai'i airport authority.

The Department of Transportation is a very large state department which is responsible for our roads, harbors, and airports. Given the importance of the state's airports to our hospitality industry, we fully support the establishment of a state airport authority. The authority would give a laser-like focus to the operations, demands, and improvements of our airports, and would allow for a quicker and more efficient job.

The first and last impressions of our visitors and locals occur at the airport. The hospitality industry's continued progress is very dependent on the quality provided by our airports; so it is vital that we improve upon the service, infrastructure, and overall development of such a vital entity. It is imperative that we keep our airports at the forefront of our state and not ignore the importance of initiatives such as the funding and implementation of the airport modernization project. We support the airport authority as a single entity to overlook our airport's planning, management, marketing and development; all under one umbrella.

For these reasons we support Senate Bill 3072.

Mahalo.

March 4, 2016

John Roth, Inspector General  
US Department of Homeland Security  
245 Murray Dr.; Building 410  
Washington, DC 20528

Adam Trzeciak, Inspector General  
Government Accountability Office  
441 G Street, N.W.; Room 1808,  
Washington, D.C. 20548

Robert J. Fenton, Jr.  
Regional Administrator FEMA Region IX  
1111 Broadway, Suite 1200  
Oakland, CA 94607-4052

David Y. Ige, Governor,  
State of Hawaii  
Executive Chambers, State Capitol  
Honolulu, Hawaii 96813

Kirk Caldwell, Mayor  
City and County of Honolulu  
530 South King Street, Room 300  
Honolulu, Hawaii 96813

Arthur A. Elkins, Jr., Inspector General  
Environmental Protection Agency  
1200 Pennsylvania Ave., NW Mail Code: 2410T  
Washington, D.C. 20460-0001

Office of Inspector General  
U.S. Department of Commerce  
1401 Constitution Avenue N.W.  
Washington, DC 20230

US Army Corps of Engineers  
ATTN: CEIG-A, Kingman Building  
7701 Telegraph Road  
Alexandria, VA



**HART Rail is not using scientific research and FEMA maps to plan rail routes and is heading directly into an infrastructure train wreck and public safety disaster.**

Aloha,

Based upon a huge amount of scientific evidence, reports and studies, there really appears to be a need to revisit the HART Rail EIS in light of updated FEMA flood maps, recent White House Executive Orders and Federal infrastructure funding policy. HART is not complying. Reopening the EIS is an option according to the January 2015 HART Rail Consulting Parties meeting.

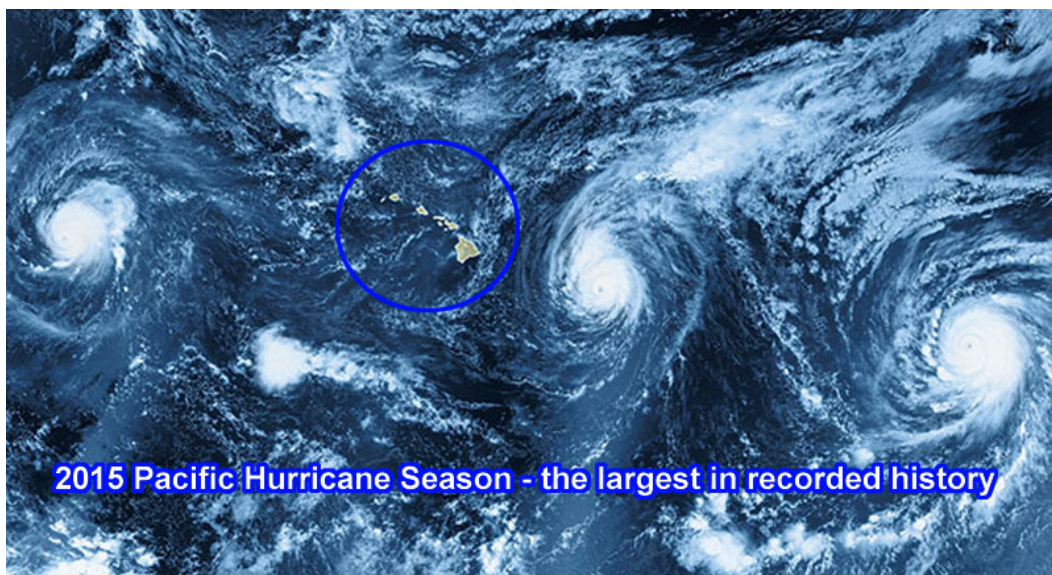
#### **Agency Comments Received on the Final EIS and FTA Responses**

- U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA) – this agency reminded the City that it is a participant in the National Flood Insurance Program (NFIP) and, as such, must comply with NFIP floodplain management building requirements as described in 44 C.F.R. §§ 59 through 65. Compliance with Executive Order 11988, *Floodplain Management*, is addressed in Section 4.14 of the Final EIS. The City will comply with the NFIP requirements in final design.

**However the City is NOT complying with NFIP floodplain management and EO 11988**

Honolulu transit consultant Parsons Brinckerhoff wrote in the 2003 Final EIS:

*"...extreme disruption of existing underground utilities and constant dewatering made necessary by a high water table and poor soils would drive (rail) construction costs to unacceptable levels." -2003 FEIS*



**2015 Pacific Hurricane Season - the largest in recorded history**

Approximately 14 HART Rail Stations and 70% of the Rail route are subject to extreme *floods, tsunami, hurricane storm surge and sea level rise.*

■ **Vulnerable infrastructure?**

- Areas that flood now
- Sagging roadbeds due to slumping/compaction/slope failure (Pali Hwy)
- Soil exposure/unstable slopes
- High traffic flow/Low elevation
  - Hawaii Kai, Waikiki, Kalihi, Airport Industrial
  - North Nimitz, Dillingham, Ala Moana, Kapiolani
  - Kamehameha (windward and North Shore)
  - Kalaniana'ole



***Boxed in RED show the HART rail route sections most affected by floods, tsunami, hurricane storm surge and sea level rise.***

There have been some significant changes and updates in 2015 that the HART Rail FEIS did not address. New FEMA Flood Plain maps have been released and President Obama issued EO 13690. Since HART Rail is being built in sections, **HART has not adequately addressed the new maps, EO 11988 and EO 13690 in their route and station plans.** Especially the DOT requirements Order 5650.2 and FEMA Code of Federal Regulations (CFR) for the National Flood Insurance Program: 44 CFR Parts 59, 60, 65, and 70.

<https://www.fema.gov/national-flood-insurance-program-laws-regulations>



[https://www.fema.gov/pdf/floodplain/nfip\\_sg\\_appendix\\_e.pdf](https://www.fema.gov/pdf/floodplain/nfip_sg_appendix_e.pdf)

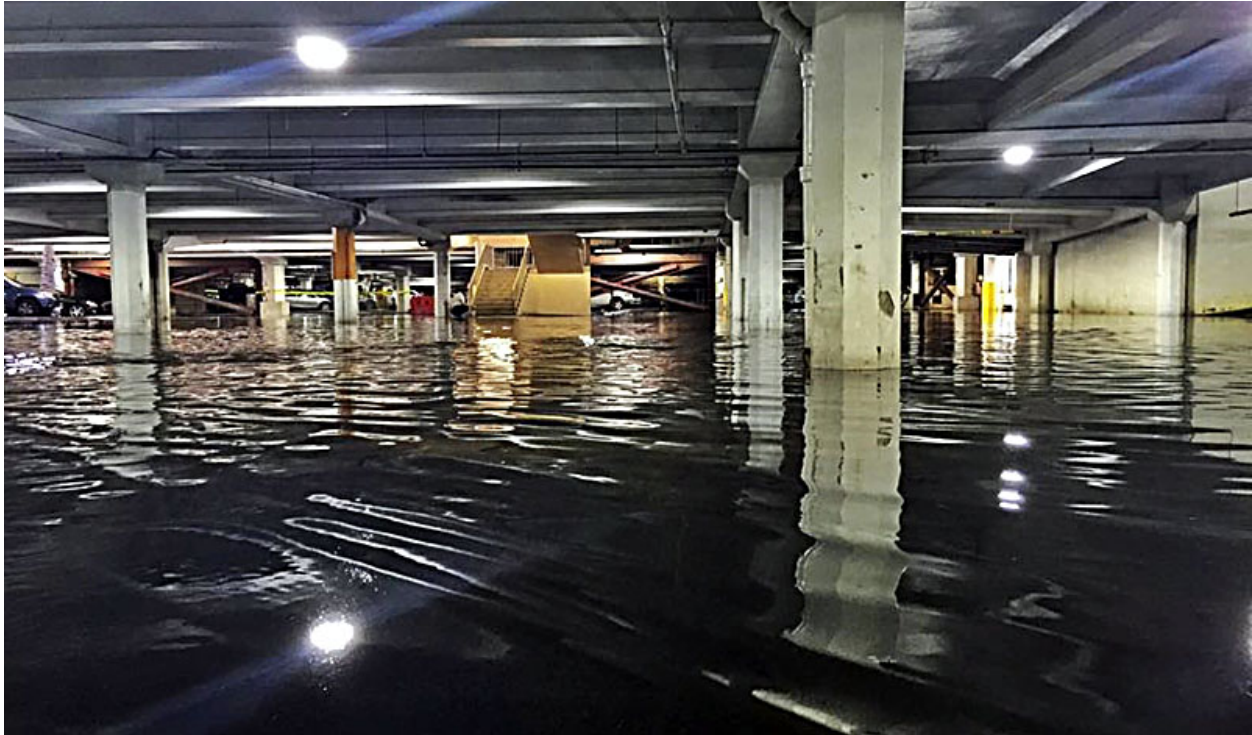
The Floodplains Compliance Process according to all of the online Federal documents can grandfather already built facilities BUT NOT those not yet built. HART Rail is being built in sections and the final construction design plans for most of the flood plain sections have not been issued. There is still time to correct the very badly planned and highly vulnerable rail route.

**Elevated Rail Guideway does NOT protect vulnerable station access, parking, utilities support**

***While the HART rail is on elevated pylons, planned sections 2, 3 and 4 station access are near sea level and in FEMA mapped flood zones. The measured subsurface groundwater level in many areas of downtown Honolulu is just 3-4 feet and steadily rising. Most of the entire HART rail construction geology is in very porous ancient coral limestone reef karst with known subsurface voids, caves and waterways.***



**Approximately 14 HART Rail Stations and 70% of the Rail route are subject to extreme floods, tsunامي, hurricane storm surge and sea level rise.**



***HART Rail stations, access stairs, elevators and escalators and parking facilities will be flooded while sewer, water and power service vaults will be in corrosive salt water.***

The December 2015 HART rail Project Management report shows that contractors are having continuous problems with drilled column cement pours. A flood event by either heavy rains, hurricane storm surge or tsunami will create standing salty water far inland. Encroaching sea level rise is also driving the ground water level up further inland.

There **MUST** be an analysis showing **why** there is **NO OTHER ALTERNATIVE** than the low sea level flood plain route HART Rail is planning into downtown Honolulu. In fact there **ARE** reasonable alternative routes but they have never been discussed in light of the 2015 FEMA Flood plain maps and the POTUS Executive Order.

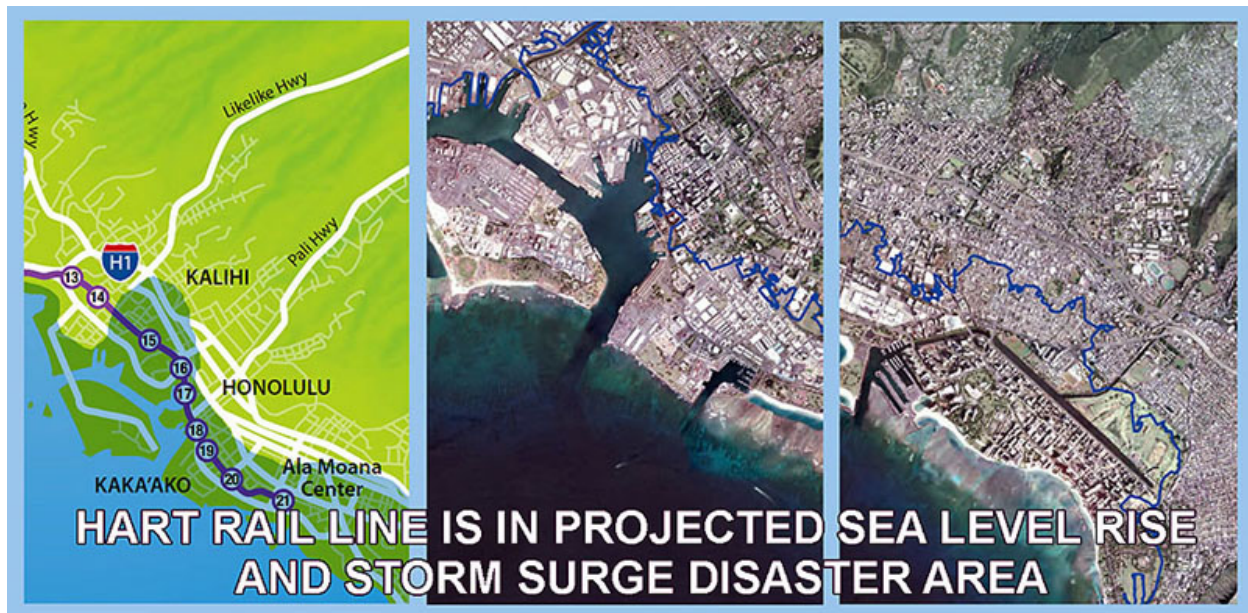
**Manoa professor Fletcher studies coastal hazards and says 70 percent of beaches on Kauai, Maui, and Oahu are eroding.**

<http://khon2.com/2016/03/03/expert-urges-action-as-stronger-el-nino-years-further-coastal-erosion-predicted/>

University of Hawaii at Manoa professor Chip Fletcher predicts stronger El Nino years in the future, which means more beach erosion.

“We’re overdue,” he said. “We need to start making things happen now. We need to catch up.”





Low level water inundation by hurricane storm surge and tsunamis will cause massive electrical, sewer and water damage flooding underground vaults. Powerful sea water forces will knock down structures, slam cars and trucks into structures. *The useful capacity of HART rail to provide operational service in low land flooded areas will be reduced to ZERO.*

**The costs to repair and rebuilt will take many years and many billions of dollars. Honolulu cannot expect Federal bailouts as these environmental conditions will be happening all over the United States. Hurricane Sandy, a classic storm surge case, has greatly depleted available FEMA disaster recovery funds. Honolulu will have to expect FEMA recovery fund delays and relatively little funds to rebuild transportation infrastructure.**

The State of Hawaii and the Federal Emergency Management Administration (FEMA) flood maps clearly show major sections of the rail route are in floodplains. The many additional Federal studies on Sea Level Rise, tsunamis and hurricane storm surge all show the same areas - - and MUCH MORE - will inundate with rain and sea water the low level Honolulu ground infrastructure of planned HART Rail stations and Transit Oriented Developments. ***There will be Billions in damage and huge costs to rebuild away from the vulnerable low shoreline.***

***Changing Tides: New Coastal Mapping Tool Helps to Gauge the Potential Influence of Sea Level Rise on Coastal Inundation in Hawai'i - Preparing Hawai'i for coastal storms***

[Seagrant.noaa.gov/News/FeatureStories/TabId/268/ArtMID/715/ArticleID/612/Changing-Tides-New-Coastal-Mapping-Tool-Helps-to-Gauge-the-Potential-Influence-of-Sea-Level-Rise-on-Coastal-Inundation-in-Hawaii.aspx](http://Seagrant.noaa.gov/News/FeatureStories/TabId/268/ArtMID/715/ArticleID/612/Changing-Tides-New-Coastal-Mapping-Tool-Helps-to-Gauge-the-Potential-Influence-of-Sea-Level-Rise-on-Coastal-Inundation-in-Hawaii.aspx)



***HART Rail stations, access stairs, elevators and escalators and parking facilities will be flooded while sewer, water and power service vaults will be in corrosive salt water. Power will be shut off, sewage will spill into the downtown areas and repair costs will be in the billions.***

<http://www.soest.hawaii.edu/coasts/sealevel/>

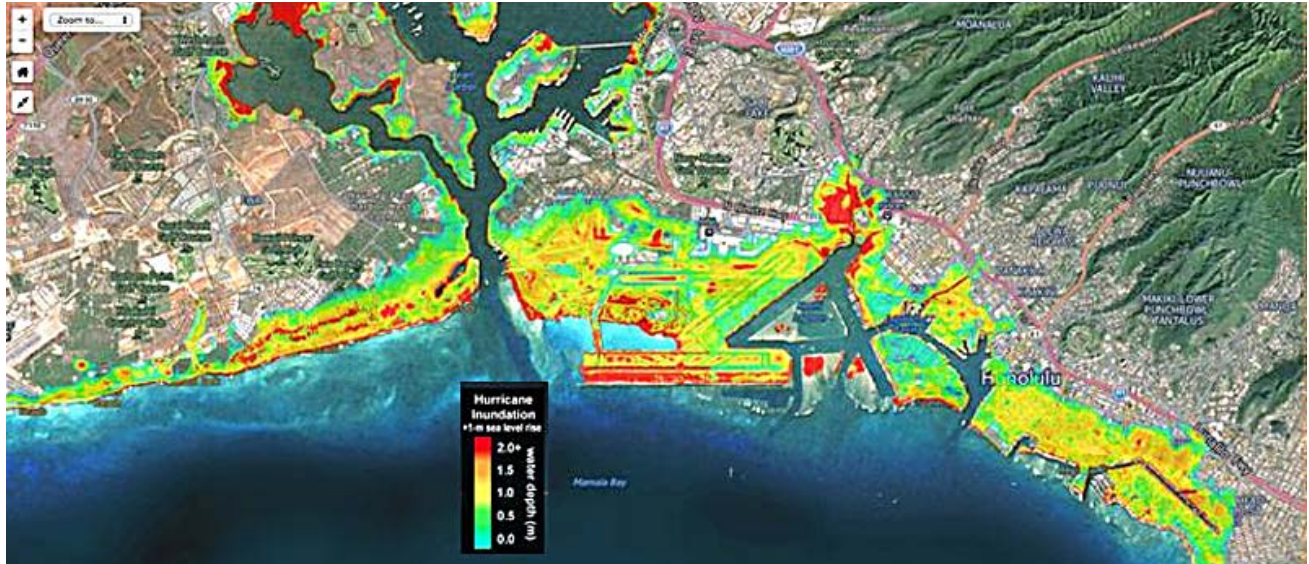
*The University of Hawaii SOEST program has provided very extensive details, 3D graphics and animations showing how vulnerable Honolulu low lands are to flooding from sea level rise, hurricane storm surge and tsunamis. Updated new City tsunami maps all show a much greater inland evacuation area than previous maps.*

<http://seagrant.soest.hawaii.edu/csp/benifits>

All City, State and Federal data ALL SHOW that building new Federally funded infrastructure in extremely low areas is a MAJOR RISK and alternatives need to be planned as soon as possible.

[https://www.honolulu.gov/rep/site/dem/dem\\_docs/tsunami\\_evac/etez\\_final/Index.pdf](https://www.honolulu.gov/rep/site/dem/dem_docs/tsunami_evac/etez_final/Index.pdf)





The Honolulu project study illustrates the effect of three feet of sea-level rise on the coastal inundation zones (hurricane and tsunami) and showed that 80 percent of the area's economy, nearly half of the population, and much of the infrastructure and land area at risk of coastal inundation.

#### US DOT Flood Zones

Protection of floodplains and floodways is required by Presidential Executive Order 11988, US DOT Order 5650.2, the Federal Aid Highway Program Manual (FHWA 1992b); and 23 CFR 650 (CFR 1999). These regulations place special importance on floodplains and floodways and require Federal agencies to avoid conducting, allowing, or supporting actions on a floodplain or within a floodway. If a project is located within a floodplain or floodway, results from sufficient analysis must be included in the project's Final EIS, as specified in USDOT Order 5650.2.

[http://www.fta.dot.gov/printer\\_friendly/12347\\_2237.html](http://www.fta.dot.gov/printer_friendly/12347_2237.html)

"Floodplain Management," places special importance on floodplains and directs federal agencies to avoid conducting, allowing or supporting actions on a floodplain. When contemplating a mass transportation project, maps of the Federal Insurance Administration should be consulted to determine if the proposed project site is located within the 100-year floodplain. [Executive Order 11988 \(PDF\)](#).

FEMA Flood Insurance Rate Maps (FIRMs) are available for review here:

<https://msc.fema.gov/portal/search> (Hawaii or Honolulu)

<http://gis.hawaiiinfip.org/FHAT/> (This Hawaii site is somewhat easier to use)

Significant floodplain encroachment would involve one or more of the following impacts:

- A considerable probability of loss of human life;
- Likely future damage associated with the encroachment that could be substantial in cost or extent, including interruption of service on or loss of a vital transportation facility; and
- A notable adverse impact on natural and beneficial floodplain values.



In Mapunapuna small fish including baby Hammerhead sharks have been seen coming up through the storm drains which are directly connected to the ocean.

***The Environmental Impact Statement (EIS) document must identify why the Proposed Action is the only practicable alternative, and provide supporting documentation reflecting the consideration of alternatives to avoid or reduce adverse impacts on the floodplain.***

THE WHITE HOUSE  
January 30, 2015.

On January 30th, President Obama issued Executive Order (EO) 13690 that revises Executive Order 11988 and proposes a new Federal Flood Risk Management Standard (FFRMS).

<https://www.whitehouse.gov/the-press-office/2015/01/30/executive-order-establishing-federal-flood-risk-management-standard-and->

The Federal Government must take action, informed by the best-available and actionable science, to improve the Nation's preparedness and resilience against flooding. Executive Order 11988 of May 24, 1977 (Floodplain Management), *requires executive departments and agencies to avoid, to the extent possible, the long- and short-term adverse impacts associated with the occupancy and modification of floodplains and to avoid direct or indirect support of floodplain development wherever there is a practicable alternative.*

As part of a national policy on resilience and risk reduction consistent with my Climate Action Plan, the **National Security Council staff coordinated an interagency effort to create a new flood risk reduction standard for federally funded projects.** The views of Governors, mayors, and other stakeholders were solicited and considered as efforts were made to establish a new flood risk reduction standard for federally funded projects.

Unless an exception is made under paragraph (2), the floodplain shall be:

(i) *the elevation and flood hazard area that result from using a climate-informed science approach that uses the best-available, actionable hydrologic and hydraulic data and methods that integrate current and future changes in flooding based on climate science.* This approach will also include an emphasis on whether the action is a critical action as one of the factors to be considered when conducting the analysis;

"(ii) the elevation and flood hazard area that result from using the freeboard value, reached by adding an additional 2 feet to the base flood elevation for non-critical actions and by adding an additional 3 feet to the base flood elevation for critical actions;

"(iii) the area subject to flooding by the 0.2 percent annual chance flood; or

"(iv) the elevation and flood hazard area that result from using any other method identified in an update to the FFRMS.

[https://www.fema.gov/pdf/floodplain/nfip\\_sg\\_unit\\_5.pdf](https://www.fema.gov/pdf/floodplain/nfip_sg_unit_5.pdf)

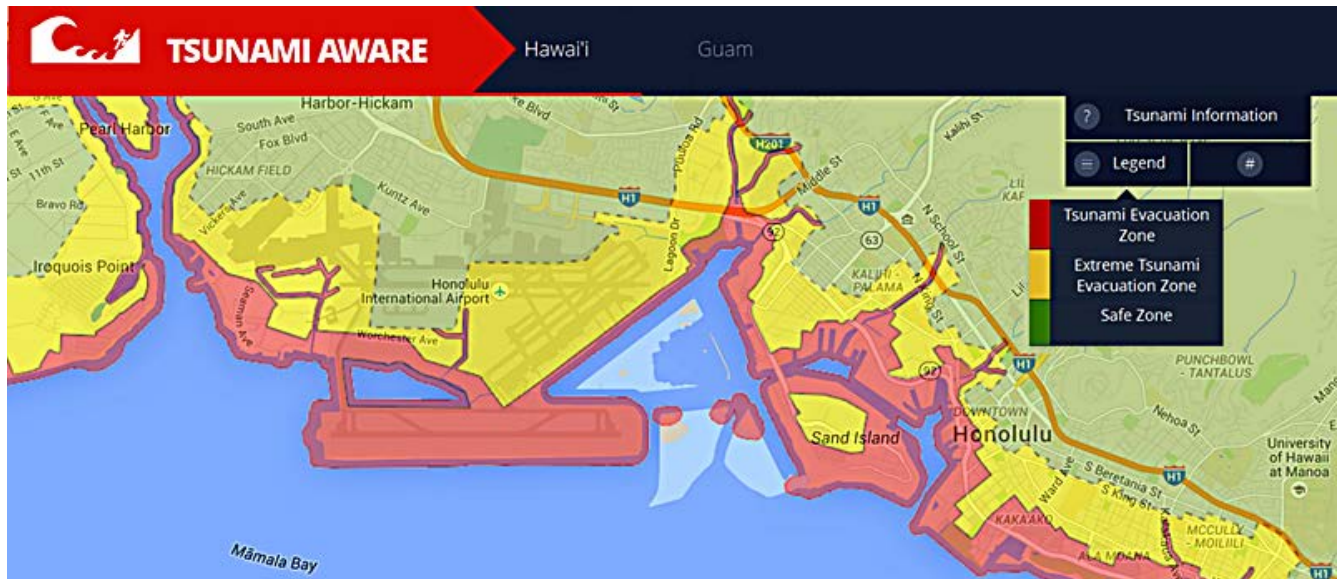
A community must adopt and enforce floodplain management regulations based on data provided by FEMA (44 CFR 60.2(h)). This includes the floodplain boundaries, base flood elevations, FIRM zones and floodway boundaries shown on your current Flood Insurance Rate Map, Flood Boundary Floodway Map and/or Flood Insurance Study.



<http://www.floods.org/ace-files/documentlibrary/FloodRiskMngmtStandard/EO and FFRMS for News Views.pdf>

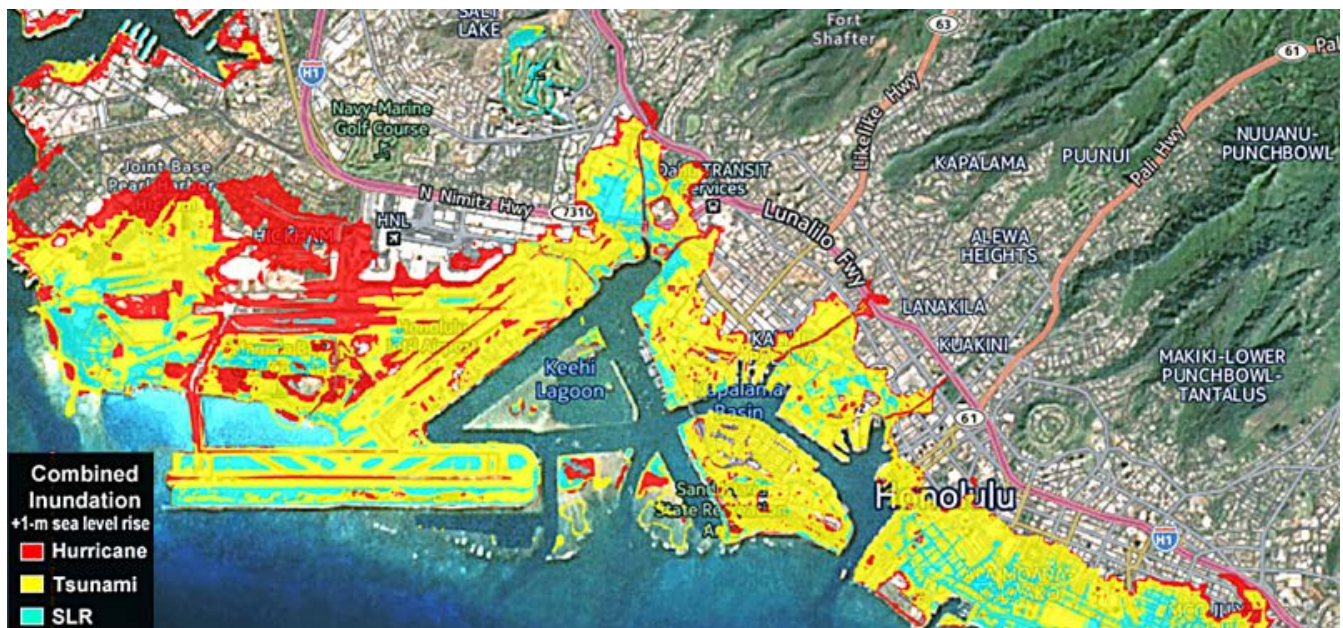
## Hawai'i's Changing Climate

[http://www.soest.hawaii.edu/coasts/publications/ClimateBrief\\_low.pdf](http://www.soest.hawaii.edu/coasts/publications/ClimateBrief_low.pdf)



**Tsunami Evacuation Zone Maps for the State of Hawaii**

<http://tsunami.csc.noaa.gov/#/>



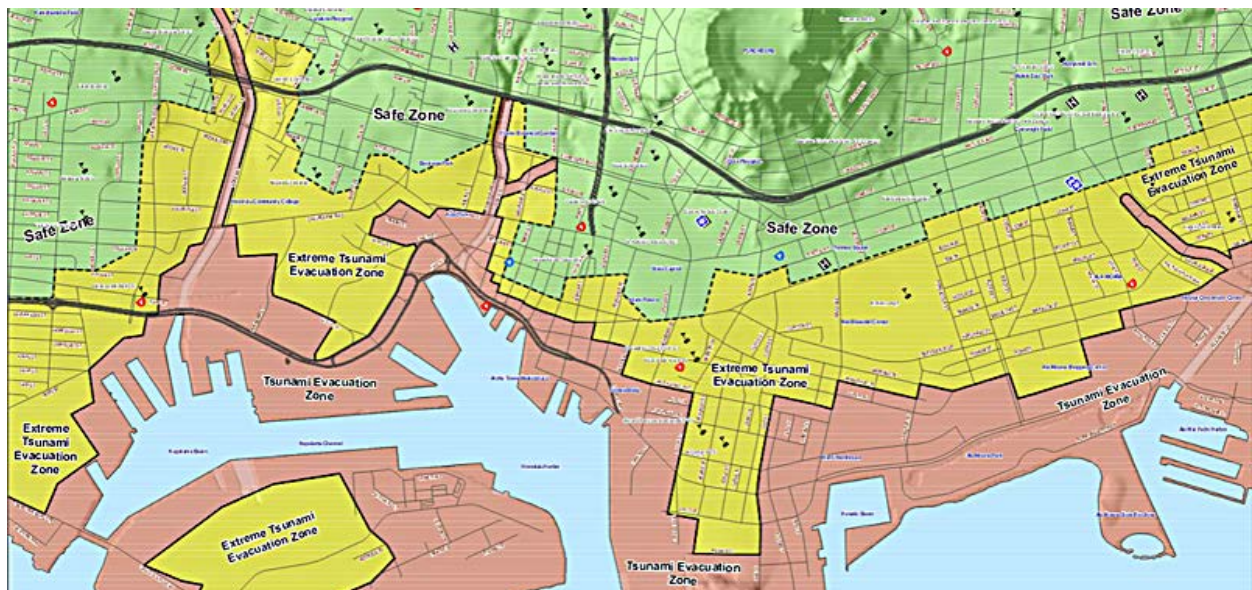


## Sea Level Rise Inundation Risk

The Pacific Islands Ocean Observing System (PacIOOS) believes that ocean data and information can help save lives and resources.

<http://oos.soest.hawaii.edu/pacioos/projects/slr/>

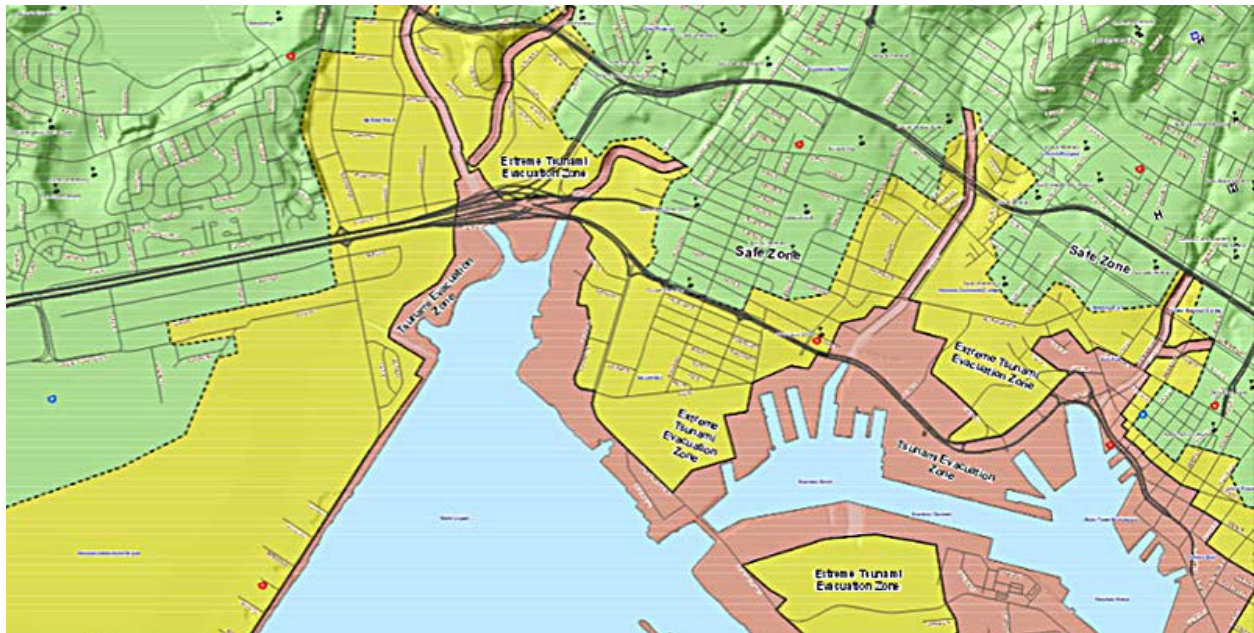
<http://static.pdc.org/tsunami/#oahu>



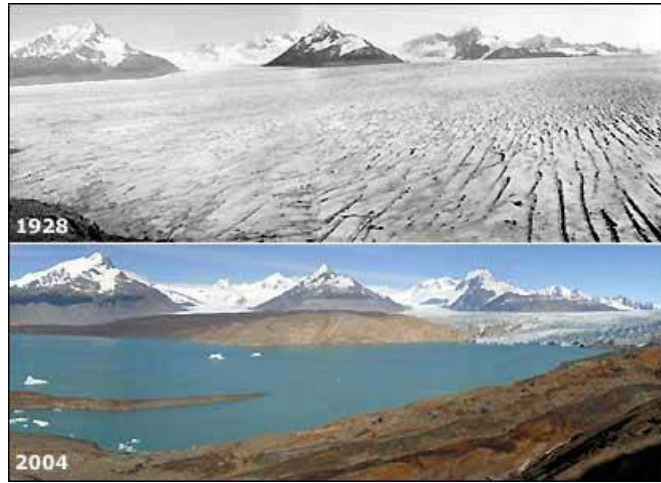


**City of Honolulu Tsunami and Extreme Tsunami Evacuation areas – this the entire downtown Honolulu  
HART planned rail route, stations and transit oriented developments**

[https://www.honolulu.gov/rep/site/dem/dem\\_docs/tsunami\\_evac/etez\\_final/Index.pdf](https://www.honolulu.gov/rep/site/dem/dem_docs/tsunami_evac/etez_final/Index.pdf)



***Sea Level Rise and Storm Waves are gradually destroying coastal roadways planned and built decades before there was any thought about future sea levels rising and climatic changes.***



## **A look at Shoreline Impacts, Setback Policy & Sea Level Rise**

<http://stormsmartcoasts.org/>

The Federal Emergency Management Agency (FEMA) and many communities in the United States have long recognized that the mapping and regulatory standards of the NFIP do not adequately address all of the flood problems in the country.

A report by the H. John Heinz III Center for Science, Economics and the Environment, Evaluation of Erosion Hazards, estimates that by 2060 approximately 25% of homes located within 500 feet of the coast (excluding those in most urban centers) will be damaged or destroyed due to the effects of erosion. According to the report, erosion-induced losses to property owners during that period are expected to be half a billion dollars annually. If coastal development continues at its current rate or if sea level rise accelerates, as some scientists are predicting, the damage may be even greater.

***The most landward shoreline and beach/dune profile expected over the lifetime of a building or development should be calculated and used as the basis for decisions. The most landward shoreline should be based on long-term erosion and observed shoreline fluctuations at the site.***

Several states and local governments have established shoreline mapping programs to provide a technical basis for permit review and to establish long-term erosion rates to use in conjunction with their building setback regulations. These shoreline monitoring programs also serve as a basis for assessing the need for beach restoration, nourishment, revegetation, and other beach erosion control projects.

## The U.S. Global Change Research Program (USGCRP)

Global Climate Change Impacts in the United States Report:

<http://www.globalchange.gov/publications/reports/scientific-assessments/us-impacts/key-findings>

6. Coastal areas are at increasing risk from sea-level rise and storm surge.

Sea-level rise and storm surge place many U.S. coastal areas at increasing risk of erosion and flooding, especially along the Atlantic and Gulf Coasts, Pacific Islands, and parts of Alaska. Energy and transportation infrastructure and other property in coastal areas are very likely to be adversely affected. (p. 111, 139, 145, 149)

Island communities, infrastructure, and ecosystems are vulnerable to coastal inundation due to sea-level rise and coastal storms. Flooding will become more frequent and coastal land will be permanently lost as the sea inundates low-lying areas and the shorelines erode. Loss of land will affect living things in coastal ecosystems.

***Hurricanes and other storm events cause major impacts to island communities including loss of life, damage to infrastructure and other property, and contamination of freshwater supplies. With further warming, hurricane and typhoon peak wind intensities and rainfall are likely to increase, which, combined with sea-level rise, would cause higher storm surge levels.***

## What is Honolulu doing about Sea Level Rise Planning?

Scientific studies show a 150x erosion multiplier where sea level rises along sandy shorelines. So for a mean 1ft 3ft rise by 2100, beaches will recede 150ft 450ft.

**This means Honolulu Rail line access areas, parking areas, walkways, interconnecting bus routes, etc. will be UNDER WATER, or in permanently water soaked land areas.**

Extensive Rail right-of-ways will cost future Oahu Tax-Payers MANY BILLIONS- likely requiring a nearly complete RE-BUILD of the poorly chosen, scientifically uniformed railway line.

## Hawaii Projected Sea Level Rise by 2100

*The latest results are significant in that:*

1. They do not point in the direction of smaller rates of rise,
2. They are consistent with the worse case of longstanding predictions,
3. Counter arguments grow fewer and fewer.



*1 m rise by 2100 is a good target on which to base Honolulu Sea Level Rise management and policy decisions*

**What is the impact of a 1 m rise in Honolulu?**

- 1. The water table will break the ground surface, and rainfall/run-off will not drain.**
- 2. The formation of permanent wetlands in urban areas.**
- 3. Heavy rainfall will cause flooding lasting weeks.**
- 4. Storm sewers backing up with sea water at high tide.**
- 5. Coastal aquifers compromised with increased salinity.**
- 6. Coastal erosion will accelerate, ~100 ft recession for 1 ft sea-level rise (These effects can be modeled using high-resolution topographic maps of the coastal zone ~25 cm in accuracy)**

Hurricane storm surges, large winter wave swells, and even small tsunami wave tidal effects will become greatly MAGNIFIED as sea levels rise year after year.

Date sources from published UH SOEST research. NOAA also has extensive data sets.

Most US States are already planning for Sea Level Rise in new infrastructure- but not Honolulu where billions will be spent on construction without scientific consultation and intelligent mitigation.

See Movie of where Rail Route will be UNDER WATER-

<http://www.soest.hawaii.edu/coasts/sealevel/BlueLineTour.html>

***Honolulu may see a Three Foot Sea Level Rise well before 2100, with very observable effects already happening now or soon apparent in areas where the Honolulu Rail line will be constructed.***

This is based upon data from the University of Hawaii, NASA, NOAA, Intergovernmental Panel on Climate Change, MIT Joint Program on the Science and Policy of Global Change and many more science sources.

Sea level rise will create swamp-like conditions as land areas subside and become permanently water saturated. Waikiki will lose nearly all of its beachfront, and replacing it will become increasingly expensive and difficult to maintain.

This distinct change in character will very likely affect Waikiki as a tourism and Rail DESTINATION. And this scenario is not even what really MAY happen, according to some credible scientists- which COULD be far worse!

***Shouldn't Global Climate Change SCIENCE be a Honolulu Rail EIS Issue?***

***How can Rail be built in low coastal areas that UH Scientists and Federal Scientists ALL AGREE is one of the most important, observable and verifiable phenomena facing the planet?***

For Waikiki, rising water will cause continuous saturation of the land- and likely causing the land to subside- further increasing the advance of the ocean inland and creating swamp-like conditions.

<http://www.soest.hawaii.edu/coasts/sealevel/waikiki.html>

In Honolulu's low Mapunapuna area, local workers have already reported seeing baby hammerhead sharks in the 2 foot deep pools in the industrial area of Honolulu as a result of land sinking and inland sea flooding through storm drains. This is the scenario that Waikiki will be facing in just a matter of decades!  
<http://www.soest.hawaii.edu/coasts/sealevel/SeaRise.html>

Prudent and intelligent metropolitan transportation planning all strongly suggests that the City of Honolulu MUST take the rise of the ocean into its transportation plans. To not do so, would be grossly irresponsible in the construction of a rail system that may be completely OUTDATED by modern scientific research!

- Vulnerable to storm intensity and sea-level rise; currently being affected
- Key components of Hawaii's economic engine
- Includes probable flooding of Ala Moana Blvd, Nimitz Hwy, and Sand Island Access Rd
- 80% of Hawaii's goods arrive via ship; gantries highly vulnerable to wind; loose containers floating
- Two oil refineries and underground storage tanks; power corridor
- Wastewater treatment facility; Waimanalo landfill
- Critical to post-disaster recovery

Aloha,



John Bond  
Kanehili Hui  
P.O. Box 75578  
Kapolei, Hi. 96707



March 23, 2016

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION  
ON SB 2938 SD 1 RELATING TO TRANSPORTATION**

Thank you Chair Aquino and committee members. I am Gareth Sakakida, Managing Director of the Hawaii Transportation Association (HTA) with over 350 transportation related members throughout the state of Hawaii.

We concur that the department needs funds to perform their function. We have no consensus on how to raise the funds as preferences are as varied as the types of operations our industry encompasses. Therefore we defer to Director Fuchigami's balanced approach.

Our deference can be entertained only through our long working relationship with the Director and inclusion in developing operational and legislative solutions.

Our transportation infrastructure is key to our standard of living in Hawaii and key to the commercial transportation industry's ability to maintain that standard of living for everyone. Our timely deliveries provide Hawaii's citizens with everything they consume, and we accomplish this by having a safe and maintained infrastructure.

Of course we are not without concerns about increased taxes and fees because unlike governments we do not have the ability to mandate revenue increases. We work to strike a balance between meaningful operations and losing customers.

In addition to "normal" business taxes our industry also pays various fees specific to our industry operations:

- Federal heavy vehicle use tax;
- Federal excise tax on trucks, tractors, and trailers;
- State registration, fuel, and weight taxes;
- State PUC fees;
- State Airport fees (permittee; gross receipts; vehicle registration; merchandise delivery);
- State Harbor fees;
- State Tour Vehicle Surcharge;
- National Parks fee;
- County Loading Zone permits; and
- County fuel taxes and weight taxes.

Thank you.

From: mailinglist@capitol.hawaii.gov  
Sent: Wednesday, March 23, 2016 6:25 AM  
To: TRNtestimony  
Cc: dsanada2000@yahoo.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM  
Attachments: notax\_03232016.pdf

**SB2938**

Submitted on: 3/23/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Dennis Sanada	Individual	Oppose	No

Comments: I definitely oppose any new tax on gas, car registration! Enough with the taxing of us guys just getting by paying our bills. Do your job and balance the budget without penalizing the public. Read editorial in Star Advertiser, dated 3/4/16. If the vote was left to the public, we all would vote NO More TAXES.

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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From: mailinglist@capitol.hawaii.gov  
Sent: Wednesday, March 23, 2016 7:05 AM  
To: TRNtestimony  
Cc: pamleesmith@gmail.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**SB2938**

Submitted on: 3/23/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Pam Smith	Individual	Oppose	No

Comments: Please do not pass SB-2938. This bill will Increases the state fuel tax, increase the state motor vehicle registration fee and increase the state motor vehicle weight tax. All of these things hurt the poor of our district disproportionately harder than people of means. This bill will price poor and elderly people out of their cars. Stop this bill in its tracks. Vote NO on SB-2938

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lopresti2 - Jasmine

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From: Pam Smith <pamleesmith@gmail.com>  
Sent: Wednesday, March 23, 2016 6:32 AM  
To: Rep. Matthew LoPresti  
Subject: SB-2938-opposed

Please do not pass SB-2938. This bill will Increases the state fuel tax, increase the state motor vehicle registration fee and increase the state motor vehicle weight tax. All of these things hurt the poor of our district disproportionately harder than people of means.

This bill will price poor and elderly people out of their cars. Stop this bill in its tracks.

**Vote NO on SB-2938**

Pam Smith  
Ewa Beach  
398-5556  
Sent from my iPad



COLLEGE OF SOCIAL SCIENCES  
**HAWAII ENERGY POLICY FORUM**  
UNIVERSITY OF HAWAI'I AT MĀNOA

**Hawaii Energy Policy Forum**

Jeanne Schultz Afuvai, Hawaii Inst. for Public Affairs  
Karlle Asato, Hawaii Government Employees Assn  
Joseph Boivin, Hawaii Gas  
Warren Bollmeier, Hawaii Renewable Energy Alliance  
Michael Brittain, IBEW, Local Union 1260  
Albert Chee, Chevron  
Elizabeth Cole, The Kohala Center  
Kyle Datta, Uluopono Initiative  
Mitch Ewan, UH Hawaii Natural Energy Institute  
Jay Fidell, ThinkTech Hawaii  
Carl Freedman, Haiku Design & Analysis  
Matthias Fripp, REIS at University of Hawaii  
Ford Fuchigami, Hawaii Dept of Transportation  
Mark Glick, Hawaii State Energy Office, DBEDT  
Justin Gruenstein, City & County of Honolulu  
Dale Hahn, Ofc of US Senator Brian Schatz  
Michael Hamnett, SSRI at University of Hawaii  
Senator Lorraine Inouye, Hawaii State Legislature  
Randy Iwase, Public Utilities Commission  
Ashley Kaono, Ofc of US Representative Tulsi Gabbard  
Jim Kelly, Kauai Island Utility Cooperative  
Darren Kimura, Energy Industries  
Kelly King, Sustainable Biodiesel Alliance  
Kal Kobayashi, Maui County Energy Office  
Representative Chris Lee, Hawaii State Legislature  
Gladys Marrone, Building Industry Assn of Hawaii  
Stephen Meder, UH Facilities and Planning  
Hermira Morita, Energy Dynamics  
Sharon Moriawaki, UH Public Policy Center  
Tim O'Connell, US Dept of Agriculture  
Jeffrey Ono, Division of Consumer Advocacy, DCCA  
Stan Osserman, HCATT  
Darren Pai, Hawaiian Electric Companies  
Melissa Pavlicek, Hawaii Public Policy Advocates  
Randy Perreira, Hawaii Government Employees Assn  
Rick Reed, Hawaii Solar Energy Assn  
Cynthia Rezentes, Ofc of US Representative Mark Takai  
Rick Rocheleau, UH Hawaii Natural Energy Institute  
Will Rolston, Hawaii County, Research & Development  
Riley Saito, SunPower Systems  
Scott Seu, Hawaiian Electric Companies  
Joelle Simonpietri, US Pacific Command Energy Ofc  
H. Ray Starling, Hawaii Energy  
Ben Sullivan, Kauai County  
Lance Tanaka, Par Hawaii, Inc.  
Maria Tome, Public Utilities Commission  
Alan Yamamoto, Ofc of US Senator Mazie Hirono

Testimony of the  
Hawaii Energy Policy Forum  
Before the

House Committee on Transportation  
March 23, 2016 at 10:30 am in Conference Room 309

**LATE**

**In SUPPORT OF SB 2938 SD2** Relating to Transportation

Chair Aquino, Vice-Chair LoPresti, and Members of the Committee,

The Hawaii Energy Policy Forum ("HEPF"), created in 2002, is comprised of over 40 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. Our vision, mission, and comprehensive "10 Point Action Plan" serve as a guide to move Hawaii toward its preferred energy goals. It is for that reason that we support SB 2938 SD2.

SB 2938 SD2 increases State highway fuel taxes and vehicle registration fees. The revenues go directly into the highway fund, for use in "the operations and maintenance of the state highways program." This directly supports improved operations, efficiency, and planning for Hawaii's increasingly intermodal transportation systems, alternative fueled vehicles, and energy-efficient modes such as pedestrians, bicyclists, and "complete streets." The state fuel tax rate of 16 cents per gallon was put into place in 1991, twenty-five years ago. If adjusted for inflation, the rate of 16 cents in 1991 would be 28 cents today.<sup>1</sup> This bill would increase the rate on gasoline to 19 cents per gallon. The highway tax on diesel and alternative fuels would remain unchanged.

The Forum believes that it is important that this tax be used for its stated purpose: for ground transportation. We support measures to provide needed funding for transportation, and encourage the Department and the Legislature to continue to seek fair funding mechanisms that balance simplicity of administration with flexibility and sustainability as transportation systems and needs change. The Forum understands that this takes time and will require funding. Therefore, the Forum supports this measure, and respectfully requests your approval of this bill.

Thank you for the opportunity to testify.

*This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies.*

<sup>1</sup> Bureau of Labor Statistics, "CPI Inflation Calculator." <http://data.bls.gov/cgi-bin/cpicalc.pl?cost1=.16&year1=1991&year2=2015>

From: mailinglist@capitol.hawaii.gov  
Sent: Wednesday, March 23, 2016 8:46 AM  
To: TRNtestimony  
Cc: lianelum@yahoo.com  
Subject: Submitted testimony for SB2938 on Mar 23, 2016 10:30AM

**LATE**

**SB2938**

Submitted on: 3/23/2016

Testimony for TRN on Mar 23, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Liane Lum	Individual	Oppose	No

Comments: I strongly OPPOSE SB2938. Hawaii residents are already highly taxed by our State government. We already pay high taxes let alone have one of the highest cost of living. Working people, like myself, work hard to pay our bills and live simply within our means. By imposing more taxes on us, I feel that you're penalizing those who are work for a living. Our lives are very busy. People who work need a car to drive to their jobs, take their kids to school, etc. Adding a higher tax puts a burden on the middle class. Please DO NOT pass this SB 2938. It's not good for Hawaii's working residents.

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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**ADDRESS**

3442 Waialae Ave., Suite 1  
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808-735-7989

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bicycle@hbl.org

**LATE**

Testimony to the House Committee on Transportation  
Wednesday, March 23, 2016

Regarding SB2938 SD2 Relating to Transportation

Aloha Chair Aquino, Vice Chair LoPresti, and esteemed members of Committee on Transportation,

Hawaii Bicycling League **supports the intent of SB2938 SD2** to provide additional funding for our transportation system.

Hawaii needs to transform our transportation system. Too many of our residents and visitors are dependent of driving for their travel needs. The extent of our dependence of single occupancy private vehicles has many negative impacts – greenhouse gases, imported oil dependence, local air quality degradation, and high transportation costs. Further, this has a direct connection to our health crisis due to sedentary lifestyles and degraded quality of life through having few places to recreate. What need to transform our transportation system by creating Complete Streets and Complete Networks that accommodate not just those that drive but those that walk, bike, and take transit.

Any increase in transportation funding should come with an explicit focus on transforming our transportation system to fully and safely accommodate all users and provide real transportation options. As this bill would increase the cost of driving, it behooves us to use the increased funding to provide real transportation alternatives. Achieving this will can reduce transportation costs for many.

This bill proposes three different kinds of user fee increases – annual registration fee, vehicle weight tax, and fuel tax. It's important to note that recognize that the first two – annual registration fee and vehicle weight tax – are paid on an annual basis for owning a vehicle and the right to drive it on public streets regardless of how many miles someone drives. Comparatively, fuel taxes are paid at the pump and based on miles driven. In transportation planning and economic terms, the first two are consider fixed costs and later is considered a variable cost. Studies have documented a distinct difference in how they shape behavior. Fixed cost are sunk cost and once paid the payer is incentivized to maximize use (with every use the marginal cost decreases) –this means people will be economically driven to drive more once they paid their registration and weight tax. Variable cost are paid based directly on use (with every use the marginal cost remains constant) – this means people will think about every mile they drive as important. Given these realities, we urge that all the fee increases be in the form of variable, per-mile fees – this will enable people to make intelligent decisions on reducing driving when practical.

How many of us at the end of the week wish we could drive more? Every community meeting where I've asked this question no one has raised their hand. About 3/4 of the people raise their hand when I ask at the end of the week how many wish they could have walked or bike more.

Yet despite our desire to walk and bike more, most still get around by car. Most HBL members own cars. My family of 3 adults has 2 cars. We just try to minimize our car trips by walking,

biking and taking the bus as much as we can. Helps our bodies, pocketbooks, air, and environment.

So tax and fee increases will affect members of HBL just as they affect all drivers.

Our current over-reliance on the single occupancy vehicle needs to change. Congestion, global warming, physical health and fitness all demand that we change. That's why the majority of people on Oahu support rail, and more and more people want safe streets to walk and bike on.

DOT needs to find better ways to manage and spend its money. I have confidence in this administration and its current leaders -- Ford Fuchigami and Ed Sniffen, Ray McCormick to get the job done. They have opened themselves up to learn from high performing agencies in the rest of our country. Let's give DOT the financial support to do so when we have this extraordinary opportunity to move taxes and fees toward a sustainable level. And let's work with them and push them as they work to transform our car-based transportation system into one that better suits our islands, and protects our land and people.

We need roads to get around. Bicyclists were the first to campaign for paved roads, 115 years ago, and we still do. It's important for roads to allow various ways to get around, not just by car. People who walk and bike have a right to move safely as well. So as we repair streets, let's make them safe for all users, like NYC has tried to do. These are public spaces, let's make the roads serve all the public and give people alternatives to engage in active transportation. Our future depends on it.

Thank you very much for considering the comments of the Hawaii Bicycling League. If you have any questions or would like to discuss further, please contact Chad Taniguchi (808-735-5756, [chad@hbl.org](mailto:chad@hbl.org)) or Daniel Alexander (808-275-6717, [daniel@hbl.org](mailto:daniel@hbl.org)).

Ride and Drive Aloha,



Chad Taniguchi, Executive Director



Daniel Alexander, Advocacy Director