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IN REPLY REFER TO:

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE CONCURRENT RESOLUTION NO. 198
HOUSE RESOLUTION NO. 131

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

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.