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**Alison Powers**  
Executive Director

## TESTIMONY OF ALISON POWERS

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HOUSE COMMITTEE ON TRANSPORTATION  
Representative Joseph M. Souki, Chair  
Representative Scott Y. Nishimoto, Vice Chair

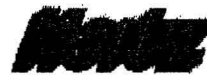
Monday, February 4, 2008  
9:45 a.m.

### **HB 2952**

Chair Souki, Vice Chair Nishimoto and members of the Transportation Committee, my name is Alison Powers, Executive Director of Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately 60% of all property and casualty insurance premiums in the state.

Hawaii Insurers Council takes no position on the merits of this measure. However, if the intent of this bill is to impose "car rental customer facility charges" on every rental motor vehicle transaction in the State we request that HB 2952 be amended to exempt from the facility charges those transactions where the lessor is renting the vehicle to replace a vehicle of the lessee that is being repaired. This exemption would be similar to the current exemption applicable to the Rental Motor Vehicle and Tour Vehicle Surcharge Tax contained in Section 251 -2, Hawaii Revised Statutes.

Thank you for this opportunity to comment on this measure.



The Hertz Corporation  
Hawaii Area  
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Honorable Joseph Souki, Chair  
Committee on Transportation  
House of Representatives  
State of Hawaii

Hearing: February 4, 2008

Re: HB 2952 --- Relating To Transportation

Honorable Chair Souki and Honorable Committee Members:

My name is Aaron Medina, General Manager, Hawaii of the Hertz Corporation. Thank you for the opportunity to offer testimony in support of HB 2952.

Rental car facilities in Hawaii particularly at Honolulu and Maui are in need of improvement in order to provide better customer service to the traveling public renting vehicles at those two airports as well as other outer Island Airports. As you are aware, major Airlines serving Hawaii recently successfully promoted an effort to pass a Passenger Facility Charge, PFC, to help them modernize terminal facilities at Honolulu International Airport. In like manner Hertz supports a Customer Facility Charge, CFC, to help provide similar quality facilities in Honolulu and other Airport rental locations.

Throughout the United States the CFC is a widely accepted user fee that is generally mandated by state or city law, to help the rental car industry pay the massive construction costs involved in building new Airport facilities for their operations. Many rental customers recognize that the "user fee," i.e., CFC, portion of their total rental charge will eventually provide them with a better rental experience by having more modern, comfortable facilities. Consolidated facilities provide more space and generally allow more rental car companies to move on-Airport from their off-Airport locations, thus increasing total revenues to the Airport.

Consolidated facilities provide more airport opportunities for the rental car industry to have space on-airport. Therefore, we ask that the legislature enact the CFC at the earliest time possible so that we may begin the planning and design of much needed facilities in Hawaii. We will be working with DOT to prioritize requirements throughout the Islands and begin construction first at those airports where space is most constrained.

For the reasons stated above, Hertz respectfully requests that the committee support this important legislation.

*Hertz rents Fords and other fine cars.*



544 Ohohia Street  
Honolulu HI 96819

Honorable Joseph Souki, Chair  
Committee on Transportation  
House of Representatives  
State of Hawaii

February 4, 2008

RE: HB 2952 – Relating to Transportation

Honorable Chair Souki and Honorable Committee Members:

My name is Wayne Tanaka and I am the Vice President/General Manager of Enterprise Rent-A-Car Company of Hawaii. Enterprise Rent-A-Car currently has 25 rental locations within Hawaii.

Enterprise Rent-A-Car is opposed to this bill in its present form for the following reasons:

1. **No defined project.** – The Department of Transportation would like to improve various airports and projects across the State of Hawaii. This bill does not identify any specific new rent-a-car Consolidated Facility. We are opposed to the collection of a Customer Facility Charge for a project or projects that have not been identified or defined. Before moving forward we would like 1) an acceptable location defined, 2) an approved conceptual project design, and 3) a reasonable financing plan.
2. **Consolidated Facility Budget** - Currently there is no budget in place for this Consolidated Facility.

3. **Fee Collection** – This proposed bill is not clear on what rent-a-car locations would collect this fee. We do not feel it would be fair or legal to collect a CFC fee from renters on Maui, Big Island, Molokai, and Kauai for a CFC facility built on Oahu. We have concerns about local residents renting cars in local neighborhoods (Kaneohe, Waipahu, Kihei, Kaanapali, Hilo, Keauhou, etc.) and having to pay this CFC fee. We also have a number of rent-a-car offices on military bases (Hickam, Schofield, Pearl Harbor, Kaneohe MCAS, etc) that should not have to pay this CFC fee.
4. **Transfer of Funds** – We have concerns that the rent-a-car CFC money collected may be diverted to other projects not related to a new Consolidated Facility for rent-a-car companies at Hawaii Airports. It is our understanding that in the past, millions of dollars collected from our renters to improve the State Highways have been transferred out of the State Highway fund for other projects not related to our State Highways.
5. **Existing Facilities** – We feel strongly that existing facilities needing improvement, enhancement, or renovation should be paid for by the current tenant. CFC money collected should only be used to build new Consolidated Facilities for rent-a-car companies.
6. **Property Acquisition** – CFC money collected should not be used to acquire property. CFC money collected should only be used to build new Consolidated Facilities for rent-a-car companies.

In closing, Enterprise Rent-A-Car is opposed to the introduction of this proposed CFC legislation for the 2008 legislative session. We are willing to continue to work in good faith with the DOT and the rent-a-car industry to address the concerns listed above. Thank you for allowing us to testify.