

REPORT TO THE TWENTY-FIFTH LEGISLATURE

OF

THE STATE OF HAWAII

REGULAR SESSION OF 2009

ON

ACT 100

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SUBJECT: RELATING TO GOVERNMENT OPERATIONS

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
November 2008

DEPARTMENT OF TRANSPORTATION

A. DEPARTMENT OF TRANSPORTATION

Statement of Short and Long Term Goals

The overall goal of the Department of Transportation is to facilitate the rapid, safe, and economical movement of people, goods, and mail into, within, and out of the State by providing and operating transportation facilities and supporting services.

Objectives and Policies

In order to achieve its overall goal, the Department of Transportation currently has three Divisions, Airports, Harbors and Highways that provide, operate, and maintain eleven (11) commercial service airports, four (4) general aviation airports, eleven (11) commercial harbors, and two thousand four hundred and sixty-seven (2,467) lane miles of highway.

Action Plan and Timetable to Implement Objectives and Policies in One, Two and Five Years

The Department of Transportation is responsible for the planning, designing, constructing, operating, and maintaining of the state facilities in all modes of transportation including air, water, and land. Coordination with other State, County, and Federal programs is maintained in order to achieve the overall objective.

Responsible planning and budgeting for air, water and land transportation systems is essential to meeting our objectives. Each capital improvement or special maintenance project is related to either improving our existing system, managing demand, or expanding the present system.

Process to Measure the Performance of Programs and Services in Meeting the Stated Goals, Objectives and Policies

The Multi-Year Program and Financial Plan (PFP) measures the Department's effectiveness by reporting on a number of effectiveness measures for each of the divisions. Performance is determined by comparing actual results with established goals on

a fiscal year basis. While these measures may be used to measure our performance, our customers, the traveling public, grade us by their personal experiences.

B. AIRPORTS DIVISION

Statement of Goals

The Airports Division's goal is to develop, manage and promote a high quality cost-effective regional and global air transportation enterprise with the spirit of aloha for all.

Objectives and Policies

The statewide airports system consists of eleven airports serving commercial airlines and four general aviation airports. The Airports Division's policy is to build for the future and promote Hawaii's airports as gateways of aloha by planning, designing, constructing, managing, and maintaining efficient cost-effective airport facilities and equipment based on evolving technology.

The Airports Division strives to provide an efficient and safe airport system by working in partnership with the airlines, concessionaires, governmental and regulatory agencies, lessees, businesses, employees, members of the public and other stakeholders.

The statewide airports system is extremely important because it provides the aviation-related facilities needed to safely and efficiently accommodate the flow of passengers, cargo, and mail between the islands as well as to and from Pacific Basin and the Mainland.

One of the principal gauges used by the State to measure its ability to serve the public at its airports is the forecast of passenger volumes, processing times for passenger and their articles (both international arrivals and domestic departures), cargo, mail, and airport operations. The forecast is used as a basis for planning future airport facilities and assessing the economic impact on the economy of the State. The forecast of passengers considers historic activity, visitor projections, and population growth factors.

In order to achieve its goals, the Airports Division has established the following objectives:

1. Provide effective leadership.
2. Improve safety and security.
3. Keep our stakeholders satisfied.
4. Maximize airport revenues.
5. Protect the environment.
6. Employ innovation and technology.
7. Implement cost savings measures.

Action Plan and Timetable to Implement Objectives and Policies in One, Two and Five Years

During fiscal year 2008, the following actions were taken to implement the Airports Division's objectives and policies.

1. Provide effective leadership

The following actions were undertaken to improve leadership skills through additional training and improved communication:

- a. In FY 2008 all of our managers participated and completed a two-day "Executive Steering Group (ESG) Team Building" training seminar conducted by a consultant, which covered the following topics:

- Trust
- Honesty and full disclosure
- Good, clear and open communication
- Clarity in what needs to be done
- Commitment to the team
- Effective leadership
- Establish clear goals to fulfill mission
- Set priorities
- Identify and maximize resources
- Supportive environment

We continue to have the consultant conduct individual and group sessions to reinforce the Team Building concepts.

- b. We continue to encourage personnel to attend DHRD's Leadership Development Program courses and any out-service Leadership/Management Training Courses.
- c. We continue to have managers participate in a workshop on "Drafting Bills for Legislation" which covered the

following topics: format required for the Hawaii Revised Statutes, application of the Ramseyer format in drafting bills and procedures to ensure bills are drafted correctly.

- d. We continue to hold weekly ESG meetings with managers to discuss current issues and how to effectively resolve them.

2. Improve safety and security

The following actions were undertaken to improve the safety and security of Hawaii's airports:

- a. The Airports Division implemented Hawaii's largest Public Access Defibrillation Program in FY 2007. We continue to maintain the equipment and operate this program, with continuous training of airport employees as well as tenants at the airport. One hundred Automated External Defibrillators (AED) were installed at 10 airports on six islands, and over 1200 airport employees participated in the American Heart Association Heartsaver CPR/AED courses at various airports. By addressing health related issues, the Airports Division is contributing to the safety of the traveling public.
- b. We continue to monitor and exercise our Mass Casualty Plan. We purchased Emergency Medical Trailers for Kalaheo and Honolulu International airports in the event of a disaster leading to mass casualties and a 50-Bed Portable Hospital complete with training package for Honolulu International Airport.
- c. We continue to test our Statewide Inoperable Communication Plan that included purchasing and upgrading an 800 MHz system, establishing channels and talk groups, and drafting an operational readiness strategy plan.
- d. We continue to monitor and exercise the statewide incident command system "Quick Attack" plan which facilitates the transition from a small emergency to major disasters.
- e. After receiving authorization from the Legislature to establish 18 new firefighters positions and 8

operations and maintenance worker positions at Hana, Kalaupapa, Kapalua and Waimea-Kohala airports in compliance with Title 14, Code of Federal Regulations, Part 139, we are in the process of recruiting, testing and selecting qualified individuals for these positions. Once these positions are established and filled, firefighting and operations capability at these airports will be improved.

- f. The Honolulu International Airport has been designated as the first port of entry for the State of Hawaii Repatriation Emergency Plan. Although, this plan is an on-going project, we have identified areas at the airport to provide for the safe and expeditious return of repatriates to the United States.

3. Keep our stakeholders satisfied

The following actions were undertaken to improve stakeholder satisfaction through stakeholder involvement and communication:

- a. We continue to hold meetings on Facility Analysis Concept Design (FACD) with the stakeholders of projects before the design phase. The FACD identifies critical functional areas that allow stakeholders and the state design team to make informed decisions prior to the start of the actual design effort.
- b. We continue to hold meetings with stakeholders to solicit their input during the various phases of the master planning process. The stakeholders include representatives from concessionaires, airlines, general aviation council, hotel association, county visitors bureau, military and local, state and federal government.
- c. We continue to prepare, publish and distribute our weekly "Wikiwiki Construction Newsletter". The purpose of this newsletter is to keep tenants informed about on-going construction activities at Honolulu International Airport.
- d. We continue to attend meetings with a concessionaires committee at Honolulu International Airport on the third Tuesday of every month. The purpose of these meetings is to keep concessionaires informed of state

- a. We continue to attend meetings (Airport Operators Committee) with air-carrier representatives, Federal, state and local regulatory and law enforcement agencies at the Honolulu International Airport on the second Tuesday of every month. The purpose of these meetings is to enhance communication and coordination on safety and security related issues.

- e. We continue to attend meetings (Port Quality Improvement Committee) with international air-carrier representatives and Federal and State regulatory agencies on the second Tuesday of every month. The meetings promote a good exchange of dialogue on new U.S. Government regulations on the processing of arriving international passengers at the International Affairs Building at the Honolulu International Airport.

- f. We attended the weekly Friday Law Enforcement and Security meeting held at the Honolulu International Airport to discuss security sensitive information and coordination of security measures based on updated threat information.

- h. We continue to attend the quarterly meetings of the Hawaii Emergency Preparedness Executive Council chaired by Adjutant General Robert Lee of State Civil Defense. The meeting is an all encompassing meeting of Federal, State and local representatives from law enforcement, security, emergency management, regulatory, disaster relief and hotel associations and private industry to discuss emergency preparedness.

- i. On March 24, 2006, Governor Lingle announced the establishment of the Airports Modernization Action Plan and Team. Subsequently a private contractor joined the team on September 11, 2006. This plan is an on-going project for the Division and its progress will be reported on an annual basis. Their Program goals and objectives include but are not limited to:

Goal: Modernize the HNL Terminal.

- Objective: Welcome passengers to Hawai'i with the Aloha Spirit and an introduction to the sights, smells and sounds that are unique to Hawai'i.
- Objective: Achieve LEED (Leadership in Energy and Environmental Design) Silver certification for elements of the program as possible.
- Objective: Provide consolidation for Hawaiian Airlines operations.
- Objective: Provide consolidation for merged/partnered airline operations.
- Objective: Provide regional jets with gates that board passengers through passenger loading bridges.

Goal: Treat all airlines fairly.

- Objective: Provide remodeled space meeting the same level of finishes and level of service as the new sections of construction for concourse areas untouched by the expansion.
- Objective: Replace disturbed facilities "in kind" in locations that allow efficient operation by the airlines (and concessions) utilizing the facilities.

Goal: Have construction of major elements started by the end of 2010.

Goal: Design to budget.

- Objective: Utilize modular and flexible design to allow construction of completed modular sections when needed to accommodate passenger numbers, airline activities, and concession requirements.
- Objective: Provide passenger conveyance at an acceptable level of service for arriving passengers, transferring passengers, departing passengers and arriving International passengers.

Goal: Provide an economic stimulus for the citizens of Hawaii by providing an influx of capital in the economy through expedited construction.

- Objective: Expedite construction of enabling projects for Taxi lane G & L Widening by

4. Maximize revenues

- a. Continue to monitor the new schedule of rental rates and charges based on current property appraisals.
- b. The new retail concession agreement which includes provisions for wired and wireless internet access at Kahului Airport has been issued and we will monitor its progress.
- c. The concession agreement for rental car concession at Honolulu International Airport has a bid opening date of 2/24/09.
- d. The new statewide In-Bond (Duty Free) concession agreement has been issued and we continue to monitor its progress.

5. Protect the environment

- a. Participated in the Energy Management Advisory Committee composed of the four largest energy-using agencies in the State. This committee will advise the Governor and DBEDT on energy policy and implementation strategies.
- b. Conducted annual environmental compliance training for airport workers.
- c. Participated in the State's "Leadership by Example" task force on energy and environment sustainability efforts again this year.
- d. Made improvements to the paper-recycling program in the Airports Division administration offices.

6. Employ Innovation and Technology

- a. The Engineering Branch recently developed a sustainable photovoltaic, solar energy generation system at the Kona International Airport. This system makes use of our excellent year-round weather and is designed to collect the sun's energy and convert it to electricity for use at our airports. These solar

systems will be installed at Hilo International Airport, Kahului Airport and Lihue International Airport. The system will also include the base yard and surrounding highways at Lihue International airport. It will help the Airport Division to reduce its costs and dependence on electricity. The team was recently recognized by the Governor as the State TEAM of the Year for this project. This award encourages others to use innovation and technology in their programs.

- b. Managers attended the Leadership in Energy and Environment Design (LEED) seminar in new, major facilities and retrofitted older facilities to meet LEED standards.
- c. We will establish an Energy Engineer position whose duties will be to develop cost efficient projects based on evolving technology and alternate energy sources.

7. Cost Saving Measures

- a. The Airports Division established a "Tiger Team" on Costs Saving Measures. Thus far, the team has implemented a moratorium of filling vacant airport positions, reduced consumption of electricity and reduced security staffing without compromising safety and regulatory requirements.
- b. We will establish a position to research, identify and secure federal and/or private grants for the airports. This measure is in the discussion stage and is being considered.

The Airports Division will undertake the following actions over the next one, two and five years to implement its policies and objectives:

1. Provide effective leadership

- a. Continue to motivate managers to develop and cultivate leadership qualities such as vision, drive, good judgment, initiative and maturity, and continue to meet with them on a weekly basis.

- b. Continue to encourage managers to improve their leadership skills by taking advantage of training sessions offered by the State.
- c. Continue to ensure that managers are trained and equipped to meet the demands of changing circumstances.
- d. Continue to improve the efficiency and effectiveness of airport management, operations and maintenance.
- e. Continue to establish effective and timely communication between management and the rank and file, ensure employees are kept informed of developments that affect them, and continue to make efforts to improve employee morale.
- f. Continue to require managers to take a more active role in the legislative process by proposing, researching and developing legislative initiatives if they are needed.
- g. Maintain continuous dialogue with the Airport District Managers and key executive management personnel on the Employee Management Compensation Plan (EMCP) to ensure adherence to leadership and recognize positive and negative behaviors.

2. Improve safety and security

The following capital improvements are being undertaken to improve public safety and security:

- a. *AH1052-03 ITO Access Control & CCTV Systems (ACS)*
This project will upgrade the antiquated ACS and closed circuit television (CCTV) systems and provide a state-of-the-art integrated security system. The project will replace the existing magnetic stripe technology with a proximity smart card system capable of incorporating future security requirements such as biometric access control. The Video Monitoring System (VMS) will also be changed from the obsolete analog video recording system to a digital video recording system. The CCTV and Access Control equipment is being purchased under a separate project.
- b. *AH1xxx-xx ARFF Station Improvements, ITO*

This project will bring the existing ARFF station into full compliance with FAA Part 139 specifications and requirements. The renovated ARFF station will accommodate the new larger size ARFF vehicles, provide improved and adequate training facilities, and satisfy all the current non-compliance issues.

- c. *AH1xxx-xx Perimeter Road & Security Fence, ITO*
This project will construct an airport perimeter road, including clearing and grubbing, excavation and embankment, structural backfill, dispose of unsuitable excavated material, asphalt concrete pavement and replace existing fence with a six-foot high fence with barb wire to comply with Federal Aviation Administration (FAA) standards for Airport Operations Area (AOA) security fencing.
- d. *AH2042-27 Holdroom Shelters & Add'l Security Lane, KOA*
The project scope consists of roof-type structures and associated modifications of adjacent areas to provide weather protection over existing walkways in and around the security queue, courtyard, and hold room areas of the North and South terminals. Also included are the structure modifications to the existing checkpoint building at the north terminal for an additional security lane.
- e. *AH2050-05 KOA Access Control & CCTV Systems*
This project will upgrade the antiquated ACS and CCTV systems and provide a state-of-the-art integrated security system. The project will replace the existing magnetic stripe technology with a proximity smart card system capable of incorporating future security requirements such as biometric access control. The Video Monitoring System (VMS) will also be changed from the obsolete analog video recording system to a digital video recording system. The CCTV and Access Control equipment are being purchased under a separate project.
- f. *AH2xxx-xx Kona Airport ARFF Building*
This project includes the design and construction of improvements to construct a new Aircraft Rescue and Fire Fighting (ARFF) station and live fire training pit. The new ARFF station will be located in a more strategic location for better airfield responsiveness. The new facility will accommodate the new larger ARFF

vehicles, and allow for future use in conjunction with the proposed ARFF regional training center. The new training pit will be utilized as part of the regional training center.

- g. *AH2xxx-xx Kona Airport ARFF Training Facility*
This project will construct a regional ARFF training facility which will be used by the ARFF personnel statewide to consolidate training to one facility for cost savings and efficiency. The facility will also be made available for other agencies throughout Hawaii and the Pacific on a fee basis.
- h. *AH3021-14 Waimea-Kohala Airport, Part 139 Improvements, Hawaii*
This project is to plan, design, and construct improvements for the Part 139 certification requirements including Airports Operations Area (AOA) security perimeter fence.
- i. *AK1052-02 Lihue Airport Access Control & CCTV Systems*
This project will upgrade the antiquated ACS and CCTV systems and provide a state-of-the-art integrated security system. The project will replace the existing magnetic stripe technology with a proximity smart card system capable of incorporating future security requirements such as biometric access control. The Video Monitoring System (VMS) will also be changed from the obsolete analog video recording system to a digital video recording system. The CCTV and Access Control equipment are being purchased under a separate project.
- j. *AM1022-14 Kahului Airport Runway 2-20 & Taxiway Strengthening,*
This project will provide for the design and construction of taxiways and runways at Kahului Airport (OGG). Based on the current condition of the pavement as reported in the Statewide Pavement Management System (PMS) Update for Medium and Large Hub Airports, Project No. AS1120-04 dated April 2007, various portions of the airfield need to be designed and reconstructed. The first phase of work recommended includes Runway 2-20, the apron near the terminal building, and Taxiway A.

- k. *AM1022-15 Kahului Airport Apron Pavement Structural Improvements*
This project will rehabilitate airfields statewide as designated and justified by the Pavement Management System M&R plan.
- l. *AM1095-01 Kahului Airport Access Control & CCTV Systems*
This project will upgrade the antiquated ACS and CCTV systems and provide a state-of-the-art integrated security system. The project will replace the existing magnetic stripe technology with a proximity smart card system capable of incorporating future security requirements such as biometric access control. The Video Monitoring System (VMS) will also be changed from the obsolete analog video recording system to a digital video recording system. The CCTV and Access Control equipment are being purchased under a separate project.
- m. *AM1xxx-xx Kahului Airport Replace Fire Sprinkler System*
This project will replace outdated fire sprinkler lines and risers throughout the airport.
- n. *AM2021-16 Part 139 Culvert Improvements at Molokai Airport*
This project will improve the runway safety area deficiencies at Molokai Airport (MKK) to comply with the Federal Aviation Administration (FAA) Title 14 Code of Federal Regulations (CFR) Part 139 Airport Certification requirements. The certification requires three specific areas at Molokai Airport to be addressed: (1) open drainage culvert at the approach of Runway 5-23 needs to be covered; (2) the north end of Runway 5-23 safety area has an open drainage channel that will need to be covered; and (3) the drainage swale along the south side of Runway 5-23 must be realigned.
- o. *AM2031-14 ARFF Station Improvements, MKK*
Current Molokai Airport ARFF Station's facility condition does not meet the minimum standards required by FAA. Improvements will be made to the ARFF Station's operational space, storage capacity, personnel safety, and sanitation. The needed improvements will also meet the minimum requirements

of FAA Advisory Circular (AC) 150/5210-15 and Occupational Safety and Health Administration (OSHA).

- p. *AM2042-01 MKK Security System Access Control w/Link to OGG*

This project will install state-of-art communication and security access control systems. Both the communications and security access control systems are to be linked to the Maui District Office at Kahului Airport. The CCTV and Access Control equipment is being purchased under Statewide project, AS1050-25.

- q. *AM4031-17 Lanai Airport (LNV) ARFF Station Improvements*

This project will construct a new ARFF facility consisting of a new concrete building and remodel the current building to accommodate crew and equipment, and vehicle storage. The FAA District inspection report, dated May 1, 2003, cites the building as not in compliance with requirements set forth by Title 14 CFR Part 139, the Airport Certification Manual and the Airport Operating Certificate. Most of the issues cited by the FAA District inspection report are also in violation of OSHA regulations.

- r. *AM4050-01 LNY Security System Access Control w/Link to OGG*

This project will install state-of-art communication and security access control systems. Both the communications and security access control systems are to be linked to the Maui District Office at Kahului Airport. The CCTV and Access Control equipment is being purchased under Statewide project, AS1050-25.

- s. *AM5031-13 Kalaupapa Airport, Part 139 Improvements, Molokai*

This project is to plan, design, and construct improvements for the Part 139 certification requirements including Airports Operations Area (AOA) security perimeter fence.

- t. *AO1013-13 Honolulu International Airport (HNL) 3rd Level Ewa Concourse Sterile Corridor*

The third level sterile corridor will reduce the State's reliance on buses for international arriving passengers at the Ewa Concourse, where approximately 80% of the international passengers arrive.

- u. *AO1095-30 HNL Access Control & CCTV Systems*
The purpose of upgrading the Security Access Control System (SACS) is to improve user identification and to minimize security hazards to the traveling public, personnel and infrastructure. The SACS will need to be flexible, secure and robust to incorporate future technological improvements, such as, biometric technology (fingerprint scan, hand geometry, iris scan, retina scan, etc.) and SMART card interfaces. The equipment procurement (CCTV and Access Control hardware and software) is being done under the Statewide contract, AS1050-25. This project will be to install the hardware and software at HNL.

- v. *AO1144-14 HNL ARFF Facility Improvements*
The scope of work involves the construction of additional facilities at both ARFF stations at Honolulu International Airport (HNL). The new storage and facilities will allow for proper storage of vehicles, equipment and supplies for safe and long-term use.

- w. *AO1xxx-xx Airport Security Improvements*
This project is to plan, design, and construct improvements for the Part 139 certification requirements including Airports Operations Area (AOA) security perimeter fence.

3. Keep our stakeholders satisfied

- a. An Airport Liaison Office has been established but it is funded by the air-carriers and we will monitor its progress.

- b. We continue to meet with the concessionaires committee at Honolulu International Airport every month.

- c. We continue to publish and distribute the "Wiki-Wiki Construction Newsletter" to tenants at Honolulu International Airport.

- d. We started newsletters that cover construction activities at Kahului Airport and are considering expanding them to other Neighbor Island airports and distributing them to tenants at those airports.

- e. We continue to discuss developing, printing and disseminating a "How to do Business with Us" brochures.
- f. We continue to conduct customer satisfaction training for employees under a grant from the State.

4. Maximize revenues

- a. With the passage of Act 226 (SB No. 2366 S.D. 1, H.D.1, C.D.1), which extends the existing \$3 per day surcharge on rental vehicles until 2011 as a revenue source for the State Highway Fund as well as to impose, starting September 1, 2008, an additional \$1 daily surcharge on all u-drive rentals to finance the planning, design, and construction of consolidated rental car facilities at our State airports. The consolidated rental car facilities will provide a single location for travelers to rent a car of their choice and eliminate the need for multiple pick-up and delivery vans from individual rental car companies.
- b. The bid opening to convert existing on-airport car rental concessions from month-to-month holdover to long-term concession agreements is scheduled for 2/24/09.
- c. Increase on-airport car rental concession fees for Neighbor Islands from 7.5% to 10%. The new contract is going out to bid on 2/24/09 with a 6/1/09 start date.
- d. Change the fee structure of off-airport rent-a-car operations from a per vehicle fee to an 8% of gross receipts fee is proceeding.
- e. Increase parking rates at all airports.
- f. Increase parking capacity at all airports. The construction project to add an additional parking structure connecting the current Inter-Island and Main Terminal Parking Structures is near completion. When completed, the structure will provide for an additional 1,800 parking stalls. Additionally, we have established "Cell Phone Waiting Lots" at each of the four major airports to allow individuals picking up passengers to wait in their vehicles until such time their party is waiting at the curbside to be picked up.

This convenience alleviates the congestion at the arrivals area at each airport.

- g. The issuance of a concession agreement for advertising at the airport is still in progress.
- h. We have implemented joint-use charges for Terminal 3 at Honolulu International Airport and we are monitoring its progress.
- i. Consideration is being given to issue a new concession agreement for food and beverage operation at Lihue Airport.
- j. A new concessions agreement for food and beverage operation at Hilo International and Kona International airports to cover 12/1/07 to 11/20/2017 is being developed.
- k. We have issued new concession agreements for wired and wireless internet access at all major airports. We are considering developing concession agreements for the smaller airports.
- l. We are discussing the developmental program for Kona International Airport with the Department of Land and Natural Resources.
- m. Continue to increase level of non-aeronautical income.
- n. Continue to increase Airport Use Charges, which include landing fees and other charges covered by Chapter 16.1, Hawaii Administrative Rules.

5. Protect the environment

- a. Continue to participate in the State's "Leadership by Example" task force.
- b. Maintain a recycling program for various materials in the public areas of the Honolulu International Airport.
- c. We converted a temporary Environmental Engineer position to permanent in the Environmental Section to ensure improved monitoring, testing and remediation capabilities.

- d. Continue the environmental compliance tracking system.
 - e. Continue the Leadership in Energy and Environment Design (LEED) in new, major facilities and retrofit older facilities to meet LEED standards.
6. Employ Innovation and Technology
- a. The Engineering Branch will continue to research and develop new solar energy systems and other natural technology based on Hawaii's year round climate.
 - b. The Modernization Team, as they implement Capitol Improvement Projects, will ensure that technology is part of their projects.
7. Costs Savings Measures
- a. The Tiger Team will continue to monitor the current cost-saving measures submitted by the Districts and if necessary implement additional costs saving measures.
 - b. We will track the progress of establishing a position to secure Federal and/or private grants.

Process to Measure the Performance of Programs and Services in Meeting the Stated Goals, Objectives and Policies

The following performance standards will be used to measure the effectiveness of our efforts to meet our objectives:

1. Provide effective leadership
- a. Efficient management, operations and maintenance of airports.
 - b. Achievement of stated objectives.
 - c. Effective and timely communication.
 - d. Creation of an atmosphere of good motivation and high morale.
 - e. Increased productivity among employees.

- f. Average time from plane touchdown to passenger departure.
 - g. Average time from passengers entering the plane-to-plane takeoff.
 - h. Through put cost per passenger.
 - i. Total operating cost per square foot.
 - j. Average no. of times the airport facility restrooms are cleaned per day.
2. Improve safety and security
- a. Number of reported safety or security incidents.
 - b. Adequate staffing of safety and security personnel.
 - c. Frequency of security breaches.
 - d. Establishment of tightened safety and security controls.
 - e. Number of accidents per 100,000 square feet and per 100,000 passengers.
3. Keeping our stakeholders satisfied
- a. Frequency of meetings with airport tenants, airlines and other airport users to discuss and resolve problems.
 - b. Number of complaints or compliments from stakeholders.
 - c. Establishment of a process of identifying the needs of stakeholders and meeting those needs.
 - d. Percent rating of facilities by airlines and other users.
4. Maximize revenues
- a. Fees to generate additional revenue.
 - b. Innovative approaches in generating revenues.

5. Protect the environment

- a. Number of fines or citations issued to the Airports Division by state or federal environmental agencies.
- b. Ability to ensure full compliance with environmental laws, regulations and requirements.
- c. Improvement in the environmental compatibility and appearance of airport facilities and properties.

6. Employ Innovation and Technology

- a. Number of projects employing technology. Analyze effectiveness and efficiency of technology projects.
- b. Review CIP submission for innovation and technology and recognize projects that employ innovation and technology.

7. Cost Saving Measures

- a. Monitor costs for utilities and security to determine if savings are being realized.
- b. When staffed, the Performance Appraisal System and employee feedback will be used as a measurement of employee performance.

C. HARBORS DIVISION

Statement of Goals

The Harbors Division's goal is to effectively provide and manage a commercial harbor system that facilitates the efficient and safe movement of people and goods between ports within the Hawaiian Islands and throughout the world in a manner that enhances and preserves the State's economic prosperity and quality of life. Our objectives also include the support of fishing and passenger cruise industries, other maritime and non-maritime related services and support activities.

Objectives and Policies

The statewide harbors system consists of eleven (11) commercial harbors divided into four (4) districts. They are: Oahu District - Honolulu, Kalaeloa Barbers Point, and Kewalo Basin (which is slated for operational transfer to HCDA on January 1, 2009); Hawaii Island District - Hilo and Kawaihae; Maui District - Kahului and Hana on Maui, Kaunakakai on Molokai, and Kaunapali on Lanai; and Kauai District - Nawiliwili and Port Allen.

The objectives of the Harbors Division include:

1. Provide planning and administrative support.
2. Manage vessel traffic into, within, and out of harbor facilities.
3. Provide, allocate, and control maritime facilities, including but not limited to piers/berths, yards, common areas and cargo storage facilities.
4. Maintain, repair and operate commercial harbor facilities.
5. Expand and improve commercial harbor facilities and operations.
6. Impose appropriate rates, rents, fees, tariffs and charges to produce necessary revenues and manage the harbors system as a self supporting enterprise.
7. Maintain offices and facilities for the conduct of maritime business with the public.
8. Administer various safety, environmental and security programs and activities to meet federal and State standards, regulations and requirements.

To meet these objectives, the Harbors Division is currently organized into a Staff Services Office, an Engineering Branch and four (4) Districts under the direction of the Harbors Administrator as follows:

- Staff Services Office

- o Office Services
 - Management Budget & Analysis
 - Management Information Systems
 - Financial Management
 - Personnel Management
 - Property Management
- Engineering Branch
 - o Construction
 - o Design
 - o Environmental
 - o Maintenance
 - o Planning
- Oahu District
 - o Office Services
 - o Operations
 - Harbor Enforcement
 - o Maintenance
- Hawaii District
 - o Office Services (Hilo Harbor)
 - Maintenance
 - Pier Utilization
 - Hawaii Harbor Enforcement
 - Kawaihae Harbor
- Maui District
 - o Office Services (Kahului Harbor)
 - Maintenance
 - Pier Utilization
 - Maui Harbor Enforcement
 - Kaunakakai (Molokai) Harbor
 - Kaunakakai (Lanai) Harbor
 - Hana (Maui) Harbor
- Kauai District
 - o Office Services (Nawiliwili Harbor)
 - Maintenance
 - Pier Utilization
 - Kauai Harbor Enforcement
 - Port Allen Harbor

Activities to implement our program objectives require constant interaction with public and private sector agencies. Government agencies and their jurisdictions include:

- a. The U.S. Army Corps of Engineers, which administers and participates in the planning, design, construction, and maintenance of harbor navigational improvements.
- b. The Federal Maritime Commission which regulates port and marine terminal operators who engage in United States ocean-borne commerce. The Commission also receives and reviews tariff filings.
- c. The U.S. Coast Guard which oversees maritime security at the commercial harbors and is also involved in the enforcement of safety and oil pollution regulations within harbor complexes of the State.
- d. The U.S. Treasury Department which inspects foreign goods to insure a proper assessment of duty. Goods are also inspected by the U.S. Department of Agriculture to safeguard the State against the introduction of biological pests.
- e. The U.S. Customs and Border Protection is the unified border agency within the Department of Homeland Security charged with the management, control and protection of our nation's borders at and between the official ports of entry. The U.S. Customs and Border Protection monitors the flow of foreign people and goods entering U.S. ports.
- f. The Environmental Protection Agency which is involved with water quality standards.
- g. State agencies involved in coastal areas, land and water use, economic development, environmental regulations, agriculture, and safety regulations.
- h. The counties of the State involved in zoning, the granting of permits and similar activities.

Action Plan and Timetable to Implement Objectives and Policies in One, Two and Five Years

During Fiscal Year 2008, the following key actions were taken to implement the Harbors Division's objectives and policies:

Improve Stakeholders' Satisfaction

1. The Division expanded its partnership with the Hawaii Harbors User Group (HHUG), comprised of major harbor operators, during the past year. This partnership has provided a forum for harbor users to collaborate with the Harbors Division on major planning and development initiatives affecting the statewide harbors system.

Concerns over inadequate harbor infrastructure and the lack of a comprehensive integrated approach to improve harbor infrastructure resulted in a collaboration between HHUG and a team of administration officials from the Department of Transportation, the Department of Budget and Finance, the Department of Business, Economic Development & Tourism, the State Tourism Liaison, the State Economist and other key state officials. Working together, consensus was reached on a \$618 million Harbors Modernization Plan (HMP) of priority projects to improve harbor infrastructure within a six-year timeframe.

To implement the HMP projects, Act 200, SLH 2008, was enacted to expand the jurisdiction of the Aloha Tower Development Corporation, currently limited to Honolulu Harbor under Act 127, SLH 2007, to a statewide jurisdiction. A Harbors Modernization Group within ATDC has been established to oversee ATDC's work in this regard. This landmark legislation also provided that appropriations received by the Department of Transportation for HMP shall be delegated to and administered by ATDC. In its capacity as the development arm for the HMP, ATDC's authority will extend for eight years to 2016 to achieve the goals set forth under the bill.

2. Throughout Fiscal Year 2008, Harbors Division personnel conducted numerous meetings with various federal and state agencies to solicit input on proposed capital improvements, maintenance projects, security issues and sought input on day-to-day operational concerns.

3. The continuing development and update of DOT's Commercial Harbors Master Plans ensures that long term planning strategies reflected in the CIP are integrated in accomplishing the objectives and mission of the Department.

During FY 2008, the draft *Kahului Commercial Harbor 2030 Master Plan and EIS* was developed along with initiating a

court-mandated environmental document for harbor improvements related to the operation of an inter-island ferry system.

4. The Division continued its work on the development of the fuel infrastructure and planning for State harbors in conjunction with the Department of Business, Economic Development and Tourism's alternative fuels and energy efficiency development programs.

5. Together with the Department of Business and Economic Development and Tourism, the Hawaii Tourism Authority, and the Department of Land and Natural Resources, Harbors Division is participating in a statewide Hawaii Cruise Industry Study to assess the current and future impacts of the cruise industry on the State of Hawaii.

6. In addition to public sector entities, the Division continued to work with private sector entities that provide shipping services, stevedoring, warehousing, tug services, maintenance, ship chandlery and repair, distribution and other functions to resolve operational issues and concerns.

Provide Effective Leadership and a Positive Working Environment

The following actions were undertaken to improve leadership skills and to provide a positive working environment.

1. The Division continues to support and encourage attendance of key managers to the Hawaii Leadership Academy (HLA). The purpose of the HLA is to ensure that state governmental managers and section heads acquire the skills and abilities to reach the goals of today and meet the new challenges of tomorrow. The foundation of the HLA is a series of leadership competencies - knowledge, skills and behaviors - that are critical success factors. HLA is composed of three major phases: learning the competencies, applying the competencies and evaluating the application of the competencies. The first phase consists of four seminars covering basic inter-personal, team-building, human resources management and communication skills. It also covers administrative and problem solving skills of management. Finally, this first phase covers skills leading organizations to a higher level. The second and third phases cover applying the competencies on the job and evaluating the application of the competencies, respectively.

2. During FY 2008, the Division solicited staff input to identify core values or principles for its operations and to provide guidance to staff as employees of the division. This internal planning process resulted in the identification of core values summarized by the Hawaiian word "Ho'okele", which means "to navigate, to steer, to guide." Ho'okele is also the Division's acronym for the following established core values:

- i. Honor and Respect
- ii. Objective and Fair
- iii. Open and Accountable
- iv. Knowledge of the Facts
- v. Efficient and Effective
- vi. Leadership with Integrity
- vii. Excellence in all we do

Improvements to Safety and Security of the Statewide Harbors System

The following actions were undertaken in FY 2008 to improve the safety and security of Hawaii's commercial harbors.

1. Port readiness exercises were conducted. The Harbors Division actively participated in multi-agency port readiness exercise on February 28, 2008. The table top exercise held at the Clean Island Council Facility on Sand Island included various Federal, State, local and private agencies working together on a complex maritime scenario. This venue provided an excellent opportunity to work in close proximity with critical players and provided in-depth knowledge of their capacities.

2. Managers participated in the 2007 Asia Pacific Homeland Security Summit and Exposition. Sponsored by the State in partnership with the Department of Homeland Security's (DHS) Science & Technology Directorate, the summit offers attendees an opportunity to share views on how to best respond to the threat of terrorism and natural disasters in the Asia-Pacific region.

3. The following capital improvement projects were undertaken to improve safety and security:

- a. Phase II Improvements at the Pier 2 Cruise Terminal is underway to provide enhanced passenger security and safety improvements.
- b. Security Barrier Project at Pier 10/11 - This project entails replacing the security barrier fronting Pier 11 on Fort Street and those along Nimitz Highway adjacent to Pier 11 with a more aesthetic barrier system. Throughout Honolulu Harbor and Kalaeloa Barbers Point Harbor, design is underway to provide or upgrade security fencing, and related security improvements around the perimeter of the harbors.
- c. On Sand Island, multiple yard improvements are underway to improve safe container handling operations. Reconstruction of the paved container handling yard at Pier 51B for rubber tired gantry/top pick handler operations will provide necessary infrastructure improvements to the yard such as strengthened pavement water, drainage and lighting systems. In addition, utility and pavement improvements and upgrades throughout Piers 52 and 53 will upgrade the water and electrical system throughout cargo yard, including the replacement and/or relocation of fire hydrant, electrical switchgear and light poles. Finally, the project will strengthen the pavement structure to support current loads of cargo-moving vehicles used within the container yard.
- d. The Division has designed and is finalizing construction of electronic access controls for Harbors Division offices statewide. The new system will improve security by controlling individual access to secured areas.

Management & Administrative Actions

The following key management and administrative actions were undertaken in FY 2008.

1. The Division began a comprehensive review of rules, regulations and procedural changes required to address ground transportation issues and related commercial activities at harbor facilities. Upon completion of this review, the findings will provide the basis for proposed administrative rules. The Division also worked to define and establish

responsibilities of harbor tenants and users for environmental rules compliance and upgrade operational agreements with harbor users.

2. The \$618.0 million Harbors Modernization Plan will be financed with proceeds from the issuance of Harbors System Revenue Bonds. In promoting the HMP, the major harbor users comprising HHUG acknowledged that tariff increases were necessary to pay the additional debt service costs related to the new bonds. Key administrative officials and HHUG have held numerous meetings in the past fiscal year to review various financial scenarios for upcoming tariff adjustments. Upon finalization of these discussions, the Division anticipates to begin the rule-making process before the end of the year with new rates proposed to take effect on July 1, 2009.

3. The Harbors Division is operated as a self-sufficient enterprise and generates revenues through user fees and charges to support its operations and capital development program. Other means to maximize and improve the revenue base include adjustment of fees on property rentals and other services provided by the division. Changes in governance from a landlord port to entering into long term leases for terminal facilities with minimum annual guarantees are also under review. Aggressive pursuit of federal funds and grants and possible development of port improvements through public-private developments are other mechanisms under consideration.

4. The Harbors Division is working to increase its access to federal funds to support its capital development needs. Through legislation introduced by U.S. Senator Daniel Inouye, there is now a mechanism for the Maritime Administration (MARAD) to spend surplus federal funds on Hawaii maritime facilities. The first of these projects, a design-build project, authorized under Public Law 109-59, Section 9008, which is a portion of SAFETEA-LU will improve facilities at Kawaihae Harbor's inter-island barge terminal through the use of surplus Federal Transit Administration (FTA) funds. The \$3.0 million project has been funded and design is currently underway. Construction of this project is scheduled to be completed by October 2009 and will provide the Division with improvements at no cost to the State.

5. In October 2006, the State experienced an earthquake centered off the Big Island of Hawaii. Damages were principally sustained at Kawaihae Harbor. Emergency repairs were done to reopen the harbor to all major users, with use restrictions at Piers 1 and 2A. Initial repairs to Pier 1 have since been completed with final repairs scheduled for completion by December 2008. Extensive discussions were held with the state's insurer due to damages sustained to our piers. The division, assisted by the Risk Management Office of the Department of Accounting and General Services, successfully negotiated a settlement payment of \$2.5 million for its claims for losses. The funds were deposited in January 2008 into a special trust account established pursuant to Act 173, SLH 2006, with the proceeds to be expended for repairs at Kawaihae Harbor.

6. The Harbors Division has also completed several reorganization proposals to restructure certain operational segments for greater efficiency and improve its delivery of services. A new Landside Operations Unit has been established within the Oahu District, Honolulu Harbor, to be responsible for functions including taxi operations, shuttle services and other forms of ground transportation. Another proposal to establish an office responsible for the management of the port security program and disaster response coordination as well as to establish management support to the sole district managers at Hawaii, Maui and Kauai Districts is pending approval.

7. The Division has been working to effect the smooth transition of its management of Kewalo Basin to the Hawaii Community Development Corporation (HCDA). Respective staff of both agencies have been meeting to discuss various operational matters, knowledge transfer, and resolve concerns.

Harbor Expansion, Development and Improvement Actions

During FY 2008, the following actions were undertaken to expand, develop and improve the commercial harbors system:

1. Oahu Pier 28-29 Improvements - Design is underway for the reconstruction and hardening of approximately 9 acres of pavement at Pier 29 for top pick handlers. The project also involves upgrading of all necessary utilities to allow for the successful relocation of container operations from other areas of Honolulu Harbor.

At Kalaeloa Barbers Point Harbor, design is completed and the bids were opened for electrical improvements and a new road to the future Pier P-8 in the new basin area. In addition, private construction/development of a new asphalt terminal is underway adjacent to the existing cement terminal, as well as, planning for two new privately owned alternative fuel facilities adjacent to Storage Yards S-5 and S-6 at Kalaeloa Barbers Point Harbor.

2. Island of Hawaii. At Hilo Harbor, two projects under design during FY 2008 will allow for the future relocation of Young Brothers from operations at Pier 2 to a future Pier 4. The projects include dredging of a new basin/berthing area to facilitate berthing at the future Pier 4, and the construction of additional yard area including related utilities to provide Young Brothers with expanded operational areas.

3. Kauai. Pier 3 at Nawiliwili Harbor was extended to provide additional pier space to safely berth longer cruise vessels at Nawiliwili Harbor's secondary cruise berth. In addition, design for the reconstruction of the existing concrete pier face and replacement of the timber fender system along the entire Pier 2 cruise ship berth is underway.

4. Maui. At Kahului Harbor, the division completed its acquisition of approximately four acres of adjacent lands in commercial use from A&B Properties, Inc. for \$9.8 million. This action, along with the expedited demolition of Pier 2 Sheds, will assist in providing Young Bros. with additional container operations area as well as open yard area to ensure continuation of less than container load (LCL) service to Kahului Harbor.

5. Statewide. The Harbors Modernization Plan is an outcome of the collaboration efforts in the development of statewide harbors improvements. This system-wide plan will implement harbor infrastructure improvements to address projected increases in ocean transportation of cargo and passengers through the year 2030. Harbors covered in the plan include Honolulu and Kalaeloa Barbers Point Harbors on Oahu, Kahului Harbor and Hana Harbor on Maui, Hilo and Kawaihae Harbors on the Big Island, and Nawiliwili Harbor on Kauai.

6. Following a Special Session of the State Legislature in November 2007, Act 2, SSLH, was passed to allow Hawaii Superferry Inc. (HSF) to resume regular daily service between Honolulu and Maui. The bill required that the State conduct an environmental review of the project and established an oversight task force to monitor ferry service and report monthly to the legislature. Operating conditions were also imposed on HSF to protect marine life, prevent the spread of invasive species and preserve cultural and natural resources. The division has been working diligently with the oversight task force in addressing the requirements set forth in Act 2 including the environmental review. As HSF's customer base increased, a second run, four times per week, between Honolulu and Maui was added to the daily schedule. The Maui second run has since been reduced to twice weekly. HSF has not resumed service to Kauai. Construction on HSF's second vessel is on-going with service to Kawaihae Harbor projected in May/June of 2009.

Actions to Protect the Environment

1. Annual environmental compliance training was conducted for Harbors employees.

2. The division participated in a departmental effort to formulate an Environmental Management System (EMS) manual for each of its three divisions. A major component of the EMS was the development of quarterly environmental compliance checklists for use at all Harbors maintenance facilities.

3. The division continued its implementation of Storm Water Management Plans required under the Notice of General Permit Coverage, National Pollution Discharge Elimination System (NPDES), for Small Municipal Separate Storm Sewer Systems (MS4) at Honolulu Harbor, Kalaeloa Barbers Point Harbor and Kewalo Basin. Under the requirements of the plans, Harbors personnel, users and tenants are reminded of pollution prevention and best management practices to prevent pollutants from entering storm water runoff.

4. The division continued its participation in a working group under the direction of the Department of Health, with assistance from the Environmental Protection Agency, to address the subsurface petroleum contamination problem in the Iwilei district of Honolulu Harbor.

Over the next one, two, and five years, the Harbors Division will pursue the following actions in order to continually meet its objectives:

1. Stakeholder's Satisfaction

- a. Monitor ATDC's performance to ensure that projects are implemented in conformance with HMP and DOT requirements and preferences.
- b. Ensure stakeholders are satisfied with the services and facilities provided.
- c. Proactively address the needs of stakeholders.

2. Provide Effective Leadership and a Positive Working Environment

- a. Create and maintain a positive work environment for harbor employees.
- b. Encourage managers to improve leadership skills by taking advantage of programs such as the Hawaii Leadership Academy.
- c. Reinforce the guiding principles set forth in the division's Ho'okele core values.
- d. Require managers to take an even stronger active role in the legislative process by proposing, researching, and developing legislative initiatives as required.

3. Improve Safety and Security

- a. Continue to participate in the Asia Pacific Security Summit.
- b. Continue to plan and implement statewide security capital improvement projects to further enhance Harbors security.
- c. Continue to pursue alternative means of financing for security improvements through the Department of Homeland Security's Port Security Grant Program.

4. Management & Administration

- a. Optimize the use of Harbor resources through sound financial and organizational practices.

- b. Anticipate and accommodate the commercial water transportation needs of the State.
- c. Improve inter- and intra-division communication and collaboration.
- d. Continue to update tariff rates and operational practices and procedures to maximize efficiency.

5. Harbor Expansion, Development and Improvement

- a. Implement interim improvement plans and congestion relief projects.
- b. Continue accelerated development of major harbor expansion, construction, and improvement projects.
- c. Develop the new container yard at the former Kapalama Military Reservation (KMR). Activities include major tenant relocation, design of the new deep-water pier that will be needed for cargo ships, and future container operations.
- d. Develop and initiate expansion and improvement projects at all State harbors under the *Harbor Modernization Plan*.
- e. Plan and prepare for the arrival and service of Hawaii Superferry, Inc.'s second vessel. Planning and coordination efforts for berths and operational areas in Honolulu and Kawaihae Harbors are ongoing. Modifications to the Kahului barge's mooring system is on-going and are intended to dispense with the need for tug assistance.

6. Protecting the Environment

- a. Continue the annual environmental compliance training for Harbors workers.
- b. Fully implement all components of the Environmental Management System.
- c. Continue to implement the requirements of the Storm Water Management Plans included in the MS4 permits issued for all Oahu Commercial Harbors.
- d. Continue to work with the Department of Health to address the subsurface petroleum contamination problem in the Iwilei district of Honolulu Harbor by participating in the implementation of remedies. Continue to work with the Department of health as other districts are identified for study.

- e. Increase the budget of the Environmental Section to ensure improved inspection, monitoring, compliance and remediation capabilities

Process to Measure the Performance of Programs and Services in Meeting the Stated Goals, Objectives and Policies

The use of the respective harbor master plans, including any subsequently adopted updates or enhancements will be the base used in the measurement of overall effectiveness in attaining the Harbors stated goals and objectives.

Measurement of performance will be applied throughout the levels of achievement, accomplishments, and development of major improvement projects against the specific objectives and timetables identified in the harbor master plans.

Additional milestones and dates identified in the development of harbor improvements are also used as internal references to help assess the state of progress in attaining major goals and objectives.

Based on existing policies, we intend to proceed with our programs and activities, and then evaluate and adjust these based on the outcomes of our projects.

Factors considered in measurement of meeting performance standards are: meeting projected cost factors, design functionality, customer satisfaction, increased revenue (when applicable to the project), and use and/or creation of public policies to meet our objectives.

The baseline, with timetables and outcomes measured against our harbor master plans can provide indicators of the "on-going status to completion" of our programs and projects. Using this data, we will be able to measure the performance of our programs and services during stages of development in our efforts to meet our goals.

Customer satisfaction is also used to assess whether the Division is meeting the needs of harbor users and the public in the overall maintenance and management of port administration and operations.

In planning for these improvements, a careful balance must be attained between the need and timing for the desired improvements and the time needed for implementation. This method of planning helps avoid imposing higher tariffs, fees, and charges on users than would otherwise be necessary to assure the progressive development of the state's commercial harbors.

The need for additional pier, yard, and support facilities is met where necessary and existing facilities are upgraded when appropriate, as part of meeting our objectives.

Specific performance goals have been set for each harbor for each fiscal year and the results are measured against the goals at the end of each fiscal year. These performance measures include the following:

1. Program cost per ton of cargo.
2. Total cargo tons processed per acre of container yard.
3. Number of incidences/accidents reported.
4. Number of fines imposed for security violations.
5. Number of cruise ship passengers per cruise ship call.
6. Dollar amount of salary overpayments for the division.
7. Number of vendor payments for the division exceeding 30 days.
8. Percentage of CIP projects completed within scheduled timetable.
9. Percentage of special maintenance projects initiated compared to projects identified in the annual Special Maintenance Plan.

D. HIGHWAYS DIVISION

Statement of Goals

The Highways Division's goal is to provide a safe, efficient, and accessible highway system through the utilization of available resources in the maintenance,

enhancement and support of land transportation facilities and programs.

Objectives and Policies

The Highways Division continually strives to meet its objective of providing a safe and efficient highways system by responding to the issues and problems faced by the Division.

The objectives of the Highways Division include, but are not limited to, the following:

1. Reducing the number of fatalities, crashes and property damage on our highways;
2. Maximizing the service life of our highway inventory and improving customer satisfaction;
3. Improving project coordination, scheduling and design quality;
4. Promoting alternative modes of transportation;
5. Relieving traffic congestion; and
6. Administering various safety, environmental and security programs and activities to meet federal and State standards and regulations.

To meet its objectives, the Highways Division is currently organized into three (3) Staff Services Offices, six (6) Branches and four (4) Districts under the direction of the Highways Administrator as follows:

Service Offices

- Staff Services Office
- Engineering Services Office
- Motor Vehicle Services Office

Branches

- Planning Branch
- Design Branch
- Right-of-Way Branch
- Materials Testing and Research Branch
- Construction and Maintenance Branch
- Traffic Branch

Districts

- Oahu District
- Kauai District
- Maui District
- Hawaii District

Action Plan and Timetable to Implement Objectives and Policies in One, Two and Five Years

To meet the program objectives, the Highways Division's major activities are to plan, design, construct and maintain highway facilities on the State Highway System, which consists of 932 centerline miles and approximately 2466.77 lane-miles of highway.

Oahu - Construction of the 1st increment (Phase 1A) of the North South Road in Ewa between the Kapolei Parkway and Interstate Route H-1 is substantially complete. Construction is ongoing on the next two increments (Phase 1B and 1C). Phase 1B includes constructing four lanes that connect the floating segment from Phase 1A to Farrington Highway and Kapolei Parkway and is scheduled to be completed in early 2010. Phase 1C, which includes constructing a new six-lane roadway that connects Farrington Highway to the H-1 Freeway, a new diamond interchange, and two bridge structures to allow for an under crossing at the H-1 Freeway, is underway and scheduled to be completed by late 2009. When North-South Road is completed, it will help ease the existing congestion and provide access to future developments in the area.

Exploring options to mitigate congestion along our facilities, in 2009 we will begin a study for contraflow along Kahekili Highway from Haiku Road to Hui Iwa Street.

Continuing development of a Freeway Management System will make the existing freeways more efficient and safe by using intelligent transportation systems technologies. This project will increase roadway efficiency, relieve congestion and improve emergency services by employing intelligent transportation systems technologies to manage traffic operations and disseminate traveler information. The Notice to Proceed for the contract for Traffic Management System, CCTV Phase 1, was issued 02/04/2008; the contract for CCTV Cameras for Freeway Management was issued 04/30/2008.

Pedestrian safety is included in the current program through projects such as the retrofitting of incandescent traffic signal heads to LED modules,

which will provide both improved signal visibility and energy-efficiency at various locations around Oahu. Projects converting pedestrian signals to countdown timers provide added gauge to safely cross streets at intersections throughout Oahu. The Notice to Proceed for the Traffic Signal Modernization, LED Signal Retrofit, Phase 2, at Various Locations of Oahu was issued 8/11/08.

State-of-the-art equipment such as traffic signal heads and controllers will be installed at various intersections, including Waialae Avenue from 21st Avenue to Kilauea Avenue; Nimitz Highway from Valkenburgh Street to Halekauwila Street; and Pali Highway at School Street. As a result, safety and traffic signal operation will be improved. A construction allotment for this project is being requested with an estimated advertising date of December 2008.

Hawaii - The first phase of the Queen Kaahumanu Widening from Henry Street to Kealakehe Parkway is under construction with completion anticipated in December 2008. Construction for the second phase of the widening, from Kealakehe Parkway to Kona International Airport Access Road is scheduled to be awarded in early 2009. Design for the Keaau-Pahoa Road Shoulder Lane Conversion, Keaau Bypass Road to Shower Drive is ongoing and expected to be completed in 2010. Planning efforts continue for the Waimea Bypass and Kawaihae Road Bypass projects. Design is ongoing for the first of the three areas under the Hawaii Belt Road Rockfall Mitigation project. The study for the widening of Kuakini Highway from the two to four lanes between Henry Street to Kamehameha III Road will begin with the impending award of the planning contract.

Maui - The second phase of Haleakala Highway Widening, from North Firebreak Road to Pukalani Bypass, was dedicated on September 25, 2008, at which time contraflow operation ceased. The improvements will relieve congestion during peak hours from upcountry to Central Maui. Puunene Avenue and Mokulele Highway Widening, from Kuihelani Highway to Piilani Highway was completed on May 27, 2008 (all phases). These projects will help relieve congestion across the

isthmus from Kihei/Wailea to Kahului. Design for the first of three phases for Kihei-Upcountry Highway is underway and anticipated to be completed in late 2009. Design by the design-build team for Phase-1A of the Honoapiilani Highway Realignment (Lahaina Bypass), from the Future Keawe Street Extension to Lahainaluna Road is ongoing. Design for the next increment from Lahainaluna Road to Launiupoko is underway. Design for the widening of Honoapiilani Highway between Aholo Road to Lahainaluna Road is completed and this project will be advertised in November 2008 with a scheduled bid opening date in December 2008. Planning for the Honoapiilani Highway Widening/ Realignment, from Maalaea Harbor to Puamana is ongoing. In Paia, planning studies for the Paia Bypass have begun. In Hana, the second phase of rockfall mitigation at Mile Post 19 will be awarded for construction in early 2009. In Kahului, the planning and design of the Kahului Airport Access Road is ongoing.

Molokai - Replacing Kawela Bridge, which is located along Kamehameha V Highway on Molokai, is being proposed due to hydraulic inadequacies and non-conformance to current standards. Design for the proposed bridge is scheduled for completion in 2010, and will consist of two lanes with bikeways and shoulders.

Kauai - The "Kapaa Temporary Bypass" and the "Puhi Temporary Bypass" routes, along with the contra flow operations between Hanamaulu and Wailua continue to temporarily relieve traffic congestion in their respective areas. These interim measures are in advance of the permanent Kapaa Bypass and the Kaumualii Highway widening projects that will provide more permanent solutions to Kauai's congestion problems. Construction of an additional southbound lane on the Wailua Cane Haul Bridge is anticipated to start in early 2009. Design for an additional southbound lane on Kuhio Highway fronting Coco Palms is anticipated to be completed in 2009. Design for the first increment of Kaumualii Highway Widening from Rice Street to Anonui Street is ongoing and is scheduled to be completed in late 2008.

Statewide

1. We have continued our traffic safety countermeasure activities. Through its "Click It or Ticket (CIOT)" campaign, Hawaii has one of the highest seatbelt use rates in the Nation at 97.01%. We attribute the success of the CIOT campaign to the hard work of our many highway safety partners which included the four county police departments, the Department of Health, the Department of Education, the Federal Highway Administration, the Federal Motor Vehicle Carrier Safety Association, the local fire departments, religious leaders, military bases and others. We also supported the enforcement campaign with a strong media campaign (television, radio and movie theatre).

2. To combat the problem of drunk driving, we along with the four county police departments, have implemented a 52/12 - "You Drink, You Drive, You Lose" campaign to increase the use of sobriety checkpoints during every week of every month of the year.

3. Walk Wise Hawaii (WWH) is a pedestrian safety program in which the DOT partners with various county agencies and a private company to provide speakers to senior groups, rotary clubs, neighborhood boards, hotels, etc., to remind both drivers and pedestrians about pedestrian safety. In addition to the community presentations, multi-language brochures, movie theatre ads and bus ads are created to reach the rest of the community. Since 2007, the WWH pedestrian education programs have continued to be presented to senior groups and other interested groups by a representative from the Honolulu Police Department.

4. Since January 2007, as a part of the Safe Routes To School (SRTS) program, the DOT has aired television and radio spots reminding people to slow down while driving through school zones and to watch out for pedestrians.

Process to Measure the Performance of Programs and Services in Meeting the Stated Goals, Objectives, and Policies

The effectiveness of the program is measured by the ability of the highway system to move people, goods and traffic in a safe and efficient manner.

The Highways Division continues to improve the sufficiency rating of our bridges and reduce its backlog of functionally obsolete and structurally deficient bridges. Our National Bridge Inventory data that we submit annually to FHWA would reflect this. This data is based on our biennial bridge inspection reports.

The Highways Division continues to add incentive or disincentive pavement smoothness to its asphalt concrete resurfacing projects. The program shows a marked improvement in the ride quality of our finish pavement surface. Direct benefits of smoother pavements are long-term pavement performance, safety, improved riding quality and reduction in annual maintenance costs.

Actions Taken

- o The Division continues to develop our projects with a scoping team consisting of members with specific engineering and land acquisition expertise such as design, traffic, structural, hydraulic, geotechnical, environmental, right of way, maintenance and construction. This team visits the project locations, determines the functional requirements, evaluates alternatives, defines the detailed scope of the project, and prepares cost estimates and project schedules for the new projects. This is being done before the design of the project begins. Process adjustments are being made to complete CIP project scoping prior to their inclusion in our budget.
- o The Division is streamlining functions by seeking new ways of eliminating unnecessary requirements through constant evaluation of our processes and procedures. We continue to increase automation with the use of computers to replace manual operations and record keeping.
- o We recently executed a programmatic agreement with the Department of Land & Natural Resources (DLNR) to streamline historic reviews under Chapter 6E, HRS. We are also executing an MOA with the State Historic Preservation Division (SHPD) for a DOT-funded DLNR position to help shorten required reviews by SHPD for DOT Highways projects.

- o The Highways Division currently has agreements with various Counties to maintain our traffic signal systems, for contra-flow coning on Kalaniana'ole Highway and for the removal of abandoned vehicles. We also have agreements with the Counties to implement other State highway programs such as the State Periodic Motor Vehicle Inspection (PMVI), Commercial Driver's License (CDL), Federal Heavy Vehicle Use Tax and Vehicle Weight and Registration Collection programs. These joint agency agreements are designed to reduce the duplication of services.

- o The Highways Division is continuously looking for viable traffic management system improvements to provide relief to our motoring public. Numerous projects are currently being implemented to alleviate congestion along our most heavily traveled routes.
 - H-1/Urban Honolulu - Congestion relief measures along H-1 include future projects in the central area such as adding another westbound lane through the Waiawa Interchange and examining the feasibility of a westbound contraflow on the H-1 Freeway.

 - Leeward Oahu -Design for intersection improvements at Farrington Highway at Nanakuli Avenue and Haleakala Avenue is ongoing and will increase traffic safety and operation efficiency in these areas.

 - West Maui - The first phase of the Lahaina Bypass project intends to divert traffic away from the heavily congested Honoapiilani Highway/Lahainaluna Road intersection by providing an alternate access via Keawe Street and the new Lahaina Bypass to the schools along Lahainaluna Road. In addition to the above projects, we have also embarked on a campaign to encourage employee vanpools and/or subsidized vanpools for large employment centers in West Maui to reduce traffic congestion in this region.

 - West Hawaii - The widening of Queen Kaahumanu Highway from Kealakehe Parkway to Keahole Airport will provide additional traffic capacity to this

kehe

Parkway is under construction with completion anticipated in December 2008. Construction for the second phase of the widening, from Kealakehe Parkway to Kona International Airport Access Road is scheduled to be awarded in early 2009.

- East Hawaii: A task force was formed to determine the overall safety and operational needs of this corridor. Among their tasks is the review of projects planned in the near future as well as those currently under design. Construction of a channelized intersection at Keaau-Pahoa Road and the vicinity of Ka Ohuwalu Street, is scheduled to be completed in November, 2008. Design for the Keaau-Pahoa Road Shoulder Lane Conversion, Keaau Bypass Road to Shower Drive is ongoing and expected to be completed in 2010.
- Kauai - We have committed to add an additional southbound lane on Kuhio Highway from the Temporary Kapaa Bypass road to the Wailua River, and widen the Wailua Cane Haul Bridge from one to two lanes. We're currently in the process of awarding a contract. This widening will provide some congestion relief during both the morning and afternoon peak periods. Kuhio Highway, Short Term Improvements, Kuamoo Road to Temporary Bypass Road is currently scheduled to be advertised at the end of calendar 2009
- o One of the Division's objectives is to reduce the number and severity of crashes on all public roads. Various continuing safety improvement programs are a top priority for the Division.
 - We have been working with members of the Hawaii Traffic Records Committee to revise the current State of Hawaii Motor Vehicle Accident Report (MVAR) Form. This will

Model Minimum

Uniform Crash Criteria (MMUCC) federal guidelines. The updated MVAR was recently completed and statewide implementation is scheduled by the end of 2008.

- We have been working with the Hawaii Strategic Highway Safety Plan Core Committee to develop Hawaii's Strategic Highway Safety Plan (SHSP). The purpose of the SHSP is to identify statewide highway safety concerns and to develop strategies to reduce the number of serious and fatal motor vehicle crashes. Having the SHSP in place would also make educational and enforcement programs eligible for Highway Safety Improvement Program (HSIP) Federal funding. The SHSP was completed toward the end of 2007, and the Core Committee is currently in the planning stages of implementing the plan.
 - Current safety programs include intersection improvements, installing/upgrading traffic signals, guardrails, drainage improvements and bridge seismic retrofits. Safety analysis for each highway project is executed at the earliest stage of project development to ensure consideration of identified areas of concern.
 - Collection and analysis of traffic safety data are continuing to keep stride with national technological advances and new techniques. The Division is committed to working with other agencies and the community to improve the quality and use of traffic data to improve highway safety.
- o With the conclusion of negotiations with the Environmental Protection Agency and the Department of Health, the Department of Transportation ensures that preventive and mitigating measures are performed to comply with EPA issues. An audit was done about 2 months ago by DOH and EPA consultants. We have yet to receive the audit results. However, the auditors noted

that the program has substantially changed for the better from their previous audit of a few years ago. Some of our accomplishments are as noted:

1. Meeting all due deliverables of the Consent Decree/MS4 Permit.
 2. Establishing a public education program. A recent TV and radio spot is presently being played.
 3. Taking water samples for the Waimanalo, Kawa Stream and Ala Wai Watershed.
 4. Conducting inspections of industrial and commercial facilities adjacent to our highway.
 5. Establishing an environmental management system for the baseyard facilities.
 6. Establishing a service contract to clean drainage manhole structures every 6 months.
 7. Establish a service contract to begin cleaning of underground pipes.
 8. Establish a service contract to sweep roads.
 9. Spend approximately 4 million to take care of eroded sites as an initial step.
 10. Provide environmental training to in-house, contractors and consultants.
 11. Preparation of an updated, Oahu Storm Water Management Program Plan.
- The Highways Division continues to take a proactive approach in fulfilling its Federal Clean Water Act (CWA) requirements on the outer islands. To ensure compliance, commitment of additional funding and personnel are needed. A consultant has been procured and is tasked to assist the Department of Transportation to comply with CWA requirements.
 - To address Oahu District environmental concerns, an ad hoc committee of engineers, inspectors and clerical staff continues to proactively address EPA issues in regards to the Clean Water Act (MS4), Resource Conservation and Recovery Act (RCRA) and other compliance issues.

- o The Division continues to work in partnership with the Federal Highway Administration (FHWA), Hawaii Division, in administering the State's Federal-aid program. The Stewardship Agreement with the FHWA allows for decreased oversight by FHWA, providing greater self-management by the Highways Division. The Highways Division and FHWA are working closely in partnership to implement the agreement. The Letter of Agreement and Stewardship Plan is dated January 5, 2007 and HDOT and FHWA have been working to implement the changes in oversight responsibility. A consultant was hired in FY 2008 to assist with a DOT/FHA Organization and Partnering Training Workshop and Assessment/Survey. Additionally, there have been meetings/discussions, workshops and other activities involving HDOT and FHWA counterparts regarding the many project activities and project approval actions under the Stewardship.
- o The Division supports leadership and management development through training. All program managers have completed the Hawaii Leadership Academy certification program. Participation in this program is encouraged and is being extended to other managers in the Division.
- o The Division hosted a Highway Transportation Investment Forum that was attended by a diverse group of participants, including highway users, the business sector, consultants and contractors, economists and investment strategists, the trucking and automobile industries and the various county agencies with an interest in our highway infrastructure. The forum provided participants with a better understanding of the needs of the Highway Program and some of the challenges the program faces today and in the future.
- o The contract has been awarded for the system software and implementation services to implement the new accounting system by July 2010 for the Highways Division Fiscal Office. The fully qualified Contractor will deliver a fully functional system to support Highways fiscal and accounting requirements. We envision a greater dissemination of funding and fiscal information within the Division and thus, greater management of our overall program.

Specific performance goals have been set for each District, Highways Administration, and Motor Vehicle Safety Office for each fiscal year and the results are measured against the goals at the end of each fiscal year. These performance measures include the following:

1. Number of highway locations where congestion exists during peak traffic.
2. Number of accidents per 100 million of vehicle miles traveled.
3. Number of fatalities per billion vehicle miles traveled.
4. Maintenance cost per ten lane-miles.
5. Percent of bridges with sufficiency rating of 50 or less.
6. Percent of bridges with sufficiency rating 51-80.
7. Percent of roads with pavement condition index rating of greater than 80 on a 0(worst) to 100(best) scale.
8. Costs of administration relative to total program costs.
9. Vendor payments exceeding 30 days.
10. Debt service costs to total operating and maintenance expenditures.
11. Number of motor vehicle fatalities per 10,000 motor vehicles.
12. Number of motor vehicle injuries per 10,000 motor vehicles.
13. Number of motor vehicle accidents per 10,000 motor vehicles.
14. Number of motor vehicle property damage accidents per 10,000 motor vehicles.
15. Number of accidents per 10,000 motor carrier vehicles.
16. Percent of Department of Transportation certified inspection stations inspected.
17. Number of Department of Transportation certified inspection stations suspended.
18. Number of vehicles weighed on semi-portable scales.
19. Number of vehicles weighed on semi-portable scales and cited.
20. Number of accidents per 10,000 school bus vehicles.