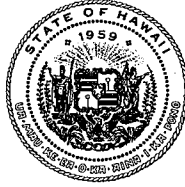


SCR 132



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097
March 22, 2010

IN REPLY REFER TO:

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

SENATE CONCURRENT RESOLUTION NO. 132
SENATE RESOLUTION NO. 60

REQUESTING A STUDY TO FORMULATE AN EQUITABLE AND OBJECTIVE MEASURE FOR
DISTRIBUTING TRANSPORTATION TAX REVENUE AND FEDERAL FUNDING FOR AIRPORT,
HARBOR, AND HIGHWAY PROJECTS TO THE COUNTIES

COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL
AFFAIRS

The Department of Transportation (DOT) **opposes** this resolution. A study to formulate an equitable measure for distributing transportation tax revenue and federal funding for Airport, Harbor, and Highway projects to the counties, is unnecessary.

Funding based on key metrics such as vehicle miles, tonnage, and the like (as proposed in this resolution) will not lead to an equitable distribution of modal projects for the counties. Any metric or static based formula does not take into consideration the condition of the facility or the changes in the demand for the facility. Therefore, any formulae considered by this resolution will not benefit the neighbor island counties, and ultimately, not benefit the state as a whole. Simply put, the neighbor islands do not have the numbers or the volume to assure them of getting the level of funding needed for many of their major transportation projects.

On the other hand, the way to ensure that the various counties receive appropriate funding for transportation projects is to use a formula that is based on "needs." The DOT's modal Divisions already do this through various state-wide and county-wide, long-range and facility master plans. Using population, employment, and visitor projections, these plans identify deficiencies, provide alternatives, and develop recommendations for project funding for each county. At times, disproportionate shares of funds are intentionally expended for the neighbor islands. This is done in order to allow the neighbor islands to complete their larger projects.

Finally, it should be noted that each planning effort entails utilization of a public involvement process. This ensures that current community and public sentiment and preferences are considered when establishing the county's transportation needs.

It should also be noted that for airports and harbors, expenditure plans and CIP and maintenance projects are collaborated upon with the respective users. These decisions are based on existing needs as perceived by both the department and the actual users as well as the anticipation of future needs based on industry projections and proposals that would enable industry growth.

For these reasons, we believe that the DOT's current practice is the fairest and most equitable way to determine the amount of funding for transportation projects among the different counties.

Ken H. Takayama
Director

Charlotte A. Carter-Yamauchi
First Assistant

Research (808) 587-0666
Revisor (808) 587-0670
Fax (808) 587-0681



LEGISLATIVE REFERENCE BUREAU
State of Hawaii
State Capitol
415 S. Beretania Street, Room 446
Honolulu, Hawaii 96813

Written Testimony

SCR132

REQUESTING A STUDY TO FORMULATE AN EQUITABLE AND OBJECTIVE MEASURE FOR DISTRIBUTING TRANSPORTATION TAX REVENUE AND FEDERAL FUNDING FOR AIRPORT, HARBOR, AND HIGHWAY PROJECTS TO THE COUNTIES

Testimony by the Legislative Reference Bureau
Ken H. Takayama, Director

Presented to the Senate Committee on Transportation, International
and Intergovernmental Affairs

Monday, March 22, 2010, 1:15 p.m.
Conference Room 224

Chair English and Members of the Committee:

Thank you very much for this opportunity to testify on Senate Concurrent Resolution No. 132, which directs the Legislative Reference Bureau (Bureau) to study the formulation of a method to equitably distribute funds for transportation funds to the counties.

The Bureau takes **no position** either for or against the measure, but submits the following comments and concerns:

1. As always, if the Legislature wants us to do this study, we will do it to the best of our ability with the resources we have.
2. The study requests the development of "metrics" (such as vehicle miles and tonnage) to measure expenditures by units to be used in determining whether the extent to which revenues raised on Oahu subsidize transportation projects in the other counties is the result of a "thoughtful and objective process" as opposed to "other factors such as political negotiation".
3. While the concept of the study requested appears reasonably straightforward, we believe that implementation will be difficult due to its technical nature, and, possibly, lack of data.

4. Moreover, the scope of the study appears to be vast. The "metrics" that might be developed for highways presumably would be quite different from those applicable to airports or harbors. In other words, this actually appears to be **three** separate studies rolled into one.
5. For the foregoing reasons, if this measure is to pass, we request that the scope of the study directed be limited to a single subject area such as highways.

Thank you very much for this opportunity to testify.