



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Monday, March 02, 2026
2:00 PM
State Capitol, Conference Room 308

In consideration of
HB2138 HD1
RELATING TO ECONOMIC DEVELOPMENT

Chair Todd, Vice Chair Takenouchi, and members of the Committee,

The Department of Business, Economic Development, and Tourism (DBEDT) offers comments on HB2138 HD1, which would establish a temporary Hilo–Kona Transportation Pilot Program within DBEDT.

DBEDT recognizes the long-standing challenges associated with limited, reliable, and affordable transportation options between East Hawai'i (Hilo) and West Hawai'i (Kona). Connectivity between these regions directly affects workforce participation, access to education and healthcare, business operations, and tourism activity. In this context, improved inter-regional mobility is appropriately framed as an economic and workforce development issue, not solely a transportation operations matter.

If DBEDT is designated as the lead agency, the Department believes its role should be clearly focused on:

- Evaluating how transportation connectivity affects workforce access, labor availability, and employer recruitment;
- Assessing economic demand, utilization patterns, and pricing sensitivity across worker, resident, and visitor travel;

- Convening public-sector, private-sector, and community partners to test market-responsive and scalable service models; and
- Providing data-driven findings and policy options to inform future legislative and investment decisions.

DBEDT does not operate transportation systems and does not view this pilot as creating a permanent transit service. Rather, DBEDT's value is in serving as a neutral convener and evaluator, coordinating with transportation agencies and service providers to determine whether targeted mobility solutions can meaningfully reduce economic and workforce barriers.

Successful implementation would require close coordination with:

- The Department of Transportation for technical expertise, regulatory alignment, and statewide transportation planning;
- The County of Hawai'i and its mass transit operations for local integration and operational insight; and
- Private-sector and nonprofit transportation providers capable of delivering pilot services.

This collaborative structure would allow the State to test solutions efficiently while avoiding duplication of existing transportation responsibilities.

While the Department recognizes that transportation connectivity between Hilo and Kona has significant economic and workforce implications, it is important to clarify institutional roles consistent with established precedent and best practice. In Hawai'i, the planning, funding, and operation of public transit services have traditionally been the responsibility of county governments, which operate and manage mass transit systems tailored to local geography, ridership patterns, and community needs. On Hawai'i Island, the County of Hawai'i administers and operates its public transportation services and possesses the operational expertise, regulatory familiarity, and service integration capacity necessary to implement and sustain transit programs. The State's role, primarily through the Department of Transportation, has historically centered on statewide transportation planning, highways, airports, harbors, and intergovernmental coordination, rather than direct operation of county-level transit services.

DBEDT's statutory mission is focused on economic development, industry growth, workforce expansion, infrastructure strategy, and regional competitiveness. Accordingly, if this measure advances, DBEDT's appropriate role would be limited to economic impact evaluation, workforce mobility analysis, interagency coordination, and policy

recommendation. The operational delivery of public transportation services would be most appropriately housed within the County of Hawai'i or an existing transportation agency with the requisite operational authority and expertise.

Aligning implementation responsibility with established governmental functions would avoid duplication of services, ensure operational accountability, and reflect best practices in public sector governance.

To implement a pilot program consistent with the bill's intent, DBEDT would require dedicated resources, including:

- Program management and policy staff to design the pilot, manage partnerships, oversee contracts, and coordinate across agencies;
- Data collection and evaluation capacity to analyze ridership demand, workforce impacts, cost-effectiveness, and economic outcomes;
- Contractual funding to support pilot service delivery by qualified operators, including demand-responsive or public-private partnership models; and
- Reporting and planning resources to develop recommendations and any proposed legislation for consideration by the 2028 Legislature.

Absent dedicated funding and staffing, DBEDT's ability to meaningfully execute the pilot as envisioned would be limited.

Establishing DBEDT as the implementing agency for direct transit service delivery would represent a significant expansion beyond the Department's core statutory mission and operational expertise. To maintain clear lines of responsibility and accountability, any transit operations component should be administered by the County of Hawai'i or an existing transportation authority, with DBEDT serving in an advisory or evaluative capacity focused on economic and workforce outcomes.

Mahalo for considering our comments.

C. Kimo Alameda, Ph.D.
Mayor



Benson Medina
Director

William V. Brillhante, Jr.
Managing Director

Dennis Lin
Deputy Director

DEPARTMENT OF RESEARCH AND DEVELOPMENT

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March 2, 2026

TESTIMONY IN SUPPORT

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

Monday, March 2, 2026
2:00 PM
CONFERENCE ROOM 308

TESTIMONY ON HB 2138 HD1 Relating to Economic Development

Dear Chair Todd, Vice Chair Takenouchi, and Committee Members,

My name is Benson Medina, Director of the County of Hawaii, Department of Research and Development. Our Department is committed to fostering a stronger, more resilient, and culturally rooted future for our island community. Our programs cover Business and Industry Development, Agriculture and Food Systems, Regenerative Tourism, Film and Creative Media, Community Well-being, and Workforce Development.

Our Department is in **SUPPORT for HB2138 HD1**, which seeks to establish a Hilo-Kona transportation pilot program within the Department of Business, Economic Development, and Tourism to study, plan, evaluate, implement and trial transportation routes and services connected Hilo and Kona.

This bill addresses an important workforce issue for our residents as many commute daily from the east side of the island to the other to work in construction, hospitality, tourism or retail related jobs. This commute can take up to 2 hours one way and puts undue hardship for workers who do not have reliable transportation. With this study, important data can be collected to better inform County and State agencies on how to resource routes and provide better transportation mediums.

We thank you for your consideration of HB2138 HD1 and ask for your support in advancing this bill.

Sincerely,

Benson Medina,
Director, Department of Research and Development

**Testimony to the House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair**

**Monday, March 2, 2026, at 2:00PM
Conference Room 308 & Videoconference**

RE: HB2138 HD1 Relating to Economic Development

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 2138 House Draft 1 (HB2138 HD1), which establishes a Hilo–Kona transportation pilot program within the Department of Business, Economic Development, and Tourism (DBEDT) to study, plan, evaluate, implement, and trial transportation routes and services connecting the Hilo and Kona regions on the island of Hawaii.

HB2138 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the Economic Action policy pillar. Strengthening regional transportation connectivity directly advances key tenets of this pillar, including workforce mobility, economic participation, and job growth. Improving access between Hilo and Kona enhances labor market flexibility, expands employment opportunities, and supports business growth across Hawaii Island.

Residents, workers, students, and visitors regularly travel between Hilo and Kona for employment, education, healthcare, commerce, and tourism. However, limited, costly, and time-intensive transportation options create barriers to workforce mobility and equitable access to essential services. Strengthening connectivity between these regions is critical to supporting neighbor island commerce and improving overall economic resilience. HB2138 HD1 advances a thoughtful, data-driven approach by authorizing a pilot program within DBEDT to evaluate and test transportation solutions. By piloting services and collecting real-world performance data, the State can better assess demand, feasibility, and long-term sustainability before committing to larger-scale investments. Improved interregional transportation on Hawaii Island will expand access to employment opportunities, support local businesses, improve access to healthcare and education, and promote more balanced economic development. This measure represents a strategic infrastructure investment that strengthens workforce participation and supports long-term economic growth.

For these reasons, we respectfully urge the Committee to support House Bill 2138 House Draft 1. Thank you for the opportunity to provide testimony.

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



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GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 2, 2026

TO: Representative Chris Todd
Chair, Committee on Finance

FROM: Tiffany Yajima

RE: **H.B. 2138, HD1 Relating to Economic Development**
Hearing Date: Monday, March 2, 2026, at 2:00PM
Conference Room 308

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance:

We submit this testimony in **support** of H.B. 2138, HD1 on behalf of Enterprise Mobility, which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, and Enterprise Commute (Van Pool).

Enterprise Mobility supports this measure which advances mobility options and transportation equity across Hawaii Island. Enterprise currently operates a vanpool program on Hawaii Island, providing reliable daily transportation for hundreds of residents commuting from communities such as Pāhala, Ocean View, Nā'ālehu, and Hilo.

Enterprise is a strong partner to Hawaii County in advancing its transportation demand management goals, and fleet vanpools currently serve a wide range of employers on the island, including farms, hotels, and the Kona International Airport. In addition, Enterprise's partnerships help expand access to affordable, shared transportation for local residents.

Enterprise is committed to helping the state and county expand sustainable, flexible transportation solutions for Hawai'i's communities. H.B. 2138, HD1 will strengthen the tools available to support these mobility options.

Thank you for the opportunity to provide testimony.



March 2, 2026

Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Finance

Support for HB 2138, HD1, RELATING TO ECONOMIC DEVELOPMENT (Establishes a Hilo-Kona transportation pilot program within the Department of Business, Economic Development, and Tourism [DBEDT] to study, plan, evaluate, implement, and trial transportation routes and services connecting Hilo and Kona. Effective 7/1/3000. [HD1])

**Monday, March 2, 2026, at 2:00 p.m.
State Capitol, Conference Room 308 & VIA VIDEOCONFERENCE**

The Land Use Research Foundation of Hawaii (LURF) is a private research and trade organization originally founded in 1979, whose members include major Hawaii landowners, developers, real estate investment trusts, utility companies, and land use professionals. LURF's mission is to research, educate, and advocate for reasonable, rational, and equitable land use planning, laws, and regulations that encourage well-planned economic growth, agriculture, housing, renewable energy, commercial and industrial uses, health care, and tourism, while safeguarding Hawaii's significant natural, historic, and cultural resources, public health, and safety.

LURF is in **support of HB 2138, HD1**, which will require DBEDT to establish a pilot program to study and implement transportation options that link the areas of Hilo and Kona on Hawai'i Island.

The Pilot Project is necessary because the route between Hilo and Kona on Hawai'i Island is the most frequently traveled by for residents and visitors alike for employment, education, medical services, commerce, and tourism. However, such travel is challenging because of the lack of efficient, dependable, safe, and affordable transportation alternatives. These problems limit economic development, community connectivity, and access to essential services. The Pilot Project will evaluate and implement the best transportation alternatives and multimodal transportation corridor improvements, which should help provide long-term transportation solutions for the island of Hawaii.

Based on the reasons stated above, LURF is in **support of HB 2138, HD1**, and respectfully requests your favorable consideration of this bill. Thank you for the opportunity to provide comments in support of this measure.

HB-2138-HD-1

Submitted on: 2/28/2026 8:56:07 PM

Testimony for FIN on 3/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT!!!

Improved transportation between Hilo and Kona will be a tremendous help to businesses and residents. Improvements could lower costs, decrease travel times and even make travel safer. A pilot program would be a great start. Mahalo!

Glen Kagamida, Hilo