



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

IN REPLY REFER TO:

February 8, 2010

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE BILL NO. 2301

COMMITTEE ON TRANSPORTATION

The Department of Transportation opposes this bill for the following reasons:

1. Federal law requires that a state entity must have management and oversight over the federal aid highway program in order to receive federal aid highway money. Federal payments cannot be made directly to the counties. Transferring DOT management and oversight responsibilities to any county would jeopardize about \$200 million a year in federal aid highway funding to Hawaii.
2. The bill transfers jurisdiction without resolving Maui County's future share of federal and state highway revenues.
3. Maui County will receive significantly less federal funds for planning, design, and construction on federal-aid highways on Maui because of less available money due to an allocation process unfavorable to neighbor islands and because of the complexity of federal regulations which Maui County has not demonstrated to fully understand compliance requirements.

The DOT is willing to participate in a discussion for a pilot program within Maui County to consolidate maintenance activities, subject to necessary terms and agreements, which are consistent with the Reinventing Government Task Force. However, complete transfer of highway program functions and responsibilities is not appropriate and would result in a deterioration of roadway conditions and an even greater gap in providing the necessary roadway infrastructure to keep pace with the growing transportation demands.

Distribution of federal-aid highway money occurs on a reimbursement basis where the DOT first expends or authorizes the expenditures of public funds for an eligible project and then DOT applies for the appropriate reimbursement from the Federal Highway Administration (FHWA). All federal requirements, including statewide management and oversight, must be met in order for a state to obtain reimbursements from FHWA. FHWA cannot make payments or reimbursements directly to the counties for highway transportation expenditures.

If FHWA allowed transfer of all DOT funding, personnel, and highway-related functions to the four counties, and the Legislature mandated such a transfer, there would need to be a formula to determine each county's share of federal and state highway funds. The ability of each county to undertake major capital improvement or repair projects would be limited to the formula funding available only in that particular county.

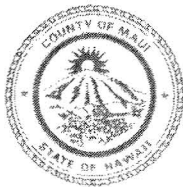
If a formula which determined each county's share of federal and state highway funds were based on population or fuel consumption, the neighbor islands would probably experience significant difficulties in constructing and maintaining their highway facilities. Historically, the DOT has used money collected from Oahu drivers for transportation purposes to subsidize the neighbor island highway programs. This has been viewed as justifiable in part because an efficient highway system on each island is essential to a healthy statewide economy and our way of life.

We note that at this time, the DOT has discretion to determine and address priorities that have statewide importance and to pool resources to expedite highway projects. However, if all DOT highway-related functions were transferred to the counties, the State would lose the flexibility to:

- pool resources to quickly fund highway repairs in disaster areas;
- pool resources to expedite and minimize public inconvenience from highway maintenance;
- pool resources for large new highway improvements and maintenance projects that would exceed the fund allocations a county could obtain from any funding formula; and
- prevent lapsing of federal funds (by reallocating federal commitments from projects in one county that are delayed to projects in another county that are “ready to go”).

While we oppose this bill, we would support a feasibility study for the transfer of jurisdiction (i.e. operational control, maintenance responsibility, and liability) from State highways to Maui County.

CHARMAINE TAVARES  
MAYOR



**OFFICE OF THE MAYOR**  
County of Maui

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February 5, 2010

Honorable Joseph M. Souki, Chair  
and Members of the Committee on Transportation  
House of Representatives  
State Capitol, Room 433  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Souki and Members:

**RE: HOUSE BILL NO. 2301, A BILL FOR AN ACT RELATING TO  
TRANSFER OF STATE HIGHWAYS**

Thank you for the opportunity to provide testimony on House Bill No. 2301. The purpose of the bill is to establish a pilot project to provide for the transfer of all State highway functions on Maui, Molokai, and Lanai to the County of Maui, and to transfer applicable funding for State highways on Maui from the State to the County.

The County of Maui expresses its opposition to the bill. Like the State of Hawaii, the County of Maui is also in a fiscal crises. We are unable to assume the responsibility for State roads, especially in our current financial condition. Although this is a pilot project which intends to transfer the necessary staff and funding, we do not believe this can be done in a manner which maximizes efficiency and delivery of services to the public. Being a Statewide organization, the State Department of Transportation has personnel located on Maui and in Honolulu which perform functions for State projects within the County of Maui. It is difficult, if not impossible, to fairly divide the required staff and funding between the County of Maui and the remainder of the State, as well as maintain a minimum standard of efficiency and sound management.

Moreover, it is noted that the bill would transfer functions to the County Department of Transportation (DOT) which has no jurisdiction over County roadways. The County DOT is currently exclusively focused on bus transit while the County Department of Public Works has jurisdiction over County roadways.

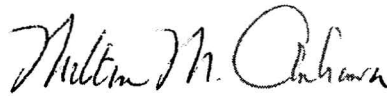
Honorable Joseph M. Souki, Chair  
and Members of the Committee on Transportation  
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Thank you for the opportunity to testify in opposition to House Bill No. 2301.

Sincerely,



CHARMAINE TAVARES  
Mayor, County of Maui



MILTON M. ARAKAWA  
Director of Public Works

CT:MMA:jso

xc: Milton M. Arakawa, Director of Public Works

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Speaker Emeritus Joseph M. Souki , Chair  
Representative Karen Leinani Awana, Vice Chair  
Committee on Transportation

House of Representatives of the State of Hawai'i

Lance D. Collins, Esq.

Monday, February 8, 2010  
Support of HB No. 2301, Relating to Transfer of State Highways

My name is Lance D. Collins. I am an attorney in private practice on the island of Maui and testify on my own behalf. I submit testimony **in support** of this bill **with changes.**

The over all intent of this bill and the pilot project are excellent. The state should continue to oversee the financing of transportation projects state-wide for the benefit of people throughout the state while efficiencies can be had by devolving the day to day management of transportation infrastructure to the counties.

However, one long-standing problem related to comprehensive transportation reform is the status of old government roads. Prior to 1947, the counties held jurisdiction over all public highways and were responsible for their maintenance. With the creation of the state highway system, this jurisdiction was fractured and created the problem of the "old government roads." The Legislative Reference Bureau conducted a comprehensive review of the problem in 1989, documented in their report entitled, "Roads in Limbo: an Analysis of the State-County Jurisdictional Dispute."

Ironically, it is the County of Maui that is the only hold-out among the four counties that has not accepted the findings of this report.

As the counties and State look for ways to maintain and better address the transportation needs of residents, it is incumbent upon us to look at reclaiming and re-using old government roads and the accept the reduced costs associated with such reclamation than to needlessly spend millions of dollars to buy new land.

The bill should be amended to include language addressing the old government road issue.

Thank you for this opportunity to provide testimony on this measure.

Mahalo.