

**SB 1611**



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

February 11, 2009

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

SENATE BILL NO. 1611

COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND  
INTERGOVERNMENTAL AFFAIRS

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

**We support Senate Bill 1611**, which provides the Department of Transportation the resources needed to accomplish our primary mission and goals by increasing the state liquid fuel tax, state vehicle registration fee, state vehicle weight tax, and rental motor vehicle surcharge tax upon the improvement in the current economic condition.

On average, 140 lives are lost on Hawaii's roadways each year. Hawaii had the highest fatality rate in the nation in alcohol related fatalities, third highest in the nation in motorcycle related fatalities, and fourth highest in pedestrian related fatalities in 2006, according to the National Highway Traffic Safety Administration. These statistics are not acceptable and immediate and directed action is needed to significantly reduce the number of fatalities on Hawaii's roadways.

There are an estimated 760 bridges in the Statewide Highway System, of which 275 are structurally deficient. In 2006, Hawaii ranked forty-sixth nationally based on the percentage of structurally deficient bridges.

There are currently unacceptable levels of congestion in every county of the state. Both the number of licensed motorists and the number of registered vehicles continues to grow resulting in ever greater and more widespread congestion. There is a significant human cost to congestion, with ten minutes of time spent in traffic, equating to approximately \$600 per person, per year, and \$3,300 per commercial vehicle, per year. The economic cost of congestion is felt by everyone and these costs are passed on to consumers and increases Hawaii's already high cost of living.

The cost for materials and construction has increased dramatically. The liquid fuel tax is, however, a fixed assessment per gallon of gas without adjustments for inflation or other factors. More fuel efficient cars and electric cars also mean less gas consumed. While there is a desirable environmental outcome, it results in less gas taxes collected and thus fewer funds available to construct, maintain, and operate the very roads needed to travel. The Vehicle Miles Traveled Pilot project is proposed as a potential alternative way to generate more equitable revenue.

At current funding levels of \$250 million per year, it will take over thirty years to address the estimated \$7 billion in current infrastructure and programmatic needs and these needs continue to grow. Due to severe resource limitations, the Department has had to make difficult choices, diverting resources to the most critical programs and forgoing basic preservation and preventative maintenance that results in greater long-term cost. We can only stretch our limited resources just so far and our infrastructure system is already showing undesirable signs of this overextension.

Due to the extreme imbalance between programmatic needs and available resources, a significant infusion of funds is required to prevent further degradation of our statewide transportation infrastructure system. Without these tax and user fee increases, we make the untenable decision to accept business as usual, to accept our current safety records, to allow our transportation system to continue to deteriorate, and to accept ever greater and more widespread congestion all leading to increased cost of doing business and a diminished quality of life.

The Department is very mindful of the current economic downturn that has severely impacted Hawaii and its people. Therefore, we support the economic trigger whereby increases in taxes and user fees would only occur upon the recovery of Hawaii's economy. Such a recovery would be demonstrated by a one percent growth in Hawaii's statewide non-agricultural wage and salary job growth for two consecutive quarters as compared with the same quarters in the previous year as published by the state department of business and economic development and tourism.

A sound transportation infrastructure is essential to preserving our unique and precious quality of life. It is the backbone of the economy. It is about providing for the safe and efficient movement of people, services, and goods. It is for these reasons that we strongly support this bill.

LINDA LINGLE  
GOVERNOR

JAMES R. AIONA, JR.  
LT. GOVERNOR



KURT KAWAFUCHI  
DIRECTOR OF TAXATION

SANDRA L. YAHIRO  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF TAXATION  
P.O. BOX 259  
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510  
FAX NO: (808) 587-1560

**SENATE COMMITTEES ON TRANSPORTATION, INTERNATIONAL & MILITARY  
AFFAIRS AND COMMERCE & CONSUMER PROTECTION  
TESTIMONY REGARDING SB 1611  
RELATING TO HIGHWAYS**

**TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)**  
**DATE: FEBRUARY 11, 2009**  
**TIME: 1:15PM**  
**ROOM: 224**

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This measure proposes various tax and fee increases in order to accomplish a much-needed comprehensive transportation modernization effort statewide.

The Department of Taxation (Department) **supports the intent** of this measure; however **prefers the transportation modernization priorities set forth in the Administration measure, SB 985.**

The Department **defers to the Department of Transportation on the implementation and management of this legislation and its incumbent tax and fee increases.**

This measure provides for various tax and fee increases relating to motor vehicles and transportation consumables. For example, the fuel tax is increased by ten cents for most counties. Also, fees for vehicle registration and the rental motor vehicle surcharge tax are increased. The Department supports the intent of these tax increases because the increased revenues reflect a state-wide investment in the critical infrastructure of the islands that is long overdue. Equally as important as the overdue investment is that for each dollar of increased revenue from state monies deposited into the State Highway Fund yields matching federal dollars to assist in the State's efforts.

The Department prefers financing the State's infrastructure modernization through these various tax and fee increases because there is a logical nexus between the tax and the expenditures being made, namely that car owners and drivers benefit from the transportation improvements.

Though this measure reflects tax increases, the Department prefers this legislation's effective date, which only allows the taxes to increase when the State's economy shows sufficient growth to accommodate these increases.

This legislation will result in a revenue gain of \$110 million in Fiscal Year 2011 and \$120 million in Fiscal Year 2012 and after to the special fund.

# avis budget group

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

Hearing: February 11, 2009

## **Re: SB 1611 RELATING TO HIGHWAYS**

Chair English and Honorable Committee Members:

My name is Martin Mylott and I am the Hawaii Regional Manager with Avis & Budget Rent A Car Hawaii.

We support Catrala-Hawaii's opposition and position on this bill.

While the purposes of the bill are understandable this is not a time to raise any taxes especially those relating to our u-drive industry and tourist related activities. Our industry is already suffering and we've had to lay off workers and cut back on expense like many tourist-related businesses. As you know a major u-drive company recently filed for bankruptcy. Raising taxes and fees and surcharges for rental vehicles only discourages travel to Hawaii and makes it more difficult for tourists to enjoy the wonders of Hawaii through use of their rental vehicles.

Further, the current temporary surcharge tax at \$3 daily is already higher than similar competing tourist destinations such as Florida which has a \$2 daily surcharge tax. It is critical that Hawaii not be publicized as a tourist destination that targets tourists with high fees and taxes.

Even further, although the industry contributes over \$30 million a year to the airport special fund no monies are being used to build facilities for the industry which are years overdue. Thus, the legislature last year passed the CFC bill to fund u-drive airport facilities. This fee while presently \$1 a day is expected to rise to \$4 daily or more to pay for the bonds supporting the construction of CFC facilities at our various public airports. A \$4 or more CFC fee added to a \$5 daily surcharge tax fee will be devastating to our industry and give Hawaii a bad image for targeting tourists with taxes and fees.

Finally, the car rental industry alone was singled out when the tax was temporarily raised to \$3 and the Hawaii Department of Transportation has yet failed to complete a study as to how to fairly generate necessary revenues for the highway fund. Per SB 2365 passed last session, the DOT was supposed to complete such a study and submit it to this Legislature prior to the start of 2009 Legislative session. This study to our knowledge has not been completed.

Please do not raise taxes as proposed by this bill. Thank you for allowing us to testify.

Avis Budget Group  
Hawaii Regional Office  
3375 Koapaka Street, Suite B203  
Tel: 808/840-2847 • Fax: 808/836-7803

**AVIS.**

**Budget**



544 Ohia Street  
Honolulu, HI 96819  
800-838-0130  
www.enterprise.com

Honorable J. Kalani English, Chair

Committee on Transportation, International and Government Affairs

Hawaii State Senate

Hearing: February 11, 2009

Re: SB 1611 RELATING TO THE RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE TAX

Chair English and Honorable Committee Members:

My name is Paul Kopel and I am the Vice President and General Manager of Alamo Rent A Car, Enterprise Rent-A-Car and National Car Rental in Hawaii. In total, we employ more than 806 employees in 34 branch offices throughout Hawaii. On an average year, we purchase close to 3000 vehicles from Hawaii dealerships each year.

We support Catrala-Hawaii's opposition and position on this bill. We are very much a local business. We employ local residents...generate and pay millions in taxes...and support many fair-minded efforts to drive prosperity for our great state. We do this because this is our state...our community...it is where we live and work.

As the rental car industry and the broader automobile industry react to unprecedented challenges in our economy, it bothers me deeply that the legislature would play a part in picking winners and losers by targeting customers of one industry to close gaps in the budget. The rental car industry is already suffering: we have laid off employees and reduced our fleets. One of the major companies has already filed for bankruptcy.

Raising taxes and fees for rental cars will only discourage travel to Hawaii and make it more difficult for visitors and local residents to get around on our islands. Further, the current temporary surcharge tax at \$3 daily is already higher than similar competing tourist destinations such as Florida which has a \$2 daily surcharge tax. It is critical that Hawaii not be publicized as a tourist destination that targets tourists with high fees and taxes.

As a public policy, we do not believe it is fair or prudent to tax u-drive or tour vehicles for monies to be placed into the general fund. If policy makers decide public funds are required to pay for something that will provide a greater good to the community; good tax policy should spread the burden of that cost to everyone in the community. This proposed tax plan places too heavy a burden on a limited number of people, many of them being local residents.

Finally, the u-drive industry alone was singled out when the tax was temporarily raised to \$3 and the Hawaii Department of Transportation has yet to complete a study as to how to fairly generate necessary revenues for the highway fund. Per SB 1611 passed last session, the DOT was supposed to conduct such a study and submit it to this Legislature prior to the start of 2009 Legislative session. This study to our knowledge has not been completed.

Please do not raise taxes as proposed by this bill. Thank you for allowing us to testify.

  
Paul Kopel



Fueled By Passion

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

Honorable Rosalyn Baker, Chair  
Committee on Commerce and Consumer Protection  
Hawaii State Senate

Hearing: February 11, 2009

Re: SB 1611 RELATING TO HIGHWAYS

Chairs English and Baker and Honorable Committee Members:

My name is Michael Oh and I am the Chair of the legislative committee for Catrala-Hawaii. Catrala's membership consists of the major u-drive companies in Hawaii and the many businesses which support our industry.

Catrala is opposed to unfairly targeting u-drive vehicles with higher surcharge taxes.

While the purposes of the bill are understandable this is not a time to raise any taxes especially those relating to our u-drive industry and tourist related activities. Our industry is already suffering and we've had to lay off workers and cut back on expense like many tourist-related businesses. As you know a major u-drive company recently filed for bankruptcy. Raising taxes and fees and surcharges for rental vehicles only discourages travel to Hawaii and makes it more difficult for tourists to enjoy the wonders of Hawaii through use of their u-drive vehicles.

Further, the current temporary surcharge tax at \$3 daily is already higher than similar competing tourist destinations such as Florida which has a \$2 daily surcharge tax. It is critical that Hawaii not be publicized as a tourist destination that targets tourists with high fees and taxes.

Even further, although the industry contributes over \$30 million a year to the airport special fund no monies are being used to build facilities for the industry which are years overdue. Thus, the legislature last year passed the CFC bill to fund u-drive airport facilities. This fee while presently \$1 a day is expected to rise to \$4 daily or more to pay for the bonds supporting the construction of CFC facilities at our various public airports. A \$4 or more CFC fee added to a \$5 daily surcharge tax fee will be devastating to our industry and give Hawaii a bad image for targeting tourists with taxes and fees.

Finally, the u-drive industry alone was singled out when the tax was temporarily raised to \$3 and the Hawaii Department of Transportation has yet failed to complete a study as to how to fairly generate necessary revenues for the highway fund. Per SB 2365 passed last session, the DOT was supposed to complete such a study and submit it to this Legislature prior to the start of 2009 Legislative session. This study to our knowledge has not been completed.

Please do not raise taxes as proposed by this bill. Thank you for allowing us to testify.

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** FUEL, COUNTY BUDGETS, TAX FUNDS, MOTOR VEHICLE, RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE, Increase tax; disposition for land transportation modernization fund

**BILL NUMBER:** SB 1611

**INTRODUCED BY:** English and 11 Democrats

**BRIEF SUMMARY:** Amends HRS section 243-4 to increase the state fuel tax on gasoline by 10 cents, except on any island with a total resident population of less than 20,000 persons.

Amends HRS section 249-31 to increase the state motor vehicle registration fee from \$25 to \$45, except on any island with a total resident population of less than 20,000 persons. Directs the director of transportation to deposit \$20 of the annual motor vehicle registration fees into the land transportation modernization special fund, excluding motor vehicle registrations on any island with a total population of less than 20,000 persons.

Amends HRS section 249-33 to increase the state motor vehicle weight tax from .75 cents a pound to 2.75 cents a pound for motor vehicles weighing up to and including 4,000 pounds; from 1.00 cent a pound to 3.00 cents a pound for motor vehicles weighing over 4,000 pounds and up to 7,000 pounds; from 1.25 cents a pound to 3.25 cents a pound for vehicles weighing over 7,000 pounds and up to 10,000 pounds; from \$150 to \$450 for motor vehicles weighing over 10,000 pounds; provided that these increases in motor vehicle weight taxes shall not be applicable to motor vehicles on any island with a total resident population of less than 20,000 persons.

Amends HRS section 251-2 to increase the rental motor vehicle surcharge tax from \$3 to \$5 and repeal the August 31, 2011 sunset date.

Adds a new section to HRS chapter 248 to provide for the establishment of the land transportation modernization special fund, excluding taxes and fees collected on any island with a total resident population of less than 20,000 persons, into which shall be deposited: (1) a portion of the fuel tax collected due to the fuel tax increase proposed in this measure equal to 10 cents per gallon; (2) a portion of the state registration fee equal to \$20 for each annual motor vehicle registration fee collected; (3) a portion of the state vehicle weight tax equal to 2 cents a pound for vehicles up to and including ten thousand pounds net weight, and a rate of \$300 per vehicle for vehicles over ten thousand pounds net weight; (4) a portion of the rental vehicle surcharge tax equal to \$2 a day; (5) interest from investments; and (6) legislative and county appropriations. The land transportation modernization special fund shall be exempt from the requirements of section 36-27 transfers from special funds for central service expenses, and section 36-30 special fund reimbursements for departmental administrative expenses.

The department of transportation shall establish the vehicle miles traveled pilot program and evaluate a vehicle miles traveled user fee as a more equitable means of assessing all highway users based on their



actual use and impact on the highways.

Directs the department of transportation to develop one or more pilot programs to test alternatives to the current state and county system of motor vehicle fuel taxes. The pilot programs may include but are not limited to programs to test the reliability, ease of use, cost, and public acceptance of technology and methods for: (1) identifying vehicles; (2) collecting and reporting the number of miles traveled by particular vehicles; and (3) collecting payments from or making payments to participants in pilot programs.

The department of taxation may refund motor vehicle fuel taxes paid by participants or compensate participants in the pilot programs under this act. Any compensation to participants in pilot programs under this act may be administered uniformly or may be administered as a sweepstakes. The department of taxation may terminate a pilot program at any time and may terminate participation by any person at any time. Termination from a pilot program under this act shall not entitle any person to additional compensation.

The increase in taxes and fees under this measure shall not take effect until the state economy has improved with a 1% growth in Hawaii's statewide non-agricultural wage and salary job growth for two consecutive quarters as compared with the same quarters in the previous year as published by the department of business, economic development, and tourism. The increases in sections 2, 3, 4, and 5 of this act shall be effective six months following the occurrence of the improved economic conditions as delineated. Stipulates that if the tax and fee increases under this act are not triggered by the third year following the effective date of this act, the department of transportation shall return to current operational and priority status, scaling back its efforts to match and appropriately manage available resources.

Requires the department of transportation to submit an interim progress report on the status of the land transportation modernization program to the 2011 legislature with annual progress reports to the legislature prior to the convening of each regular session, and a final report to the 2016 legislature. The department of transportation shall submit a final report on the vehicle miles traveled pilot program to the 2012 legislature with findings and recommendations from the proposed pilot program.

Authorizes the department of transportation to expend funds for the programs listed in the measure.

Appropriates \$20,000,000 of highway revenue bonds, and \$1 of federal funds, of which \$6,000,000 may be designated for the execution of a master agreement with a consultant, and \$2,500,000 of highway revenue bonds, and the sum of \$1 of federal funds for the vehicle miles tax pilot program to carry out the purposes of this act, including expenditures for expenses, staff, or consultants. The sums appropriated shall be expended by the department of transportation.

If additional federal funds become available for land transportation infrastructure improvements under the economic stimulus plan or any similar program, the department of transportation is hereby authorized to pursue, apply, and expend federal funds on any of the programs or projects.

EFFECTIVE DATE: July 1, 2009

STAFF COMMENTS: This measure proposes increases to the state fuel tax, motor vehicle registration fee and weight tax, and the rental motor vehicle surcharge tax and establishes a land transportation special

fund into which shall be deposited moneys from the tax increases. Funds in the land transportation special fund shall be used for the department of transportation's modernization program. While this measure acknowledges the highway fund, it establishes the land transportation special fund but does nothing to bolster the ailing highway fund. Rather than establishing a new fund, the additional funds should be placed in the highway fund.

It should be remembered that Act 273, SLH 1993, allowed the transfer of 0.3% of fuel tax revenues to the special land and development fund for maintenance of the trails and access program. While the department of land and natural resources (DLNR) requested that the transfer be continued since it provided funds for staff positions as well as to meet matching fund requirements of several federal funds, it would be preferable to appropriate funds rather than to continue to siphon highway fund revenues.

While the proposed measure provides that the tax increases shall not take effect until the state economy has improved by a 1% growth in the state's non-agricultural wage and salary job growth for two consecutive quarters, as compared to the same quarters of the previous year, it is imperative that highway funds need to be bolstered to maintain the state highway system.

As an alternative, the legislature should revisit the transferring of the general excise tax realized from the sale of liquid fuel used in motor vehicles to the highway fund. General excise tax revenues derived from the sale of gasoline are normally receipts of the state general fund. The legislature by Act 159, SLH 1981, realized the need to increase the revenue base of the state highway fund and provided that general excise tax revenues derived from the sale of gasoline were to be deposited into the highway fund until June 30, 1984. This transfer of the general excise tax revenues was further extended through 1987 by Act 163, SLH 1984. The legislature by Act 239, SLH 1985, extended the transfer to June 30, 1991. Rather than extending the transfer of general excise tax revenues to the highway fund, the 1991 legislature established a rental motor vehicle and tour vehicle surcharge as well as increases in the state fuel tax, motor vehicle registration fees and the weight tax.

While the adoption of this measure acknowledges that something has to be done about our ailing highway infrastructure, action needs to be taken now rather than wait until the economic conditions improve. It should be remembered that prior actions by the legislature to address the highway fund shortfall were lackluster or nil. While Act 258, SLH 2007, mandated that a special joint senate and house task force conduct a review of the financial requirements of the state highway fund, in its final report, it acknowledged that the future projections of highway fund revenues are insufficient. The task force report deferred to the department of transportation and the administration to formulate a plan to raise revenue for the highway fund. It is incredible that a task force convened to find a resolution to the ailing highway fund would abdicate any sort of responsibility for bringing forth a resolution to the problems facing the state highway fund. Similarly, a task force convened by the administration likewise walked away without a recommendation on how to solve the financing problems of the state highway fund.

Serious consideration should be given to depositing the receipts of the general excise tax collected on the sale of fuels into the highway fund which would give the highway fund some elasticity such that its resources grow along with the inflation affected costs for maintaining the state highway system.

While the per day rental car surcharge and the tour vehicle surcharge may still be needed to balance the fund, it by no means should be the only source to be tapped as it merely postpones the day of reckoning. It should be remembered that unlike the other resources of the state highway fund, the fortunes of the

SB 1611 - Continued

motor vehicle surcharge are highly dependent on the utilization of rental cars and tour vehicles which, in turn, are dependent on the fortunes of the visitor industry. Thus, the motor vehicle rental surcharge and the tour vehicle surcharge are the least reliable of the revenue resources available to the state highway fund.

It should be noted that the measure provides that the increase in taxes and fees in sections 2, 3, 4, and 5 shall take effect six months after the 1% trigger is activated, these sections do not contain any tax increase provisions - section 2 proposes a vehicle miles traveled pilot program, section 3 requires the department of transportation to develop various pilot programs to test alternatives to the current system of motor vehicle fuel taxes, section 4 establishes the land transportation modernization special fund and section 5 exempts the land transportation modernization special fund from the central service transfer fees. This same problem is rampant throughout other sections of the bill which make references to other sections of the bill incorrectly such as "the economic condition referenced in section 11" where section 11 is actually the authorization of debt, or the "pilot program contained in sections 11 and 12" where those sections authorize debt and allocate the debt proceeds.

Again, what is going to happen to the current highway fund if nothing is done to replenish it with the revenues it needs to keep the highway division operating The administration in its budget document forecasts the highway fund to go belly-up by the end of fiscal year 2010 with a deficit of nearly \$54 million. Something needs to be done and that something needs to happen during the 2009 session.

Digested 2/10/09



LATE

February 11, 2009

**TESTIMONY BEFORE THE SENATE COMMITTEES ON  
TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS  
AND COMMERCE AND CONSUMER PROTECTION  
ON SB 1611 RELATING TO HIGHWAYS**

Thank you Chair Elish, Chair Baker, and committee members. I am Gareth Sakakida, Managing Director of the Hawaii Transportation Association (HTA) which has 380 transportation related members throughout the state of Hawaii.

HTA has grave concerns about this bill.

We support having an adequate highway revenue fund, but cannot support a healthy one while the industry's, and the rest of the state's, economy is far from healthy. We appreciate the need for maintenance: this work must be continued. Highway modification and construction projects just need to wait for better times.

To an extent, this bill seems to recognize much of these concerns with the economic trigger. However, no matter when it is implemented, the impact of this package of tax increases is huge. Please note that the federal government is also looking at fuel tax increases: 15 cents a gallon for diesel and 10 cents a gallon for gasoline. Who knows what our counties might now be planning for fuel tax increases.

While it is true that implementing the package now is disastrous, perhaps certain elements can be phased in over the coming years. Recent reductions in prices of some fuels may facilitate a more manageable phased in tax increase.

**However**, there are elements that need to be delayed. For example, any increase in the diesel tax is disastrous in the near future. The diesel pricing profile has been an onerous one. Three years ago diesel was almost \$2 a gallon cheaper than gasoline. Today, it is \$2 a gallon MORE!

Although there are many light commercial transportation applications that use gasoline (e.g. delivery vans, household goods) the majority of commercial applications are heavy, requiring diesel. Gasoline engines just are not capable of producing the power necessary for heavy applications (e.g. delivery trucks, dump truck and container movements, etc.), so we must use diesel.

Finally, tripling the vehicle weight tax is another disaster for the near future.

Thank you.

The Pacific Resource  
**PARTNERSHIP**



Testimony of Kyle Chock  
Executive Director  
Pacific Resource Partnership

Before the Committee on Transportation, International and Intergovernmental Affairs  
Before the Committee on Commerce and Consumer Protection

Wednesday, February 11, 2009  
1:15pm  
Conference Room 224

### **SB 1611 – RELATING TO HIGHWAYS**

The Pacific Resource Partnership (PRP) and its member contractors strongly support the State Highways Modernization Plan as embodied in SB1611 – Relating to Highways.

This legislative proposal is especially welcomed in light of the growing economic difficulties facing Hawaii. The highway projects will inject \$4.2 billion into our local economy and create thousands of jobs over the six years of the plan. For our member contractors and carpenters, the prospect of local work is especially meaningful. In previous slow economic periods, our contractors could always look to outside markets for work. However this option is no longer available due to the global economic crisis. Our community must come up with our own solutions, and the Highways Modernization Plan will be instrumental to our economic recovery.

The plan will also create long-term benefits. Traffic and traffic-related stress is one of the top issues impacting our quality of life in the islands. With this much-needed reinvestment in our aging infrastructure, the Highways Modernization Plan will increase the capacity of our highways to relieve traffic congestion and improve the safety of our roads at the benefit of residents statewide.

To further reinforce your positive legislative action, the most recent People's Pulse supports PRP's contention that needed infrastructure funding is supported by the general community - "4 in 5 favor expediting infrastructure project funding"<sup>1</sup>.

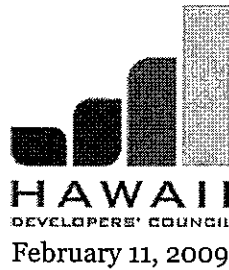
PRP wishes to thank the Chairs of both Senate and House Transportation committees for their foresight in advancing this progressive highways modernization plan. We believe that the plan coupled with the Federal Economic Stimulus monies will help to fill the construction gap that created the stoppage of private projects throughout the State.

PRP respectfully ask for your favorable consideration of this vital piece and essential legislation proposal of SB1611 (09).

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<sup>1</sup> The People's Pulse Winter 2009, page 3.

LATE



Senator J. Kalani English, Chair  
COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS  
Senator Rosalyn Baker, Chair  
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION  
Conference Room 224  
State Capitol  
415 South Beretania Street

Senators English and Baker:

Subject: **Senate Bill No. SB 1611 Relating to Highways**

My name is Dean Uchida, Vice President of the Hawaii Developers' Council (HDC). We represent over 200 members and associates in development-related industries. The mission of Hawaii Developers' Council (HDC) is to educate developers and the public regarding land, construction and development issues through public forums, seminars and publications.

It is also the goal of HDC to promote high ethics and community responsibility in real estate development and related trades and professions.

The HDC is in strong support of S.B. No. 1611 commonly referred to as the "Highway Modernization Program." The proposed legislation would increase the:

- State liquid fuel tax;
- State vehicle registration fee;
- State vehicle weight fee; and
- Rental motor vehicle surcharge tax.

Funds raised through these increases would provide the funding for a six-year comprehensive highway modernization program.

As the bill correctly points out, traffic, congestion and travel times have become increasing worse over time throughout the state. In many communities, traffic is at the top of problems or issues that communities deal with on a daily basis. The bill provides the funding sources necessary to address the problems and deficiencies in the state highways.

We strongly recommend that S.B. No. 1611 be approved as soon as possible.

Thank you for the opportunity to provide comments.