

**An important message from Jim Tollefson, Chamber President and CEO,  
Chair Christine Camp Friedman and the Chamber Board of Directors**

Dear Members,

Mobility is essential and the life blood of any city and economy. Hawaii is facing major traffic challenges which have caused the loss of mobility to our community and will inevitably get worse and be detrimental to our economy and quality of life. The challenges of traffic congestion will not be resolved by a magic bullet, it is apparent that it will require multifaceted mobility enhancing solutions. The opportunity to secure federal funding for these mobility solutions, if not seized now will not occur for another six years.

Through lengthy discussions on the issue of increases of the GET for a transportation system, the Chamber understands the need, and supports, granting the counties the authority to establish a surcharge on state excise and use taxes, provided specific conditions are met. These conditions outline requirements, restrictions and control to safeguard the proper usage of this funding.

Because of the importance of this issue the Chamber will continue to provide information relative to this issue and expand its educational process.

Below is the Chamber's position statement.



*The Voice of 1,100 members employing 200,000 people*

**Position Statement  
Transportation Issues  
April 26, 2005**

After lengthy discussion and careful deliberation with Congressman Abercrombie, Mayor Hannemann, state senators and representatives, state and county administrators, the Chamber believes:

- Traffic congestion, which will inevitably get worse, has a negative impact on both our economy and quality of life we enjoy;
- The problem of traffic congestion was not created overnight and will not be solved with any "magic bullet." It is a complex problem and will require multifaceted solutions that hold the promise of both short and long-term relief;

- Opportunity to secure federal funding, if not seized now, will not occur for the six years, due to the six-year Federal Transit Authorization budget cycle;
- For the City and County of Honolulu, Rail Transit is just one of the many possible approaches. Regardless of the solutions selected, additional community discussion is needed so that all can be heard;
- Economic benefits could be derived from sale of transit oriented development rights that would allow for more affordable housing and urban revitalization, and will help offset costs of such transit systems;
- Community support in the form of taxes is necessary for transportation systems, just as support is necessary for parks, harbors, airports, and other community services.

The Chamber understands the need, and supports, granting the counties the authority to establish a surcharge on state excise and use taxes provided -

- Ø That the counties be required to follow a formal process that details the transportation project plan prior to its implementation;
- Ø That the proposed transportation project involve business and community input prior to use of the tax funds;
- Ø That the dedicated funding mechanism be expressly restricted to the purpose to which it was intended -- solely to fund transportation projects;
- Ø That annual financial and programmatic audits be performed and publicized; and
- Ø That safeguards are in place requiring automatic sunset of the taxing authority, if funds collected are found to be diverted from the original intent.

The Chamber notes that many opportunities will occur for future discussion at the county level regarding specific transit proposals.

**Jim Tollefson**  
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