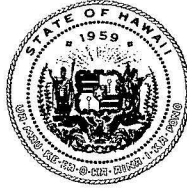


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IN REPLY REFER TO:

February 22, 2008

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE BILL NO. 2491

COMMITTEE ON FINANCE

The Department of Transportation (DOT) supports the intent of this bill, but believes it is not necessary. In fact, during last year's legislative session, the DOT proposed House Bill 1424 and worked with this Committee on House Bill 70, which both dealt with public-private partnership (PPP) agreements for toll roads.

Currently, Hawaii law does not authorize public tolls or PPP toll concessions on state highways. We believe that this is the first obstacle that needs to be overcome. Accordingly, the DOT supports enabling legislation that will specifically authorize tolls and PPP toll concessions on state highways. For this reason, we strongly recommend that this Committee seriously consider House Bill 70, HD 3.

The "best practices" prescribed in this bill are already being implemented by the DOT through existing state and federal requirements. These "best practices" have also been incorporated in House Bill 70, HD 3.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

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The Twenty-Fourth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association
February 22, 2008

H.B. 2491 – RELATING
TO TRANSPORTATION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 2491. While there is a growing trend nationally toward privately financed transportation facilities, we do not believe privately constructed and operated toll roads to be the best solution to increase roadway capacity without raising state taxes.

There is a real need for new public transportation projects locally. However, if there are public-private partnership agreements, protecting the public interest is of paramount importance. This legislation requires that the Governor and the State Department of Transportation follow the best practices in evaluating and negotiating such public-private partnership agreements to ensure that the public interest is protected.

For example, the bill requires an analysis of the public-private partnership proposal in terms of how the public interest is protected through controlling costs and traffic congestion and retaining control of transportation policy. Another set of criteria mandates a determination of the risks and benefits that are to be allocated between the public and the private partner (e.g. the risk of inaccurate or overstated estimates of traffic use and revenues). Long-term lease agreements of more than 20 years are problematic as are non-compete clauses.

Maintaining transparency in the review process is also required by this legislation. Transparency can be achieved through soliciting public comments, involving county governments and using an independent review panel to make a final recommendation. Finally, we suggest amending H.B. 2491 to protect the existing workforce and to make any partnership agreements subject to legislative approval. Thank you for the opportunity to testify in support of H.B. 2491.

Respectfully submitted,


Nora A. Nomura
Deputy Executive Director