

**SB 2461**

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

Hearing: February 1, 2010, 1:15p.m.; Room 224

Re: SB 2461 -- Relating To Transportation

Chair English and Honorable Committee Members,

My name is Paul Kopel and I am the Legislative Committee Chair for Catrala-Hawaii. Catrala's membership consists of the major u-drive companies in Hawaii and the many businesses which support our industry.

Catrala supports the bill the with amendments set forth in attached Exhibit 1. Material to be deleted is [bracketed]. Proposed new language is hand written.

This Legislature with the passage of Act 226 in 2008 sought to fast-track improved services and projects relating to the u-drive (car rental) operations at Hawaii's airports. Initially the Act provided funding with a CFC fee of \$1.00 daily and appropriation of \$10 million for statewide planning and design.

It's now time to take this Program to the next level by providing for a source of funds that will generate sufficient revenues to fund approximately \$500 million in projects statewide. This bill proposes to do this by a one-time increase of the CFC fee to \$4.50 daily. By doing so and avoiding stepped up increases consultants have reported this will seek to avoid such CFC fee being raised to higher than \$5.00 daily in the future and will also result in \$300 million dollars in finance savings. Fast tracking these projects will also result in anticipated construction-cost savings of 30% to 40% while providing critical jobs to Hawaii's economy.

The major changes to this bill proposed by the amendments are:

(1) No longer seeks to clarify whether the department has the discretion to increase the CFC fee. The department has informed us that such clarification to the law is not necessary and that the department has such powers and will soon be implementing an increase in the CFC fee.

(2) To ensure fast-tracking of the program by providing a minimum funding level for the program that cannot be diminished for a likely financing-bond-period of at least 20 years without legislative approval, the legislature to ensure the funding stream increases the present \$1 a day CFC charge to \$4.50 per day as recommended by consultants and in keeping with the program's financing plans.

(3) Further clarifies and provides for the funding and fast-tracking of projects not only at Honolulu International Airport and Kahului Airport but also for the Lihue Airport.

Some of the other changes to the bill are:

(1) Clarification of facts and intended language and program's purpose;  
(2) Strengthen statutory language and departmental authority and powers to ensure program goals are met with minimum delay.

We thank you for your past support and respectfully urge you to pass this bill.

JAN 22 2010

---

---

## A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1           SECTION 1. The legislature finds that although car rental  
2 concessions at Hawaii's public airports contribute over  
3 \$30,000,000 a year in concession revenues to support Hawaii's  
4 public airports, the legislature in 2008 recognized that no  
5 facility improvements to those concessions would be made given  
6 other airport priorities as to the use of the funds. Thus, in  
7 spite of years of discussions, the facilities over time have  
8 deteriorated and have not kept pace with car-rental facilities  
9 and services provided to visitors and residents at other public  
10 airports across the United States.

11           As a result the legislature in 2008 passed Act 226, which  
12 established a car-rental-facilities-charge program similar to  
13 programs at more than [seventy-five] <sup>ONE HUNDRED</sup> other airports across the  
14 United States. The Act initially established a car-rental-  
15 facility charge of \$1 per day and initially appropriated  
16 \$10,000,000 for planning, design, and some improvements.  
17 Recognizing the importance of the program to Hawaii's  
18 construction industry and economy, the legislature required the

SB LRB 10-1047.doc



EXHIBIT 1

1 department of transportation to provide annual reports and  
2 timelines to ensure the "fast-tracking" of the facility projects  
3 and services.

4 The department has sought to fast-track the program in  
5 keeping with the legislative directive and, with the assistance  
6 of planners, designers, and other consultants, has completed  
7 initial designs and plans for the state-wide program. The goal  
8 of this Act is continue the fast-tracking by:

- 9 (1) Taking the program to the next level by increasing the  
10 car-rental-facility charge to \$4.50 daily as  
11 recommended by consultants; and
- 12 (2) Making further appropriations to support the program  
13 including but not limited to the construction of a  
14 \$230,000,000 consolidated-facility at Honolulu  
15 International Airport and an overflow storage facility  
16 at Kahului airport. <sup>VEHICLE</sup><sub>A</sub>

17 According to reports prepared by consultants, the increased  
18 charge of \$1 daily to \$4.50 daily is expected to fund the  
19 planned state-wide program with no anticipated future increases.  
20 This fee and one-time step up is comparable to similar charges  
21 and programs at other airports. Delayed generation of revenues



1 by stepping up such charges as [proposed] could likely result in  
2 the fee rising higher than \$5 daily which must be avoided.

3 The charge of \$4.50 daily and revenues generated will  
4 strongly support both the program as well as the bonds to  
5 finance the related construction projects, which will total  
6 about \$500,000,000. It is very important that the program have  
7 strong financing and the stream of revenues to attract the  
8 buyers of the bonds during these turbulent economic times, to  
9 avoid program delays. The one-time-increased charge as opposed  
10 to stepped-up charges will also result in as much as  
11 \$300,000,000 saved in finance costs. By fast-tracking the  
12 projects, it is anticipated the program will benefit from about  
13 thirty per cent to forty per cent in construction cost savings.

14 As reported by consultants, the increased charge to \$4.50  
15 daily is expected to have no negative impact as to car-rentals  
16 at public airports or public airport revenues. Other cities and  
17 airports have studied similar concerns and repeatedly the  
18 studies have found no correlation or negative impact related to  
19 an increased charge. In fact, airports generally have seen an  
20 increase in revenues since the facilities attract car-rental  
21 companies to conduct their business at the airport.



1           The program does not require visitor<sup>s</sup> and residents to rent  
2 a car at a public airport. Individuals will have the  
3 opportunity to rent vehicles from off-airport locations and  
4 thereby avoid having to pay the car-rental-facility charge. To  
5 minimize the impact to travel agents and others marketing travel  
6 packages and quoting prices, the legislature will delay  
7 implementation of the increased car-rental-facility charge until  
8 September 1, 2010.

9           While the goal of fast-tracking was to start the  
10 construction of the Honolulu International Airport facility as  
11 early as the first quarter of 2010 and thereby provide critical  
12 jobs and support for Hawaii's economy, the <sup>[FAILURE TO DATE OF</sup> collection of the  
13 <sup>IN THE</sup> increase charge to \$4.50 daily has delayed the implementation of  
14 this start date as well as any related sale of bonds. [Although  
15 the Act provides that the department has the discretion to raise  
16 and adjust the car-rental-facility charge to meet the program's  
17 goals notwithstanding any law to the contrary, the department  
18 recently commented that the law needs to be clarified and that  
19 it cannot increase charges without proceeding through the rules  
20 process, which could take twelve months or longer.] The  
21 legislature finds that it is preferable that <sup>IT MANDATE SUCH</sup> increased charges



S.B. NO. 2461

*AND ENSURE THERE ARE NO*

1 be implemented as of September 1, 2010, to avoid further delays  
2 to the program.

3 Some of the major purposes of this Act are to continue the  
4 fast-tracking of this program and its projects, thereby  
5 providing critical jobs to Hawaii's residents and stimulating  
6 Hawaii's suffering economy by:

7 (1) Raising the initial car-rental-facility charge set by  
8 the legislature from \$1 daily to \$4.50 daily as  
9 recommended by consultants so the strength of the  
10 program can be maintained and it can benefit from  
11 various anticipated costs savings;

12 (2) Raising the initial collection ceiling of car-rental-  
13 facility charges from \$10,000,000 to [about] *A MINIMUM OF*  
14 *(EXCLUDING FINANCE COSTS)* \$484,000,000 based upon consultant estimates and  
15 *\$500,000,000!* reports provided to date; *AND*

16 [ (3) Clarifying the law so that the department can adjust  
17 the car-rental-facility charge without having to  
18 establish rules, as recently reported by the  
19 department; and ]

20 (3) [ (4) Appropriating \$<sup>310</sup>~~301~~300,000 for the program for its  
21 continued fast-tracking of projects, including the

1 construction of projects at Honolulu International  
2 Airport and and Kahului airports.

3 SECTION 2. Section 261-7, Hawaii Revised Statutes, is  
4 amended by amending subsection (h) to read as follows:

5 "(h) Notwithstanding any laws to the contrary, including  
6 but not limited to chapter 91, the department may establish,  
7 levy, assess, and collect rental motor vehicle customer facility  
8 charges, which shall be paid to the department periodically as  
9 determined by the department [-]; provided that a public  
10 informational hearing shall be held for any type of rental motor  
11 vehicle charge. These charges shall be used to pay for, or  
12 finance on a long-term basis where appropriate, the design,  
13 planning, construction, and other uses of the rental motor  
14 vehicle customer facility charges as set forth by the rental  
15 motor vehicle customer facility charge special fund in section  
16 261-5.6.

17 The rental motor vehicle customer facility charges shall be  
18 levied, assessed, and collected from all rental motor vehicle  
19 customers who benefit from the use of any type of rental motor  
20 vehicle facility or service provided by the department at a  
21 state airport.





1 All rental motor vehicle customer facility charges shall be  
 2 collected by lessors as defined in section 437D-3 and who  
 3 operate a car rental concession awarded by the department at a  
 4 state airport; provided that customers of lessors, as defined in  
 5 section 437D-3, who do not operate a car rental concession at a  
 6 state airport but whose customers benefit from the use of a car  
 7 rental facility or service at a state airport paid for by rental  
 8 motor vehicle customer facility charges, shall collect from such  
 9 car rental customers, rental motor vehicle customer facility  
 10 charges in an amount determined by the department that <sup>IN ITS DISCRETION</sup>  
 11 represents a fair share of the cost and ongoing expenses  
 12 relating to customer use of such a facility or service. All  
 13 rental motor vehicle customer facility charges collected by such  
 14 lessor <sup>S</sup> shall be paid to the department <sup>AND DEPOSITED INTO THE RENTAL MOTOR</sup>  
 15 <sup>A VEHICLE CUSTOMER FACILITY CHARGE SPECIAL FUND. NEGOTIATE AND</sup>  
 16 Notwithstanding any law to the contrary, the department may  
 17 contract the management, maintenance, and operations of the  
 18 facility and related services with airport concessions or their  
 19 designee that share in the use of a rental motor vehicle  
 20 customer facility at a state airport."

20 SECTION 3. Act 226, Session Laws of Hawaii 2008, is  
 21 amended by amending sections 9 and 10 to read as follows:



S.B. NO. 2461

1 "SECTION 9. Notwithstanding section 7 of this Act, the  
 2 department of transportation, as of September 1, [~~2008~~] 2010,  
 3 shall levy, assess, and collect a rental motor vehicle customer  
 4 facility charge of [~~\$1~~] \$4.50 per day, or any portion of a day  
 5 that a rental motor vehicle is rented or leased, by a rental  
 6 motor vehicle concession where customers pick up and return  
 7 rental vehicles to a facility at a state airport as determined  
 8 by the director. Moneys shall continue to be collected only  
 9 until such time <sup>AS NECESSARY TO MEET THE NEEDS AND PURPOSES OF</sup> that the sum of [~~\$25,000,000~~] \$483,908,000 is  
 10 collected and deposited <sup>A</sup> into the rental motor vehicle customer  
 11 facility charge special fund. The provisions of this section  
 12 shall not impair, limit, or restrict the department of  
 13 transportation from levying, assessing, establishing, and <sup>INCREASING, LOWERING</sup>  
 14 collecting rental motor vehicle customer facility charges as set  
 15 forth in section 7 of this Act. <sup>OR THIS SECTION 9 PROVIDES THE</sup>  
 16 <sup>ABOVEMENTIONED CHARGE OF \$4.50 PER DAY SHALL NOT BE</sup> SECTION 10. There is appropriated out of the rental motor <sup>LOWERED</sup>  
 17 vehicle customer facility charge special fund established by <sup>BY THE</sup>  
 18 section [~~261~~] 261-5.6, Hawaii Revised Statutes, the sum of <sup>DEPARTMENT</sup>  
 19 \$10,000,000 or so much thereof as may be necessary for fiscal <sup>FOR A</sup>  
 20 year 2008-2009 for the: <sup>MINIMUM PERIOD OF</sup>  
<sup>OR MAY EXTENSION THEREOF</sup>  
<sup>A</sup>

*LOWERED BY THE DEPARTMENT FOR A MINIMUM PERIOD OF AT LEAST TWENTY YEARS COMMENCING SEPTEMBER 1, 2011.*



1 (1) Planning, conceptual design, and design of rental  
2 motor vehicle customer facilities at state airports  
3 and related services; and

4 (2) Planning, conceptual design, design, and improvement,  
5 pavement, lighting, construction, and fencing to an  
6 existing ground-level storage area shared by rental  
7 motor vehicle concessions at the state airport  
8 located in Kahului, Maui.

9 The sum appropriated shall be expended by the department  
10 of transportation for the purposes of this Act.

11 Any unexpended or unencumbered balance of any appropriation  
12 made by this Act as of the close of business on June 30, 2011  
13 shall lapse into the rental motor vehicle customer facility  
14 charge special fund."

15 SECTION 4. There is appropriated out of the rental motor  
16 vehicle customer facility charge special fund established by  
17 section 261-5.6, Hawaii Revised Statutes, the sum of  
18 <sup># 370,000,000</sup> \$291,300,000 or so much thereof as may be necessary for fiscal  
19 year 2010-2011 for the:

20 (1) Planning, design, and temporary relocation of rental  
21 motor vehicle operations and related expenses;



- 1 (2) Construction costs relating to temporary relocation
- 2 of current rental motor vehicle operations during
- 3 the construction of a consolidated facility at the
- 4 Honolulu International Airport and related expenses;
- 5 (3) Planning and design of rental motor vehicle
- 6 facilities at the Honolulu International Airport and
- 7 related expenses;
- 8 (4) Planning, design, and construction of an overflow
- 9 storage lot at Kahului Airport and related expenses;
- 10 (5) Initial planning and design of consolidated
- 11 facilities at Kahului Airport and related expenses;
- 12 (6) Statewide development and program management of a
- 13 car rental facilities program and related expenses;

[and]

- 15 (7) Construction of a consolidated rental motor facility
- 16 at Honolulu International Airport and related
- 17 expenses; <sup>KMD</sup>
- 18 (8) <sup>PURCHASE AND/OR REIMBURSING THE DEPARTMENT</sup>  
The sum appropriated shall be expended by the department
- 19 of transportation for the purposes of this Act.

20 SECTION 5. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



OR MAY STATE AGENCY PURCHASING LAND NEAR  
THE LIHAE AIRPORT FOR PURPOSES OF PLANNING,  
DESIGN AND CONSTRUCTION OF  
A CONSOLIDATED RENTAL MOTOR  
FACILITY ON SUCH LAND.

1 SECTION 6. This Act shall take effect on July 1, 2010.

2

INTRODUCED BY:

J. Kalani English  
Russell Kohrt



Pamela de la



**Report Title:**

Aeronautics; Rental Motor Vehicle Customer Facility Charge  
Special Fund

**Description:**

Raises rental motor vehicle customer facility charge from \$1/day to \$4.50/day. Appropriates funds out of the rental motor vehicle customer facility charge special fund for multiple purposes.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*





The Hertz Corporation  
Hawai'i Area  
677 Ala Moana Blvd., Suite 916, Honolulu, HI 96813  
Phone: (808)529-6850 Fax: (808)529-6866

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

Hearing: February 1, 2010, 1:15p.m.; Room 224

Re: SB 2461 – Relating To Transportation

Chair English and Honorable Committee Members,

My name is Aaron Medina and I am the General Manager with Hertz Rent-A-Car.

We support this bill and testimony by Catrala-Hawaii

This Legislature with the passage of Act 226 in 2008 sought to fast-track improved services and projects relating to the u-drive (car rental) operations at Hawaii's airports. Initially the Act provided funding with a CFC fee of \$1.00 daily and appropriation of \$10 million for statewide planning and design.

It's now time to take this Program to the next level by providing for a source of funds that will generate sufficient revenues to fund approximately \$500 million in projects statewide. This bill proposes to do this by a one-time increase of the CFC fee to \$4.50 daily. By doing so and avoiding stepped up increases consultants have reported this will seek to avoid such CFC fee being raised to higher than \$5.00 daily in the future and will also result in \$300 million dollars in finance savings. Fast tracking these projects will also result in anticipated construction-cost savings of 30% to 40% while providing critical jobs to Hawaii's economy.

This bill also seeks to clarify the Department of Transportation authority to adjust the CFC over time to meet the Program's goals while also having the Legislature set the initial increase to \$4.50 as recommended by consultants to: 1) avoid any delays or problems due to lack of funding; and 2) ensure that the Program continues to move forward in meeting its fast-tracking goals as intended by the Legislature.

We thank you for your past support and respectfully urge you to pass this bill.

Sincerely,

Aaron Medina  
General Manager, Hawaii



**Martin Mylott**

Hawaii Regional Manager

808 840 5500 T

808 836 7830 F

Martin.Mylott@avisbudget.com

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

Hearing: February 1, 2010, 1:15p.m.; Room 224

Re: SB 2461 – Relating To Transportation

Chair English and Honorable Committee Members,

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

We support this bill and testimony by Catrala-Hawaii

This Legislature with the passage of Act 226 in 2008 sought to fast-track improved services and projects relating to the u-drive (car rental) operations at Hawaii's airports. Initially the Act provided funding with a CFC fee of \$1.00 daily and appropriation of \$10 million for statewide planning and design.

It's now time to take this Program to the next level by providing for a source of funds that will generate sufficient revenues to fund approximately \$500 million in projects statewide. This bill proposes to do this by a one-time increase of the CFC fee to \$4.50 daily. By doing so and avoiding stepped up increases consultants have reported this will seek to avoid such CFC fee being raised to higher than \$5.00 daily in the future and will also result in \$300 million dollars in finance savings. Fast tracking these projects will also result in anticipated construction-cost savings of 30% to 40% while providing critical jobs to Hawaii's economy.

This bill also seeks to clarify the Department of Transportation authority to adjust the CFC over time to meet the Program's goals while also having the Legislature set the initial increase to \$4.50 as recommended by consultants to: 1) avoid any delays or problems due to lack of funding; and 2) ensure that the Program continues to move forward in meeting its fast-tracking goals as intended by the Legislature.

We thank you for your past support and respectfully urge you to pass this bill.



*Dollar Thrifty  
Automotive Group, Inc.*  
**DOLLAR Thrifty**

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

Hearing: February 1, 2010, 1:15p.m.; Room 224

Re: SB 2461 – Relating To Transportation

Chair English and Honorable Committee Members,

My name is Garrick Higuchi and I am the Area Director with DTG Operations Inc. dba Dollar Rent a Car and Thrifty Car Rental.

We support this bill and testimony by Catrala-Hawaii

This Legislature with the passage of Act 226 in 2008 sought to fast-track improved services and projects relating to the u-drive (car rental) operations at Hawaii's airports. Initially the Act provided funding with a CFC fee of \$1.00 daily and appropriation of \$10 million for statewide planning and design.

It's now time to take this Program to the next level by providing for a source of funds that will generate sufficient revenues to fund approximately \$500 million in projects statewide. This bill proposes to do this by a one-time increase of the CFC fee to \$4.50 daily. By doing so and avoiding stepped up increases consultants have reported this will seek to avoid such CFC fee being raised to higher than \$5.00 daily in the future and will also result in \$300 million dollars in finance savings. Fast tracking these projects will also result in anticipated construction-cost savings of 30% to 40% while providing critical jobs to Hawaii's economy.

This bill also seeks to clarify the Department of Transportation authority to adjust the CFC over time to meet the Program's goals while also having the Legislature set the initial increase to \$4.50 as recommended by consultants to: 1) avoid any delays or problems due to lack of funding; and 2) ensure that the Program continues to move forward in meeting its fast-tracking goals as intended by the Legislature.

We thank you for your past support and respectfully urge you to pass this bill.



DTG Operations, Inc.  
1600 Kapiolani Blvd.  
Ste. 825  
Honolulu, HI 96814  
808-952-4242  
Fax 808-952-4255

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** MISCELLANEOUS, Rental motor vehicle customer facility charge

**BILL NUMBER:** SB 2461; HB 2370 (Identical)

**INTRODUCED BY:** SB by English and 3 Democrats; HB by Souki, Aquino, Awana, Hanohano, Keith-Agaran, M. Lee, Nakashima, Rhoads, Yamashita and 1 Democrat

**BRIEF SUMMARY:** Amends Act 226, SLH 2008, to increase the rental motor vehicle customer facility charge from \$1 to \$4.50 per day on September 1, 2010. Increases the threshold when the charge shall not be imposed from \$25,000,000 to \$483,908,000.

Also amends Act 226, SLH 2008, to provide that any unexpended or unencumbered balance of any appropriation made by this act as of June 30, 2011 shall lapse into the rental motor vehicle customer facility charge special fund.

Appropriates \$291,300,000 out of the rental motor vehicle customer facility charge special fund for fiscal 2011 for the: (1) planning, design, and temporary relocation of rental motor vehicle operations and related expenses; (2) construction costs relating to temporary relocation of current rental motor vehicle operations during the construction of a consolidated facility at the Honolulu International Airport and related expenses; (3) planning and design of rental motor vehicle facilities at the Honolulu International Airport and related expenses; (4) planning, design, and construction of an overflow storage lot at Kahului Airport and related expenses; (5) initial planning and design of consolidated facilities at Kahului Airport and related expenses; (6) statewide development and program management of a car rental facilities program and related expenses; and (7) construction of a consolidated rental motor facility at Honolulu International Airport and related expenses.

Amends HRS section 261-7(h) to require a public hearing for any type of rental motor vehicle charge.

**EFFECTIVE DATE:** July 1, 2010

**STAFF COMMENTS:** The legislature by Act 226, SLH 2008, provided for the imposition of a rental motor vehicle customer facility charge to be used to develop, renovate, enhance, and maintain car rental facilities at state airports. It should be noted that the rental motor vehicle customer facility charge is based on the number of cars rented and as visitor counts fluctuate, so will the amount of revenues in the fund which may make the car rental customer facility charge an undependable source of revenue. As the purpose clause notes, this measure is to "fast-track" the building of a consolidated rental car facility at the state's airports, in particular at Honolulu International Airport. It is an ambitious project as the ceiling on the special fund is being raised to more than \$480 million. Care should be exercised to insure that these funds can not be raided to be used for purposes other than building the specified facility. A special fund of this size could become a very tempting target to bail out general fund programs in these difficult economic times.

Digested 1/29/10

Tuesday, 2 February, 2010 in room 224 at 1315

The Senate Committee on Transportation, International and  
Intergovernmental Affairs

**Comments on the Advisability of SB 2461 Relating to Rent A Car  
Taxes**

Chair English and Respected Members of the Committee,

In the past few years I have been required to travel on business to quite a number of mainland airports. I find that most of them do not have fine modern rentacar facilities on the premises. Almost all of the rentacar companies operate vans or buses to pickup their clients near the baggage claim areas at the airport and then take them to remote locations where their operations take place on less critical real estate than that found at the airport. I am charged an airport fee because accommodating the van pickup traffic is not free, but the charges are usually much lower than the \$4.50 proposed here today. All that I ask is that you very carefully consider the possible backlash the increase in this fee might have on our visitor industry. You mention consultants in this bill that are on the project already. Please be sure in their studies that they have considered this possible backlash from the imposition of this fee in their results. I know that in San Francisco I do not rent a car while on business there because the parking fees are so very high. I save money riding buses and taxis as compared to the rental fee and the parking combined. Many of us will look very carefully at the cost to visit friends and family on the neighbor islands when it costs an additional \$3.50 per day while we're there. This is a poor time in our economic history to be considering a big increase in any fee or tax. Please be very careful how you proceed with this. Maybe we just don't quite need a \$230,000,000.00 rent-a-car facility in Hawaii.

Thank you ,

Reg White

vp, project development

Paradise Cruise, Ltd.

1540 S. King St.

Honolulu, HI 96826-1919

(808) 222-9794

RawcoHI@cs.com

Testimony In Support of  
SB2461 RELATING TO TRANSPORTATION

By  
Al Lardizabal, Director of Government Relations  
Hawaii Laborers' Union

To the  
Senate Transportation and Intergovernmental Relations Committee  
Monday, February 1, 2010, 1:15 p.m., Rm. 224  
State Capitol

Honorable J. Kalani English, Chair; Honorable Mike Gabbard, Vice Chair and Members  
of the Committee:

The Hawaii Laborers Union fully supports the intent and purposes of SB2461 especially  
in increasing the Rental Motor Vehicle Facility Charge from \$1.00 per day to \$4.50 per  
day. As stated in the bill, consultants believe that this increase is not expected to have a  
negative impact as to car rental at public airports or public airport revenues. Further,  
individuals have the option to rent vehicles from off-airport locations.

This bill is necessary since the DOT believes that the law needs to be clarified to allow  
the increase in fees. The applicable rules to do so will take about one year to implement  
and will not meet the intent of the Legislature in Act 226 (2008) to fast track the projects.

We also support the related appropriations.

Thank you for the opportunity to submit this testimony.



544 Ohohia Street, Ste 7  
Honolulu, HI 96819

Honorable J. Kalani English  
Committee on Transportation, International and Intergovernmental Affairs  
Hawaii State Senate  
1:15p.m.; Room 224  
Hearing: February 1, 2010,

Re: SB 2461 – Relating To Transportation

Chair English and Honorable Committee Members,

My name is Christian Heimbach and I am the Business Manager with Alamo Rent A Car.

We support this bill and testimony by Catrala-Hawaii

This Legislature with the passage of Act 226 in 2008 sought to fast-track improved services and projects relating to the u-drive (car rental) operations at Hawaii's airports. Initially the Act provided funding with a CFC fee of \$1.00 daily and appropriation of \$10 million for statewide planning and design.

It's now time to take this Program to the next level by providing for a source of funds that will generate sufficient revenues to fund approximately \$500 million in projects statewide. This bill proposes to do this by a one-time increase of the CFC fee to \$4.50 daily. By doing so and avoiding stepped up increases consultants have reported this will seek to avoid such CFC fee being raised to higher than \$5.00 daily in the future and will also result in \$300 million dollars in finance savings. Fast tracking these projects will also result in anticipated construction-cost savings of 30% to 40% while providing critical jobs to Hawaii's economy.

This bill also seeks to clarify the Department of Transportation authority to adjust the CFC over time to meet the Program's goals while also having the Legislature set the initial increase to \$4.50 as recommended by consultants to: 1) avoid any delays or problems due to lack of funding; and 2) ensure that the Program continues to move forward in meeting its fast-tracking goals as intended by the Legislature.

We thank you for your past support and respectfully urge you to pass this bill.

Christian Heimbach  
Business Manager



541 Ohohia Street  
Honolulu, HI 96819  
808-836-0130  
www.enterprise.com

Honorable J. Kalani English  
Committee on Transportation, International and Intergovernmental Affairs  
Hawaii State Senate  
Hearing: February 1, 2010, 1:15p.m.; Room 224

Re: SB 2461 – Relating To Transportation

Chair English and Honorable Committee Members,

My name is Chris Sbarbaro and I am the Vice President of Rental with Enterprise Rent A Car.

We support this bill and testimony by Catrala-Hawaii

This Legislature with the passage of Act 226 in 2008 sought to fast-track improved services and projects relating to the u-drive (car rental) operations at Hawaii's airports. Initially the Act provided funding with a CFC fee of \$1.00 daily and appropriation of \$10 million for statewide planning and design.

It's now time to take this Program to the next level by providing for a source of funds that will generate sufficient revenues to fund approximately \$500 million in projects statewide. This bill proposes to do this by a one-time increase of the CFC fee to \$4.50 daily. By doing so and avoiding stepped up increases consultants have reported this will seek to avoid such CFC fee being raised to higher than \$5.00 daily in the future and will also result in \$300 million dollars in finance savings. Fast tracking these projects will also result in anticipated construction-cost savings of 30% to 40% while providing critical jobs to Hawaii's economy.

This bill also seeks to clarify the Department of Transportation authority to adjust the CFC over time to meet the Program's goals while also having the Legislature set the initial increase to \$4.50 as recommended by consultants to: 1) avoid any delays or problems due to lack of funding; and 2) ensure that the Program continues to move forward in meeting its fast-tracking goals as intended by the Legislature.

We thank you for your past support and respectfully urge you to pass this bill.

Chris Sbarbaro  
Vice President of Rental



544 Oheia Street, Ste 7  
Honolulu, HI 96819

Honorable J. Kalani English  
Committee on Transportation, International and Intergovernmental Affairs  
Hawaii State Senate  
1:15p.m.; Room 224  
Hearing: February 1, 2010,

Re: SB 2461 – Relating To Transportation

Chair English and Honorable Committee Members,

My name is Dave Wilson and I am the Remarketing Manager with National Car Rental.

We support this bill and testimony by Catrala-Hawaii

This Legislature with the passage of Act 226 in 2008 sought to fast-track improved services and projects relating to the u-drive (car rental) operations at Hawaii's airports. Initially the Act provided funding with a CFC fee of \$1.00 daily and appropriation of \$10 million for statewide planning and design.

It's now time to take this Program to the next level by providing for a source of funds that will generate sufficient revenues to fund approximately \$500 million in projects statewide. This bill proposes to do this by a one-time increase of the CFC fee to \$4.50 daily. By doing so and avoiding stepped up increases consultants have reported this will seek to avoid such CFC fee being raised to higher than \$5.00 daily in the future and will also result in \$300 million dollars in finance savings. Fast tracking these projects will also result in anticipated construction-cost savings of 30% to 40% while providing critical jobs to Hawaii's economy.

This bill also seeks to clarify the Department of Transportation authority to adjust the CFC over time to meet the Program's goals while also having the Legislature set the initial increase to \$4.50 as recommended by consultants to: 1) avoid any delays or problems due to lack of funding; and 2) ensure that the Program continues to move forward in meeting its fast-tracking goals as intended by the Legislature.

We thank you for your past support and respectfully urge you to pass this bill.

Dave Wilson  
Remarketing Manager