

Honorable J. Kalani English, Chair
Committee on Transportation and
International Affairs
Senate
State of Hawaii

Hearing: February 4, 2008 at 2:45 p.m.

Re: S.B. No.: 2916 --- Relating to Transportation

Dear Chair English and Honorable Committee Members:

My name is James Stone and I am a Legislative Consultant to Catrala Hawaii. Catrala's membership consists of the major u-drive companies and the many businesses which support the industry. A majority of the u-drive (car rental) Board members of Catrala support this bill. These supporting RAC Board members are: Avis Rent A Car, Budget Rent A Car, Dollar Rent A Car, Thrifty Rent A Car and Hertz Rent A Car. Catrala makes its decision on supporting legislative matters relating to u-drive matters by majority vote of its u-drive board members. .

Better Facilities and Services: No Cost to State. Catrala supports this bill and believes it is an important measure to provide better u-drive services and facilities to local residents and the millions of tourists who visit Hawaii each year. In spite of about \$40 million in airport concession fees paid to DOT's Airport Division each year, such facilities and services would be provided at no cost to the State. Like many major airports across the United States that have common-airport-u-drive facilities, Hawaii's facilities and services would be funded by CFC charges paid by renters who pick their cars at public airports in Hawaii.

U-drive's Being Left Out; CFC Would Allow Projects To Proceed. As you know, various airport improvement projects are being planned. Unfortunately better u-drive facilities and services are not being planned for u-drives due to the lack of available funds in spite of the substantial contributions of over \$40 million dollars paid by u-drives each year. When will things get better?

Thus to address the needs for better services and facilities so Hawaii's airports can be like many other public airports across the United States, this bill was introduced following discussions with DOT's Airport Division to allow revenues to be generated via CFC charges. Such revenues will provide DOT's Airport Division with the necessary extra funding to assist the u-drives in providing better facilities and services to local residents and visitors.

Closing. In closing we urge you to pass this important bill and keep it alive. We understand that it may need some fine tuning and perhaps adjustment as it moves forward for further deliberations by other legislative committees. Thank you for allowing us to testify.



The Hertz Corporation
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Honorable J. Kalani English, Chair
Committee on Transportation and International Affairs
Hawaii State Senate
State of Hawaii

Hearing: February 4, 2008

Re: SB 2916 --- Relating To Transportation

Honorable Chair English 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 SB 2916.

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.



544 Ohohia Street
Honolulu HI 96819

Honorable J. Kalani English, Chair
Committee on Transportation and International Affairs
Hawaii State Senate
State of Hawaii

February 4, 2008

RE: SB 2916 – Relating to Transportation

Honorable Chair English 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 new 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 rent-a-car customers 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.



Vanguard Car Rental USA Inc.

Honorable J. Kalani English, Chair
Committee on Transportation and International Affairs
Hawaii State Senate
State of Hawaii

February 4, 2008

RE: SB 2916 – Relating to Transportation

Honorable Chair English and Honorable Committee Members:

My name is Mark Shimamoto and I am the Regional Fleet Manager of Alamo Rent A Car and National Car Rental Hawaii. Alamo Rent A Car and National Car Rental currently has 13 rental locations within Hawaii.

Alamo Rent A Car and National Car Rental 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.
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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, Alamo Rent-A-Car and National Car Rental 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.

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