

STAND. COM. REP. NO. 174

Honolulu, Hawaii  
Feb 8, 2007

RE: H.B. No. 70  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 70 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this bill is to help alleviate traffic congestion through a fiscally prudent approach by allowing the State to enter into agreements with private entities to build, operate, own, or finance transportation facilities, including toll roads.

The Hawaii Automobile Dealers Association, Hawaii Bicycling League, Honolulutraffic.com, and several concerned individuals testified in support of this bill. The Department of Transportation (DOT) supported the intent of this measure. The Hawaii Transportation Association and several individuals submitted comments on this bill.

Hawaii, especially the island of Oahu, is facing a growing traffic congestion problem. Motor vehicle owners are making wiser choices when using their cars due to high gasoline prices and buying automobiles with greater fuel efficiency which is one reason for a decline in highway fund revenues from gasoline taxes. This decrease of highway fund revenues is making it difficult for government agencies to continue to build and maintain our state highway system, which in turn contributes to increased traffic



congestion throughout the state affecting the quality of life for all of Hawaii's residents.

Allowing the State to enter into agreements with private entities to build, operate, own, and finance transportation facilities is one method of rapidly developing safe, convenient, economical, and efficient means of transportation.

Your Committee has amended this bill by deleting its contents and inserting the language of H.B. No. 1424. As amended, this bill allows DOT to enter into public-private partnership (PPP) agreements to finance the planning, design, construction, operation, or maintenance or transportation improvements, including toll facilities.

In addition, your Committee has further amended the bill by:

- (1) Clarifying that an "eligible facility" for a PPP does not include railways, monorails, transit systems, bus systems, guided rapid transit systems, or ferries;
- (2) Clarifying that the "unit of government" authorized to enter into a PPP only includes departments or agencies of the State, public corporations established under state law or county ordinance, or intergovernmental agencies or corporations;
- (3) Requiring DOT to develop rules, rather than rules and guidelines, for the administration of a PPP, since DOT does not develop guidelines under Chapter 91, Hawaii Revised Statutes (HRS);
- (4) Requiring the responsible unit of government entering into a PPP to post the conceptual proposal within 30 days after accepting the proposal on:
  - (A) The website of the Department of Accounting and General Services (DAGS) if the unit of government is a state agency; or
  - (B) The responsible unit of the government's website, by publication in a newspaper of general circulation in the county in which the contract is to be performed, or on the DAGS website, in the discretion of the responsible unit of government, if the unit of government is a public corporation



established under state law or county ordinance, or any intergovernmental agency of corporation;

- (5) Inserting language clarifying that trade secrets, financial records, or other private records shall be withheld from public disclosure to the extent permitted under Chapter 92F, HRS;
- (6) Deleting the requirement that the major business points of the interim or comprehensive agreement be presented to an oversight board, if any, of the particular unit of government;
- (7) Clarifying that procurement records do not include trade secrets or other confidential information which may be withheld from public disclosure under Chapter 92F, HRS;
- (8) Deleting language prohibiting public inspection of cost estimates related to a proposed procurement transaction and restricting the inspection of procurement transaction records;
- (9) Deleting language authorizing DOT to approve requests by other units of government to procure, fund, develop, operate, or maintain eligible facilities in the same manner as DOT;
- (10) Inserting language requiring DOT to adopt rules to establish fines for evasion of a properly levied toll; and
- (11) Inserting language providing all police officers and other law enforcement personnel with police powers within a qualifying transportation facility.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 70, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 70, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.



Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,



---

JOSEPH M. SOUKI, Chair



