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H.H.U.A. URGES REFORM OF FUNDING, PLANNING, DESIGN AND DEVELOPMENT OF LARGE PROJECTS

All of us in the Hawaii Highway Users Alliance are saddened by the loss of lives and injuries suffered in the collapse of the I-35W bridge in Minneapolis. Concerns about aging or dilapidated infrastructure have finally caught the public's attention.

Congress is proposing to raise the federal fuel tax by a nickel per gallon to fix and rebuild bridges. HHUA believes that the Highway Trust Fund is inadequate for addressing the nation's highway needs. New taxes and tolls will be necessary, but HHUA agrees with U.S. DOT Secretary Peters who opposes raising the fuel tax without priorities based on need and safety, because raising taxes will encourage the status quo of spending sprees and pet projects.

Local fuel taxes are all higher than the federal 18.4 cents in highway trust fund taxes. Highway trust funds are projected to be in deficit by 2009 (federal) and 2012 (Hawaii). Where did the money go?

A recent New York Times article provides an answer: "Despite historic highs in transportation spending, the political muscle of lawmakers, rather than dire need, has typically driven where much of the money goes. That has often meant construction of new, politically popular roads and transit projects rather than the mundane work of maintaining the worn-out ones."

The transportation planning process is slow and cumbersome, taking decades due to red tape and misguided resistance to increasing highway capacity. Large projects are enormously costly, jeopardizing the finances of states and regions. Prof. Bent Flyvbjerg and his colleagues have uncovered extensive evidence of systematic and common "optimistic bias" in projections and "underestimated costs" used to justify transportation projects worldwide. The cost of rail projects is under-estimated by 40% and the cost of highway projects by 8%.

Dr. Flyvbjerg recommends important safeguards for project oversight and accountability which combined with the American Society of Engineers' policies and practices for upgrading infrastructure will protect the public against misleading biases and assumptions.

Reform is overdue in Hawaii. The economic future and quality of life of our citizens and visitors are at stake. HHUA urges **Reform of Funding, Planning, Design and Development of Large Projects**:

- ❖ Enact a system for accountability, prioritization, performance measurement, incentives and penalties – to avoid further neglect, waste and corruption in project funding, planning, design, construction and development.
- ❖ Assess all infrastructure needs immediately and regularly, and prioritize projects; new projects should be financed mainly by user fees – to modernize and develop high quality infrastructure using merit-based, cost-effective methods.
- ❖ Ensure reliable and fair funding for systematic preservation and efficiency improvements. Prohibit the diversion of transportation revenues – use highway funds for highway and bridge projects first.
- ❖ The legislature must authorize the state to have the same right as counties now have to charge tolls. To supplement public funds, a winning solution is to utilize private investments for infrastructure improvements through Private Public Partnerships. Project development through competition and market demands are absent today.

Transportation operations, planning and financing must be modernized, streamlined, and optimized in Hawaii to improve safety and reduce costs and congestion that stifle our economy.

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