

## HAWAII BUSINESS ROUNDTABLE

**Testimony to the Senate Committee on Transportation, International and Intergovernmental Affairs  
Wednesday, February 3, 2010  
2:05 p. m.  
Conference Room 224**

Re: Opposition to SB 2653

Chair English, Vice Chair Gabbard and Members of the Committee:

My name is Gary Kai and I am the Executive Director of the Hawaii Business Roundtable. The Hawaii Business Roundtable members represent companies in Hawaii and these companies employ thousands of people who live on Oahu who would benefit from the Rail Transit System. The Roundtable opposes Senate Bill 2653. The Roundtable believes that taking funds from Honolulu County's General Excise and Use Tax surcharge (GET) surcharge is not in the interests of the State of Hawaii.

The rail transit project is critical to creating jobs in our state at a time when jobs are sorely needed; the City's Draft Environmental Impact Statement estimates rail construction will create an average of 10,000 jobs a year. The majority of jobs will be in the construction sector, but the multiplier effect will create jobs in virtually every sector of the economy. The Legislature's Construction Industry Task Force agreed and stated, in calling Rail Transit it's the top priority, that "no other project on the horizon has the same potential for generating jobs, assisting local businesses, and contributing to Hawaii's overall economy."

We believe that the start of the rail transit will not only create jobs but will help to increase consumer and business confidence as work is begun. In our recently conducted People's Pulse survey, consumer confidence remains at an all-time low, but we believe that because of its magnitude, the start of the transit work will help to rebuild that confidence. Returning confidence in our economy is an important step in our state's economic recovery.

However, taking funds from the GET surcharge could jeopardize the project, according to a 2009 letter from U.S. Senator Daniel K. Inouye. He stated that federal transportation officials could be skeptical of Honolulu's commitment to rail if the integrity of the GET surcharge is breached.

We concur that the use of the GET surcharge will cause senior federal officials to question our community's commitment to building the rail transit system. In light

of the significant benefits to Hawaii, we cannot risk the loss of over \$1 billion dollars of federal investment in Hawaii's rail transit system.

On behalf of the Hawaii Business Roundtable I urge the committee to vote no on SB2653.

Thank you for the opportunity to testify.

Gary K. Kai, Executive Director  
Hawaii Business Roundtable  
1003 Bishop Street, Suite 1630  
Honolulu, Hawaii 96813

# LATE TESTIMONY

**From:** David Arakawa [darakawa@lurf.org]  
**Sent:** Wednesday, February 03, 2010 3:01 PM  
**To:** tiatestimony@capito.hawaii.gov; TIATestimony  
**Subject:** SB 2653 RAID RAIL Surcharge Fund - LOTMA Testimony (TIA 2.3.10 @2:05pm)

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**From:** David Arakawa [mailto:darakawa@lurf.org]  
**Sent:** Wednesday, February 03, 2010 2:53 PM  
**To:** 'tiatestimony@capito.hawaii.gov'  
**Cc:** 'Lynell Yuu'; 'Shannon Alivado'; 'uejo@hawaii.edu'  
**Subject:** SB 2653 RAID RAIL Surcharge Fund - LOTMA Testimony (TIA 2.3.10 @2:05pm)

Aloha Senate Committee on Transportation, International and Intergovernmental Affairs,:

Attached is the testimony of the Leeward Oahu Transportation Management Association (LOTMA) in **strong opposition to SB 2653 relating to Taxation**, which is being heard by TIA this afternoon:

**HEARING DATE:** Wednesday, February 3, 2010  
**HEARING TIME:** 2:05 PM  
**ROOM:** 224

Please feel free to contact us, if you have any questions.

Mahalo, Dave

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Mahalo,

Lynell Yuu (intern)

Land Use Research Foundation of Hawaii ("LURF")

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