

REPORT TO THE TWENTY FOURTH LEGISLATURE

OF

THE STATE OF HAWAII

REGULAR SESSION OF 2007

ON

ACT 100

SECTION 7

SESSION LAWS OF HAWAII 1999

SUBJECT: RELATING TO GOVERNMENT OPERATIONS

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
DECEMBER 2006

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, nine (9) commercial harbors, and two thousand four hundred and twenty-three (2,423) 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, design, construction, operation, and maintenance 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 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 in the global airport/airline marketplace by implementing modern, safe and effective techniques in operations, communications and information, and property, financial, personnel management, and by planning, constructing, and maintaining efficient airport facilities.

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

The statewide airports system, which consists of fifteen airports, is extremely important because it provides the aviation-related facilities needed to accommodate the flow of passengers, cargo, and mail between the islands as well as to and from Pacific Basin nations and the Mainland. This contribution consists of the direct, indirect, and induced impacts of airport activities. Direct impacts relate to airport operations and include the expenditures

of the airlines, on airport organizations, travel agencies, and freight forwarders. Indirect impacts relate to the activities of suppliers and vendors to the businesses that are involved directly in airport operations. Induced impacts relate to the activities of various entities serving households that earn income as a direct result of the direct and indirect impacts.

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, 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 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.

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

During fiscal year 2006, the following actions were taken to implement the Airports Division's policies and objectives:

A. Provide effective leadership

1. Conducted weekly meetings with managers to discuss current issues and how to effectively resolve them.
2. Encouraged managers to take advantage of leadership or management training sessions. In 2005, one of our managers participated in a 10-day "Leadership Local Style" workshop which conducted a comprehensive review of proven leadership concepts and skills. Another manager participated in a workshop on "Drafting Bills for Legislation" which covered the following topics:

"Format required for Hawaii Revised Statutes", "Application of the Ramseyer format in drafting bills", and "Procedures to ensure bills are drafted correctly".

3. Made efforts to improve morale by hosting several luncheons and social gatherings for employees during the year. And, also by recognizing the outstanding efforts of various employees; as a result, an Airport manager was named "DOT Manager of the Year" in 2005. (Interestingly, another Airports manager was named "State Manager of the Year" in 2004.) These efforts to improve morale were made with one of the basic principles of management in mind: "A happy work force is a productive work force."

B. Improve safety and security

1. Conducted airport triennial disaster exercises at the Honolulu International, Hilo International, Kona International, Lihue, Kapalua and Lanai airports in order to meet federal requirements.
2. Submitted budgetary request for additional Aircraft Rescue & Firefighting and Airport Operations & Maintenance positions (26 total) in order to meet federal requirements.
3. Worked with the Transportation Security Administration and airlines to install additional temporary Explosive Detection Systems at Lihue Airport to improve passenger security screening.

C. Keep our stakeholders satisfied

1. Prepared, published and distributed a weekly "Wiki-Wiki Construction Newsletter". The purpose of this newsletter is to keep tenants informed about on-going construction activities at Honolulu International Airport.
2. Met with tenants to discuss the concept of a third party interface between the Airports Division and tenants and others who seek to do business at state airports. Explored the feasibility of establishing an Airport Liaison Office to provide a one-stop access to various segments and services of the Airports Division in order to meet the needs of all tenants.

3. Attended 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 actions that may impact them and to provide a forum for them to ask questions and bring issues or concerns to our attention.

D. Maximize revenues

1. Added new economic terms and conditions in rental contracts.
2. Started new retail concession agreements at Hilo International and Kona International airports.
3. Issued 104 contracts including concession leases and revocable permits.

E. Protect the environment

1. Participated in the State's "Leadership by Example" task force on energy and environmental sustainability efforts.
2. Consolidated the fragmented environmental segments and functions of the Airports Division into a new Environmental Section under a reorganization approved in 2005. This reorganization has improved the control, coordination and effectiveness of our environmental compliance program.
3. Started a paper recycling program in the Airports Division administration offices.

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

A. Provide effective leadership

1. 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.
2. Encourage managers to improve their leadership skills by taking advantage of training sessions offered by the State.
3. Ensure that managers are trained and equipped to meet the demands of changing circumstances.

4. Improve the efficiency and effectiveness of airport management, operations and maintenance.
5. 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.
6. Require managers to take a more active role in the legislative process by proposing, researching and developing legislative initiatives if they are needed.

B. Improve safety and security

1. Comply with new FAA Part 139 Airport Certification requirements, relating to safety and security, at Kalaupapa, Hana and Waimea-Kohala airports.
2. Start work on a Runway Safety Area project at Kahului Airport to improve runway safety.
3. Start work on airport perimeter fencing projects at the Lihue, Kahului and Kona International airports to improve safety and security.
4. Conduct FAA 50-10 annual airfield inspections to ensure safety and security and compliance with regulatory requirements.

C. Keep our stakeholders satisfied

1. Follow up on evaluating the feasibility of establishing an Airport Liaison Office.
2. Continue to meet with the concessionaires committee at Honolulu International Airport every month.
3. Continue to publish and distribute the "Wiki-Wiki Construction Newsletter" to tenants at Honolulu International Airport.
4. Start developing and publishing newsletters that cover construction activities at Neighbor Island airports and distribute them to tenants at those airports.
5. Develop, print and disseminate "How to do Business with Us" brochures.
6. Conduct customer satisfaction training for employees under a grant from the State.

D. Maximize revenues

1. Convert existing on-airport car rental concessions from month-to-month holdover to long-term concession agreements.
2. Increase on-airport car rental concession fees for Neighbor Islands from 7.5% to 10%.
3. Change the fee structure of off-airport rent-a-car operations from a per vehicle fee to an 8% of gross receipts fee.
4. Increase parking rates for all airports.
5. Increase parking capacity at all airports.
6. Issue concession agreement for advertising at the airport.
7. Issue new In-Bond concession agreement.
8. Implement joint-use charges for Terminal 3 at Honolulu International Airport.
9. Issue new concession agreement for food and beverage operation at Lihue Airport.
10. Issue new concessions agreement for food and beverage operation at Hilo International and Kona International airports.
11. Issue new concession agreements for wired and wireless internet access at all airports.
12. Implement development program for Kona International Airport.
13. Increase level of non-aeronautical income.
14. Increase Airport Use Charges which include landing fees and other charges covered by Chapter 16.1, Hawaii Administrative Rules.

E. Protect the environment

1. Continue to participate in the State's "Leadership by Example" task force.
2. Establish a recycling program for multiple materials in the public areas of the Honolulu International Airport.
3. Increase the budget of the Environmental Section to ensure improved monitoring, testing and remediation capabilities.
4. Set up an environmental compliance tracking system.
5. Incorporate Leadership in Energy and Environment Design (LEED) in new, major facilities and retrofit older facilities to meet LEED standards.

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:

A. Provide effective leadership

1. Efficient management, operations and maintenance of airports.
2. Achievement of stated objectives.
3. Effective and timely communication.
4. Creation of an atmosphere of good motivation and high morale.
5. Increased productivity among employees.
6. Average time from plane touchdown to passenger departure.
7. Average time from passengers entering the plane-to-plane takeoff.
8. Through put cost per passenger.
9. Total operating cost per square foot.
10. Average no. of times the airport facility restrooms are cleaned per day.

B. Improve safety and security

1. Number of reported safety or security incidents.
2. Adequate staffing of safety and security personnel.
3. Frequency of security breaches.
4. Establishment of tightened safety and security controls.
5. Number of accidents per 100,000 square feet and per 100,000 passengers.

C. Keeping our stakeholders satisfied

1. Frequency of meetings with airport tenants, airlines and other airport users to discuss and resolve problems.
2. Number of complaints or compliments from stakeholders.
3. Establishment of a process of identifying the needs of stakeholders and meeting those needs.
4. Percent rating of facilities by airlines and other users.

D. Maximize revenues

1. Changes in revenues which are measures of the effectiveness of meeting our objective.
2. Use of innovative approaches in generating revenues.

E. Protect the environment

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

C. HARBORS DIVISION

Statement of Goals

The Harbors Division's program is aimed at effectively providing and managing a commercial harbor system that facilitates the efficient 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. Program objectives also include the support of fishing and passenger cruise industries, other maritime and nonmaritime related service and support activities.

Objectives and Policies

The statewide harbors system consists of nine (9) commercial harbors located at Honolulu, Kalaehoa Barbers Point, Hilo, Kawaihae, Kahului, Kaunakakai, Kaumalapau, Nawiliwili and Port Allen.

The major activities of this program are to maintain and operate the nine commercial harbors in a well managed and planned manner that will provide program planning and administrative support; manage vessel traffic into, within, and out of harbor facilities; provide, allocate, and control cargo storage areas; maintain, repair and operate

harbor facilities; impose appropriate rates, rents, fees and charges to produce revenues and manage the harbors system as a self supporting enterprise; and maintain offices and facilities for the conduct of maritime business with the public.

Revenues for the development, maintenance, and operation of the Harbors program are derived from a number of sources including wharfage, rentals, dockage, port entry fees, mooring charges, demurrage, cleaning, property rental and other ancillary harbor fees and charges. Wharfage and rentals represent the largest sources of revenues.

Activities conducted in the Harbors program require interaction with other public and private sector agencies and businesses. Government agencies include:

1. The U.S. Army Corps of Engineers, which administers and participates in the planning, construction, and maintenance of harbor navigational improvements.
2. The Federal Maritime Commission that regulates port and marine terminal operators that engage in United States ocean-borne commerce. The Commission also receives and reviews tariff filings.
3. The U.S. Coast Guard that 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.
4. The U.S. Treasury Department that 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.
5. The U.S. Customs and Border Protection Agency that monitors the flow of foreign people and goods entering U.S. ports.
6. The Environmental Protection Agency that is involved with water quality standards.
7. State agencies that are involved in coastal areas, land and water use, economic development, environmental regulations and safety regulations.

8. The counties of the state that are involved in zoning, the granting of permits and similar activities.

Private sector entities provide shipping services, stevedoring, warehousing, tug services, maintenance, ship chandlery and repair, distribution and other functions. One of the main objectives of the statewide harbors program is to provide adequate maritime facilities to accommodate the needs of the commercial shipping industry and the public.

Commercial Harbor Master Plans are used to plan and program future expansions and improvements to commercial harbor facilities. The master plans are developed with input from government agencies, maritime users and the public. The plans serve as a guide for continued port development.

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

Changes made to increase efficiency and effectiveness for the purpose of achieving programmed objectives include:

1. Where possible, the development of immediate facility improvements designed to alleviate congestion and crowding of cargo and passenger processing areas. These adjustments are intended to provide interim relief pending the completion of major improvements identified in the respective Harbor Master Plans.
2. Accelerated implementation of projects identified in prior plans; adjustments and revision in project prioritization to reflect identified changes in activity and harbor user operational requirements.
3. Continuing development and update of the Commercial Harbors Master Plans to ensure that long term planning strategies reflected in the CIP are integrated in accomplishing the objectives and mission of the Department. Included in this effort is the exploration of alternative means of funding for capital improvements and other strategies for revenue enhancement.

- a. Complete Kahului Master Plan and EIS in 2007. Develop implementation program and schedule.
- b. Commence Big Island Master Plan Update for Hilo and Kawaihae Harbors in late 2007 with completion in 2008.
- c. Undertake development of harbor expansion effort to accommodate Young Bros. Less than Container Load Interisland barge service at Kahului, Honolulu and Kawaihae Harbors in 2007-2008.

4. Honolulu Harbor Project Group: The short term utilization of the special development team established to focus on key Honolulu Harbor projects for the purpose of initiating development of critically needed maritime improvements. Comprised of members of the Department of Transportation, Harbors Division and the Aloha Tower Development Corporation, this partnership centers on expediting development of additional cargo areas and related improvements for Honolulu Harbor by allowing concentrated attention on activities designed to achieve the planned improvements for harbor expansion. The establishment of the team and its composition permits work to be done with personnel experienced in development activities with focus on specific projects. While the Harbors Division prefers to continue the arrangement for a longer period, the term of the partnership is slated to end at the conclusion of the current fiscal year. Alternative proposals will be offered in response to budget proviso requirements in order to address this matter.

5. Hawaii Harbors User Group (HHUG): Continued support and participation with the harbor user group. The major operators have joined to form the HHUG organization that has provided a forum for the users to collaborate with the Harbors Division on planning and development initiatives. This effort provides improved coordination and mutual support in the updating of harbor planning and development statewide. The HHUG is also

assisting the Harbors Division in the pursuit of federal funding alternatives to assist in harbor development.

6. Complete harbor improvements needed to facilitate the introduction of an inter-island ferry system in 2007 and collaboration with the City and County of Honolulu on the establishment of a pilot commuter ferry system between West Oahu and Honolulu Harbor to begin operation in 2007.
7. Terminate management of the Kewalo Basin effective July 1, 2007. This change will entail removal of the Harbors Division from the administration, operation and maintenance of the harbor and turning the entire activity over to the Hawaii Community Development Authority, owners of the property.
8. Improve the revenue earnings opportunities to support expansion and development programs. Areas of attention will include property rentals, tariff adjustments, acquisition of federal funds and grants and the possible development of facilities improvements through public-private developments that will alleviate total improvement costs on the Harbors Division alone.
9. Continue development of fuel delivery and storage facilities planning for state harbors in support of alternative fuels and energy efficiency development programs.

Over the next one, two, and five years, the Harbors Division will be pursuing the following actions in order to achieve its objectives:

1. Ensure stakeholders are satisfied with the services and facilities provided.
2. Create and maintain a positive work environment for its employees.
3. Ensure the facilities are compliant with applicable federal, State and local safety regulations and standards.
4. Promote the health and safety of the public by eliminating harbors related deaths and injuries.

5. Optimize the use of Harbor resources through sound financial and organizational practices.
6. Anticipate and accommodate the commercial water transportation needs of the State.
7. Proactively address the needs of stakeholders.
8. Improve inter- and intra-division communication and collaboration.
9. Implement interim improvement plans and congestion relief projects.
10. Continue accelerated development of major harbor expansion, construction and improvement projects.
11. Upgrade rules, regulations and procedures to address improved ground transportation and related commercial activities; establish greater tenant and user environmental rules compliance; upgrade operational agreements with harbor users.
12. Revamp and upgrade tariff and property rental rates to provide greater financial stability and support to the harbor program.
13. Upgrading harbor emergency preparedness planning, security measures and emergency response capability.
14. Participate in Honolulu Harbor Iwilei District Participating Partner (IDPP) environmental cleanup and remediation of the piers 26-29 site.
15. Development of 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 ship and future container operation.
16. Development and initiation of expansion and improvement projects at all state harbors.

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

Progress on attainment of the Division's goals and objectives will be measured through the level of achievement, accomplishment and development of major improvement projects against the developed timetables established for the specific improvements identified. The respective Master Plans, including any subsequently adopted updates or enhancements will be used as the base from which the pace and progress of attainment on specific accomplishments will be measured.

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.

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. In the pursuit of improvements, a careful balance between the need and timing for the desired improvements and the time needed for implementation is established to avoid imposing higher tariff, fees, and charges on users than would otherwise be necessary to assure the progressive development of the state's commercial harbors. Additional pier, yard, and support facilities are provided where necessary and existing facilities are upgraded when appropriate.

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 achieve meet its objectives, the Highways Division is currently organized into three (3) Staff Services Offices, five (5) Branches and four (4) Districts under the direction of the Highways Administrator as follows:

- Staff Services Office
- Engineering Services Office
- Motor Vehicle Services Office
- Planning Branch
- Design Branch
- Right-of-Way Branch
- Materials Testing and Research Branch
- Construction and Maintenance Branch
- Traffic Branch
- 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, and construct and maintain highway facilities on the State Highway System, which consists of 932 miles and approximately 2,423 lane-miles of highway.

Over the past two years, the Division has undertaken and continued various programs and projects to improve the efficiency and effectiveness of the land transportation system.

- Oahu - We are constructing one increment of a North South Road in Ewa between the Kapolei Parkway and Interstate Route H-1 to help ease the existing congestion and to provide access to future developments in the area. Design for the next increment and for a diamond interchange at the H-1 is ongoing and will be completed in spring/summer 2007. Also to help alleviate traffic congestion in the Ewa/Kapolei areas, we recently bid and awarded a design-build contract for the widening of Fort Weaver Road from Aawa Street to Geiger Road. Construction is anticipated to start in 2007. For the H-1 freeway, we opened up the new travel lanes on the widened Waimalu Viaduct structure in June 2006. Planning studies for widening the H-1 freeway between Waiawa Interchange and Halawa Interchange continues. To help improve traffic flows at intersections, we bid and awarded the Traffic Operational Improvements at Various Intersections and Roadways contract, Oahu and we also bid and awarded the Kamehameha Highway Intersection Improvements at Kahekili Highway contract, Oahu projects.
- Urban Honolulu - We are studying a number of different projects to help improve traffic flow. We are continuing studies to improve the westbound traffic flow on the Interstate Route H-1 at the Lunalilo Street On-Ramp and Vineyard Boulevard Off-Ramp and we will continue with morning coning of the westbound on-ramp/off-ramp weave at this location. An ongoing feasibility study to improve the eastbound traffic flow on the H-1 Freeway includes the possibility of squeezing another eastbound lane between the Kalihi

Interchange and the Vineyard Off-Ramp. We improved eastbound traffic flow by adding an auxiliary lane between Liliha Street on-ramp and the Pali Highway off-ramp. We will soon be starting the design of a Freeway Management System to help us better manage incidents on our freeways that currently impede traffic flow. We advertised a contract for a Freeway Service Patrol towing service and we are currently addressing a bid protest. Provided that this protest is resolved in the near future, we anticipate services to begin in 2007. We also will begin evaluating and completing our environmental studies for the Nimitz Highway "Flyover" that consists of a two-lane reversible arterial designed to handle in-bound flow in the morning and out-bound flow in the afternoon.

We continue to explore the feasibility of a westbound P.M. Zipper Lane on the H-1 freeway from Radford Drive to Waikele. Different implementation schemes are being studied along with project funding challenges.

- Hawaii - The first phase of the Queen Kaahumanu Widening from Henry Street to Kealakehe Parkway is under construction with completion anticipated in May 2008. Construction for the second phase of the widening from Kealakehe Parkway to Keahole Airport Access Road is programmed for fiscal year 2007. Design for the Keaau-Pahoa Road Shoulder Lane Conversion, Keaau Bypass Road to Shower Drive is ongoing. Construction for the Kealakaha Bridge Replacement Project is scheduled to start in January 2007. Planning studies for the widening of Keaau-Pahoa Road or alternative alignments started in June 2006 while planning efforts for the Waimea Bypass and Kawaihae Road Bypass projects continue.

Sub-phases for Phase 1 and Phase 3 construction of Saddle Road between the 35 to 19 mile posts continue. Design for Phase 4, Mile Post 35 to 37 and Mile Post 40 to 42 is nearly complete. Preliminary engineering and feasibility studies for the Hawaii Belt Road Rockfall Mitigation have been completed and design activities will be initiating for the first of three areas.

- Maui - The contra flow operation on Haleakala Highway continues to provide relief to motorists from

Upcountry to Kahului and Wailuku during the morning peak and afternoon traffic period. We bid and awarded the second phase of Haleakala Highway Widening, from North Firebreak Road to Pukalani Bypass with construction starting in September 2006. To relieve congestion across the isthmus from Kihei/Wailea to Kahului, we bid and awarded the final two increments of the Mokulele Highway Widening; from Maui Humane Society to Vicinity of Kolaloa Bridge, and from Kealia Pond Driveway to Piilani Highway. We readvertised Phase-1A of the Honoapiilani Highway Realignment, from the Future Keawe Street Extension to Lahainaluna Road proposals. Award of this design-build contract is anticipated in November/December 2006. Construction funding for the next increment from Lahainaluna Road to Launiupoko will be requested and design will start in State Fiscal Year 2007. Design for the widening of Honoapiilani Highway between Aholo Road to Lahainaluna Road is ongoing. Planning for the Honoapiilani Highway Widening/Realignment, from Maalaea Harbor to Puamana will start shortly once a consultant is selected. In Paia, planning studies for the Paia Bypass will start in State Fiscal Year 2007. In the interim, we have partnered with Hawaiian Commercial and Sugar Company and County of Maui and completed the temporary and highly successful Paia by-pass that has substantially reduced traffic congestion. In the Hana District, construction of the Hana Highway Rockfall Mitigation at Mile Post 11, Hana Highway Repairs & Maintenance, Phase-3, and Hana Highway Improvements, Mile Post 4.2 to 23.7 were completed. Design for the succeeding rockfall mitigation project at Mile Post 19 is progressing. In Kahului, consultant procurement for the planning and design of the Kahului Airport Access Road is in progress.

- Molokai - We bid and awarded the resurfacing of Maunaloa Highway from Kaunakakai Harbor to Hoolehua.
- 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 Kaunualii Highway widening projects that will provide more permanent solutions to Kauai's congestion

problems. Design and environmental efforts to include adding another southbound lane in the area fronting Coco Palms and adding another lane at Wailua River crossing are ongoing and construction advertisement is anticipated in mid-2007. 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 2007.

- Statewide

1. We have continued our traffic safety countermeasure activities. Through its Click It or Ticket (CIOT) campaign, Hawaii has one of the highest seat belt use rate in the Nation at 95.3%. 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, 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. We are proud to say that two major safety initiatives have become law: (1) the Graduated Driver License (GDL) program and (2) the new pedestrian safety laws. The GDL will require those under 18 years of age to go through a three-stage process before getting their full licensure. This should allow young drivers additional time to increase their driving skills and reduce the total number of injuries and fatalities in this age group.
4. The new pedestrian law was changed to require that a car must STOP instead of yield to a pedestrian when the pedestrian is in his or her half of the road way or if the pedestrian is so

close that it would constitute a danger to the pedestrian.

5. We are currently developing public service announcements to inform the public about our new pedestrian law and Safe Routes to School program. As with our other traffic safety campaigns, we are working with various partner agencies, especially the local police, to raise awareness through combined enforcement, education and media exposure to provide the greatest results.

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 traffic in a safe and efficient manner.

In 2005, the fatalities per vehicle mile travel decreased to 2003 levels. The Highways Division continues to improve the sufficiency rating of our bridges and reduce its backlog of functionally and/or structurally deficient bridges.

The Highways Division has added incentive/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 scope 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. The scoping process will enable the

Division to complete its projects on time and within budget. The goal of the Division is for all projects to go through the scoping process prior to their inclusion in our budget.

- In 2005 a statewide Pavement Maintenance Task Force was established to address the conditions of our roadways. We collected data for a roadway inventory, and formed District planning committees to prioritize projects and streamline project delivery. We are also implementing a pavement preservation program that focuses on maintaining the condition of good roads rather than only fixing roads in poor condition.
- 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.
- The Highways Division currently has agreements with various Counties to maintain our traffic signal systems, for contra-flow coning on Kalanianaʻole 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.
- The Highways Division is continuously looking for viable traffic management systems improvements to provide relief to our motoring public. Numerous projects are currently being implemented to alleviate congestion along our most heavily traveled routes.
 - Zipper Lane - We continue to explore options for an afternoon, P.M. Zipperlane

from the vicinity of the Radford Drive Overpass to Waikele.

- H-1/Urban Honolulu
 1. Planned improvements the eastbound traffic flow on the H-1 Freeway include the possibility of squeezing another eastbound lane between the Kalihi Interchange and the Vineyard Off-Ramp.
 2. Congestion relief measures along H-1 include the completion of the Waimalu Viaduct widening to the Pearl City Off-Ramp. Other future projects in the central area include widening the Waipahu Street off-ramp from the H-1 and adding another westbound lane through the Waiawa Interchange.

- Leeward Oahu - Construction for the first increment and design for the second and third increments of North-South Road are ongoing. The project will install a new interim four-lane facility and diamond interchange to H-1. The next phase of widening Fort Weaver Road from Aawa Street to Geiger Road was bid and awarded. The Estate of James Campbell is currently designing and preparing environmental documents to improve the Makakilo Interchange and first phase of the Kapolei Interchange. These improvements will enhance traffic flow on the H-1 in this area and provide secondary traffic benefits to the City of Kapolei. 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. Honoapiilani Highway will also be widened from two to four lanes between Aholo Road to 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 first phase of the Queen Kaahumanu Highway Widening from Henry Street to Kealakehe Parkway will add additional lanes to the current two-lane highway. The second phase from Kealakehe Parkway to Keahole Airport will provide additional lanes to provide traffic added capacity to this stretch of highway. In East Hawaii, the alternatives to widen or realign portions of the existing Keaau-Pahoa Road will be studied for this busy area. In Kamuela, the Waimea Bypass and Kawaihae Bypass is expected to provide some congestion relief for the traveling public.
- Kauai - We have committed to add an additional southbound lane on Kuhio Highway from the Temporary Kapaa Bypass road to the Wailua River. This widening will provide some congestion relief during both the morning and afternoon peak periods. Additionally, the widening of Kaumualii Highway will improve traffic flow from Rice Street to Puhi Road.
- 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 are working with members of the Hawaii Traffic Records Committee to revise the current State of Hawaii Motor Vehicle

- Accident Report Form. This will improve the quality of our accident data and be more in compliance with the Model Minimum Uniform Crash Criteria (MMUCC) federal guidelines.
- We are working with the Hawaii Strategic Highway Safety Plan Coordinating Committee to develop Hawaii's Strategic Highway Safety Plan (SHSP). The purpose of the SHSP is to identify statewide areas of concern and to develop countermeasures 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.
 - 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.
- The Department of Transportation recently concluded negotiations with the Environmental Protection Agency and the Department of Health for the Highways Division to comply with the Clean Water Act on Oahu.
- 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 adhoc committee of engineers, inspectors and clerical staff has been formed to proactively address EPA issues in regards to the Clean Water Act (MS4), Resource Conservation and Recovery Act (RCRA) and other compliance issues.
- The United States Army Corp of Engineers (COE) previously completed an Environmental Compliance Assessment Report. This report identified areas requiring the removal of asbestos and lead based paint and other compliance issues involving our highway facilities and infrastructure. The COE continues to assist us in developing programs to implement/mitigate these solid waste and HAZMAT concerns.

In addition, 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.