DAVID Y. IGE
GOVERNOR

JADE T. BUTAY
INTERIM DIRECTOR

Deputy Directors
ROSS M. HIGASHI
EDWIN H. SNIFFEN
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IN REPLY REFER TO:

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

DEPT. COMM. NO. 50

December 1, 2017

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki
Speaker and Members of the House of
Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Government Operations Report as requested in ACT 100 (09).

In accordance with HRS 93-16, I am also informing you that the report may be viewed electronically at: http://hidot.hawaii.gov/library/reports/reports-to-the-legislature/

Sincerely,

JADE T. BUTAY
Interim Director of Transportation

c: Legislative Reference Bureau

REPORT TO THE TWENTY-NINTH LEGISLATURE

OF

THE STATE OF HAWAII

REGULAR SESSION OF 2018

ON

ACT 100
SECTION 7
SESSION LAWS OF HAWAII 1999

SUBJECT: RELATING TO GOVERNMENT OPERATIONS

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
DECEMBER 2017

A. DEPARTMENT OF TRANSPORTATION

Statement of Goals

The overall goal of the Department of Transportation is to facilitate the rapid, safe, and economical movement of people, goods, and mail into, within, and out of the State by providing and operating transportation facilities and supporting services.

Objectives and Policies

In order to achieve its overall goal, the Department of Transportation currently has three Divisions, Airports, Harbors and Highways that provide, operate, and maintain eleven (11) commercial service airports, four (4) general aviation airports, ten (10) commercial harbors, and more than nine hundred fifty-four (954) centerline miles of highway.

To help move the Department toward its goal the Divisions will implement policies and projects relating to the following objectives.

1. Create and manage an integrated multi-modal transportation system that provides mobility and accessibility for people and goods.
2. Enhance the safety of the transportation system.
3. Ensure the secure operation and use of the transportation system.
4. Protect Hawaii's unique environment and quality of life and mitigate any negative impacts.
5. Ensure that the transportation facility systems support Hawaii's economy and future growth objectives.
6. Support the State's energy goal of 70% clean energy, which includes 40% produced by renewable energy and 30% increase in energy efficiency, enhancing the reliability and security of clean energy sources.
7. Create secure, flexible, and sustainable revenues and funding sources for transportation needs.
8. Provide effective leadership department wide, focusing on accountability, ethics, training, and transparency.

Action Plan and Timetable to Implement Objectives and Policies.

The Department of Transportation is responsible for the planning, designing, constructing, operating, and maintaining of the state facilities in all modes of transportation including air, water, and land. Coordination with other state, county,

and federal programs is maintained in order to achieve the overall objective.

Responsible planning and budgeting for air, water and land transportation systems is essential to meeting our objectives. Each capital improvement or special maintenance project is related to either improving our existing system, managing demand, or expanding the present system.

Process to Measure the Performance of Programs and Services in Meeting the Stated Goals, Objectives and Policies

The Multi-Year Program and Financial Plan (PFP) measures the Department's effectiveness by reporting on a number of effectiveness measures for each of the divisions. Performance is determined by comparing actual results with established goals on a fiscal year basis. Further, each project or initiative highlighted in this report is measured by the respective division for effectiveness by their own specific guidelines. While these measures may be used to measure our performance, our customers, the traveling public, grade us by their personal experiences.

B. Airports Division

The statewide airports system consists of eleven airports serving commercial airlines and four general aviation airports. The Airports Division's objective is to build for the future and promote Hawaii's airports as important gateways for its economic growth, by planning, designing, constructing, managing, and maintaining efficient cost-effective airport facilities and equipment based on evolving technology.

The Airports Division strives to provide a professionally managed, efficient, safe, and financially sound airport system by working in partnership with the airlines, concessionaires, governmental and regulatory agencies, lessees, businesses, and employees, members of the public and other stakeholders.

Recognizing that the State's airport system is only one of two modes to enter or exit the State, the statewide airports system is part of the State's critical economic infrastructure, enabling interstate and international commerce and travel through the flow of passengers, cargo, and mail between the islands, as well as throughout the Pacific Basin and the continental U.S.

Statement of Goals

The Airports Division's goal is to develop, manage and promote a high quality cost-effective regional and global air transportation enterprise with the spirit of aloha for all.

In order to achieve its goals, the Airports Division has established the following objectives:

Objectives and Policies

1. **Mobility and Accessibility - Create and Manage an Integrated Multi-modal Transportation System that Provides Mobility and Accessibility for People and Goods.**
   - **Preserve and maintain the existing air transportation systems, in good condition or better.**
   - **Ensure multi-modal connections for passengers.**
   - **Reduce congestion in the air transportation systems.**

   Honolulu International Airport(HNL) Mauka Concourse Program: Construction of a new Mauka Concourse which will provide additional gates to accommodate 6 wide body, 11 narrow body, or a combination of wide and narrow body aircraft.

Timeline: October 2011 to April 2019
Milestones:
Year 1 - Complete Environmental Assessment (EA).
Year 4 - Complete Design and contract formulation
Year 5 - Commence Construction
Year 8 - Complete Construction.
Measures used to gauge effectiveness: Design and construction on time within budget. There have been delays due to the economic downturn, completion of the EA study, and contract formulation issues.

Statewide Consolidated Car Rental Facilities: Construction of Consolidated Car Rental Facilities at Honolulu International Airport (HNL), Kahului Airport (OGG), and Lihue Airport (LIH) which will provide more efficient use of land and facilities to car rental companies and passengers. Projected Schedules as of reporting period - actual schedules dependent upon leases, funding, and land acquisition.

Timeline: 2013 - 2020
Milestones:
Year 1 - HNL and OGG: complete design.
Year 1 - HNL - traffic handling systems - upgraded elevators, added traffic signals.
Year 3 - HNL - opened interim facility on November 4, 2015. The commencement of operations at the interim facility clears the way for construction of the permanent facility.
Year 4 - OGG - commence construction January 2016.
Year 4 - HNL - commence construction June 2016.
- LIH - Negotiate land purchase.
Year 6 - OGG - complete construction.
Year 7 - HNL - complete construction.
Year 7 - Possible start of Lihue facility.
Measures used to gauge effectiveness: Design and construction on time within budget. Delay for OGG due to bid protest issues.

Alternative Fuel Usage Pilot Program/Car Rental Facility Shuttles: Executing a pilot program to collect data that will provide useful information as to what is the most cost effective alternative fuel to be used during the operation of the shuttle bus service to/from the Car Rental Facility on the airport property. There are three different alternative fuel sources involved in the testing during the pilot program, Electric, Natural Gas and Hydrogen.

Timeline: September 2018 to September 2019

Milestones: Cost and Performance efficiencies during the pilot period.
Measures used to gauge effectiveness: Bus performance (wear and tear), carbon emission levels, overall operational cost.

Kona International Airport Federal Inspection Station (FIS): Design and construction facility to meet U.S. Department of Homeland Security, Customs and Border Protection (CBP) technical design standards. This project will provide a permanent facility to replace the interim facility thereby establishing a permanent 3rd point of entry for international passengers which can also serve as a CBP compliant alternate for Honolulu International Airport.

Timeline: January 2017 to December 2020.
Milestones:
Year 1 - Complete Design.
Year 3 - Complete Construction.
Measures used to gauge effectiveness: Design and construction on time within budget.

CBP Automated Passport Control (APC) Kiosks at International Arrivals Building, Honolulu International Airport: In coordination with CBP, install 32 APC kiosks in the Federal Inspection Station (FIS), International Arrivals Building, Honolulu International Airport. The use of these self-service kiosks at other international arrivals airports has been proven to be effective in reducing the wait time and congestion for returning U.S. citizens and international travelers, who qualify for and receive approval under the Electronic System for Travel Authorization (ESTA). The technology used in these kiosks automates the routine checks with the highest level of protection and allows the CBP inspectors to focus on passenger assessment and not reviewing documents (passport, fingerprints, and declaration cards). In the interim until civil service positions can be established and filled, a request for contractor services has been submitted for approval to allow bilingual staff to identify, qualify and encourage international arriving passengers to use the APC kiosks to further reduce the wait time and congestion at the FIS.

Timeline: Install by January 2016.
Milestones:
Year 1 - January 2015 - Issue Notice to Proceed to the lowest responsive and responsible proposal to install the 32 APC Kiosks at the FIS, as well as to acquire the contractor services for bilingual staff to assist

returning U.S. Citizens and international passengers with the automated process.
Year 2 - January 2016 - The Airports Division, the Airport District Manager at HNL and CBP monitored the process, collected wait time data, and evaluated contractor services of the bilingual staff to ensure that they meet their contractual obligations. A supplemental budget request was submitted to the 28th Legislative Session 2016 for funding to establish and hire bilingual Visitor Information Program (VIP) Assistants to replace the contractor staff.
Year 3-5 - January 2017 to 2019 - Upon approval from the 2016 Legislature, establish and recruit for new bilingual VIP Assistant positions. Continue to monitor the use of the APC Kiosks, gather wait time data, evaluate the reduction of congestion, obtain feedback from CBP and airlines as well as travelers to assess the program. Adjustments will be made to improve the entire process without jeopardizing security. Due to the success of the first installed kiosks 8 additional kiosks will be installed in 2017 for future growth of international arrivals
Measures used to gauge effectiveness: Determine the use of the 32 APC kiosks, evaluate the reduction of wait time and passenger congestion at the FIS and the performance of the bilingual contractor staff. Feedback from airlines, CBP, and staff as further measurements of effectiveness of the program. Wait times were found to be reduced by 30%.

Kahului Airport Holdroom and Gate Improvements: Renovation of the south terminal holdrooms to accommodate wide body aircraft and reconfiguration of the aircraft apron for increased capacity.

Timeline: January 2017 to January 2019
Milestones:
Year 1 - Complete Design.
Year 3 - Complete Construction.
Measures used to gauge effectiveness: Design and construction on time within budget. Increased passenger throughput and comfort. Increased gating capacity.

2. **Safety - Enhance the Safety of the Air Transportation System**
   - **Enhance the system and user safety and transportation facilities both motorized and non-motorized, with the use of proper equipment, technology, and physical hazard**

reduction; and implement priority safety projects for each mode.

- **Continuously conduct assessment, preparedness, and emergency response for natural disasters as part of all planning efforts.**

Statewide Incident Command System: Incident Command System Training provided is a continuous project and is required for all responders. The project has trained over 1200 airport personnel, mutual aid organizations, non-governmental organizations, and private airport partners to specified Incident Command System levels as outlined for the State of Hawaii Department of Transportation airports via Homeland Security Presidential Declaration #5. NIMS (National Incident Management System) core curriculum developed and delivered by DHS and FEMA.
Certain higher level NIMS ICS courses exceed the backgrounds of all current DOTA personnel and are currently being delivered, particularly in ICS Command and General Staff position specific courses. A comprehensive tracking system is established to help DOT-A track all NIMS ICS training. FAA since 2013 required this information as part of their effort to ensure that all airports nationwide have implemented the ICS training. The recurrent training and exercises also provided in this project are critical to effective use of ICS. Airports have traditionally not suffered from large-scale disasters and one of the only real means of staying prepared is through the ICS training and exercises provided in this project. Airport Emergency Plans and training for those plans have an FAA requirement to utilize NIMS ICS. Airport Improvement Project Funding requires that all airports receiving this funding utilize NIMS ICS.

Timeline: Continuous.

Milestones: Continuous training. All basic levels have been achieved; middle level staff have been trained, or are being trained currently in NIMS ICS 300 and 400. Advanced ICS position specific courses are now being delivered to all districts with anticipated completion in 2020 and to be continued in the new ARFF training facility planned in KOA by the highly trained in-house staff.

Measures used to gauge effectiveness: The primary training requirement related to airport Emergency Management collaboration is the national consensus best practices of NIMS ICS training. The main determinants for drill and exercise schedules

involving airports are the requirements of 14 CFR 139 for an airport to remain certified for commercial passenger operation. The minimum requirement is that airports conduct annual reviews of their AEP and a tabletop exercise with a full-scale functional exercise ("recertification or triennial exercise") once every three years. Triennial exercise includes a mass casualty component. Overall benefits to each airport operator in terms of operational sustainability or resiliency from concerted collaboration amongst the Emergency Management partners, airlines, other agencies, and first responders all using the common command and control system of NIMS ICS. Each exercise demonstrates the mastery of the training in ICS and each year the level of training and the depth of the training increases based on the levels of performance. Finally, this is required training from the FAA for DOTA to continue to receive FAA Airport Improvement Funding for all Districts.

Homeland Security Exercise and Evaluation Program: HSEEP (Homeland Security Exercise and Evaluation Program) has been institutionalized as a means for implementing, and evaluating all required DOT-A and FAA exercises. This system is also tied to a national database/calendar (NEXS) that tracks all training and exercises via Hawaii State Civil Defense. The HSEEP process includes initial, midterm, and final planning conferences along with master exercise scenario lists, formal exercise evaluation guides, and reporting tied to national capabilities priorities. Formal after-action conferences and detailed non-punitive improvement plans with detailed three-year training and exercise schedule have been provided for numerous airports during each year of the previous contract as the various districts conducted FAA required triennial and other preparedness exercises. This entire evaluation process has to be on-going and is directly tied to continuous exercise and validation of current Airport Emergency Plans providing for continuous identification areas that need improvement and in conjunction with a three-year exercise and training program specific to the identified deficiencies that provide the framework for improving training, exercising, and validating current emergency practices at each District. It has worked well in that this is a neutral third party provided process that captures areas for improvement in a non-punitive format. Prior to the implementation of this

process in-house evaluations were often incomplete or non-existent with no written documentation of areas needing improvement, there was no documentation of deficiencies, and no way forward for correcting the many areas that needed complete correction, either from training, exercising or purchasing the necessary corrective items. The HSEEP process is a robust urgently critical process for updating training, exercising and demanding corrective actions for the many deficiencies that went unaddressed for numerous years.

Timeline: Continuous.

Milestones: Triennial Exercise for each Part 139 Certificated Airport.

Measures used to gauge effectiveness: Continuous personnel training and evaluation by DOTA, FAA and Civil Defense on airline disaster and natural disaster emergency Response Preparedness. Detailed Improvement Plans are drafted for a period of three years. These itemized training and exercise improvement items are transparent and provide a validated working list of areas that are under improvement either through training, exercising, or updated procurement to help all airport responders.

Airport Emergency Plan: Airport Emergency Plans (AEPs) are required to be fully rewritten in order to meet the FAA guidance to include NIMS and ICS components. The 250 plus page guidance issued by the FAA has provided excellent guidance for DOT-A. This project includes on-going revisions based on exercise performance in validating the revised AEPs of all Districts that were concluded in June,2013. The HSEEP model was also codified in these new rewrites as the standard for conducting all future training and exercises for the airports. Revisions to living documents such as plans are ongoing as DOT-A works to practice what is written in their emergency plans in order to validate the currency and reliability of each AEP. Only through drills, training, and exercises can this process be tested and revised as DOT-A works daily to be highly organized and prepared for incidents of all types and magnitudes.

Timeline: Continuous.

Milestones: Update and review AEPs.

Measures used to gauge effectiveness: Continuous personnel training, plan updates and triennial exercise evaluation by FAA.

Wildlife Hazard Assessment Plan: Wildlife management continues to be forefront issues for each airport. Title 14

Code of Federal Regulations Part 139.337 mandates each airport operator to provide a safe environment for all users, and wildlife around an airport can be detrimental to the safety of aircraft and passengers. Conversely, each airport operator is subject to a variety of federal and state laws and regulations aimed at protecting wildlife and their habitats. DOT in coordination with Federal Aviation Administration, US Fish and Wildlife Services, DLNR and USDA must factor into an airport's wildlife management plan, policies and procedures. These plans must also take into account the laws and regulations protecting wildlife. In addition, the airport operator must take into consideration surrounding land capability with airport operations. Knowing and understanding these regulations and laws is the first step in compliance.

The U.S. Department of Agriculture Animal and Plant Health Inspection Service Wildlife Service major objective is to reduce wildlife strikes at all State of Hawaii airports. To meet this goal APHIS-WS assists airport operators by conducting a Wildlife Assessment Study and developing/implementing a Wildlife Management Plan. APHIS-WS also controls nuisance wildlife on airports properties to protect human health, safety and property. These services are provided seven (7) days per week, including federal holidays. The methods include, but not limited to, wildlife population monitoring, habitat evaluation and modifications, shooting, trapping and hazing using pyrotechnics, propane cannons, electronic audio devices, visual scare devices, and trained dogs.

Timeline: Continuous.

Milestones: Continuous monitoring.

Measures used to gauge effectiveness:

- Continuous personnel training, daily monitoring and evaluation by USDA field inspectors.
- Identification of wildlife species observed and their numbers, locations, local movements, and daily and seasonal occurrences.
- Identification and location of features on and near the airport that attract wildlife.
- Description of wildlife hazards to air carrier operations.
- Description of wildlife strikes during the year.
- Discussion of any significant modifications on or near the airport property.

- Summary of Air Traffic Control and airport "event logs" or wildlife management, patrol, monitoring logs.

Summary of Federal and State Depredation Permit us; Special Permit usage

Airport Rescue Fire Fighting (ARFF) Training Facility: This project will construct a regional ARFF training facility at Kona International Airport at Keahole, which will be used by the ARFF personnel statewide to consolidate training into one facility for cost savings and efficiency. The facility will also be made available for other agencies throughout Hawaii and the Pacific on a fee basis. Key components include Full Scale Specialized Aircraft Fire Trainer (SAFT), Fuel spill Trainer, Control Tower, Structural Trainer, and a variety of props. The main purpose is to design and construct a world-class ARFF and emergency response facility that fully meets end user goals, to be financially self-sustaining, and to provide academic and practical training for ProBoard Certification.

Timeline: Continuous. Design completion thru September 2016, Construction Notice to Proceed anticipated July 2017, 12-15 month construction duration with an anticipated completion by end of 2018.

Milestones: Continuous Monitoring

Measures used to gauge effectiveness: Continuous personnel training, field evaluation by FAA Certification Inspector and to standardize the training to meet national certification criteria offered throughout the State.

Safety Management System (SMS): Under Part 139, airport operators are required to collect and retain a variety of information, such as training records, fuel spill data, self-inspections, and airport condition reports. Airport operators also compile and document emergency, wildlife hazards, and develop stand-alone plans referred to within the airport certification manual (ACM). This information is subject to review by FAA airport certification safety inspectors (ACSI) to maintain the airport operating certificate (AOC).

SMS is becoming a standard throughout the aviation industry worldwide. It is recognized by the Joint Planning and Development Office (JPDO), International Civil Aviation Organization (ICAO), and civil aviation authorities (CAA) and product/service providers as the next step in the

evolution of safety in aviation. SMS is also becoming a standard for the management of safety beyond aviation. Similar management systems are used in the management of other critical areas such as quality, occupational safety and health, security, environment, etc.
SMSs for product/service providers (certificate holders) and regulators will integrate modern safety risk management and safety assurance concepts into repeatable, proactive systems. SMSs emphasize safety management as a fundamental business process to be considered in the same manner as other aspects of business management.
By recognizing the organization's role in accident prevention, SMSs provide to both certificate holders and FAA: (1) structured means of safety risk management decision making; (2) A means of demonstrating safety management capability before system failures occur; (3) Increased confidence in risk controls though structured safety assurance processes; (4) An effective interface for knowledge sharing between regulator and certificate holder.
HDOTA established five (5) General Professional IV positions and one (1) General Professional V SMS Program Manager position to facilitate and work with the SMS Consultant on developing the safety promotion framework to support a sound safety culture.

Timeline: August 2017 - December 2019

Milestones: SMS Assessment Protocol Framework and Program statewide

- GAP Analysis
- Safety Management Plan
- Implementation Manual
- SMS Self Inspection Computerization

Measure used to gauge effectiveness: Continuous personnel training, training to meet certification criteria.

Automated Weather Reporting System for Kalaupapa Airport: Kalaupapa is the state's most isolated community and the most dependent on its airport for basic needs. The FAA recently implemented instrument approach and departure procedures to enable aircraft to use the airfield during poor weather conditions. However, commercial aircraft must have approved current weather information in order to use the instrument procedures and none is currently available at Kalaupapa. DOT-A intends to purchase and install an Automated Weather Observation System (AWOS) which will provide current critical weather information to all pilots

in the vicinity and permit commercial cargo and passenger to fully serve the Kalaupapa community.

Timeline: FY 2018 Same as 2016 report need to update with accomplishments completed in 2016.

Milestones: Although the importance of the system is high priority, progress has been curtailed by the lack of budgeted funds. Alternatives such as FAA funding have been pursued but is not currently available due to the light traffic. Efforts will continue until a funding plan can be found.

Measure used to gauge effectiveness: Continuous availability of automated weather information. Same as 2016 report need to update with accomplishments completed in 2016.

National Incident Management System (NIMS) Carding Program: Resource tracking under NIMS, NFPA, HIOSH, and FAA outlines DOTA's responsibilities requiring a standardized integrated process conducted throughout the life cycle of an incident by all agencies at all levels. An accountability carding system with credentialing capability has been introduced that provides incident managers with a clear picture of where resources are located, helps staff prepare to receive resources, and helps protect the security and safety of all responder personnel. Carding has commenced at five DOTA airports with over 1500 DOTA personnel and mutual aid partners carded at this time. Carding is on track to continue through 2018 with implementation of the system statewide for all airports to be determined in 2020. The system provides for expanded check-in required under NIMS. All agencies regardless of affiliation must report and receive an assignment in accordance with procedures outlined in NIMS ICS. This system helps in that process and preserves site security. The potential for very large catastrophic events exist at all of Hawaii's airports which will require an unprecedented mutual aid of most immediate response organizations, this system is being implemented to deal with such events.

Timeline: 2017 - 2020 On-going carding and training provided by consultant
2017 - 2020 Planning, construction, development of a comprehensive staffing for the proposed Pacific Regional training facility on Kona.

Milestones: Planning, construction, staffing of new training facility in Kona,

Measures used to gauge effectiveness: HDOT-A provides continuous personnel training at all airports with

evaluations by U.S. Department of Homeland Security Transportation Security and Administration, FAA Certification and Safety Inspectors. Project dates and budgets as planned. Implementation and utilization of full card system with detailed after-action analysis at airport exercises 2017-2020. The card system has been used at numerous Triennial exercises decreasing check-in times and increasing accountability on scene. Plans for further development of this system will require further funding for new equipment at all districts. Currently the cards are being used in their manual form, but could go completely digital with simple equipment to scan the cards and simple lap-tops dedicated to enhancing the process.

3. **Security - Ensure the secure operation and use of the Air Transportation System.**
   - **Minimize risks of disruption of transportation to, from, and within Hawaii due to terrorism and other human security threats and events, as well as threats and events from natural disasters.**
   - **Work with Federal, State, and County agencies as well as tenants to conduct vulnerability and risk assessments.**
   - **Implement security policies and strategies to minimize risks and threats of disruption of or damage to the transportation systems while maintaining the intended function of the system.**
   - **Provide continuous monitoring of critical infrastructure and communications systems to provide for appropriate emergency response capability.**
   - **Establishment of the Department of Transportation - Office of Law Enforcement and Security for Transportation Systems (statewide). In accordance with and pursuant to Hawaii Revised Statute, Section 76-11.6, on July 14, 2017, Governor David Y. Ige approved a five (5) year Special Project to establish an Office of Law Enforcement and Security within the Department of Transportation (DOT). The mission of this office will be to oversee, manage and direct operations under one (1) unified command designed to provide a safe and secure environment, freedom of movement for the travelling public and commerce at DOT's three (3) transportation sectors (Airports, Harbors and Highways). This office will design, coordinate and oversee/manage/administer the department's Airports, Harbors and Highways division law enforcement and**

security needs and resolve existing oversight, contractual, and staffing issues, in accordance with Federal statutory and regulatory requirements.

Timeline: Project Duration-August 1, 2017 to July 31, 2022.

Milestones:

Year 1 - 2018:

- Recruit and fill the three (3) exempt positions (Security Manager or Chief, Assistant Security authorized under HRS §76-11.6.
- Revise the original Memorandum of Understanding between the DOT and the Department of Public Safety dated July 1, 2002, to provide law enforcement services to Oahu District Airports (Daniel K. Inouye International Airport, Kalaeloa Airport and Dillingham Airfield).
- During the 29th Legislative Session 2018, encumber the 59 U funded positions (57-law enforcement positions and 2-Administrative Support positions) from PSD under DOT TRN 102 Special Funds.
- Submit legislation to add chapter to HRS §26-19 entitled Law Enforcement for Transportation Systems and amending applicable chapters to codify this new chapter to provide the Director of DOT with statutory authority law enforcement powers to administer the Office of Law Enforcement and Security for Transportation Systems.
- Meeting with internal personnel, external stakeholders and customers, private security firms and law enforcement and prosecutorial Federal, State, and local agencies to solicit comments and recommendations in establishing the Office of Law Enforcement and Security for Transportation Systems.
- Complete reorganization of all the law enforcement and security services and systems from Airports and Harbors under the unified command of the Office of Law Enforcement and Security for Transportation Systems.
- Establish policies, procedures, regulations, directives and administrative rules to ensure adherence to laws, rules, and best practices for law enforcement and security services for the Airports, Harbors and Highways.

- Complete reorganization of Highways to provide law enforcement and security services and systems directed toward elimination of the homeless on Highway's property in conjunction with the Administration's Homeless Program.
- Continuous recruitment of vacant positions for law enforcement and support staff for this office.
- To establish auditing and monitoring systems to provide efficiency in meeting Federal regulatory requirements for Airports, Harbors, Highways.
- Develop any Contracts with private entities, and/or Memorandum of Understanding or Agreements with Federal, State, and local organizations to provide goods, equipment, or services in furtherance of this office.
- Establish regular meeting with internal personnel and stakeholders to evaluate the services being provided by this office.
- Establish training requirements and conduct exercises for law enforcement, security and support staff.
- Submit Report to the 29th Session of the Legislature.

Year 2 - 2019:

- Submit Report to the Legislature.
- If necessary, submit legislation to establish further statutory authority and budgetary requirements in support of the statewide services being provided to DOT's three (3) transportation Divisions.
- Continuous monitoring and auditing of services and systems.
- Continuous meetings with internal and external personnel and entities.
- Implement corrective measures, if required to ensure compliance with court decisions and case laws, administrative rules, and legislative requirements.
- Continuous refresher training and conduct exercises for law enforcement, security and support staff.

Year 3 - 2020:

- Submit Report to the Legislature.

- If necessary, submit legislation to establish further statutory authority and budgetary requirements in support of the statewide services being provided to DOT's three (3) transportation Divisions.
- Continuous monitoring and auditing of services and systems.
- Continuous meetings with internal and external personnel and entities.
- Implement corrective measures, if required to ensure compliance with court decisions and case laws, administrative rules, and legislative requirements.
- Continuous refresher training and conduct exercises for law enforcement, security and support staff.

Year 4 - 2021:

- Submit Report to the Legislature.
- If necessary, submit legislation to establish further statutory authority and budgetary requirements in support of the statewide services being provided to DOT's three (3) transportation Divisions.
- Continuous monitoring and auditing of services and systems.
- Continuous meetings with internal and external personnel and entities.
- Implement corrective measures, if required to ensure compliance with court decisions and case laws, administrative rules, and legislative requirements.
- Continuous refresher training and conduct exercises for law enforcement, security and support staff.

Year 5 - 2022:

- Submit Report to Governor with recommendations on the Special Project - DOT's Office of Law Enforcement and Security for Transportation Systems.
- Submit Report to the Legislature.

Measures used to gauge effectiveness:

- Conduct analysis of workflow, processes, and audit results to determine corrective measures for improvement.

- Conduct meetings with internal and external personnel.
- Conduct analysis of criminal and administrative investigations and results of court and arbitration decisions.]
- Conduct fiscal analysis of funding to ensure adherence to fiscal requirements and proper use of funds.
- Conduct training and conduct exercises to ensure best practices and compliance with court decisions.
- Implement and analyze new law enforcement and security techniques and best practices.
- Updating of Airport Security Plans (Airport) and Facility Security Plans (Harbors.
- If required, consultations with applicable unions.

4. **Environment and Quality of Life –** Ensure that the air transportation system respects environmental, natural, cultural, and historic resources; and adopts guidelines to conserve natural resources and alleviate environmental degradation caused by motor vehicles.
   - Implement sustainability and livability practices in existing and new facilities, with "sustainability" defined as: "Respect the culture, character, beauty, and history of our State's island communities; strikes a balance among economic, social, community, and environmental priorities; and meets the needs of the present without compromising the ability of future generations to meet their own needs."
   - Assess sustainability and livability for air transportation facilities and operation practices. This entire section was removed from the 2016 report.

     Sustainability and Cultural Development: The Airports Division has developed guiding documents to represent the place-based value system of the sustainability and cultural programs. Used together, these resources empower Hawai'i's airports to cultivate best practices within their respective districts. These resources also provide Hawai'i's airport system with a common perspective that complements Hawai'i's lifestyle and environment in and around all facilities designed,

built, maintained and operated by the Airports Division. Guiding documents include the *Sustainable Program Profile, Sustainable High-Performance Guidelines, Hawaii Sense of Place Primer and Cultural Appropriateness Guidelines.* These documents are available on the Airports Division website at http://hidot.hawaii.gov/airports/doing-business/engineering/sustainabledota/. Use of the cultural guidelines are ongoing and included in project designs. Implementation of the Airports Division's sustainability initiative has started through the Sustainable Management Plan project which was 75% funded by the FAA. Through sustainable efforts Honolulu International Airport currently holds the Level 2 Reduction of the Airport Carbon Accreditation Programme from the Airports Council International. To further implement a sustainable initiatives study for the feasibility of water reclamation (scalping) at Hawai`i's airports in response to Act 229, Session Laws of Hawaii 2015 has started. The FAA also participated in this project with funding of 80%.

Timeline: Continuous

Milestones: Continuous monitoring
Year 1 - 2014 - Start Sustainable Management Plan and published documents listed above.
Year 3 - 2016 - Publish Sustainable Management Plan and start Sustainability/Water Scalping study
Year 4 - 2017 - Incorporate and track sustainable practices into projects and operations (ongoing). Complete Sustainability/Water Scalping study.
Year 5-7 - 2018-2020 - Implement water scalping projects.

Measures used to gauge effectiveness: Measurable reduction in use of fossil fuels and natural resources. Traveling public recognition of Hawaiian sense of place in airports.

5. **Economy and Growth - Ensure that the air transportation facility systems support Hawaii's economy and future growth objectives.**
   - **Identify sector needs, current and projected, as they relate to the movement of people and goods.**

Master Planning: The Airports Division does separate master plans for all its 15 airports based on internal and external requirements and stakeholder needs. The master

planning process involves inventory assessment, passenger forecasts, stakeholder and public involvement, identification of alternatives and recommendation of a preferred alternative. Master plans are approved by the FAA and result in development plans and projects. Development plans and projects then require an environmental assessment process prior to implementation.

Timeline: Continuous
Milestones: Continuous Monitoring
Measures used to gauge effectiveness: Organize development of the airport system which meets stakeholder needs.

6. **Sustainability - Support the State's energy goal of 70% clean energy, which includes 40% produced by renewable energy and 30% increase in energy efficiency, enhancing the reliability and security of clean energy sources. Incorporate sustainable practices in operations and infrastructure.**

Energy Savings Performance Contract: Procure Energy Savings Performance Contracts where outside vendors install energy efficient equipment in State Facilities the improvements are paid for through the savings in energy payments.

Timeline: Continuous
Milestones:
Year 1 - Complete Phase 1 Procurement (Dec 2013).
Year 2 to 3 - Complete Phase 1 Construction (Dec 2015).
Year 5 to 7 - Phase 2 Construction (May 2017 to Aug 2019)
Measures used to gauge effectiveness: Savings of as much as 49% of current kilowatt hour usage.

Water Scalping Project: Install wastewater and water treatment systems statewide to utilize non-potable and treated wastewater converted to R-1 and R-2 water in order to protect and conserve Hawaii's water resources.

Timeline: Continuous
Milestones:
Year 1 - Complete Procurement (Dec 2017).
Year 2 - Start Design/Construction (Jan 2018).
Year 3 - Complete Construction (Apr 2018).
Measures used to gauge effectiveness: Water recycling reducing potable and non-potable water consumption and associated expenses.

7. **Funding - Create secure, flexible, and sustainable revenues and funding sources to sustain the Statewide airport system (Enterprise).**

- **Develop a framework for long-range financial forecasting; and within this framework distinguish between system preservation, capacity enhancement, and modernization needs that are funded from user-financing.**
- **Identify sources and develop and secure funding for the sustainable delivery, maintenance, operation, rehabilitation, replacement, and expansion of the state transportation systems.**
- **Ensure funding for the safety and security of the state transportation systems**

a. Maximize the use of Federal programs and funding for needed transportation infrastructure; use Federal non-recurring initiatives and funding sources such as American Recovery and Reinvestment Act (ARRA) and report on project and program achievements.
b. Study the reliability and viability of future transportation financing streams and funding and consider scenarios for innovative and non-traditional financing.
c. Achieve project readiness in support of new funding sources as they come available; and report on achievements of project completion.
d. Review outstanding bond issues and refund (refinance) if it is cost beneficial.
e. Review potential areas to increase revenue from current and prospective customers, tenants and stakeholders.
f. Meet with rating agencies and bond issuers, to maximize borrowing.

In July 2017, the Airports Division received the highest ratings available for customer facility charge revenue bonds from all rating agencies. Moody's Investors Service assigned A2 rating; Fitch Ratings assigned A+ rating; Standard & Poor's Rating Services assigned A+ rating.
The rating agencies recognized the Airports System's unique role in the State of Hawaii, overall economic strength and strong visitor growth. In addition, the rating agencies acknowledged that Airports Division's efforts in managing the rental car facility program, including flexibility in increasing the CFC level, funding strength with more than 50% of cash investment, good legal provisions, and availability of rental car companies' deficiency payments if needed.

The strong rating assisted the Airports Division in securing a historical low borrowing rate. Although CFC bonds are taxable bonds, the Airports Division realized an all-in true interest cost of 3.99%, even lower than the tax-exempt bond issued in 2015. The low borrowing rate bodes well for the Airports Division's future borrowing, including an anticipated tax-exempt borrowing in early 2018 and an additional CFC bond issue in late 2018.

Timeline: Continuous.
Milestones: Ongoing.
Measures used to gauge effectiveness: Maintain bond credit ratings.

Enhance the efficiency and effectiveness of Airports Division through the administrative services provided by the Staff Services Office: Proactively ensure that the Staff Services Office provides efficient, effective, continuous, consistent, and timely administrative support services and guidance through its Property and, Personnel Management; Budget; Methods, Standards & Evaluation; and Financial Management staffs to all 15 airports and to its 1,127 employees. These activities contribute to maximizing the generation of a sustainable revenue stream, controlling costs, and introducing improved procedures, and management techniques.

Create and maintain an inventory of all terminal and non-terminal properties in Propworks database: Insure adequate staffing for property management functions throughout the division, in order to maximize revenue generation.

Timeline: Continuous
Milestones:
Year 1 - January 2012 - acquired the services of a consultant firm to conduct an on-site inspection and survey of all terminal and non-terminal spaces at all airports. The results of the inspection/survey provided the Airports Division with accurate and updated information as to condition of the space, the activities being conducted from the space, determine if unauthorized alterations or modifications have been made, determine if utility costs are accurately being billed, and overall determine if provisions of the Revocable Permit or Lease Agreements are being followed. The consultant firm populated the results of their inspection/survey into Propworks.

Year 2 - January 2013 - The Airports Division along with the appropriate District personnel determined if existing RP's should be converted into lease agreements, terminated or allow the existing tenant to remain under an RP. The key criteria for this determination was whatever is in the best interest of the State of Hawaii and consistent with Federal Aviation Administration policies. AIR-PM staff conducted a review to ensure payments are being made by tenants in accordance with their agreements. All spaces have been put into the database, and are now being updated with more current or detailed information.

Year 3 - January 2014- District staff conducted unannounced inspections of terminal and non-terminal spaces to ensure tenant compliance with agreements; AIR-PM staff coordinated with District staff to ensure accuracy of the data base; AIR-AF monitored their data base to ensure accuracy of payments and late charges. On-going. In addition, the U.S. Department of Transportation, Federal Aviation Administration conducted a Revenue Use Compliance Audit of the Airports Division's programs, including but not limited to Property Management and Business Development. We responded to this audit.

Year 4 - January 2015- Conducted statewide appraisal of all properties to ensure fairness to tenants and ensure that rates and charges are current. The statewide appraisal was completed in 2013 and the new rates and charges have been imposed or imposed as Revocable Permits (RPs) were renewed or new RPs issued with an effective of January 23, 2014. AIR-PM has acquired the services of an independent appraiser to conduct a statewide appraisal in 2016 with the fair market value rates effective January 1, 2017. Process will be repeated in 2019, with rates applied January 1, 2020.

Year 5 - January 2016 - Started on-site inspection and survey of all terminal and non-terminal spaces to update data base. Ongoing. Same as 2016 report need to update with accomplishments completed in 2016.

Measures used to gauge effectiveness: All available spaces are being leased at the prevailing rates; payments are being made in a timely manner; tenants are in compliance with all terms of their agreement and revenue increases year to year. Same as 2016

report need to update with accomplishments completed in 2016.

Complete a concession agreement for on demand taxi management for all islands: The volume of taxi rides from the airport is large enough to support a concession agreement for management of the taxi system feasible only at two of the State's airports.
The model used at HNL requires taxi drivers to purchase ride tickets from the Concessionaire's Office and to surrender a ticket at the pickup location in advance of departing with the fare.
The revenue generated from the Concession is solely from the sale of the trip tickets. The revenue is split between the State and Concessionaire on a percentage basis.
The use of a third-party concessionaire (i.e. one that is not affiliated with any transportation entity), has significantly reduce complaints from taxi participants and customers.
At OGG, the concessionaire charges each of the drivers a monthly fee at the commencement of the month. While this eliminates the need for a dispatcher at the pickup site, the remote dispatcher is not able to intervene in the event there is an attempt at ride stealing.
Currently, the Consolidated Car Rental Facility is under construction. Once that is completed, the lot that is currently used by the rental car buses, could be used for taxi activity, which would enable the concessionaire to provide more active oversight.

Update: Continue to gather data to determine the structure of the concession at OGG and any changes that can be implemented to improve service at HNL.

Timeline: Continuous
Measures used to gauge effectiveness: Minimal complaints, efficient and timely service.

Convert the Revocable Permits for parking into a concession agreement for the neighbor island airports similar to that at HNL.

Timeline: Continuous
Milestones:
Year 1 - January 2012 - AIR-PM drafted and executed individual concession agreements for parking management for all islands. The agreements include the provision, if applicable, for charging stations in accordance with the law.

Year 2 - January 2013 - Districts monitored the management firm to determine if they were in compliance with the terms of their agreements. Districts used customer surveys, on-site observations, and unannounced audits as gauge to determine compliance. Progress: Maui completed, a draft for Kona was reviewed by the AG, a contract for Hilo was worked on, Lihue was under contract.
Year 3 - January 2014 - Districts monitored the management firm to determine if they were in compliance with the terms of their agreements. Districts used customer surveys, on-site observations, and unannounced audits to determine and encourage compliance.
Year 4 - January 2015 - Districts monitored the management firm to determine if they were in compliance with the terms of their agreements. Districts used customer surveys, on-site observations, and unannounced audits as gauge to determine compliance. Timelines being established for rolling concession offerings at each of the airports. Such timelines helped insure broad response to the solicitation.
Year 5 - January 2016 - Districts monitored the management firm to determine if they were in compliance with the terms of their agreements. Districts used customer surveys, on-site observations, and unannounced audits as gauge to determine compliance.

Update:
2015 - Five-year concession agreement advertised for operation of the public parking facilities at Kona International Airport at Keāhole, bids opened and contract awarded in 2016.
Review in process to establish terms for offering to be issued in 2017 for Hilo International Airport. Anticipate new contract to take effect in 2018. Subsequent issuances for Lihu'e, Kahului, and Honolulu to be made on similar timetables to avoid multiple contracts being issued in the same year. Updated from 2016 report.
Measures used to gauge effectiveness: Minimal complaints, efficient and timely service, and maximum revenues for the State.

Establish Wi-Fi and Advertisement Concessions at 5 major airports:

Wi-Fi Concession

Timeline: Continuous (5-years from date of award).

Milestones:

Year 1 - January 2015 - A Request for Proposal for installation, operation and maintenance of a free WiFi Systems Concession at Honolulu International Airport, Kahului Airport, Kona International Airport at Keahole, Hilo International Airport, and Lihu'e Airport was published. The Proposal Review Committee met to identify and invite responsive proposer(s) to negotiate a concession agreement.

Year 2 - January 2016 - The Review Committee will continue the process to 1) identify the most responsible and responsive proposal, if any, and 2) to negotiate and award a concession agreement.

Year 3 - January 2017 - Monitor performance of the system and revenue generation from the concession. WiFi contract for all airports listed in final stages anticipated that systems will be installed throughout the system in 2017.

Year 4 - January 2018 - Monitor performance of the system and revenue generation from the concession.

Year 5 - January 2019 - Monitor performance of the system and revenue generation from the concession.

Update:

WiFi contract for all airports have been executed. WiFi service anticipated to commence by 12/31/2017 and neighbor islands by 3/31/2018.

Measures used to gauge effectiveness: Amount of WiFi free service offered by the concessionaire, comments from users, requests for additional space, and increased revenues for the State.

Advertising Concession

Timeline: Continuous (5-years from date of award).

Milestones:

Year 1 - January 2015 - The Airports Division began the process of developing of an Advertising Concession Agreement. After evaluating the various options for issuing the concession, it was decided that separate Request for Proposals for Installation, Operation and Maintenance of an Advertising Concession 1) at Honolulu International Airport (HNL) and 2) at Kahului Airport, Kona International Airport at Keahole, Hilo

International Airport, and Lihu'e Airport (Neighbor Island Airports), to include the existing brochure and pamphlet racks at the airports. The Requests for Proposals were issued on November 23, 2015, under DOT-A-15-0021 for HNL and under DOT-A-15-0022 for the Neighbor Island Airports.
Year 2 - January 2016 - The Airports Division continued the process to identify the most responsible and responsive proposal, if any, to negotiate and award a concession agreement. Once the concession is issued, the Airports Division monitored both the service provided by the concessionaire and the revenues generated by the Concession in compliance with the terms and conditions of the agreement. The Airports Division, if appropriate and necessary will negotiate with the Concessionaire to amend the agreement to enhance service or revenues.
Year 3 - January 2017 - Monitor 1) the amount and type of advertising and 2) revenue generated from the concession. Advertising contracts for all airports listed in final stages. Anticipated that systems will be installed throughout the system in 2017
Year 4 - January 2018 - Monitor 1) the amount and type of advertising and 2) revenue generated from the concession.
Year 5 - January 2019 - Monitor 1) the amount and type of advertising and 2) revenue generated from the concession.

Update:
Advertising contracts for all airports have been implemented.
Advertising contracts signed in January 2017.
Advertising installed at all airports, with additional locations for advertising being added at those airports.
Measures used to gauge effectiveness: Amount of advertising in space initially offered for the concession, requests for additional space, and increased revenues for the State.

Extensions of Concession Agreements: Act 46, Session Laws of Hawaii 2012, as extended by Act 126, Session Laws of Hawaii, 2014, allowed the DOT to extend the terms of existing Concession Agreements, provided that the Concessionaire agreed to make revenue enhancing

improvements to the airport concession. Ten Concession Agreements were extended under the provisions of the acts. The concessions agreed to construct almost $88 million in improvements at the airports. In general, the Concessions pay the DOT the greater of a minimum annual guaranteed fee or a percentage fee. As part of the agreements, the Concessions collectively increased the guaranteed revenues to the DOT by approximately $90 million over the term of the extensions.

Timeline: Continuous.

Milestones:

Year 1 - July 2015 - The Airports Division extended the Concession Agreements and monitored its progress.
Year 2 - 2016 - Monitored the improvements and revenue generated.
Year 3 - 2017 - Monitor the improvements and revenue generated.
Year 4 - 2018 - Monitor the improvements and revenue generated.
Year 5 - 2019 - Monitor the improvements and revenue generated.

Update:
Concessionaires in the process of constructing new facilities at HNL, OGG and LIH. Efforts at KOA to begin once remodeling of terminal areas is completed.

Measures used to gauge effectiveness: Timeliness of completing improvements and determine if the improvements increased revenues.

Establish a computerized contract management program: This will determine the status of each and every agreement and lease to ensure proper increase in rent, percentage rents, extensions, and payments are being made in a timely manner.

Timeline: Continuous.

Milestones:

Year 1 - January 2012 met with the Airport Information Technology, Financial Management, and District Staff to establish baseline for requirements to ensure "best practices" for contract management. Have AIR-I develop a compatible and interoperable data base to meet our needs. Note: that the information acquired thorough Propworks will be used to establish some of the fields in this database.
Year 2 - January 2013 - Monitored and improved on the database. System completed and running.

Year 3 - January 2014 - Monitored and improved on the database.
Year 4 - January 2015 - Monitored and improved on the database. In 2015 the Airports Division received funding and established five (5) Property Manager positions to be located at the five (5) major airports.
Year 5 - January 2016 - When each of the vacant positions are filled, each Property Manager will conduct an on-site assessment at their respective airport to determine the status of each and every agreement and develop an Action Plan to ensure proper increases in rent, percentage rent, extensions and payments are being made in a timely manner. Monitor the activities of the Property Managers as per their Action Plan and improve on the database. Same as 2016 report need to update with accomplishments completed in 2016.
Measures used to gauge effectiveness: Minimal complaints, efficient and timely service, and maximum revenues for the State will be assessed and documented in their individual Performance Appraisals. Same as 2016 report need to update with accomplishments completed in 2016.

Ensure that the current Non-Signatory rates are consistent with the First Lease Amendment of 2008: This initiative is to ensure that the Airports Division meets its obligation to the First Lease Amendment that all Non-Signatory rates must be 125% above the Signatory rates. The impact of not meeting this critical obligation could result in Signatory carriers electing to become Non-Signatory carriers which could affect the Airports' bond rating.

Timeline: Continuous.
Milestones:
Year 1 - September 2011, in accordance with Hawaii Revised Statutes 261-7(e), Public Informational Hearings were held for the proposed new Airports Division Procedure entitled: **Proposed Non-Signatory Landing Fees and Passenger Terminal Rental Rates and Charges** to notify the public of our efforts to increase the rates and charges for the non-signatory carriers to be consistent with the First Amended Lease Extension Agreement signed in October, 2007, and became effective on January 1, 2008.
Public Hearings were held on September 26 in Hilo; September 27 in Lihue; September 28 in Honolulu;

September 29 in Kona; and September 30 in Kahului. Two members of the public attended the Hilo meeting, zero attended the Lihue meeting, three attended the Honolulu meeting, one attended the Kona meeting and two attended the Kahului meeting. At all meetings attended by the public, questions were raised about the subject matter and issues discussed.
A court reporter was present at each of the meetings and the transcript was published on the DOTA web site. The DOT-A also accepted comments after the transcripts were posted.
In order to ensure that the DOT-A was able to address all issues raised both at the meetings and potential subsequent to the posting of the transcripts, the effective date for increase was December 1, 2011.
Year 2-3 - January 2012 - 2013 The Airports Division increased the rates for the non-signatory commercials carriers at 125% of the FY 2012 signatory rates effective on January 1, 2012 pursuant to HRS 261-7(e) and prior to the effective date of the increase a report was submitted to the 26th Legislature, 2012 to include updating our pubic website with the new rate increases Additionally, the DOT-A developed a lease agreement, similar to the agreement with the Signatory Carriers for the non-signatory carriers to reflect the rate changes and other important factors.
Year 4 - January 2014 - Monitored and ensured that all rates and charges are consistent with all agreements.
Year 5 - January 2015 - Monitored and ensured that all rates and charges are consistent with all agreements.
A public hearing was scheduled to increase the non-signatory rates in accordance to HRS §261-7(e).
Year 6 - January 2016 - The Airports Division increased the rates for the non-signatory commercials carriers and Fixed Based Operators at 125% of the signatory rates effective on August 1, 2016 (FY-17) pursuant to HRS 261-7(e) and a report dated October 10, 2016, was submitted to the 28th Legislature, 2016 to include updating our pubic website with the new rate increases.
Measures used to gauge effectiveness: The modification or "right sizing" of the rates will ensure that all signatory air carriers will remain as signatory carriers and will not convert to non-signatory carriers. Conversely, non-signatory carriers will pay the higher rate and charges but their operations will

be commensurate to these charges. Should their operations expand they (non-signatory carriers) will have the ability to convert to signatory carriers.

Review existing personnel policies and procedures and amend them to ensure that "best practices" are in place to support the "Enterprise".

Timeline: Continuous.

Milestones:

Year 1 - January 2012 - began the process of reviewing existing policies, procedures, rules, regulations and practices of personnel and establish a Working Group comprised of District staff, Division staff and Department staff to comprehensively identify, modify, and establish policies to be consistent with the workforce and to support their duties and responsibilities to ensure productivity and commensurate compensation. On-going.

Year 2 - January 2013 The Working Group monitored each new policy to ensure that its intended objective and purpose were met. On-going.

This initiative has been placed on hold as AIR-AP is short staff by two (2) Personnel Management Specialists (Recruitment & Classification and Labor Relations) necessitating a focus on transactions and recruitment. This initiative was rescheduled when the two vacancies were filled and the operations were normalized.

Year 3 - January 2014 - On October 20, 2014, we received written approval from the Governor to conduct a pilot project relating to the centralization of personnel offices and personnel programs of the Department of Transportation under Hawaii Revised Statue 78-3.5 ("Experimental Modernization Projects") with no anticipated cost. The objective of this pilot project was to determine if the centralization will result in improved effectiveness and efficiency of DOT's personnel system, to include the filling of vacant positions. During the first year we worked with the Departmental Personnel Officer and the Divisions to identify the processes, personnel, and location to implement the centralization.

Year 4 - January 2015 - The Office of Personnel, Department of Transportation was working with the Airports, Harbors, and Highways Divisions in implementing a pilot project to centralize all

personnel offices and functions to improve effectiveness and efficiency.
Year 5 - 2016 The Office of Personnel is monitoring each of the various indicators to determine if they are meeting its intended objective and purpose. Same as 2016 report need to update with accomplishments completed in 2016.
Year 6 - 2017: The Human Resources (HR) Office (aka Office of Personnel) became fully staffed. However, years of backlog in maintaining employee records continue to be a challenge. With new staff onboard, quickly learning and applying the State and DOT policies and procedures and the HR system will be essential. New and current staff have undergone training and refresher re-training in recruitment, classification, and transactions, the latter involving inputting new and current employee record additions and changes into a unique and complex system.
Measures used to gauge effectiveness: Various indicators (sick leave, tardiness, productivity, complainants, investigations, audits, interviews) will be monitored to determine effectiveness of each policy. Same as 2016 report need to update with accomplishments completed in 2016.

Develop a formulaic approach to justify and ensure the addition of positions, equipment, staff hours, and related costs in concert with the design and completion of new or expanded facilities, such that they are maintained at proper levels. (i.e., X amount of Janitor positions for Y amount of new square footage of floor space)

Timeline: Continuous.
Milestones:
Year 1 - January 2012 - began the process of developing a method or business plan to ensure that for every newly constructed space or existing space being expanded a formula will be used to establish a ratio of space to positions to ensure that all services are being performed. Ongoing
Year 2 - January 2013 - Evaluated the effectiveness of the formula and conducted an analysis of the cost benefits of establishing new positions.
This initiative has been placed on hold until staff vacancies in AIR-AP are filled.
Year 3 - January 2014 - On October 20, 2014, we received written approval from the Governor to conduct a pilot project relating to the centralization of

personnel offices and personnel programs of the Department of Transportation under Hawaii Revised Statue 78-3.5 ("Experimental Modernization Projects") with no anticipated cost. The objective of this pilot project was to determine if the centralization will result in improved effectiveness and efficiency of DOT's personnel system, to include the filling of vacant positions.

During the first year we worked with the Departmental Personnel Officer and the Divisions to identify the processes, personnel, and location to implement the centralization.

Year 4 - January 2015 - The Office of Personnel, Department of Transportation was working with the Airports, Harbors, and Highways Divisions in implementing a pilot project to centralize all personnel offices and functions to improve effectiveness and efficiency.

Year 5 - 2016 The Office of Personnel was monitoring each of the various indicators and conducting a cost benefit analysis as well as to determine if they are meeting its intended objective and purpose. Same as 2016 report need to update with accomplishments completed in 2016.

Measures used to gauge effectiveness: Conduct cost benefit analysis Same as 2016 report need to update with accomplishments completed in 2016.

Audits: Increase the use of unannounced audits and inspections of contracts, cash and financial instruments on hand, documents, equipment, and facilities to prevent theft and ensure maximum utilization. Increase audits of tenants, contractors, and concessionaires to assure that gross revenues and reimbursable costs are accurately reported.

Timeline: Continuous.

Milestones:

Year 1 - September 2011 - AIR-AF has conducted unannounced audits of the petty cash funds at all airports and have reported their findings as well as corrective measures. They have expanded their audits to other program areas (security contract, engineering contracts) and reported their findings and corrective measures. Audit on the security contract has been completed as well as other audits on Honolulu International Airport, Kona Airport at Keahole, and Kahului Airport.

Year 2 - January 2012 - Evaluated the effectiveness of their audit and monitored the corrective actions by the Districts. This was an ongoing effort and was expanded to other program areas.
Year 3 - January 2013 - Ongoing - Evaluated the effectiveness of their audit and monitored the corrective actions by the Districts. This was an ongoing effort and was expanded to other program areas.
Audit results were noted, reported to appropriate management. The effectiveness of the audit was determined by management response, and was noted on follow-up audits.
Year 4 - January 2014
Evaluated the effectiveness of their audit and monitor the corrective actions by the Districts. This was an ongoing effort and was expand to other program areas.
Audit results were noted, reported to appropriate management. The effectiveness of the audit was determined by management response, and was noted on follow-up audits.
Performed audit to determine if leased spaces were properly being billed on a per square foot basis according to Airport Division Procedures. Determined the proper rental rates based on the type of space.
An audit was performed to determine if electricity was properly being charged based on Kilowatt Hours and electricity rates. In addition, identified any potential unbilled leased spaces that required billing of electricity and/or air conditioning charges.
Currently, auditing ground transportation permittees to determine whether their gross revenue has been properly reported to the DOTA.
A contract was audited to determine if payments to the contractor adhered to the rules of the contract agreement.
Year 5 - January 2015 - On-going. Evaluated the effectiveness of their audit and monitored the corrective actions by the Districts. This was an on-going effort and was expanded to other program areas.
Audit results were noted, reported to appropriate management. The effectiveness of the audit was determined by management response, and was noted on follow-up audits. Additional estimated revenue from proper billing and reporting also provided feedback for the effectiveness of an audit.

Ongoing: Review energy savings contract, continue overhead and cost audits. Conduct various confidential audits from management.

Measures used to gauge effectiveness: The results of the audits and monitoring of the corrective measures will reduce theft of funds, mishandling of purchases, encourage effective contract management, compliance with SPO regulations, and promote ethical behavior.

8. **Leadership - Provide effective leadership focusing on accountability, ethics, training, and transparency.**
   - **Increase the level of accountability of personnel both on and off the job.**
   - **Provide increased opportunities for training and sufficient equipment allowing personnel to be successful.**
   - **Implement policies that demonstrate commitment to transparency, ethics, and strict compliance with regulations, policies, and procedures.**

Update Engineering Project Development and Tracking (PDT) Procedures Library: The PDT Library contains electronic documentation of all the project implementation procedures and process for the Engineering Branch. An update for the new administration's policies and procedures will provide consistent deliverables from the Engineering Branch in line with the new administration's policies and procedures

Timeline: Continuous.

Milestones:

Year 1 - Complete Update

Measures used to gauge effectiveness: Completion on time.

Development of the Oracle Unifier Project Management Application: The Oracle Unifier Project Management Application is the Engineering Branch's tool for tracking, monitoring and archiving project processes, documents, records and financial information to provide accountability for project performance, funding and expenditures.

Timeline: Continuous.

Milestones:

Year 1 - 2011 Completed development of CIP module.

Year 2 - 2014 Enhancement of CIP module and reporting completed. Skire acquired by Oracle and renamed Unifier.

Year 5 - 2016 Completed development of O&M Module

Measures used to gauge effectiveness: Development completed on time.

Refine and expand the use of the PAS and EMCP such that leadership traits and skills are recognized, utilized, and rewarded, and improvement goals are set.

Timeline: Continuous.

Milestones:

Year 1 - 2013 assessed current usage and practice. Instituted a program of performance planning, coaching, and evaluation. Developed a system of annual plans and goals. Developed system of goal development and tracking and implement in Staff Services, begin training.
Partially addressed through AIR-AP, in conjunction with PER conducting training seminars on PAS. The value of the PAS and EMCP were discussed during Strategic Planning meetings.
Year 2 - 2014 Provided coaching and monitored and guided implementation. Established plan for the rest of the division.
Year 3 - 2015 During this period the Training Officer from the Office of Personnel, Department of Transportation conducted training on the Performance Appraisal System (PAS) to various DOT offices in the State of Hawaii. We continued to administer training and monitor the issuance and completion of both PAS and EMCP documents to all DOT employees in a timely manner.
Year 4 - 2016 Continued to administer and monitor training on PAS and EMCP.
Year 5 - 2017 Continued to administer and monitor training on PAS and EMCP. Conducted an evaluation and made recommendations on the effectiveness to determine if leadership traits and skills were recognized, utilized and rewarded and improvements goals were set.

Measures used to gauge effectiveness: Project elements on time, goals were established and tied to evaluations, overall effectiveness and teamwork to increase.

Provide timely, proactive leadership coaching and training support to managers: Managers have a need for support to break the cycle of often chronic operational problems that they are subject to, due to certain situations that are beyond their experience or skill level. Provide coaching in

leadership and management skills so that a new level of capability and accountability is attained.

Timeline: Continuous.

Milestones:

Year 1 - Begin to establish standards of leadership within the division, beginning in Staff Services. Incorporate standards in PAS and EMCP. Make different types of coaching available to managers upon request. Leadership development modules have been completed within the strategic Plan under Objective 3A. The opportunity to share these tools has not presented itself. Same as 2016 report need to update with accomplishments completed in 2016.

Measures use to gauge effectiveness: Increased productivity due to increased teamwork. Same as 2016 report need to update with accomplishments completed in 2016.

Development of a Strategic Plan for the Airports Division: A Strategic Plan will provide attainable goals in meeting near term and long-term objectives. The following are the DOTA's Mission and Vision Statements, Core Values and Strategic Goals as well as some leadership aspects of the plan that are being introduced. All are either implemented or on-going, revised or not yet implemented:

- Core Values (Resourcefulness, Commitment, Teamwork and Integrity)
- Mission statement - "We provide an Airports System that reflects the unique spirit of Aloha and connects Hawaii to the world"
- Vision statement - "An Airports System that is the Pride of our State"
- Our 4 strategic Goals are:
  - #1 - Develop, maintain and operate sustainable facilities to exceed customer expectations.
  - #2 - Optimize alignment between DOTA needs and State operating framework.
  - #3 - Achieve organizational success through teamwork.
  - #4 - Enhance Financial strength and diversify revenue sources.

LEADERSHIP ASPECTS

a. Increase the level of accountability of personnel
b. Provide increased opportunities for training and sufficient equipment, sufficient staffing, and

sufficient funding to support new facilities and to allow personnel to be successful.

c. Implement and update policies that demonstrate commitment to transparency, ethics, and strict compliance with regulations, policies, and procedures.
d. Promote open communication between management and rank and file employees.
e. Conduct regular meetings of the Executive Steering Group (all Airport District Managers and Branch Heads) to collectively discuss critical issues, and possible and best solutions and status of our many projects.
f. Create Ad Hoc Committees to address critical issues. The committee, (comprising of all key SMEs and some decision makers) identifies the problem(s), finds out what the cause(s) are and arrives at possible and best solutions moving forward.
g. Conduct regular meetings with the local and regional Federal Aviation Administration representatives on compliance issues as well as Airport Improvement Program grant funding.
h. We have worked with the State's Ethics Commission to conduct mandatory Ethics Training for our personnel.
i. Continue the effort to ensure that all projects are on schedule and all Federal grant funds associated with these projects are expended in a timely manner.
j. Establish a team approach for determining which projects are included in the CIP budgets. We have provided the Airport District Managers more of a voice in this process.

Timeline: Continuous.

Milestones:

Year 1 - Began process by interviewing leadership to establish a baseline for the Strategic Plan. Identify attainable goals in the near term and long term towards the plan.

Year 2 - 2014 Implemented the Plan and revised accordingly and tracked the accomplishments.

Year 3 - 2015 Continued to implement plan as well as implemented additional objectives. The 28th Legislative Session, 2015 State of Hawaii, passed Senate Resolution (S.R.NO. 129) which urged the Department of Transportation to develop a plan for the establishment of a Port Authority for Airports and Harbors. DOT Director Fuchigami is seeking approval from Governor Ige to acquire services to provide Management Advisory Services concerning a study about

the establishment of a Port Authority for the Department of Transportation.
Year 4 - 2016 The DOT has acquired services to conduct a Feasibility Study on establishing an Airport Corporation.
Year 5 - 2017 Based on the outcome of the Feasibility Study, the DOT will submit Legislation on establishing an Airport Corporation
Measures use to gauge effectiveness: Increased productivity and efficiency due to increased teamwork.

C. HARBORS DIVISION

The Harbors Division operates and manages a statewide harbors system of ten (10) commercial harbors divided into four (4) districts. They are: Oahu District - Honolulu and Kalaeloa Barbers Point; Hawaii District - Hilo and Kawaihae; Maui District - Kahului and Hana on Maui, Kaunakakai on Molokai, and Kaumalapau on Lanai; and Kauai District - Nawiliwili and Port Allen. The commercial harbors provide for the movement of cargo, passenger and vessels between ports within the state and provide facilities and support services for loading, off-loading, and handling of cargo, passengers, and vessels.

Statement of Goals

The Harbors Division's goal is to provide for the expeditious, efficient, and safe movement of people and goods which may be delivered for shipment or discharged on the commercial docks, wharves and piers to ensure the economic security of the State; promote economic growth and sustain the quality of life within the State by:

1. Creating and managing an integrated multi-modal transportation system that provides mobility and accessibility for people and goods.
2. Enhancing the safety of the water transportation system.
3. Ensuring the secure operation and use of the water transportation system.
4. Protecting Hawaii's unique environment and quality of life and mitigate any negative impacts.
5. Ensuring that the water transportation facility systems support Hawaii's economy and future growth objectives.
6. Supporting the State's energy goal of 70% clean energy, which includes 40% produced by renewable energy and 30% increase in energy efficiency, enhancing the reliability and security of clean energy sources.
7. Creating secure, flexible, and sustainable revenues and funding sources for transportation needs.
8. Providing effective leadership division wide focusing on accountability, ethics, training, and transparency.

Objectives and Policies

In meeting the objectives over the next 5 years, the Harbors Division will plan, develop, and implement the following projects to help achieve the following objectives:

1. **Mobility and Accessibility.**

- **Preserve and maintain existing water transportation systems in good condition or better; give comparable consideration to funding preservation capital projects as is given to expansion projects.**
- **Ensure the provision of essential and critical water transportation operation and services for all communities throughout the islands.**
- **Reduce congestion in the water transportation systems.**
- **Obtain federal funds for Harbors Infrastructure projects.**

Kalaeloa Barbers Point Harbor Fuel Pier Development Plan and Environmental Impact Statement, Oahu

Timeline:

Year 1 - Based on a comprehensive 2040 Master Plan, (MP), to provide strategic guidance for the future development of the harbor and to address the increasing demand for limited available harbor lands for key petroleum products such as gasoline, jet fuel and distillates (e.g., diesel and residual oil) and bulk products; development of scope to prepare a Fuel Pier Development Plan and EIS.

Year 2 - Based upon the KBPH 2040 MP coordinate efforts necessary to seek agency and public input on issues or resources of concern for the KBPH Fuel Pier Development Plan and associated EIS.

Year 5 - During FY 2016, the DOTH set goals to complete the Fuel Pier Development Plan and EIS document and complete removal of 1.085 million cubic yards of coral material to allow development of the harbor to begin. The DOTH completed the Fuel Pier Development Plan and the EIS document. The DOTH is designing the Fuel Pier to 50% at which time the DOTH will determine the approach to construct the pier. In addition, approximately 25% of the 1.085 million cubic yards of coral material have been removed and a completion date for 100% removal is August 2018.

Measures used to gauge effectiveness: Complete the removal of remaining estimated 800,000 million cubic yards of coral material to allow development of the harbor; and, select the method to complete the design and construction of the KBPH Fuel Pier. Plan and design the utility infrastructure and roadway to begin leasing the available lands for planned uses.

Pier 4 Inter-Island Cargo Terminal, Hilo, Hawaii

Timeline:
Year 1 - Construction is in progress for the Pier 4 Container Yard facility and construction is completed for the Kumau Street access road into Hilo Harbor. Generally, container exports are grounded while imports are wheeled. The overall total existing storage area for containers, chassis, break bulk, lumber and autos requires additional yard area to support the interisland cargo demand.
Year 2 - Complete construction of the Pier 4 Container Yard and design for the Hilo Pier 4 Wharf.
Year 5 - Advertise for the last phase for the Pier 4 Inter-Island Cargo Terminal and complete construction by August 2017. Complete land acquisition along Kumau Street and all pavement, lighting, and utilities and pier structure for a fully functional container terminal facility. Completion of Pier 4 will be at the end of November 2017 with Pier 4 being operational by December 1, 2017. Complete all payments and close out the projects punch list items for the Pier 4 Inter-Island Cargo Terminal, Hilo, Hawaii.
Measures used to gauge effectiveness: Open Pier 4 by December 1, 2017 for use of the Pier 4 Container facility; and improve safety, functionality and use for cargo operations.

Piers 12 and 15, Improvements, Honolulu Harbor, Oahu
Timeline:
Year 1 - Completed design for Piers 12 and 15. These piers are critical for the relocation of emergency response vessels to be co-located in one area of Honolulu harbor.
Year 2 - Obtained all regulatory permits and start construction for the new piers 12 and 15 at Honolulu Harbor.
Year 5 - Complete construction of Piers 12 and 15 and utility improvements necessary to relocate the emergency response vessels from Pier 35 to Piers 12 and 15. Complete construction and close out the projects final punch list items for both Piers 12 and 15. During October 2016, Piers 12 and 15 and utility improvements were completed and currently operational.
Measures used to gauge effectiveness: Construct two new piers to allow emergency response vessels to be in one area of Honolulu Harbor. The Clean Islands Council and Marine Spill Response Center to be in-place and operational at Piers 12 and 15, respectively. Since

November 2016, the Clean Islands Council and Marine Spill Response Center are operational. The project is completed.

Building and Sitework Improvements at Pier 35, Honolulu Harbor, Oahu

Timeline:

Year 1 - Completed design for the renovation of the former Pier 35.

Year 2 - Executed a Memorandum of Agreement with University of Hawaii, School of Ocean, Earth, Science and Technology's (SOEST) for a long-term lease at Pier 35.

Year 5 - Completed construction to allow relocation of SOEST to its new Pier 35 facility at Honolulu Harbor; executed a lease agreement between Harbors and UH for the new Pier 35 facility. During April 2016, the University of Hawaii, School of Ocean, Earth, Science and Technology's (SOEST) began settling into their new facility; and during August 2016, SOEST completely moved out of Snug Harbor for the DOTH to utilize site for the development of Kapalama Container Terminal Facility.

Measures used to gauge effectiveness: Provide a facility at Pier 35 to accommodate SOEST's relocation from Snug Harbor. Execute the lease agreement. During August 2016, SOEST completely moved out of Snug Harbor for the DOTH to utilize site for the development of Kapalama Container Terminal Facility.

Statewide Joint DOT and DLNR Cruise Line Scheduling System; Other DOT Commercial Vessels

Timeline:

Year 1 - The design and implementation of a web-based statewide scheduling system for access by cruise line agents to reserve berthing space at DOT and DLNR harbors. Project is sponsored by the Hawaii Tourism Authority; System accommodates the scheduling of other DOT commercial vessels. Project has been completed.

Year 2 - System is undergoing enhancements for cargo operations in order to integrate the scheduling system that uses Automatic Identification (GIS) Systems with security systems to track vessel movements in and around State harbors. Enhancements will be completed by December 31, 2016.

Year 5 - Enhancements for the DOTH and DLNR Cruise Line Scheduling System; System adaptation to include

Other DOT Commercial Vessels was completed by December 31, 2016. The DOTH issued its Harbor Master Notice during April 2017 that all users will schedule vessels through the Web-based electronic scheduling system.

Measures used to gauge effectiveness: With the enhancements to address commercial harbor agents concerns, the DOTH released the Web-based electronic scheduling system enhancements and issued its Harbor Master Notice during April 2017 requiring all users to schedule vessels through the electronic scheduling system. The system recognizes conflicts in scheduling; allows DOTH harbor masters to resolve conflicts; and, ensures transparency and efficient use of the piers at the 10 commercial ports.

2. Safety

Enhance the system and user safety and transportation facilities with the use of proper equipment, physical hazard reduction; and implement priority safety projects for each harbor.

Annual planning and development of Special Maintenance Projects to remediate and address safety concerns and necessary facility improvements. The following two projects provide an example of the type of projects undertaken to implement this policy:

Maintenance Pavement Repairs at Sand Island, Honolulu Harbor: This project will ensure that high traffic container yards at Honolulu Harbor are paved to eliminate hazards. Pavement repairs at the Matson, Pasha, and NYK container yard areas are undertaken annually to provide for safe operations.

Timeline:

Year 1 - Projects Design/Bid and construction started.
Year 2 - Design/Bid Programmed Projects
Year 5 - Design/Bid Programmed Projects in accordance with Municipal Separate Storm Sewer System permit.

Measures used to gauge effectiveness: Number of Projects Programmed vs. Number of Projects Bid with consideration for unplanned events such as emergencies, natural disasters, etc. Work done in compliance with regulatory requirements.

3. Security

- **Minimize risks of disruption of transportation to, from and within Hawaii due to terrorism and other human security threats and events, as well as threats and events from natural disasters.**
- **Work with Federal, state and county agencies as well as tenants to conduct vulnerability and risk assessments.**
- **Implement security policies and strategies to minimize risks and threats of disruption of or damage to the transportation systems while maintaining the intended function of the system.**
- **Provide continuous monitoring of critical infrastructure and communications systems to provide for appropriate emergency response capability.**

Kauai and Hawaii District Harbor Surveillance and Command Information System (Funded by Department of Homeland Security, Port Security Grant)

Timeline:

Year 1 - Design Completed

Year 2 - Construction completed for system-wide integration

Year 5 - The DOTH is awaiting DOD's completion to provide for the integration of each island's system to a central command center and Department of Accounting and General Services (DAGS) and DOD enhancements to the microwave system. The Project is funded by DHS-FEMA Port Security grants managed by DOD.

Measures used to gauge effectiveness: DOD's completion to integrate and share video feeds between State Harbors and other agencies for a common situational awareness.

Maritime Wireless Communication System - Broadband (Funded by Department of Homeland Security, Port Security Grant.)

Timeline:

Year 1 - Design completed

Year 2 - Phased Construction in process

Year 5 - The DOTH is awaiting DOD's completion to provide for the integration of each island's system to a central command center and DAGS and DOD enhancements to the micro wave system. The project is delayed due to equipment failure that is under warranty; anticipated replacement by December 31, 2017 per DAGS. Complete Phased Construction and system-wide integration.

Measures used to gauge effectiveness: Connect statewide video feeds from all commercial harbors to county emergency centers and to State Civil Defense for a common situational awareness of pre-arrival and post disaster for response and resumption of and continuity of business operations. The project is being supported by DAGS because of their unique and assigned core functions regarding electronic communications.

4. **Environment and Quality of Life**
   - **Ensure that users and tenants of the water transportation system and its facilities respect environmental, natural and historic resources.**
   - **Support the programs of State and Federal natural resource agencies, as well as support on-going lines of communication and coordination with these agencies.**

Small Municipal Separate Storm Sewer System (MS4), Storm Water Permits for Honolulu Harbor and Kalaeloa Barbers Point Harbor.

Timeline:

Year 1 - Met Storm Water Management Plan (SWMP) objectives and goals to satisfy the EPA Storm Water Consent Decree. Harbors to increase water pollution awareness among employees, tenants and users; implement regular tenant inspections; provide tenant and user outreach, education and training; implement best management practices during and after construction projects; and implement a good housekeeping and pollution prevention program.

Year 2 - Prepared a SWMP that met objectives and progressive goals and compliance with the requirements of the EPA consent decree.

Year 5 - Install database systems to meet Environmental Protection Agency's Consent Decree and SWMP objectives and progressive goals and compliance with the requirements of the consent decree. During 2016, the DOTH implemented the asset management database to track the EPA consent decree requirements and to facilitate implementing the various storm water compliance plans.

Measures used to gauge effectiveness: Meet EPA compliance deadlines pursuant to the Consent Decree and address any third-party audit findings, if any.

5. **Economy and Growth**

- **Create a community flow and freight handling system that is dependable, efficient and industrial/commercial land use and storage areas.**
- **Provide reliability, dependability and redundancy for commerce in the import and export of goods movement system including inspection facilities at ports, address actions for security of commerce.**
- **Create modern water transportation systems that are part of a positive visitor experience.**

Development of 84-acre Container Terminal with 1,800+ foot long Pier at Kapalama Military Reservation, Honolulu Harbor, Oahu.

Timeline:

Year 1 - Completed the EIS for the Kapalama Container terminal. The EIS addressed the proposed action for development of an approximately 84-acre container terminal facility, Highways weigh station and other ancillary features. The waterside improvements include berthing capacity for two container ships for which dredging will be required.

Year 2 - Completed 90 percent design for the container yard, Phase I.

Year 5 - Phase I; and Wharf, have been completed. Notice to Proceed to begin construction for Phase I of the Kapalama Container Terminal is December 1, 2017. In reviewing the financial plan that includes the increases in tariffs that support the funding requirements to construct Phase I, the DOTH anticipates that it can possibly fund Phase I by combining remaining funds from its 2010 Revenue Bonds, with DOTH's cash while maintaining 1,000 days of operating cash. A DOTH cash balance equal to 1,000 days of operating cash is to remain in compliance with the policy directions and fiscal practices set by the current DOT Director. The cash financing may save the DOTH approximately $16 million a year in debt service payments for each year that a new revenue bond issuance is deferred.

Measures used to gauge effectiveness: Notice to proceed for Phase I has been issued, and construction to begin as of December 1, 2017. Continue to obtain "water-side or in-water" permits for Phase II before the construction of Wharf, Pier and Dock improvements can proceed. This will allow for the Kapalama Container Terminal facility to be completed and opened

for use. The improvements will accommodate the rising demand for container facilities at Honolulu Harbor and improve port resiliency.

6. **Energy**

- **Support the national goal to reduce transportation-related greenhouse gas, (GHG) emissions and reliance on foreign oil.**
- **Use opportunities where and when practicable and available, to use solar (heating and photovoltaic), wind, geothermal, and ocean resources to supply power to create electricity for transportation facilities.**

Assess the feasibility of energy savings performance contracting to implement energy conservation measures in facilities using guaranteed energy savings to finance the projects.

Timeline:

Year 1 - While an Investment Grade Audit for Harbors Division was to have been completed in Year 1, the contractor, Johnson Controls, Inc. delayed the completion of the audit to Year 2 as their initial focus was on the Airports Division.

Year 2 - Completed Harbors Division's Investment Grade Audit to identify energy savings projects and enter into a Guaranteed Energy Savings Contract with Johnson Controls, Inc. in compliance with policy directions set by the Interim DOT Director. As most container/cargo yard users directly pay Hawaiian Electric for their electricity costs, legislative appropriations must also be approved by the 2015 Legislature to enable the division to assume the electricity payments so that it can enter into an energy savings contract with Johnson Controls to provide guaranteed energy savings to finance the projects.

Year 5 - As of September 30, 2017, construction and installation of PV panels, building and street lights were completed. Installation of high mast light fixtures are mostly completed. Delays with completing Kahului Harbor is due to the need to replace 26 deteriorating 80-foot light poles. Work on replacing Hilo Harbor high mast light fixtures is resuming and replaced with LED lighting with the advancement of LED technology that would meet county code. The remote dimming system is being re-programmed to address a

variety of vessel and cargo operational hours. Project to be completed before June 30, 2018

Measures used to gauge effectiveness: Completion of energy savings contract and monitor and verify Contractor's energy savings guarantees as provided under the contract.

7. **Funding**

- **Develop a statewide framework for long-range financial forecasting; and within this framework distinguish between system preservation, capacity enhancement, and modernization needs that are funded from user-financing.**
- **Identify sources and develop and secure funding for the sustainable delivery, maintenance, operation, rehabilitation, replacement and expansion of the state transportation system.**
- **Ensure funding for the safety and security of the state transportation systems.**
- **Maximize the use of Federal programs and funding for needed transportation infrastructure; use Federal non-recurring initiatives and funding sources such as ARRA and report on project and program achievements.**

Continue the implementation of tariff increases to provide for financial self-sufficiency and to support the financial requirements of New Day Work Projects as well as plan for future tariff increases to support the capital program.

Timeline:

Year 1 - Amendments to the tariff rates under Chapter 19-44, Hawaii Administrative Rules (Pertaining to Services and Procedures, Charges, Tolls and Fees), were promulgated through the rule-making process. Restructuring of wharfage rates and a one-time 10% increase in all other fees within General Provisions, Dockage, Small Craft and Other Vessel Fees, Rental, Demurrage and Port Entry Fees were implemented on March 1, 2010. The amendments also provided the division with the authority to implement annual incremental increases to wharfage rates. On July 1, 2010, wharfage rates were increased by 20%. In accordance with the amendments, wharfage rates were increased 15% on July 1, 2011. Cruise ship passenger fees were also increased to $5.00.

Year 2 - On July 1, 2012, wharfage rates were increased an additional 10%. Cruise ship passenger fees were increased to $5.50.

Year 5 - Wharfage rates increased 7% on July 1, 2013 followed by a 5% increase on July 1, 2014. On July 1, 2015, wharfage rates will increase by 3% or annual percentage increase in the CPI, whichever is greater. Cruise ship passenger fees increase incrementally each year by $0.50 to $7.00 by 2015. After finalizing the designs for Phase I of the Kapalama Container Terminal, the initial cost projection of $250 million has been increased to $450 million. The financial requirements of the Harbors Modernization Projects were reviewed. With OHA payments increasing with the increase in tariffs and also increased payments pursuant to the 5% central services fees, additional tariff increases were necessary to finance the construction of the Kapalama Container Terminal facilities, Phase I and II, and other priority projects. The increases allow DOTH to implement cash flow financing to at least fund the construction costs of Phase I of the Kapalama Container Terminal, which may possibly save DOTH approximately $16 million a year in debt service payments for the period that DOTH defers a new revenue bond issue.

Measures used to gauge effectiveness: Ability to meet the bond rating agencies analysts' expectations of Net Operating Revenues being equal to 2 times the annual debt service payment requirement; improved operational efficiencies.

Leverage federal funding for infrastructure expansion projects at Hawaii Harbors with the U.S. Maritime Administration (MARAD)under the Hawaii Port Expansion Program.

Timeline:

Year 1 - $5.086 Million in surplus Federal Transit Administration funds were transferred to MARAD under this program.

Year 2 - Complete designs and initiate construction of designated expansion projects financed with MARAD funding. Designs for critical projects have been finalized. Due to audit findings resulting from an Office of Inspector General (OIG) audit of MARAD, construction responsibilities were transferred back to the State. The State is presently working with MARAD to address the implementation of this transition of responsibilities.

Year 3 - Presently in construction for Hilo, Pier 1 Shed Modifications that will allow greater flexibility

for vessel berthing and pier utilization; in construction for Pier 31 Shed Demolition, Honolulu Harbor. Complete contract for a Commercial Off the Shelf, Asset Management System.
Year 5 - The application to have Hawaii's system of commercial ports recognized as a Marine Highway was submitted during April 2017 through MARAD to the Secretary of the U.S. Department of Transportation. Approval of the DOTH's Marine Highway application increases the DOTH's opportunities to compete for federal funding.
Measures used to gauge effectiveness: Achieve programmatic continuity of MARAD funding for harbor expansion related projects.

8. **Leadership**

- **Increase the level of accountability of personnel both on and off the job.**
  Provide increased opportunities for training and sufficient equipment allowing personnel to be successful. Implement policies that demonstrate commitment to transparency, ethics and strict compliance with regulations, policies and procedures.
- **Promote open communication between management and rank and file employees.**

Improve management capabilities to ensure coordination and compliance of the statewide maritime security program with all federal security requirements provided in 33 CFR 105.

Timeline:
Year 1 - Reorganization was completed to establish a security and emergency disaster office reporting to the Harbors Administrator to plan and coordinate maritime security, emergency disaster preparedness, safety and security, security grants management, and training among other key functions. The position to oversee this office has been filled. The division also began a management review of the security and enforcement unit (Harbor Police) to assess operational strengths and deficiencies and develop a training program to meet functional requirements to oversee facility security plans, security and enforcement of operational regulations at Honolulu Harbor.
Year 2 - Continued efforts were made to ensure that Harbor Police personnel meet annual certification requirements in knowledge, skills and ability to carry firearms. Harbor Police were trained to maintain

certifications as law enforcement officers. A new harbor patrol boat and statewide radio system were secured and made operational through funds obtained under a federal Port Security Grant.

Year 3 - The 2014 Legislature passed S.B. 2589, SD2 HD2 CD1 to consolidate harbor law enforcement functions under the Department of Public Safety (PSD) and require harbor police officers to meet state sheriff qualifications to standardize skill requirements and increase professionalism. The bill was vetoed by Governor Abercrombie to provide the DOT and PSD more time to administratively implement the objectives of the bill with duties and responsibilities of DOT and PSD being resolved through a memorandum of agreement. Both departments are currently in discussions to finalize the memorandum of agreement.

Year 5 - Harbor law enforcement personnel are equipped with knowledge, skills and abilities comparable to state sheriffs to increase professionalism and ensure the division's compliance with all federal requirements imposed by 33CFR 105. Additionally, the DOTH has monitored changes in operations, and re-classified existing and vacant positions to meet new manpower demands. For example, the Meter Mechanic is being retrained to become an Air Conditioning Mechanic; the vacant Management Analyst was reclassified as a Procurement and Supply Specialist; and the Budget Analyst position assumed the duties of the Management Analyst. In addition, for FY 18-19, trade off and transfer of funds were submitted and approved by the 2017 Legislature.

Measures used to gauge effectiveness: No assessment of violations or fines relating to non-compliance of 33 CFR 105. And more recently, minimize the increase in positions by reviewing and re-organizing positions to meet new program needs.

D. HIGHWAYS DIVISION

The Highways Division oversees the State Highway System. It is comprised of more than 954.6 centerline miles of highways and roads that provide regional movement and link major sites, such as airports, harbors, industrial areas, major communities, and primary urban centers. Although it accounts for only 21.4% of the total centerline miles of roadways, the State Highway System carries approximately 56% of the total 10.7 billion annual vehicle miles traveled in Hawaii. By connecting regions with key locations and carrying high volumes of vehicles and freight, the State Highway System enables the efficient movement of commuters and goods statewide.

Statement of Goals

The Highways Division's goal is to provide a safe, efficient, and accessible highway system through the utilization of available resources in the maintenance, enhancement, and support of land transportation facilities and programs.

Objectives and Policies

In order to achieve this goal, the Highways Division is guided by goals and objectives developed in alignment with Federal and State plans, policies, and regulations, including the Federal Planning Factors, identified in the Code of Federal Regulations, and the Department's Hawaii Statewide Transportation Plan.

The goals and objectives of the Highways Division include, but are not limited to, the following:

1. **Mobility and Accessibility**
   - **System Preservation**
     - o Manage transportation assets and optimize investments.
     - o Maintain a safe, efficient, and complete transportation system for the long-term.

       The System Preservation program preserves, upgrades, and maintains the State Highway System to help ensure the functionality of the system, that it operates safely and efficiently, and meets federal requirements. In addition to CIP projects, a major component of the system

preservation program is the Special Maintenance Program, which identifies routine preservation projects with longer lifespans on each island and provides dedicated funds to implement them. This supplies approximately $75-100 million per year to be used for state projects or as the 20% match for federal aid projects. Initiatives completed under the System Preservation Program include pavement preservation; pavement resurfacing, rehabilitation, and reconstruction; bridge replacement, rehabilitation, and/or seismic retrofit; drainage improvements; erosion control; guardrail replacement; and street light pole replacement.

Oahu Highways, Pali Highway Resurfacing, Waokanaka Street to Kamehameha Highway, and Pali Highway Lighting Replacement, Vineyard Boulevard to Kamehameha Highway: Resurface pavement and replace street lighting. Enhance visibility and reduce environmental impacts with flat lens installations, and lower vehicle damage and maintenance costs. Provide improved ride quality and provide a well-maintained transportation structure.

Timeline: Construction contract awarded September 12, 2017. Notice-to-Proceed pending.

Measures used to gauge effectiveness: Improved safety and roadway ride-ability without recurring potholes and loose gravel from the unraveling of the pavement.

Oahu Highways, Interstate route H-1, Shoulder Work and Portland Cement Concrete Pavement Rehabilitation, Vicinity of Waimalu Viaduct to Vicinity of Halawa: This project will rehabilitate the existing Portland cement concrete (PCC) travel lane pavement and replace the asphalt concrete shoulder with PCC. It also includes construction of a new retaining wall system, drainage, highway lighting, guardrails, traffic signs and markings, and other incidental work.

Timeline: The Qualification Proposals for this design-build project were reviewed and evaluated on 8/4/17. Anticipated Award is December, 2017.

Measures used to gauge effectiveness: Improved roadway ride-ability without recurring potholes and loose gravel from the unraveling of the pavement. Increased visibility from improved roadway markings and highway lighting.

Hawaii Highways, Mamalahoa Highway Drainage Improvements, Vicinity of Puuwaawaa Ranch Road: This project will provide roadway section and drainage facility improvements in the vicinity of mile post 21.0 in order to reduce accidents during inclement weather.

Timeline: Construction contract awarded November 23, 2016. Notice-to-Proceed granted on February 10, 2017, with estimated completion on November 30, 2017.

Measure used to gauge effectiveness: Reduction or elimination of flooding, and increased safety along Mamalahoa Highway in the vicinity of Puuwaawaa Ranch Road during heavy rainstorms.

Hawaii Highways, Kohala Mountain Road Drainage Improvements, Vicinity of Milepost 10.60: This project involves construction of drainage facilities to alleviate runoff from the roadway and reduce erosion within the highways right-of-way and adjacent areas. These drainage improvements will provide a safer highway during heavy rainfall by reducing runoff and overtopping of the roadway. Also, by reducing erosion, there will be less pollution of state waters.

Timeline: Advertisement for this project is currently scheduled for February,2018.

Measures used to gauge effectiveness: Reduction of runoff and erosion during heavy rainstorms.

Maui Highways, Kalae Highway Resurfacing, Maunaloa Highway to Kalaupapa Lookout: This project involves repaving, reconstruction of weakened pavement, installation of pavement markings, rumble strips, and guardrails, and other incidental work along Kalae Highway on Molokai, in order to extend its service life.

Timeline: Construction contract awarded August 3, 2017. Notice-to-Proceed pending.

Measures used to gauge effectiveness: Improved roadway ride-ability without recurring potholes and loose gravel from the unraveling of the pavement.

Maui Highways, High Street Resurfacing, Main Street to Keanu Street: This project involves the resurfacing of this stretch of High Street on Maui, in order to extend its service life.

Timeline: Construction contract awarded August 10. 2017. Notice-to-Proceed to be determined.
Measures used to gauge effectiveness: Improved roadway ride-ability without recurring potholes and loose gravel from the unraveling of the pavement.

Kauai Highways, Kuhio Highway Resurfacing, Kapule Highway to North Leho Drive: This project involves the resurfacing of this stretch of Kuhio Highway on Kauai in order to extend its service life.

Timeline: Construction contract will open bids on December 7, 2017.
Measures used to gauge effectiveness: Improved roadway ride-ability without recurring potholes and loose gravel from the unraveling of the pavement. Increase visibility from improved roadway markings.

Kauai Highways, Waapa Road/Rice Street/Kapule Highway Resurfacing, Wilcox Road to Halau Street: This project involves the resurfacing of these roadways on Kauai in order to extend its service life.

Timeline: Construction contract awarded December 30, 2016. Notice-to-Proceed to be determined.
Measures used to gauge effectiveness: Improved roadway ride-ability without recurring potholes and loose gravel from the unraveling of the pavement.

- **System Efficiency Management and Operations**
  Improve capacity and efficiency, and reduce congestion within the existing transportation system for long term benefit.
  System Efficiency Management and Operations includes the Highway Division's capacity and congestion programs. The Capacity Program provides new and/or additional capacity for all modes of transportation. The process begins with the identification and prioritization of capacity needs in the Long Range Land Transportation Plans. Initiatives completed under the Capacity Program include widening existing highways and constructing new highways, sidewalks, bike lanes, and shared use paths.
  The congestion program provides infrastructure, operations, improvements, and technology to

optimize traffic flow, reduce travel times, and address recurring and non-recurring events/incidents that cause congestion. Initiatives completed under the Congestion Program include the freeway management system, including its Freeway Service Patrol and Intelligent Transportation Systems (ITS), intersection operations improvements, traffic signal upgrades, and traffic signal optimization.

Oahu Highways, Freeway Management System: Continuing development and deployment of a Freeway Management System (FMS) will maximize efficiency and improve safety along our freeways by using intelligent transportation systems technologies. The FMS includes the deployment of CCTV cameras, vehicle detectors, dynamic message signs, dissemination of traveler information, Freeway Service Patrols (FSP), Traffic Operation Center enhancement, and other traffic management strategies.

Timeline:
The popular FSP program is currently in its 8th year of operation. The current contract was awarded to continue the program for the next three years beginning July 2017. A project to add a host of new cameras and Dynamic Message signs on the H-1 Freeway is currently under construction.

Measures used to gauge effectiveness: Improved Level-of-Service and traffic flow by helping the motoring public to plan trips through traveler information. Improved freeway traffic flow by managing traffic incidents.

Oahu Highways, Kahekili Highway, Haiku Road to West Hui Iwa Street: This project repaved all travel lanes, reconstructed shoulders, and reconfigured pavement markings to create a second northbound lane, which serves as a contra-flowed, southbound lane during the morning rush hours. It also added a shared use path from Hui Iwa Street, West to Hui Iwa Street, East.

Timeline: Physical construction has been complete since August 21, 2017.

Measures used to gauge effectiveness: Improved Level-of-Service through Ahuimanu, especially during peak hour traffic, with reduced delays,

reduced fuel consumption, and less degradation to the environment.

Hawaii Highways, Queen Kaahumanu Highway Widening, Phase 2, Kealakehe Parkway to Keahole Airport Road: This project will widen Queen Kaahumanu Highway from two lanes to a four-lane divided highway, which will increase vehicular capacity and operational safety of the facility in order to accommodate current and future travel demands in the area.

Timeline: This design-build contract was issued Notice-to-Proceed on July 8, 2013 and is currently estimated to complete construction in the summer of 2018.

Measures used to gauge effectiveness: Improved Level-of-Service for motorists traveling through this section of Queen Kaahumanu Highway, and ability to meet current and future capacity needs.

Maui Highways, Puunene Ave Improvements at Kuihelani Highway: This project will install additional auxiliary turning lanes on Puunene Avenue in the southbound and northbound directions, and a right-turn land on Kuihelani Highway in the eastbound direction. Existing lanes will be shifted, and affected traffic signals, drainage structures, curb islands and other roadway structures will be relocated.

Timeline: Construction contract was awarded on August 10, 2017. Notice-to-Proceed is pending.

Measures used to gauge effectiveness: Improved flow along Puunene Avenue, with reduced delays, reduced fuel consumption, and less degradation to the environment.

Kauai Highways, Kuhio Highway, Short-Term Improvements, South Leho Drive to Aleka Loop: This project will add an additional southbound lane along Kuhio Highway from Kuamoo Road to the Temporary Bypass Road, providing additional capacity in this congested segment of Kuhio Highway.

Timeline: Advertisement for this project is currently scheduled for Winter/Spring 2019.

Measures used to gauge effectiveness: Improved traffic flow with reduced delays, reduced fuel consumption, and less degradation to the environment.

- **Transportation Access Mobility and Modal Integration**
  - Provide appropriate and reliable transportation access options statewide to all users.
  - Ensure transportation investments in programs and prioritization processes are balanced (across modes and demographics, i.e. serves Environmental Justice populations.)
  - Provide a multimodal transportation system of motorized and non-motorized options.
  - Promote efficient travel between modes by creating connections and removing barriers.
  - Promote safe connections between modal alternatives.

    Transportation Access Mobility guides development of a travel way that is balanced and provides transportation options for all users. Modal integration provides connectivity between modes and safety for the various modes within the travel way.
    Transportation Access Mobility is addressed by the HDOT's Title VI and Environmental Justice Program, which covers all HDOT plans, programs, and projects. As a recipient of federal financial assistance, the HDOT is required to comply with federal non-discrimination laws and regulations.
    Both Transportation Access Mobility and Modal Integration are integrated into plans, programs, and projects by the consideration of the Highways Division's Complete Streets policy. The policy and its principles guide and direct the Highways Division in providing safe mobility for all users, including bicyclists, pedestrians, transit riders, movers of freight, and motorists, appropriate to the function and context of the transportation facility.
    In addition, Section 264-18 of the Hawaii Revised Statutes (HRS) requires the Highways Division to report on bikeway projects and expenditures and to spend at least 2% of eligible federal funds on bikeway projects. This requirement has been exceeded with a total of over $2.6 million in federal funds (and over $3.3 million total) spent

on bikeway projects between October 2015 and September 2016.

Oahu Highways, Leeward Bikeway, Phase I: The Leeward Bikeway will feature a 13 mile shared use path for bicyclists and pedestrians from the vicinity of Waipio Point Access Road to Lualualei Navel Road, providing a key component in the development of an east-west bicycle commuter network. This Phase I project will construct a path from the Hawaii Railway Society Train Station to Waipio Point Access Road, providing a safe alternative to riding along Farrington Highway and will serve as a recreational facility for the growing neighborhoods of Leeward Oahu.

Timeline: Currently scheduled for construction advertisement in the spring of 2018.

Measures used to gauge effectiveness: Improved safety for bicyclists and pedestrians for those traversing this area.

Hawaii Highways, Keaau-Pahoa Rd. Shoulder Lane Conversion: The Keaau-Pahoa Road Shoulder Lane Conversion, Keaau Bypass Road to Shower Drive, provides an additional lane in the (Hilo-bound) direction, as well as a shoulder that pedestrians and bicyclists can utilize.

Timeline: Construction of the first phase, widening the Pahoa-bound shoulder to provide a traffic lane during the P.M. peak traffic hours, was completed in the fall of 2015. The second phase, to construct intersection improvements at Shower Drive and Keaau-Pahoa Road, was awarded on October 13, 2016. Notice-to-proceed was issued on November 16, 2016 with an anticipated completion date of December 2017.

Measures used to gauge effectiveness: Improved Level-of-Service for motorists on Keaau-Pahoa Road during the P.M. peak traffic hours.

Maui Highways, Honopiilani Highway Widening/Realignment (Lahaina Bypass): This project, included in a section prior to this, is also being included in this "Transportation access mobility and modal integration" section, as its implementation includes multiple benefits, including the provision of bicycle facilities.

Timeline: As mentioned previously, Phases 1A and 1B-1 have completed construction, and the third phase, Phase 1B-2 is a Design-Build project. The D-B contract was awarded and notice to proceed was issued on June 29, 2016, with anticipated completion of March 2018.

Measures used to gauge effectiveness: Improved Level-of-Service for motorists traveling through this section of Honoapiilani Highway.

Kapule Highway / Rice Street / Waapa Road Improvements and Nawiliwili Bridge Replacement, Kauai: This project will replace, strengthen, or widen the existing Nawiliwili Bridge, and improve the roadway approach to the bridge, in order to accommodate heavier vehicles currently unable to cross over the bridge, saving hauling time and costs to the public. It will also provide ADA compliant pedestrian facilities for residents and visitors of the area.

Timeline: Consultant design services are currently being procured, with estimated construction advertising in Summer 2020.

Measures used to gauge effectiveness: Improved safety by meeting federal and state standards for structures.

2. **Safety**

- **Maintain a safe transportation system for all land transportation modes.**
- **Improve safety of the community through connectivity of the transportation infrastructure.**

The Safety Program supports Hawaii's roadway users arriving safely at their destinations by collecting data to identify areas characterized with high accident occurrences; implementing both infrastructure improvements and non-infrastructure education and public outreach programs; maintaining the integrity of roadway features like embankments, slopes, retaining walls, pavement, and bridges; and installing and upgrading roadway features such as guardrails to reduce injuries and increase survivability during crashes. Initiatives completed under the Safety Program include various projects that fall under the Highway Safety Improvement Program, rockfall and slope stabilization, guardrail and shoulder improvements, and highway shoreline protection.

Oahu Highways, Interstate Route H-2 and Moanalua Freeway, Guardrail and Shoulder Improvements: This project includes the installation and/or upgrading of guardrails, connections, railings, terminals, attenuators, and shoulder improvements to bring roadside appurtenances into compliance with Federal Highway Administration policy requirements.

Timeline: Construction contract awarded October 5, 2017. Notice-to-Proceed pending.

Measures used to gauge effectiveness: Improved safety and accident reduction along this stretch of H-2 and Moanalua Freeway.

Oahu Highways, Interstate Route H-1, Guardrail and Shoulder Improvements, Middle Street to Punchbowl Street: This project includes the installation and/or upgrading of guardrails, connections, railings, terminals, attenuators, and shoulder improvements to bring roadside appurtenances into compliance with Federal Highway Administration policy requirements.

Timeline: Construction contract awarded December 5, 2016. Notice-to-Proceed issued February 27, 2017, with anticipated completion in January, 2018.

Measures used to gauge effectiveness: Improved safety and accident reduction along this stretch of H-1.

Hawaii Highways, Queen Kaahumanu Highway Safety Improvements, Mahaiula to Kawaihae: This project involves low-cost safety installations, including rumble strips, and pavement markings in order to mitigate run-off accidents and broadside collisions.

Timeline: Construction contract awarded May 22, 2017. Notice-to-Proceed issued September 11, 2017, with anticipated completion in April, 2018.

Measures used to gauge effectiveness: Improved safety and accident reduction along this stretch.

Hawaii Highways, Mamalahoa Highway Safety Improvements, Milepost 3.9 to Milepost 6.9: This project involves low-cost safety installations, which may include the shoulder and centerline milled rumble strips; widening of paved shoulders; and installation

of pavement markings and signing to provide a safer roadway environment for all users of the facility.

Timeline: Advertisement for construction is anticipated in winter, 2017.

Measures used to gauge effectiveness: Improved safety and accident reduction along this stretch.

Maui Highways, Honoapiilani Highway Safety Improvements, Ukumehame to Olowalu: This project involves low-cost safety installations, which may include the shoulder and centerline milled rumble strips; widening of paved shoulders; and installation of pavement markings and signing to provide a safer roadway environment for all users of the facility.

Timeline: Advertisement for construction is anticipated in December, 2017.

Measures used to gauge effectiveness: Improved safety and accident reduction along this stretch of Honoapiilani Highway.

Maui Highways, Honoapiilani Highway Safety Improvements in the Vicinity of Kapoli Street to Papalaua Beach Park: This project involves low-cost safety installations, which include shoulder and centerline milled rumble strips; shoulder stabilization; guardrail, striping, and signing, to provide a safer roadway environment for all users of this facility.

Timeline: Advertisement for construction is anticipated in November, 2017.

Measures used to gauge effectiveness: Improved safety and accident reduction along this stretch of Honoapiilani Highway.

Kauai Highways, Kuhio Highway Emergency Slope Stabilization in the Vicinity of Kalihiwai Bridge: This project involves the clearing of Albizia trees, removal of loose rocks, and installation of rock anchors in order to stabilize this slope and maintain connectivity to the north side of Kauai, as Kuhio Highway is the only facility providing this access.

Timeline: Advertisement for construction is anticipated in fall, 2018.

Measures used to gauge effectiveness: Improved safety and rockfall reduction along this stretch of Kuhio Highway.

Click It or Ticket: The DOT also continued numerous traffic safety countermeasure activities this fiscal year. Through its "Click It Or Ticket" (CIOT) campaign, Hawaii has one of the highest seatbelt usage rates nationwide at 96.9-percent. The success of the CIOT campaign can be attributed to the hard work of many highway safety partners, which include the four county police departments, the Department of Health, the Department of Education, the Federal Highway Administration, the Federal Motor Carrier Safety Association, local fire departments, religious leaders, military bases, and others, along with the DOT. Enforcement was supported by a strong media campaign that utilized television, radio, and movie theatres advertising aimed at key demographics, along with variable highway message boards reminding motorists to buckle up.

Timeline: Continuous

Measures used to gauge effectiveness: Improved safety through increased compliance to state and federal seat belt statutes.

Impaired Driving: To combat the problem of drunk driving, DOT, in collaboration with the four county police departments, continued the "Drive Sober or Get Pulled Over" public safety campaign to increase the frequency of sobriety checkpoints to a minimum of one every week, all year-round. A strong media campaign using television, radio and movie theater ads also help to reach key demographics.

As with other states, driving while under the influence of drugs is a growing concern in Hawaii, whether it is prescription or illegal substances. We have worked diligently to expand Hawaii's Drug Recognition Expert (DRE) program which helps identify drivers who are impaired by substances other than alcohol. Currently, Hawaii has more than 85 DREs and at least two DRE instructors in each of Hawaii's four counties.

Timeline: Continuous

Measures used to gauge effectiveness: Improved safety through education and enforcement of impaired driving statutes. Also, tracking impaired driving fatality data.

Walk Wise Hawaii: Walk Wise Hawaii (WWH), a pedestrian safety education program administered by DOT,

continued its partnerships with various State and County agencies, private businesses, and community organizations to sponsor an annual education campaign to inform citizens about safe behaviors and laws for pedestrians and drivers. The campaign includes outreach to senior groups, rotary clubs, neighborhood boards, hotels, and other community groups and events. Multi-language brochures, movie theatre ads, and bus ads have also been included in WWH's outreach. Additionally, the WWH program also created Pedestrian Safety Month which happens every August. During the month, we try to have at least one pedestrian safety activity each day in an effort to educate the public and generate media coverage.

Timeline: Continuous

Measures used to gauge effectiveness: Improved pedestrian safety through education and information. Tracking pedestrian fatality and injury data.

Safe Routes to School: The Safe Routes to School (SRTS) program was created in 2005 and is a Federally funded program administered by the DOT. It is designed to encourage elementary and middle school aged children to be physically active; make walking and bicycling to school a safe, routine activity; and facilitate planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools. SRTS infrastructure and non-infrastructure projects are currently ongoing. SRTS informational workshops were offered statewide to inform the public about the SRTS program and requirements of SRTS federal grants. Following these workshops, the fifth round of Call for Applications to award remaining SRTS federal funds obtained under SAFETEA-LU was issued in September 2017, with applications due in January 2018. In addition, the State DOT manages State funds in the SRTS program special fund that was established by Act 317, SLH 2012. In accordance with Chapter 19-109 of the Hawaii Administrative Rules, funds from the SRTS program special fund are distributed to counties annually to support county-level SRTS programs. In accordance with Chapter 19-109 of the Hawaii Administrative Rules, funds from the SRTS program

special fund are distributed to counties annually to support county-level SRTS programs.

Timeline: Continuous

Measures used to gauge effectiveness: Improved health of children by encouraging walking and bicycling to school. Improved traffic flow by reducing vehicle trips to schools.

3. **Security**

- **Plan, maintain, and operate a transportation system that supports evacuation, response, and recovery for incidents.**
- **Improve the resiliency of the State through the transportation system.**

Security is an especially key issue because the majority of belt roads in Hawaii are the only access to many communities. Security is maintained through coordination and implementation of the Highways Division programs, Systems Preservation, Safety, Capacity, and Congestion (discussed earlier). The maintenance and improvement to these belt roads, along with the other state roads, provides for security in terms of sufficient capacity and traffic flow to serve for evacuation, emergency response, recovery, resiliency, and other security needs in the event that an incident occurs.
Additionally, as part of its operations, the Highways Division has crews and equipment available to respond to localized incidents and is part of the civil defense network of government agencies that coordinate and dispatch crews and equipment, as needed to proactively prepare for and respond to incidents of statewide or countywide significance.

4. **Environment and Quality of Life**

- **Preserve and enhance the natural environment, including biological and aesthetic resources.**
- **Preserve and enhance Hawaii's cultural resources environment, including archaeological and historical sites.**
- **Meet the relevant environmental regulations and standards set by Federal, State, and County/City agencies. Maintain collaborative working relationships with agencies and comply with goals of their relevant plans and policies.**

- **Promote the use of sustainable practices in designing, constructing, operating, and maintaining transportation facilities and programs.**
- **Promote long term resiliency relative to all hazards mitigation, namely global climate change with considerations to reducing contributions to climate change from transportation facilities, and reducing the future impacts of climate change on the transportation infrastructure.**

Environment and Sustainability objectives are incorporated into the Highways Division's plans, programs, and projects through compliance with federal and state environmental requirements, such as 23 CFR 771 (the National Environmental Policy Act [NEPA]), Section 4(f) of the Department of Transportation (DOT) Act of 1966, HRS 343 (the Hawaii Environmental Policy Act [HEPA]), and HRS 6E on Historic Preservation. In addition, the Highways Division has specific environmental programs for maintenance, statewide storm water management, and waste management to protect and enhance the environment as well as to meet federal and state requirements.

Environmental Management System: An Environmental Management System (EMS) has been developed and implemented, especially for all maintenance activities. The EMS follows EPA's National Environmental Investigative Center (NEIC) EMS model, which incorporates the ISO 14001 EMS standards. The coverage of the EMS includes Environmental Policy; Organization; Personnel and Oversight of EMS; Accountability and Responsibility; Environmental Requirements, Assessment, Prevention and Control; Environmental Incident and Noncompliance Investigations; Environmental Training, Awareness, and Competence; Environmental Planning and Decision-Making; Maintenance of Records and Documentation; Pollution Prevention and Best Management Practices Program; Continuing Program Evaluation and Improvement; and Public Involvement and Community Outreach.

Timeline: Ongoing

Measures used to gauge effectiveness: Continuing to meet NEIC standards.

Storm Water Pollution Control Plan: DOT Highways has prepared a Storm Water Pollution Control Plan (SWPCP) for baseyards with industrial activities on Neighbor Islands and baseyards on Oahu, as applicable.

Timeline: Continuous

Measures used to gauge effectiveness: Independent third party inspections of baseyards statewide are being conducted by a trained individual on a periodic basis.

Oahu Highways, Miscellaneous Permanent Best Management Practices on: Project involves installation of a Hydrodynamic separator at Kaneohe Bay Drive, M.P. 0.62; removal of concrete ditches and construction of an infiltration BMP along Kamehameha Highway near milepost 42.4; and construction of Best Management Practices for the existing drainage systems along Interstate Route H-3 within the Kapaa Watershed.

Timeline: Construction contract awarded August 2, 2016. Notice-to-Proceed issued January 17, 2017, with anticipated completion in March 2018.

Measures used to gauge effectiveness: Minimal signs of additional erosion at this site.

Oahu Highways, Kawa Watershed, Storm Water Best Management Practices on Oahu, Phase 1: Project involves clearing vegetation, site grading, demolition and removal of existing concrete channels, installation of new drainage culverts, concrete baffle box, and hand placed rip rap, retrofitting of existing drainage structures, installation and maintenance of permanent BMP's, hydro-mulching, installation and maintenance of temporary erosion control BMP's, and providing traffic control within the Kawa Watershed.

Timeline: Construction contract awarded August 2, 2016. Notice-to-Proceed issued January 17, 2017, with anticipated completion in March 2018.

Measures used to gauge effectiveness: Minimal signs of additional erosion at this site.

5. Economy and Growth

- **Promote the expansion and diversification of Hawaii's economy through the efficient and effective use of transportation facilities including movement of people, goods, and services in a safe, energy efficient, and environmentally sound manner.**

Economy and Growth objectives are supported by the Highways Division programs—Capacity, Congestion, System Preservation, and Safety (discussed earlier). Addressing Hawaii's congestion and capacity needs establishes efficient connections regionally and between harbors, airports, industrial areas, major communities, and primary urban centers and addressing safety and system preservation needs provides a safe and functioning transportation system for roadway users. Therefore the system enables commuter and freight movements, which are essential to the economic vitality of our state.

6. **Energy**

- **Actively pursue actions in transportation which help to achieve the State clean Energy Goal of 40% renewable energy by 2030; and use integrated action plans from DBEDT's Lead by Example Energy Initiatives with priority transportation actions that would support the Hawaii Clean Energy Initiative (HCEI).**
- **Identify ways to increase energy efficiency by 30% at transportation facilities and identify projects and programs for increased efficiency of energy in support of the HCEI, Leadership in Energy & Environmental Design (LEED), and other green initiatives for more efficient use of energy.**

Energy objectives are supported in coordination and implementation of our programs that support operations, such as congestion, capacity, and preservation. The congestion program monitors and reduces travel times (and therefore fuel consumption and greenhouse gas emissions) through optimizing traffic flow and addressing events/incidents that cause congestion. Transportation Access Mobility and Modal Integration policies, such as the Highways Division's Complete Streets policy, also decrease the demand for fossil fuels by promoting non-motorized travel and providing mobility for non-motorized modes.

Implementing Energy Saving Measures: All future building projects will be designed to meet LEED silver certification. All new computer equipment will be energy

star compliant. The Highways Division has installed PV systems at their Hawaii, Maui, and Kauai District Offices, as well as the Keanae Baseyard facility on Maui.
The Highways Division entered into an energy savings performance contract in 2015, in which an energy savings of 43.3% or approximately $4 million in operating costs is anticipated per year for our Division. The contract includes conversion of our existing facility lighting to LED statewide, conversion of our existing highway lighting for Oahu and Maui Districts to LEDs, installation of PV systems statewide, and air conditioning replacements and controls statewide.
DOT has also worked in the past with the County of Hawaii and Kauai Island Utility Cooperative (KIUC) to convert our highway lighting to LEDs on those islands.

Timeline: Ongoing.

Measures used to gauge effectiveness: Cost savings achieved through the above-mentioned energy saving measures.

7. Funding

- Obtain sufficient and specific transportation funding.
  The Highways Division receives its funding from both Federal and State sources, with federal funds making up about two fifths of its funding.
  Federal Highway Trust Fund revenues come from motor vehicle fuel taxes, sales taxes for heavy trucks and trailers, tire taxes, and heavy truck use taxes. The Federal Highway Trust Fund allocates revenue to states through the Federal-aid highway program by formula apportionment.
  Fixing America's Surface Transportation (FAST) Act: FAST authorized the federal surface transportation programs for highways, highway safety, and transit for 5 years from 2016 to 2020. This highway act provided federal funds of approximately $171 million to $187 million per year for Hawaii. However annual appropriations bills generally limit the funds that can actually be obligated to approximately 90% to 94% of the apportioned funds.
  The major core programs include: National Highway Performance Program, Surface Transportation Block Grant Program, Highway Safety Improvement Program, Railway-Highway Crossings Program, Congestion Mitigation & Air Quality Improvement Program, Metropolitan Planning, and the National Highway Freight Program. To be eligible to receive funds from the Federal Highway Trust Fund, programs and projects must be included in the Highways

Division's statewide long-range land transportation plan and in Hawaii's Statewide Transportation Improvement Program (STIP). The STIP is basically a four year Federal approved budget for the Division.
FAST continues a performance driven approach established under the previous MAP-21 Authorization Act that requires States to develop and implement performance measure strategies. Failure to comply with these new federal requirements will result in a Federal Participation rate of 65% for eligible projects, instead of the 90% used for interstate projects, or 80% for other non-interstate projects.
The State Highway Fund is used to fund land transportation projects and programs in the State of Hawaii. The four primary revenue fees for the Highway Fund are the gas tax, rental car surcharge tax, vehicle weight tax, and vehicle registration fee. The State Highway Funds used by the Highways Division fall under the Capital Improvement Program, Special Maintenance Program, and Routine Maintenance Program.
As Hawaii's vehicle fleet consumes less fuel by transitioning to more fuel efficient and alternative fuel vehicles (consistent with state energy objectives), state gas tax revenues are declining. The DOT, Highways Division was awarded a $3.988 million grant from the Federal Highway Administration (FHWA) to conduct a statewide mileage-based user fee demonstration project as a potential alternative source of revenue to the gas tax.

8. **Leadership**

- **Increase the level of accountability of personnel both on and off the job.**
- **Provide increased opportunities for training and sufficient equipment allowing personnel to be successful.**
- **Implement policies that demonstrate commitment to transparency, ethics and strict compliance with regulations, policies and procedures.**
- **Promote open communication between management and rank and file employees.**

Achieve full compliance with procurement training requirements for staff delegated with procurement authority to approve, review, conduct or participate in procurement actions.

Timeline: Ongoing. Employees with delegated authority to approve, review, conduct or participate in procurement actions have either

attended or continue to attend core mandatory and refresher courses as such courses become available.

Measures used to gauge effectiveness: 100% attendance to mandatory courses; no procurement violations.