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H.H.U.A. SUPPORTS VETO OF SB 1191 AND HB 1605, IN STRONG OPPOSITION TO RAIDING HIGHWAY FUNDS

The governor's intended veto of SB 1191 (pedestrian safety projects) and HB 1605 (Maui traffic control center) is not necessarily a partisan dispute. Every administration has been plagued with fragments of funds for disjointed projects for decades.

In fact, \$17 million is budgeted for pedestrian safety projects by Hawaii DOT in the next two years. In SB 1191, \$1.2 million is to be raided from the state highway fund for county pedestrian projects, even though each county collects fuel and vehicle taxes of almost equal amounts to take care of county needs. As for HB 1605, Maui lacks the IT infrastructure to make a workable traffic control center. The HHUA strongly opposes the raiding of state highway funds.

The fundamental problem is a haphazard, piecemeal transportation funding process susceptible to pervasive earmarks and diversion of highway funds and user fees. Consequently, people and businesses are vulnerable to unacceptable levels of unsafe and inefficient operations, congestion, bottlenecks, and potholes.

The legislature raided over \$153 million from the state highway fund between 1996 and 2006. Coupled with an 80% federal match, those raided funds deprived the department of another \$612 million in potential federal highway funds, for a total potential loss of \$765 million in statewide transportation projects.

Raiding undermines implementation of the capital improvement program, defers maintenance that winds up costing many times

more, shrinks available funding for emergencies and unanticipated incidents such as landslides, floodings, road washouts and erosion, and jeopardizes revenue bond ratings and payment of claims against the highways division. Also, aging infrastructure and facilities need to be reconstructed and meet new standards.

Additional raiding of the counties' highway funds for "vision" and other non-essential projects made it difficult to systematically repair and maintain both state and county roads, highways, bridges, crosswalks, sidewalks, barriers, lights, signs, pavement markings, etc.

Today more than ever, our highway agencies need more and stable funding to make up the backlog of projects and to take care of the greater statewide needs of growth. However, a financial crisis is imminent because federal and state highway funds are projected to be in deficit in the next three to five years. The Tax Foundation of Hawaii predicts a significant fuel tax increase. Meanwhile motorists pay more per gallon for gasohol, the inferior ethanol blend that provides lower mileage per gallon.

Diversion of highway funds eliminates or postpones realistic solutions and ruins DOT's commitments, opportunities and budget. DOT needs stable and sufficient funding to do its job right.

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