

REPORT TO THE TWENTY SEVENTH LEGISLATURE
OF
THE STATE OF HAWAII
REGULAR SESSION OF 2013
ON
ACT 100
SECTION 7
SESSION LAWS OF HAWAII 1999

SUBJECT: RELATING TO GOVERNMENT OPERATIONS

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
DECEMBER 2012

A. DEPARTMENT OF TRANSPORTATION

Statement of 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, ten (10) commercial harbors, and two thousand four hundred and ninety-three (2,493) lane miles of highway.

To help move the Department toward its goal the Divisions will implement policies and projects relating to the following objectives.

1. Create and manage an integrated multi-modal transportation system that provides mobility and accessibility for people and goods.
2. Enhance the safety of the transportation system.
3. Ensure the secure operation and use of the transportation system.
4. Protect Hawaii's unique environment and quality of life and mitigate any negative impacts.
5. Ensure that the transportation facility systems support Hawaii's economy and future growth objectives.
6. Support the State's energy goal of 70% clean energy, which includes 40% produced by renewable energy and 30% increase in energy efficiency, enhancing the reliability and security of clean energy sources.
7. Create secure, flexible, and sustainable revenues and funding sources for transportation needs.
8. Provide effective leadership department wide, focusing on accountability, ethics, training, and transparency.

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. Further, each project or initiative highlighted in this report is measured by the respective division for effectiveness by their own specific guidelines. While these measures may be used to measure our performance, our customers, the traveling public, grade us by their personal experiences.

B. Airports Division

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 important gateways for its economic growth, by planning, designing, constructing, managing, and maintaining efficient cost-effective airport facilities and equipment based on evolving technology.

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

Recognizing that the State's airport system is only one of two methods to enter or exit the State, the statewide airports system is part of the State's critical economic infrastructure, enabling interstate and international commerce and travel through the flow of passengers, cargo, and mail between the

islands, as well as throughout the Pacific Basin and the continental U.S.

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.

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

1. Mobility and Accessibility - Create and Manage an Integrated Multi-modal Transportation System that Provides Mobility and Accessibility for People and Goods

- **Preserve and maintain the existing air transportation systems, in good condition or better.**
- **Ensure multi-modal connections for passengers.**
- **Reduce congestion in the air transportation systems.**

Honolulu International Airport (HNL) New Day Work Projects (NDWP) Mauka Concourse Program: Construction of a new Mauka Concourse which will provide additional gates to accommodate 5 wide body, 10 narrow body, or a combination of wide and narrow body aircraft.

Timeline: October 2011 to December 2015

Milestones: Year 1 - Complete EA

Year 2 - Complete Design

Year 5 - Complete Construction

Measures used to gauge effectiveness - Design and construction on time within budget.

Statewide Consolidated Car Rental Facilities: Construction of Consolidated Car Rental Facilities at HNL, Kahului Airport (OGG), and Lihue Airport (LIH) which will provide more efficient use of land and facilities.

Milestones: Year 1 - Complete Design for HNL

Year 2 - Start Construction for HNL

Year 5 - Start Design for OGG and LIH

Measures used to gauge effectiveness - Design and construction on time within budget.

2. Safety - Enhance the Safety of the Air Transportation System

- **Enhance the system and user safety and transportation facilities both motorized and non-motorized, with the use of proper equipment, technology, and physical hazard**

reduction; and implement priority safety projects for each mode.

- Continuously conduct assessment, preparedness, and emergency response for natural disasters as part of all planning efforts.

Public Access Defibrillation Program: The Airports Division implemented Hawaii's largest Public Access Defibrillation Program in FY 2007 by installing one hundred (100) Automated External Defibrillators (AEDs), at 10 airports, on six islands. Thousands of DOT-A employees and airport users had been trained in how to perform CPR and use an AED. At the end of the first 3-year contract the success of surviving a cardiac arrest within the airports had gone from a 0% survival rate to an 84% survival rate. DOT-A survival rates sparked state legislators to improve the state's Good Samaritan Law for no liability using an AED no matter where the AED is located. This law has sparked AED Programs across the state adding to more lives saved from community sudden cardiac arrest. In FY 2010, 25 additional AEDs were purchased to expand this life saving program to all statewide airports. We continue to maintain the equipment to ensure the reliability of the program and to provide continuous training of airport employees, as well as tenants at the airports.

Timeline (Continuous): CPR/AED Training, debriefing with AED users, program awareness, maintenance of equipment, and continued re-evaluation of program and outcomes.

Milestones: Year 1 - Additional AEDs installed and less than 500 people took advantage of the free CPR/AED "non-certification" classes. Survival rate dropped to approximately 50% with no bystander CPR performed.

Year 2 - Re-establish "certified" CPR/AED training program for employees and airport users. Within the first 2 classes more than 100+ airport users attended classes. With more people attending hands-on training the hope is for more bystander CPR, greater confidence using AED, and greater survival rates.

Year 5 - Replace and upgrade existing AEDs due to manufacturer discontinuing device, more training, and program awareness.

Measures used to gauge effectiveness - Continuous personnel training throughout the HDOT-A system. American Heart Association reviews data for safe

victim save rate compared to the National average outside of 5% for out-of-hospital cardiac arrest.

Airports Warehouse System Upgrade: The project scope is to upgrade/replace the AIR-OM Materials and Supply Inventory System. The application was implemented in 2002 and hasn't been upgraded since. The hardware and operating system software has a target end-of-life in 2014. This inventory control application services the Oahu District custodial, base yard units, crash fire units, Kalaeloa Airport and Dillingham Airfield. Items in the warehouse include, but are not limited to oil/fuel for motor vehicles, janitorial supplies, safety supplies, maintenance materials, building/construction materials, motor vehicle repair parts used to maintain the airport's infrastructure.

Timeline: October 2012 to October 2013

Milestones: Complete upgrade by June 30, 2013 with 3 months post implementation support.

Measures used to gauge effectiveness - Implementation by June 30, 2013 to be on time within budget.

Mass Casualty Plan: In the event of a possible disaster leading to mass casualties, the Airports Division purchased Emergency Trailers for Hilo International Airport, Kona International Airport at Keahole, Kalaeloa and Honolulu International Airport. A 50-bed Portable Hospital, complete with a training package for Honolulu International Airport Category X airport, was also purchased.

Timeline: Continuous

Measures used to gauge effectiveness - Continuous personnel training, annual exercises, and validation by FAA Triennial Exercise.

Statewide Incident Command System: Incident Command System Training provided in this first year of a three year project is required for all responders. The project has trained over 1000 airport personnel, mutual aid organizations, non-governmental organizations, and private airport partners to specified Incident Command System levels as outlined for the State of Hawaii Department of Transportation airports via Homeland Security Presidential Declaration #5. NIMS (National Incident Management System) core curriculum developed and delivered by DHS and FEMA has been provided at all levels for the airports by qualified instructors. A comprehensive tracking system is established to help DOT-A track all training. FAA recently required this information as part of their effort to ensure that all airports

nationwide have implemented the ICS training. The recurrent training and exercises also provided in this project are critical to effective use of ICS. Airports have traditionally not suffered from large scale disasters and one of the only real means of staying prepared is through the training and exercises provided in this project.

Timeline: Continuous

Measures used to gauge effectiveness - Continuous personnel training, development of airport emergency plans and quarterly table top exercises.

Homeland Security Exercise and Evaluation Program: HSEEP (Homeland Security Exercise and Evaluation Program) has been institutionalized as a means for registering, developing, implementing, and evaluating all required DOT-A and FAA exercises. This system is also tied to a national database/calendar (NEXS) that tracks all training and exercises via Hawaii State Civil Defense. The HSEEP process includes initial, interim, and final planning conferences along with master exercise scenario lists, formal exercise evaluation guides, and reporting tied to national capabilities priorities. Formal after action conferences and detailed improvement plans have been provided for four airports this fiscal year as they conducted FAA required triennial and other preparedness exercises.

Timeline: Continuous

Measures used to gauge effectiveness - Continuous personnel training and evaluation by FAA and Civil Defense.

Airport Emergency Plan: Airport Emergency Plans (AEPs) are required to be fully rewritten in order to meet the FAA guidance to include NIMS and ICS components. The 250 plus page guidance issued by the FAA has provided excellent guidance for DOT-A. This project includes full revisions of all AEPs that were due in June. The HSEEP model was also codified in these new rewrites as the standard for conducting all future training and exercises for the airports. Revisions to living documents such as plans are ongoing as DOT-A works to practice what is written in their emergency plans in order to validate the currency and reliability of each AEP. Only through drills, training, and exercises can this process be tested and revised as DOT-A works daily to be highly organized and prepared for incidents of all types and magnitudes.

Timeline: Continuous

Measures used to gauge effectiveness - Continuous personnel training, plan updates and triennial exercise evaluation by FAA.

Wildlife Hazard Assessment Plan: The U.S. Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services major objective is to reduce wildlife strikes at all State of Hawaii airports. To meet this goal APHIS-WS assists airport operators by conducting a Wildlife Assessment Study and developing/implementing a Wildlife Management Plan. APHIS-WS also controls nuisance wildlife airports properties to protect human health, safety and property. These services are provided seven (7) days per week, including federal holidays. The methods include, but not limited to, wildlife population monitoring, habitat evaluation and modifications, shooting, trapping and hazing using pyrotechnics, propane cannons, electronic audio devices, visual scare devices, and trained dogs.

Timeline: Continuous

Measures used to gauge effectiveness - Continuous personnel training, daily monitoring and evaluation by USDA field inspectors

Emergency Communications Enhancement Plan: DOT-A maintains a satellite-based emergency communications capability. The current system uses the MSAT/Skyterra communications satellite and Mitsubishi satellite telephones located at Division, Oahu District, Kauai District, Maui District, Kalaupapa Airport, Kona District, and Hilo Airport. These sets are no longer produced and the company that provided maintenance for them no longer provides that service. Thus a newer, current and more robust system must be purchased to replace the aging sets. An Iridium-based system is deemed the most cost-effective replacement. Several state airports have no satellite communications capability: Molokai, Lanai, Kamuela, Hana, Dillingham, Kalaeloa, and Port Allen. The plan is to replace the existing sets at the Districts and Division and send the older sets that are still functional to airports that have no satellite communications as an interim measure until additional newer sets can be purchased.

Timeline: Purchase 7 Iridium satellite phone sets, including installation, in FY 2013. Purchase additional 5 sets for Molokai, Lanai, Kamuela, Hana, and Kalaeloa in FY 2014.

Measure used to gauge effectiveness: Performance will be measured continually through periodic communications tests with each location.

Hawaii Airports and Flying Safety Guide: DOT-A publishes the *Hawaii Airports and Flying Safety Guide* to provide considerable useful operational and safety information to all aviation users of the State airports system. The *Guide* is published every two years with periodic updates made available as necessary. The printed guide is designed to be usable in the cockpit and is available on request. The *Guide* can also be accessed online at the DOT-A website.

Timeline: Published bi-annually; next edition to be published in FY 2012.

Measure used to gauge effectiveness: User demand and comments.

Nene Goose Relocation Plan: The increasing Ne'ne' goose population at the Kauai Lagoons Resort (KLR) is posing a very serious threat to aviation safety at the Lihue Airport. This state bird is an endangered species and are protected by federal laws, therefore, at FAA's recommendation, the Airports and DLNR have developed a five (5) year plan to "translocate" the flock of Ne'ne' from the KLR to other locations to mitigate the hazard they present to Lihue Airport.

Timeline: Federal Fiscal Year 2012 to 2017

Milestones: Year 1 - Phase I - Plan to capture and translocate 10 - 20 pairs of pre-breeding Ne'ne' geese to Piihonua, Hawaii and Kahikinui, Maui. Phase 2 - Move all remaining Ne'ne's; approximately 70-90 breeding pairs.

Year 2 - Capture and translocate remaining Ne'ne's

Year 3-5 - Monitor and translocate any Ne'ne's that may have been missed or that have migrated back to KLR.

Measures used to gauge effectiveness - The number of Ne'ne's spotted at KLR or near the airport terminal.

Airport Rescue Fire Fighting (ARFF) Training Facility: This project will construct a regional ARFF training facility which will be used by the ARFF personnel statewide to consolidate training into 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.

Timeline (Continuous):

Measures used to gauge effectiveness - Continuous personnel training, field evaluation by FAA Certification Inspector.

Safety Management System (SMS): The SMS is an FAA mandated program to improve aviation safety through incident discovery, reporting, resolution, study, logging, and development of new procedures to avoid further occurrences.

Timeline (Continuous):

Milestones: Year 1 - Study FAA requirements, design system structure, develop job descriptions, include in budget, Year 2 - hiring, training, Year 5- completion

Measures used to gauge effectiveness - Airport Operators continuous monitoring of airfield FAR 139 regulatory requirements, personnel training and document federal directive pending congress approval

Automated Weather Reporting System for Kalaupapa Airport: Kalaupapa is the state's most isolated community and the most dependent on its airport for basic needs. The FAA recently implemented instrument approach and departure procedures to enable aircraft to use the airfield during poor weather conditions. However, commercial aircraft must have approved current weather information in order to use the instrument procedures and none is currently available at Kalaupapa. DOT-A plans to purchase and install an Automated Weather Observation System (AWOS) which will provide current critical weather information to all pilots in the vicinity and permit commercial cargo and passenger to fully serve the Kalaupapa community.

Timeline: FY 2013

Measure used to gauge effectiveness: Continuous availability of automated weather information.

National Incident Management System (NIMS) Carding Program: Resource tracking under NIMS, NFPA, HIOSH, and FAA outlines DOTA's responsibilities requiring a standardized integrated process conducted throughout the life cycle of an incident by all agencies at all levels. A new accountability carding system with credentialing capability is being introduced that provides incident managers with a clear picture of where resources are located, helps staff prepare to receive resources, and helps protect the security and safety of all responder personnel. Carding has commenced at five DOTA airports with over 1500 personnel carded at this time. Carding is on track to continue through 2011 and 2012 with implementation of the system statewide for all airports to

be determined in 2012. The system provides for expanded check-in required under NIMS. All agencies regardless of affiliation must report and receive an assignment in accordance with procedures outlined in NIMS ICS. This system helps in that process and preserves site security. The potential for very large catastrophic events exist at all of Hawaii's airports which will require an unprecedented mutual aid of most immediate response organizations, this system is designed and being implemented to deal with such events.

Timeline (Continuous):

Measures used to gauge effectiveness - HDOT-A provides continuous personnel training at all airports with evaluations by Civil Defense and FAA Certification Inspectors.

3. Security - Ensure the secure operation and use of the Air Transportation System.

- **Minimize risks of disruption of transportation to, from, and within Hawaii due to terrorism and other human security threats and events, as well as threats and events from natural disasters.**
- **Work with Federal, State, and County agencies as well as tenants to conduct vulnerability and risk assessments.**
- **Implement security policies and strategies to minimize risks and threats of disruption of or damage to the transportation systems while maintaining the intended function of the system.**
- **Provide continuous monitoring of critical infrastructure and communications systems to provide for appropriate emergency response capability.**

Statewide Interoperable Radio Communication Plan: We continue to test our Statewide Interoperable Radio Communication Plan which includes purchasing and upgrading our 800 MHz land mobile radio system, establishing channels and talk groups, and drafting an operational readiness strategy plan

Timeline (Continuous):

Measures used to gauge effectiveness - Completion of a statewide radio communications systems upgrade to meet narrow banding deadlines and interoperability requirements throughout DOT-A. Continuous personnel training, equipment maintenance and validation by exercise task evaluation by Civil Defense.

4. Environment and Quality of Life - Protect Hawaii's unique environment and quality of life and mitigate any negative

impacts, and Energy - Support the State's energy goal of 70% clean energy, which includes 40% produced by renewable energy and 30% increase in energy efficiency, enhancing the reliability and security of clean energy sources.

- Support the national goal to reduce transportation-related greenhouse gas, (GHG) emissions and reliance on foreign oil.
- Actively pursue actions in transpiration which help to achieve the State clean Energy Goal of 40% renewable energy by 2030.
- Identify ways to increase energy efficiency by 30% at transportation facilities.
- Use opportunities where and when practicable and available, to use alternative resources to supply power to create electricity for transportation facilities.

Installation of Renewable Energy Systems: Procure power purchase agreements for photovoltaic systems at Statewide Airports

Timeline (Continuous):

Milestones: Year 1 - Complete Installation

Year 2 - Issue Phase III RFP

Measures used to gauge effectiveness - Installation on time.

Energy Savings Performance Contract: Procure Energy Savings Performance Contracts where outside vendors install energy efficient equipment in State Facilities and are reimbursed through the savings in energy payments.

Timeline (Continuous):

Milestones: Year 1- Complete Procurement

Year 2- Complete Construction

Measures used to gauge effectiveness - Installation on time.

Statewide Access Controls and CCTV Improvements: Upgrade the Access Controls and CCTV Systems at HNL, OGG, LIH, Hilo International Airport (ITO), and Kona International Airport at Keahole (KOA).

Timeline (Continuous):

Milestones: Year 1 - Complete Construction for HNL

Year 2 - Complete Construction for OGG, LIH, ITO and KOA

Measures used to gauge effectiveness - Construction on time within budget.

HNL Explosive Detection System (EDS) Phase II: Construction of an inline EDS for the Overseas Terminal which will remove the EDS equipment from the ticket lobbies and place them inline in the baggage conveyor systems. This will make security screening of checked baggage quicker and more efficient.

Timeline (Continuous):

Milestones:

Year 2- Complete Construction

Measures used to gauge effectiveness - Construction on time within budget.

5. Economy and Growth - Ensure that the air transportation facility systems support Hawaii's economy and future growth objectives.

- **Identify sector needs, current and projected, as they relate to the movement of people and goods.**

Restoral of lost positions: The Airports Division is a specially funded entity that operates entirely on the revenues that it generates through airlines, tenants, and concessionaires that do business on its premises, as well as Federal grants, and does not depend upon the state's general fund for its operating needs. In past years, hiring has been frozen and vacant jobs have been abolished even though this would have little or no effect on the condition of the general fund. As a result operations have been hampered in terms of providing adequate responsive service for tenants and the flying public, repairs and maintenance of facilities, planning, project management, personnel, and fiscal functions.

Timeline (Continuous):

Milestones: Year 1 - attempt to speed up recruiting

Year 2 - Attempt to restore abolished positions

Year 5 - Staffing at levels commensurate with growing passenger counts and growth

Measures used to gauge effectiveness - Hiring goals met.

6. Funding - Create secure, flexible, and sustainable revenues and funding sources to sustain the State wide airport system (Enterprise).

- **Develop a framework for long-range financial forecasting; and within this framework distinguish between system preservation, capacity enhancement, and modernization needs that are funded from user-financing.**

- **Identify sources and develop and secure funding for the sustainable delivers, maintenance, operation, rehabilitation, replacement, and expansion of the state transportation systems.**
- **Ensure funding for the safety and security of the state transportation systems**

Enhance the efficiency and effectiveness of Airports Division through the administrative services provided by the Staff Services Office: Proactively ensure that the Staff Services Office provides efficient, effective, continuous, consistent, and timely administrative support services and guidance through its Property and Business Development Office, Personnel Management; Budget; Methods, Standards & Evaluation; and Financial Management staffs to all 15 airports and to its 1,024 employees. These activities contribute to maximizing the generation of a sustainable revenue stream, controlling costs, and introducing improved procedures, and management techniques.

Create and maintain an inventory of all terminal and non terminal properties in Propworks database: Insure adequate staffing for property management functions throughout the division, in order to maximize revenue generation.

Timeline (Continuous):

Milestones: Year 1 - January 2012-acquire the services of a consultant firm to conduct an on-site inspection and survey of all terminal and non-terminal spaces at all airports. The results of the inspection/survey will provide the Airports Division with accurate and updated information as to condition of the space, the activities being conducted from the space, determine if unauthorized alterations or modifications have been made, determine if utility costs are accurately being billed, and overall determine if provisions of the Revocable Permit or Lease Agreements are being followed. The consultant firm will populate the results of their inspection/survey into Propworks.

Year 2 - January 2013 The Airports Division along with the appropriate District personnel will determine if existing RP's should be converted into lease agreements, terminated or allow the existing tenant to remain under an RP. The key criteria for this determination will whatever is in the best interest of the State of Hawaii and consistent with Federal Aviation Administration policies. AIR-PM staff will

conduct a review to ensure payments are being made by tenants in accordance with their agreements.

Year 3 - January 2014- District staff will conduct unannounced inspections of terminal and non-terminal spaces to ensure tenant compliance with agreements; AIR-PM staff will coordinate with District staff to ensure accuracy of the data base; AIR-AF will monitor their data base to ensure accuracy of payments and late charges.

Year 4 - January 2015- Conduct statewide appraisal of all properties to ensure fairness to tenants and ensure that rates and charges are current

Year 5 - January 2016- Start on-site inspection and survey of all terminal and non-terminal spaces to update data base.

Measures used to gauge effectiveness - All available spaces are being leased at the prevail rates; payments are being made in a timely manner; tenants are in compliance with all terms of their agreement and revenue increases year to year.

Amend the HRS to allow the current tenants on Ualena Street to enter into a lease agreement after 12-31-12: This will allow properties to be leased, and generate revenue.

Timeline (Continuous):

Milestones: Year 1 - January 2012-introduce legislation to authorize the DOT to enter into lease agreements with existing tenants at Ualena Street after the master lease expires on December 31, 2012. This ability to extend or enter into a lease agreement with the existing tenants will provide for the continuous occupancy of the space and commensurate revenues for the State of Hawaii.

Legislation allowing the DOT to directly issue leases to non-aeronautical commercial users passed in 2012.

DOT conducted appraisals to establish rents and enter into leases with selected tenants to be effective at the start of 2013.

Determine if we can acquire the Airport Executive Center, which has been recently offered for sale.

Timeline (Continuous):

Milestones: Year 1 - January 2012- The Airports Division will have determined if the highest bidder for the Airport Executive Center is willing to negotiate a purchase offer with DOT.

Conduct due diligence to determine the condition of the property, terms of existing agreements, revenues, expenses. Also review for potential improvements, shortcomings.

Begin process to acquire the building. Conduct appraisal to establish value. Review options for operating structure once acquired.

Year 2 - 2013 - Depending on outcome of the above, seek appropriation from legislature, enter into purchase agreement, establish operating framework..

Measures used to gauge effectiveness - Percentage of available space within the Airports Center under lease, payments are being made in a timely manner; tenants are in compliance with all terms of their agreement and revenue increases year to year.

Complete a concession agreement for on demand taxi management for all islands: We have provided AMPCO with their agreement for on demand taxi management at HNL and are waiting for them to execute the agreement.

Timeline (Continuous):

Milestones: Year 1 - January 2013 AIR-PM staff will solicit information from districts regarding number of taxi rides from each of the listed airports. This data is essential to frame each concession agreement appropriately for each airport.

Once information is acquired, outline of the concession function will be developed and agreements drafted. Agreements will either be directly negotiated or offered through a public process.

Year 2 - January 2014 - Districts will monitor the management firm to determine if they are in compliance with the terms of their agreements. Districts will use customer surveys, on-site observations, and unannounced audits as are gauge to determine compliance.

Measures used to gauge effectiveness - Minimal complaints, efficient and timely service.

Convert the Revocable Permits for parking into a concession agreement for the neighbor island airports similar to that at HNL.

Timeline (Continuous):

Milestones: Year 1 - January 2012 - AIR-PM will draft and execute individual concession agreements for parking management for all islands. The agreements will include the provision, if applicable, for charging stations in accordance with the law.

Year 2 - January 2013 - Districts will monitor the management firm to determine if they are in compliance with the terms of their agreements. Districts will use customer surveys, on-site observations, and unannounced audits as are gauge to determine compliance.

Year 3 - January 2014 - Districts will monitor the management firm to determine if they are in compliance with the terms of their agreements. Districts will use customer surveys, on-site observations, and unannounced audits to determine and encourage compliance.

Year 4 - January 2015 - Districts will monitor the management firm to determine if they are in compliance with the terms of their agreements. Districts will use customer surveys, on-site observations, and unannounced audits as are gauge to determine compliance.

Year 5 - January 2016 - Districts will monitor the management firm to determine if they are in compliance with the terms of their agreements. Districts will use customer surveys, on-site observations, and unannounced audits as are gauge to determine compliance.

Measures used to gauge effectiveness - Minimal complaints, efficient and timely service, and maximum revenues for the State.

Convert the Revocable Permits for parking into a concession agreement for the neighbor island airports similar to that at HNL.

Timeline (Continuous):

Milestones: Year 1 - January 2013 - AIR-PM will draft and offer individual concession agreements for parking management at Lihue Airport, Kahului Airport, Kona International Airport at Keahole and Hilo International Airport. Depending on specific site

conditions, concession agreements may be directly negotiated or offered through a public solicitation.

Year 2 - January 2014 - Districts will monitor the management firm to determine if they are in compliance with the terms of their agreements. Districts will use customer surveys, on-site observations, and unannounced audits as are gauge to determine and encourage compliance.

Year 3 - January 2015 - Districts will monitor the management firm to determine if they are in compliance with the terms of their agreements. Districts will use customer surveys, on-site observations, and unannounced audits to determine and encourage compliance.

Year 4 - January 2016 - Districts will monitor the management firm to determine if they are in compliance with the terms of their agreements. Districts will use customer surveys, on-site observations, and unannounced audits as are gauge to determine compliance.

Year 5 - January 2017 - Districts will monitor the management firm to determine if they are in compliance with the terms of their agreements. Districts will use customer surveys, on-site observations, and unannounced audits as are gauge to determine compliance.

Measures used to gauge effectiveness - Minimal complaints, efficient and timely service, and maximum revenues for the State.

Establish an RFP for advertisement at all airports: A legal opinion is pending from the AG's office on the brochures and pamphlets.

Timeline (Continuous):

Milestones: Year 1 - On August 31, 2011, a written request was sent to the Department of the Attorney General, Land and Transportation Division requesting their legal assistance in determining if a fee structure can be established for the brochures and pamphlets being displayed at holders (racks) at seven (7) Hawaii airports from the various publishing companies.

While the initial intention of the DOT was to include this function under a general display advertising concession, it was decided the two functions are

significantly different and combining the two would impair the concessionaire's ability to maximize revenues to the concession.

Year 2 - January 2012 - Develop concession agreement for statewide display advertising concession.

Advertise concession opportunity.

Year 3 - January 2013 - Complete concession award process and start concession. Districts will monitor the concession firm to determine if they are in compliance with the terms of their agreements.

Year 4 - January 2014 - Districts will monitor the concession firm to determine if they are in compliance with the terms of their agreements.

Year 5 - January 2015 - Districts will monitor the concession firm to determine if they are in compliance with the terms of their agreements.

Measures used to gauge effectiveness - Amount of advertising in space initially offered for the concession, requests for additional space, and increased revenues for the State.

Establish a computerized contract management program: This will determine the status of each and every agreement and lease to ensure proper increase in rent, percentage rents, extensions, and payments are being made in a timely manner.

Timeline (Continuous):

Milestones:Year 1 - January 2012 meet with AIR-I, AIR-AF, and District Staff to establish baseline for requirements to ensure "best practices" for contract management. Have AIR-I develop a compatible and interoperable data base to meet our needs. Note: that the information acquired thorough Propworks will be used to establish some of the fields in this database.

Year 2 - January 2013 - Monitor and improve on the database.

Year 3 - January 2014 - Monitor and improve on the database.

Year 4 - January 2015 - Monitor and improve on the database.

Year 5 - January 2016 - Monitor and improve on the database.

Measures used to gauge effectiveness - Minimal complaints, efficient and timely service, and maximum revenues for the State.

Cease the current practice of the use of Billing by Memorandum (BBM): We have 36 BBM tenants in our system, which allows them to occupy our space while they provide written documentation of credit worthiness and insurability. The airlines account for 12 of these BBM and these BBMs have been in place for between 6 and 17 years, which creates a liability for the State. We will cease this practice and ensure that all current tenants on a BBM are issued notices to execute leases.

Timeline (Continuous):

Milestones: Year 1 - On September 9, 2011, the Airports Division issued a memorandum to all Districts effectively minimizing the practice of issuing a preoccupy and Bill by Memorandum (BBM) as a means to have a tenant occupy space. The BBM does not provide the State of Hawaii with adequate means of protection against liability and is used as a means to receive payment for rented space.

Year 2 - January 2012 - all efforts will be made to either terminate or convert the current 36 BBMs into a lease agreements. We will also monitor the issuance of any new BBM's to ensure that circumstances necessitated their use.

Year 3 - January 2013 - Monitor and ensure that all BBMs are converted into leases or terminated.

Year 4 - January 2014 - Monitor and ensure that all BBMs are converted into leases or terminated

Year 5 - January 2015 - Monitor and ensure that all BBMs are converted into leases or terminated

Measures used to gauge effectiveness - Reducing the number of existing BBM's and minimizing the issuance of BBM's to reduce the liability to the State and ensure long term lease of spaces..

Review, identify and amend all HAR and HRS either adversely impacting or prohibiting our ability to generate or maximize revenues: Conversely, those provisions in the HAR and HRS that promote our ability to generate revenues will be reviewed to meet the changing economic times of the State of Hawaii.

Timeline (Continuous):

Milestones: Year 1 & 2 - Introduce legislation

Measures used to gauge effectiveness - Number of areas discovered in which additional revenues can be generated

Ensure that the current Non-Signatory rates are consistent with the First Lease Amendment of 2008: This initiative is to ensure that the Airports Division meets its obligation to the First Lease Amendment that all Non-Signatory rates must be 125% above the Signatory rates. The impact of not meeting this critical obligation could result in Signatory carriers electing to become Non-Signatory carriers which could affect the Airports' bond rating.

Timeline (Continuous):

Milestones: Year 1 - September 2011, in accordance with Hawaii Revised Statutes 261-7(e), Public Informational Hearings were held for the proposed new Airports Division Procedure entitled: **Proposed Non-signatory Landing Fees and Passenger Terminal Rental Rates and Charges** to notify the public of our efforts to increase the rates and charges for the non-signatory carriers to be consistent with the First Amended Lease Extension Agreement signed in October, 2007, and became effective on January 1, 2008.

Public Hearings were held on September 26 in Hilo; September 27 in Lihue; September 28 in Honolulu; September 29 in Kona; and September 30 in Kahului. Two members of the public attended the Hilo meeting, zero attended the Lihue meeting, three attended the Honolulu meeting, one attended the Kona meeting and two attended the Kahului meeting. At all meetings attended by the public, questions were raised about the subject matter and issues discussed.

A court reporter was present at each of the meetings and the transcript will be published on the DOTA web site. The DOT-A will also accept comments after the transcripts are posted.

In order to ensure that the DOT-A was able to address all issues raised both at the meetings and potential subsequent to the posting of the transcripts, the effective date for increase is December 1, 2011.

Year 2 - January 2012 - The Airports Division increased the rates for the non-signatory commercial carriers at 125% of the FY 2012 signatory rates effective on January 1, 2012 pursuant to HRS 261-7(e) and prior to the effective date of the increase a report was submitted to the 26th Legislature, 2012 to include updating our public website with the new rate increases. Additionally, the DOT-A is developing a lease agreement, similar to the agreement with the

Signatory Carriers for the non-signatory carriers to reflect the rate changes and other important factors.
Year 3 - January 2013 - Monitor and ensure that all rates and charges are consistent with all agreements.
Year 4 - January 2014 - Monitor and ensure that all rates and charges are consistent with all agreements.
Year 5 - January 2015 - Monitor and ensure that all rates and charges are consistent with all agreements.

Measures used to gauge effectiveness - The modification or "right sizing" of the rates will ensure that all signatory air carriers will remain as signatory carriers and will not convert to non-signatory carriers. Conversely, non-signatory carriers will pay the higher rate and charges but their operations will be commensurate to these charges. Should their operations expand they (non-signatory carriers) will have the ability to convert to signatory carriers.

Review existing personnel policies and procedures and amend them to ensure that "best practices" are in place to support the "Enterprise".

Timeline (Continuous):

Milestones: Year 1 - January 2012 - begin the process of reviewing existing policies, procedures, rules, regulations and practices of personnel and establish a Working Group comprised of District staff, Division staff and Department staff to comprehensively identify, modify, and establish policies to be consistent with the workforce and to support their duties and responsibilities to ensure productivity and commensurate compensation.

Year 2 - January 2013 The Working Group will monitor each new policy to ensure that its intended objective and purpose is being met.

Year 3 - January 2013 - The Working Group will monitor each new policy to ensure that its intended objective and purpose is being met.

Year 4 - January 2014 - The Working Group will monitor each new policy to ensure that its intended objective and purpose is being met.

Year 5 - January 2015 - The Working Group will monitor each new policy to ensure that its intended objective and purpose is being met.

Measures used to gauge effectiveness - Various indicators (sick leave, tardiness, productivity, complainants, investigations, audits, interviews) will

be monitored to determine effectiveness of each policy.

Develop a formulaic approach to justify and ensure the addition of positions, equipment, staff hours, and related costs in concert with the design and completion of new or expanded facilities, such that they are maintained at proper levels. (i.e., X amount of Janitor positions for Y amount of new square footage of floor space)

Timeline (Continuous):

Milestones: Year 1 - January 2012-begin the process of developing a method or business plan to ensure that for every newly constructed space or existing space being expanded a formula will be used to establish a ratio of space to positions to ensure that all services are being performed.

Year 2 - January 2013 Evaluate the effectiveness of the formula and conduct an analysis of the cost benefits of establishing new positions.

Year 3 - January 2013 - Continue to evaluate and make improvements.

Year 4 - January 2014 - Continue to evaluate and make improvements.

Year 5 - January 2015 - Continue to evaluate and make improvements.

Measures used to gauge effectiveness - Conduct cost benefit analysis

Audits: Increase the use of unannounced audits and inspections of contracts, cash and financial instruments on hand, documents, equipment, and facilities to prevent theft and ensure maximum utilization. Increase audits of tenants, contractors, and concessionaires to assure that gross revenues and reimbursable costs are accurately reported.

Timeline (Continuous):

Milestones: Year 1 - September 2011 - AIR-AF has conducted unannounced audits of the petty cash funds at all airports and have reported their findings as well as corrective measures. They have expanded their audits to other program areas (security contract, engineering contracts) and reported their findings and corrective measures. Audit on the security contract has been completed as well as other audits on Honolulu International Airport, Kona Airport at Keahole, and Kahului Airport.

Year 2 - January 2013 - Evaluate the effectiveness of their audit and monitor the corrective actions by the

Districts. This is an ongoing effort and will expand to other program areas.

Year 3 - January 2013 - 2013 - Evaluate the effectiveness of their audit and monitor the corrective actions by the Districts. This is an ongoing effort and will expand to other program areas.

Year 4 - January 2014 - 2013 - Evaluate the effectiveness of their audit and monitor the corrective actions by the Districts. This is an ongoing effort and will expand to other program areas.

Year 5 - January 2015 - 2013 - Evaluate the effectiveness of their audit and monitor the corrective actions by the Districts. This is an ongoing effort and will expand to other program areas.

Measures used to gauge effectiveness - The results of the audits and monitoring of the corrective measures will reduce theft of funds, mishandling of purchases, encourage effective contract management, compliance with SPO regulations, and promote ethical behavior.

7. Leadership - Provide effective leadership focusing on accountability, ethics, training, and transparency.

- **Increase the level of accountability of personnel both on and off the job.**
- **Provide increased opportunities for training and sufficient equipment allowing personnel to be successful.**
- **Implement policies that demonstrate commitment to transparency, ethics, and strict compliance with regulations, policies, and procedures.**

Update Engineering Project Development and Tracking (PDT)

Procedures Library: The PDT Library contains electronic documentation of all the project implementation procedures and process for the Engineering Branch. An update for the new administration's policies and procedures will provide consistent deliverables from the Engineering Branch in line with the new administration's policies and procedures

Timeline (Continuous):

Milestones: Year 1 - Complete Update

Measures used to gauge effectiveness - Completion on time.

Development of Skire Project Management Application: The Skire Project Management Application is the Engineering Branch's tool for tracking, monitoring and archiving project processes, documents, records and financial

information to provide accountability for project performance, funding and expenditures.

Timeline (Continuous):

Milestones: Year 1 - Complete development of CIP module

Year 2 - Complete development of O&M Module

Year 5 - Complete Development of Asset Management Module.

Measures used to gauge effectiveness - Development completed on time.

Refine and expand the use of the PAS and EMCP such that leadership traits and skills are recognized, utilized, and rewarded, and improvement goals are set.

Milestones: Year 1 - assess current usage and practice. Institute a program of performance planning, coaching, and evaluation. Develop a system of annual plans and goals. Develop system of goal development and tracking and implement in Staff Services, begin training

Year 2 - Provide coaching and monitor and guide implementation. Establish plan for the rest of the division

Year 3 - Begin implementation to other districts and branches.

Measures used to gauge effectiveness - project elements on time, goals are established and tied to evaluations, overall effectiveness and teamwork increases.

Provide timely, proactive leadership coaching and training support to managers: Managers have a need for support to break the cycle of often chronic operational problems that they are subject to, due to certain situations that are beyond their experience or skill level. Provide coaching in leadership and management skills so that a new level of capability and accountability is attained.

Milestones-: Year 1 - Begin to establish standards of leadership within the division, beginning in Staff Services. Incorporate standards in PAS and EMCP. Make different types of coaching available to managers upon request.

Development of a Strategic Plan for the Airports Division:

A Strategic Plan will provide an attainable goals in meeting near term and long term objectives.

Milestones-: Year 1 - Begin process by interviewing leadership to establish a baseline for the Strategic Plan. Identify attainable goals in the near term and long term towards the plan.
Year 2 - Implement the Plan and track the accomplishments.

Reorganization of the Airports Division per the Organizational Chart dated June 30, 2011: Currently, the Airports Division is without a Airport Administrator, the highest civil service position in the Division. As a result, the Deputy Director for Airports, an appointed position is function as the Deputy and the Administrator. One person managing his time to meet the responsibilities of the Administrator and Deputy is unreasonable and inefficient for 15 airports located on six (6) separate islands and 1,200 employees.

Milestone-: Year 1 - Received approval from the Director, Department of Transportation to proceed with the reorganization of the Airports Division by requesting the Legislature to restore the funding for the Airports Administrator.

We will recruit and fill the 11 positions approved the 26th Legislature, 2012 for the Kahului Airport (OGG).

We will also update the Airports Division Organization Chart to reflect the increase in positions at OGG.

Year 2 - Actively recruit and fill the Airports Administrator position.

C. HARBORS DIVISION

The Harbors Division operates and manages a statewide harbors system of ten (10) commercial harbors divided into four (4) districts. They are: Oahu District - Honolulu and Kalaeloa Barbers Point; 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 commercial harbors provide for the movement of cargo, passenger and vessels between ports within the state and provide facilities and support services for loading, off-loading, and handling of cargo, passengers, and vessels.

Statement of Goals

The Harbors Division's goal is to provide for the expeditious, efficient, and safe movement of people and goods which may be delivered for shipment or discharged on the commercial docks,

wharves and piers to ensure the economic security of the State; promote economic growth and sustain the quality of life within the State by:

1. Creating and managing an integrated multi-modal transportation system that provides mobility and accessibility for people and goods.
2. Enhancing the safety of the water transportation system.
3. Ensuring the secure operation and use of the water transportation system.
4. Protecting Hawaii's unique environment and quality of life and mitigate any negative impacts.
5. Ensuring that the water transportation facility systems support Hawaii's economy and future growth objectives.
6. Supporting the State's energy goal of 70% clean energy, which includes 40% produced by renewable energy and 30% increase in energy efficiency, enhancing the reliability and security of clean energy sources.
7. Creating secure, flexible, and sustainable revenues and funding sources for transportation needs.
8. Providing effective leadership division wide focusing on accountability, ethics, training, and transparency.

Objectives and Policies

In meeting the objectives over the next 5 years, the Harbors Division will plan, develop, and implement the following project to help achieve the following objectives:

1. Mobility and Accessibility.

- **Preserve and maintain existing water transportation systems in good condition or better; give comparable consideration to funding preservation capital projects as is given to expansion projects.**
- **Ensure the provision of essential and critical water transportation operation and services for all communities throughout the islands.**
- **Reduce congestion in the water transportation systems.**
- **Obtain federal funds for Harbors Infrastructure projects.**

Reconstruction of Pier 29 Container yard, Honolulu Harbor, Oahu

Timeline:

Year 1 milestones: Secured grant award of up to \$24.5 million under the Transportation Investment Generating Economic Recovery (TIGER) grant program authorized by

the American Recovery and Reinvestment Act of 2009 (ARRA). Commenced construction in August 2010. Year 2 milestones: Complete construction, estimated February, 2012.

Year 5 milestones: Meet all federal Performance Measures Plan reporting requirements.

Measures used to gauge effectiveness - Maximize use of federal funds to reconstruct the Pier 29 container yard and restore functionality and use for cargo operations; complete all reporting requirements, process 100% of all federal grant reimbursement payments and close out the grant in accordance with the Grant Agreement upon completion of the project; meet performance objectives set forth under the federal performance measures plan.

2. Safety

- **Enhance the system and user safety and transportation facilities with the use of proper equipment, physical hazard reduction; and implement priority safety projects for each harbor.**

Annual planning, programming and development of Special Maintenance Projects to remediate and address safety concerns and necessary facility improvements. The following two projects provide an example of the type of projects undertaken to implement this policy:

Structural Repairs at Pier 10-11, Honolulu Harbor.

This project to repair Piers 10 and 11 ensures that cargo equipment can safely traverse the pier.

Maintenance Pavement Repairs at Sand Island, Honolulu Harbor:

To ensure that high traffic container yards at Sand Island are paved to eliminate hazards pavement repairs at the Matson container yard area are undertaken annually to provide for safe operations.

Timeline:

Year 1 milestones: Design/Bid Programmed Projects

Year 2 milestones: Design/Bid Programmed Projects

Year 5 milestones: Design/Bid Programmed Projects

Year 5 and up milestones: Design/Bid Programmed Projects

Measures used to gauge effectiveness - Number of Projects Programmed vs. Number of Projects Bid with consideration for unplanned events such as emergencies, natural disasters, etc.

3. Security

- Minimize risks of disruption of transportation to, from and within Hawaii due to terrorism and other human security threats and events, as well as threats and events from natural disasters.
- Work with Federal, state and county agencies as well as tenants to conduct vulnerability and risk assessments.
- Implement security policies and strategies to minimize risks and threats of disruption of or damage to the transportation systems while maintaining the intended function of the system.
- Provide continuous monitoring of critical infrastructure and communications systems to provide for appropriate emergency response capability.

Kahului Harbor Surveillance and Command Information System (Funded by Department of Homeland Security, Port Security Grant)

Timeline:

Year 1 milestones: Complete Design

Year 2 milestones: Complete Construction

Year 5 milestones: Enhance system with additional sensor improvements.

Measures used to gauge effectiveness - Completion of system and shared video feeds between State Harbors and other agencies for a common situational awareness.

Transportation Worker Identification Card (TWIC). Funded by Department of Homeland Security, Port Security Grant)

Timeline:

Year 1 milestones: Test new wireless proto-type equipment in the maritime environment for each commercial port.

Year 2 milestones: Purchase system equipment and develop sub-grantee process for the purchase and maintenance of the common use system with maritime users.

Year 5 milestones: None.

Measures used to gauge effectiveness - Implementation of a statewide TWIC card reader system at all access control points to prohibit unauthorized access into secured areas.

Kauai and Hawaii District Harbor Surveillance and Command Information System (Funded by Department of Homeland Security, Port Security Grant)

Timeline:

Year 1 milestones: Complete Design

Year 2 milestones: Complete Construction

Year 5 milestones: Enhance system with additional sensor improvements.

Measures used to gauge effectiveness - Completion of system and shared video feeds between State Harbors and other agencies for a common situational awareness.

Maritime Wireless Communication System - Broadband (Funded by Department of Homeland Security, Port Security Grant.)

Timeline:

Year 1 milestones: Complete Design

Year 2 milestones: Begin Phased Construction

Year 5 milestones: Complete Phased Construction

Measures used to gauge effectiveness - Connect statewide video feeds from all commercial harbors to county emergency centers and to State Civil Defense for a common situational awareness of pre-arrival and post disaster for response and resumption of and continuity of business operations; integration with the Business and IT/Information Resource Management Transformation Plan by the Office of Information Management and Technology (OIMT).

4. Environment and Quality of Life

- **Ensure that the water transportation system facility users respect environmental, natural and historic resources.**
- **Support the programs of State and Federal natural resource agencies, as well as support on-going lines of communication and coordination with these agencies.**

Small Municipal Separate Storm Sewer System (MS4), Storm Water Permits for Honolulu Harbor and Kalaeloa Barbers Point Harbor.

Timeline:

Year 1 milestones: Meet Storm Water Management Plan (SWMP) objectives and goals.

Year 2 milestones: Meet SWMP objectives and goals.

Year 5 milestones: Meet SWMP objectives and goals.

Year 5 and up milestones: Meet SWMP objectives and goals.

Measures used to gauge effectiveness - Meet progressive goals of the Storm Water Management Plans.

5. Economy and Growth

- Create a community flow and freight handling system that is dependable, efficient and industrial/commercial land use and storage areas.
- Provide reliability, dependability and redundancy for commerce in the import and export of goods movement system including inspection facilities at ports, address actions for security of commerce.
- Create modern water transportation systems that are part of a positive visitor experience.

Development of 70+ acre Container Terminal with 1,800+ foot long Pier at Kapalama Military Reservation, Honolulu, Harbor

Timeline:

Year 1 milestones: Initiate Kapalama EIS

Year 2 milestones: Complete Kapalama EIS

Year 5 milestones: Complete Design of Improvements

Year 5 and up milestones: Complete Construction

Measures used to gauge effectiveness - Ability to meet milestones.

6. Energy

- Support the national goal to reduce transportation-related greenhouse gas, (GHG) emissions and reliance on foreign oil.
- Use opportunities where and when practicable and available, to use solar (heating and photovoltaic), wind, geothermal, and ocean resources to supply power to create electricity for transportation facilities.

Installation of Photovoltaic system panels at Pier 1 Shed Roof, Kahului Harbor, Maui

Timeline:

Year 1 milestones: Complete Design

Year 2 milestones: Complete Construction

Year 5 milestones: Monitor effectiveness and cost savings of the Photovoltaic system.

Year 5 and up milestones: Monitor effectiveness and cost savings of the Photovoltaic system for the next 20 years.

Measures used to gauge effectiveness - Maintain constant power rate via a power purchase agreement to derive cost savings.

7. **Funding**

- **Develop a statewide framework for long-range financial forecasting; and within this framework distinguish between system preservation, capacity enhancement, and modernization needs that are funded from user-financing.**
- **Identify sources and develop and secure funding for the sustainable delivery, maintenance, operation, rehabilitation, replacement and expansion of the state transportation system.**
- **Ensure funding for the safety and security of the state transportation systems.**
- **Maximize the use of Federal programs and funding for needed transportation infrastructure; use Federal non-recurring initiatives and funding sources such as ARRA and report on project and program achievements.**

Institute tariff increases to provide for financial self-sufficiency and to support the financial requirements of New Day Work Projects.

Timeline:

Year 1 milestones: Amendments to the tariff rates under Chapter 19-44, Hawaii Administrative Rules (Pertaining to Services and Procedures, Charges, Tolls and Fees), were promulgated through the rule-making process. Restructuring of wharfage rates and a one-time 10% increase in all other fees within General Provisions, Dockage, Small Craft and Other Vessel Fees, Rental, Demurrage and Port Entry Fees were implemented on March 1, 2010. The amendments also provided the division with the authority to implement annual incremental increases to wharfage rates. On July 1, 2010, wharfage rates were increased by 20%. In accordance with the amendments, wharfage rates were increased 15% on July 1, 2011. Cruise ship passenger fees were also increased to \$5.00.

Year 2 milestones: On July 1, 2012, wharfage rates will increase 10%. Cruise ship passenger fees will increase to \$5.50.

Year 5 milestones: Wharfage rates would have increased 7% on July 1, 2013, 5% on July 1, 2014 and 3% or annual percentage increase in the CPI, whichever is greater by Year 5. Cruise ship passenger fees would

have increased incrementally each year by \$0.50 to \$7.00 by Year 5.

Year 5 and up milestones: Review and implement other amendments to administrative rules to improve revenues to support operating and capital costs; implement rules to improve the management of the commercial harbors system.

Measures used to gauge effectiveness - 5% or less variance between annual projected forecasted revenues and actual revenues; improved operational efficiencies.

8. Leadership

- Increase the level of accountability of personnel both on and off the job.
- Provide increased opportunities for training and sufficient equipment allowing personnel to be successful.
- Implement policies that demonstrate commitment to transparency, ethics and strict compliance with regulations, policies and procedures.
- Promote open communication between management and rank and file employees.

Achieve full compliance with procurement training requirements for staff delegated with procurement authority to approve, review, conduct or participate in procurement actions.

Timeline:

Year 1 milestones: Employees with delegated authority to approve, review, conduct or participate in procurement actions have been accorded such authority on SPO-36 forms on record with the State Procurement Office (SPO). Employees have attended all core mandatory courses except for Anti-Trust Training which has not been scheduled by the SPO.

Year 2 milestones: Staff with delegated procurement authority have attended all mandatory courses including Anti-Trust training.

Year 5 milestones: Staff with delegated procurement authority have attended all mandatory courses and current with all SPO requirements.

Year 5 and up milestones: same as above

Measures used to gauge effectiveness - 100% attendance to mandatory courses; No procurement violations.

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

In order to achieve this goal, the Highways Division is guided by goals and objectives developed in alignment with Federal and State plans, policies, and regulations, including the Federal Planning Factors, identified in the Code of Federal Regulations, and the Department's Hawaii Statewide Transportation Plan.

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

1. Mobility and Accessibility

- **System Preservation**
 - Manage transportation assets and optimize investments.
 - Maintain a safe, efficient, and complete transportation system for the long-term.
- **System Efficiency Management and Operations**
 - Improve capacity and efficiency, and reduce congestion within the existing transportation system for long term benefit.
- **Transportation Access Mobility**
 - Provide appropriate and reliable transportation access options statewide to all users.
 - Ensure transportation investments in programs and prioritization processes are balanced (across modes and demographics, i.e. serves Environmental Justice populations.)
- **Modal Integration**
 - Provide a multimodal transportation system of motorized and non-motorized options.
 - Promote efficient travel between modes by creating connections and removing barriers.
 - Promote safe connections between modal alternatives.

Oahu Highways, Kapolei Interchange: Phase 1 of the Interstate Route H-1, Kapolei Interchange is expected improve traffic operations at the Makakilo and Palailai Interchanges and to lessen traffic congestion in the Kapolei area by providing access to Kapolei from the east around H-1 Freeway at Wakea Street, a new west bound H-1 onramp from Makakilo Drive, and a new west bound offramp to Farrington Highway from the H-1 freeway. Phase 2 completes the H-1 interchange at the Wakea Street location.

Timeline: Construction for Phase 1 started in July 2009 and was opened to traffic in 2012.

Design of Phase 2 is currently ongoing with completion anticipated in late fiscal year 2014.

Measures used to gauge effectiveness - Reduction of congestion on internal roadway system relating to access in and out of Kapolei. Completion of full-interchange providing access for all access into and out of Kapolei/Makakilo.

Oahu Highways, H-1 Traffic Optimization Demonstration project: As a demonstration project, a portion of the H-1 Freeway was restriped between the Ward Avenue overpass to the Punahou Street overpass to increase traffic capacity in July 2012. Also included with this was the expansion of the Freeway Service Patrol to the Kahala area. If actual data shows an acceptable level of performance and safety over a one year time period, the Department will explore the possibility of expanding the limits and making it permanent.

Timeline: Advertisement of the anticipated second phase of this demonstration project is currently scheduled for late fiscal year 2013.

Measures used to gauge effectiveness - Improved Level-of-Service on H-1 in this section of the freeway during morning and afternoon peak hours.

Oahu Highways, P.M. Contraflow: Interstate Route H-1, P.M. (Afternoon) Contraflow. This design-build project will provide an additional westbound lane from the Vicinity of the Radford Drive overpass to the Waiawa Interchange area with no reduction in eastbound freeway capacity. This project has been combined with the H-1 Pearl City and Waimalu Viaduct Improvements, Phase 1, project to repair/upgrade portions of the viaduct deck under a single contract in order to

better coordinate traffic control services and minimize disruption to H-1 commuters.

Timeline: Phase 2 of the project was executed on June 23, 2011. Design for the PM contraflow is currently ongoing along with the repair of the Pearl City viaduct deck.

Measures used to gauge effectiveness - Improved Level-of-Service for westbound traffic flow on H-1 during afternoon peak hours.

Hawaii Highways, Queen Kaahumanu Highway Widening: The widening of Queen Kaahumanu Highway will provide additional traffic capacity to this stretch of highway. Construction of the first phase from Henry Street to Kealakehe Parkway was completed with a grand opening in March 2009.

Timeline: The second phase of Queen Kaahumanu Highway Widening, which would widen Queen Kaahumanu Highway from two (2) lanes to a four (4) lane divided highway, from Kealakehe Parkway to Keahole Airport Access Road, has been delayed due to additional required consultations with Native Hawaiian Organizations and other affected stakeholders on Section 4(f).

Measures used to gauge effectiveness - Improved Level-of-Service for traffic flow on Queen Kaahumanu Highway. This is the second phase of the DOT's efforts to improve capacity in the corridor from Kona to Kawaihae.

Hawaii Highways, Keaau-Pahoa Rd. Shoulder Lane

Conversion: The Keaau-Pahoa Road Shoulder Lane Conversion, Keaau Bypass Road to Shower Drive, will construct an additional lane in the (Hilo-bound) direction and provide a shoulder that pedestrians and bicyclists can utilize. In addition, the (Pahoa-bound) shoulder will be widened to provide a 10-foot wide shoulder lane to be used as a traffic lane during the P.M. peak traffic hours. This project will be constructed in 2 phases: The first will mainly address the shoulder lanes; the main focus of the second phase is the construction of intersection improvements at Shower Drive and Keaau-Pahoa Road.

Timeline: The 1st phase was advertised for construction in late September 2012 and award is currently being processed. The 2nd phase is

tentatively scheduled for Federal fiscal year 2014.

Measures used to gauge effectiveness - Improved Level-of-Service for motorists on Keaau-Pahoa Road during morning and afternoon peak hours.

Maui Highways, Honoapiilani Highway Realignment:

Construction 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. This effort will divert traffic away from the heavily congested Honoapiilani Highway and Lahainaluna Road intersection by providing an alternate access via Keawe Street extension and the new Lahaina Bypass to the schools along Lahainaluna Road. Phase 1B-1, the segment from Lahainaluna Road to Hokiokio Road, is currently under construction. Design for the next segment from the future Keawe Street Extension to the vicinity of the Kaanapali Connector is ongoing.

Timeline: Opening of Phase-1A is anticipated to occur in January 2013. Construction Phase 1B-1 scheduled for completion in early calendar year 2013.

Measures used to gauge effectiveness - Improved Level-of-Service for motorists traveling along the northwestern corridor of Maui, including improved traffic flow in the urbanized area of Lahaina.

Maui Highways, Honoapiilani Highway

Widening/Realignment: Planning is ongoing for Honoapiilani Highway Widening/Realignment, from Maalaea Harbor to Puamana. Improvements may involve widening portions of the existing highway and/or constructing a new highway along a different alignment in order to alleviate traffic congestion, protect the area from shoreline erosion, accommodate future travel demand, and improve reliability of access to and from West Maui.

Timeline: Ongoing

Measures used to gauge effectiveness - Improved Level-of-Service for motorists traveling through this section of Honoapiilani Highway, and meeting the traffic demands of an area transitioning from rural to urban conditions.

Molokai Highways, Kawela Bridge Replacement: Kawela Bridge, located along Kamehameha V Highway on Molokai, is being replaced due to hydraulic inadequacies and non-conformance to current standards.

Timeline: This project is currently in construction with completion anticipated in early 2014.

Measures used to gauge effectiveness - Improved safety by meeting federal and state standards for structures and drainage.

Molokai Highways Kamehameha V Highway Drainage

Improvements: Drainage improvements to relieve flooding problems along Kamehameha V Highway from the vicinity of Mohala Street to the vicinity of Oki Place.

Timeline: The project was advertised for construction in June 2012 and construction award is currently being processed.

Measures used to gauge effectiveness - Alleviate flooding problems by addressing existing water runoff patterns.

Kauai Highways, Kapaa Improvements: Short term improvements in Kapaa including the widening of Kuhio Highway from South Leho Drive to Aleka Loop, and the addition of a southbound lane on the Wailua Cane Haul Bridge, will also provide additional capacity in the interim before the construction of permanent bypasses are possible.

Timeline - Construction for an additional southbound lane on Kuhio Highway fronting Coco Palms has been delayed due to extensive consultation with Native Hawaiian Organizations on Section 106 of the National Historic Preservation Act. Conclusion of the Section 106 consultation is anticipated mid-2013 with construction anticipated to begin mid-2014 following approval of various permits. Construction of the Wailua Cane Haul Bridge Widening was substantially complete as of July 2011.

Measures used to gauge effectiveness - Improved Level-of-Service for highly congested section of Kuhio Highway, a major corridor between northeast section of Kauai and Lihue.

Kauai Highways, Kaumualii Highway Widening:

Construction of the first increment of Kaumualii Highway Widening from Lihue Mill Bridge to Anonui Street began was completed in September 2012 and opened to traffic. A request for proposals (RFP) for a design-build contract to widen Kaumualii Highway from Rice Street to the Lihue Mill Bridge was issued in August 2011 and awarded in February 2012. The design phases for the remainder of the four lane widening from Anonui Street to Maluhia Road have not begun.

Timeline: Various phases ongoing

Measures used to gauge effectiveness - Improved Level-of-Service for motorists traveling through congested corridor connecting Lihue and rapidly growing Poipu area.

Kauai Highways, Kuhio Highway Intersection

Improvements: The Kuhio Highway, Intersection Improvements at the Intersections of Kauai Community Correctional Facility & Wailua Golf Course will provide improvements at this intersection to allow for better turning movements into and out of the existing driveways.

Timeline: Construction was awarded in late June 2012.

Measures used to gauge effectiveness - Improved safety and accident reductions by improving traffic operations and flow in this site.

2. Safety

- **Maintain a safe transportation system for all land transportation modes.**
- **Improve safety of the community through connectivity of the transportation infrastructure.**
- **The Highways Division's Safety Program addresses objectives related to Modal Integration and Safety. Initiatives completed under the Safety Program include rock fall and slope stabilization, guardrail and shoulder improvements, highway shoreline protection, the Motor Vehicle Safety Program, and various projects that fall under the Highway Safety Improvement Program**

Oahu Highways, Freeway Management System: Continuing development and deployment of a Freeway Management System (FMS) will maximize efficiency and improve safety along our freeways by using intelligent

transportation systems technologies. The FMS includes the deployment of CCTV cameras, vehicle detectors, dynamic message signs, dissemination of traveler information, Freeway Service Patrols (FSP), Traffic Operation Center enhancement, and other traffic management strategies.

Timeline:

- The popular FSP program has been extended for a 4th year of operation
- The new Traveler Information Website, GoAkamai was launched in August 2010. The website includes traffic camera images from around Oahu as well as a freeway congestion map. Development of systems to obtain and disseminate freeway travel time information is also underway. Replacement of existing Dynamic Message Signs at Kaimakani Street and Liliha Street Overpasses with new state of the art signs was completed in 2012. New projects to install additional traffic cameras and improve the existing communication network have been designed and are in construction. Additional projects are under preliminary design.

Measures used to gauge effectiveness - Improved Level-of-Service and traffic flow by helping the motoring public to plan trips through traveler information. Improved freeway traffic flow by managing traffic incidents.

Oahu Highways, Farrington Highway Intersection

Improvements: Intersection improvements at Farrington Highway at Nanakuli Avenue and Haleakala Avenue is ongoing and is intended to increase traffic safety and operation efficiency in these areas.

Timeline: Design is anticipated to be completed in Federal FY 2013. Development delayed due to the Section 106 process.

Measures used to gauge effectiveness - Improved safety and accident reductions at two prioritized high-accident sites.

Oahu Highways, Liliha Street Traffic Signal: To help address pedestrian and other safety concerns on lower Liliha Street in Honolulu, we have initiated a project to install a traffic signal system at the intersection

of Liliha Street and Kukui Street, along with pavement marking improvements on Liliha Street.

Timeline: Project was award for construction in January 2012.

Measures used to gauge effectiveness - Improved safety and traffic operations by addressing increased traffic demands from Kukui Street, as well as pedestrian safety in traversing Liliha Street.

Hawaii Highways, Guardrail and Shoulder Improvements:

Several projects are being developed to provide guardrail and shoulder improvements along Hawaii Belt Road.

Timeline: The segment from Papalele Road to Kaumoali Bridge was awarded for construction in June 2012. The segments from Kaumoali Bridge to Waipunahina Bridge and from Kealakaha Bridge to Kaula Bridge are currently under design and anticipated to be advertised in late 2013.

Measures used to gauge effectiveness - Improved safety by upgrading existing sites to meet federal and state standards.

Molokai Highways Kamehameha V Highway Drainage

Improvements: Drainage improvements to relieve flooding problems and to improve health & safety along Kamehameha V Highway from the vicinity of Mohala Street to the vicinity of Oki Place.

Timeline: The project was advertised for construction in June 2012 and construction award is currently being processed.

Measures used to gauge effectiveness - Alleviate flooding problems by addressing existing water runoff patterns.

Click It or Ticket: 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 93.4%. 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 Carrier Safety Association, the local fire departments, religious leaders, military bases, and

others. We also supported the enforcement with a strong media campaign (variable message boards, television, radio, and movie theatre).

Timeline: Continuous

Measures used to gauge effectiveness - Improved safety through increased compliance to state and federal seat belt statutes.

You Drink, You Drive, You Lose: 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 sobriety checkpoints to a minimum of one checkpoint every week of every month of the year. We also supported the enforcement with a strong media campaign.

Timeline: Continuous

Measures used to gauge effectiveness - Improved safety through education and enforcement of impaired driving statutes.

Walk Wise Hawaii: Walk Wise Hawaii (WWH) is a pedestrian safety education program in which DOT partners with various State and County agencies, businesses and private companies, and community organizations. The program sponsors an annual education campaign designed to inform citizens about safe behaviors and laws for pedestrians and drivers. This includes outreach to senior groups, rotary clubs, neighborhood boards, hotels, and other community groups and events. Multi-language brochures, movie theatre ads, and bus ads have also been included in WWH's outreach.

Timeline: Continuous

Measures used to gauge effectiveness - Improved pedestrian safety through education and information.

Safe Routes to School: The Safe Routes to School (SRTS) program was created in 2005 and is a Federally funded program administered by the DOT. It is designed to encourage elementary and middle school aged children to be physically active; make walking and bicycling to school a safe, routine activity; and facilitate planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air

pollution in the vicinity of schools. SRTS infrastructure and non-infrastructure projects are currently ongoing. Outstanding SRTS applications have been reviewed and SRTS informational workshops are being offered to inform the public about the SRTS program and requirements of SRTS federal grants. A Call for Projects is anticipated in Federal FY 13 to award remaining SRTS federal funds obtained under SAFETEA-LU.

Timeline: Continuous

Measures used to gauge effectiveness - Improved health of children by encouraging walking and bicycling to school. Improved traffic flow by reducing vehicle trips to schools.

3. Security

- **Plan, maintain, and operate a transportation system that supports evacuation, response, and recovery for incidents.**
- **Improve the resiliency of the State through the transportation system.**

Oahu Highways, Makaha Bridge Replacement: Makaha Bridges #3 & #3a, located along Farrington Highway, are currently timber bridges. They will be replaced with new reinforced concrete bridges, which have wider shoulders and meet current design standards. The new bridges will also accommodate 100-year flood events.

Timeline: This project was scheduled to be advertised in Federal FY 2012 however has been delayed due to land acquisition issues.

Measures used to gauge effectiveness - Improved safety by meeting federal and state standards for structures, and accommodation of all highway users.

4. Environment and Sustainability

- **Preserve and enhance the natural environment, including biological and aesthetic resources.**
- **Preserve and enhance Hawaii's cultural resources environment, including archaeological and historical sites.**
- **Meet the relevant environmental regulations and standards set by Federal, State, and County/City agencies. Maintain collaborative working**

relationships with agencies and comply with goals of their relevant plans and policies.

- Promote the use of sustainable practices in designing, constructing, operating, and maintaining transportation facilities and programs.
- Promote long term resiliency relative to all hazards mitigation, namely global climate change with considerations to reducing contributions to climate change from transportation facilities, and reducing the future impacts of climate change on the transportation infrastructure.

Environmental Management System: The Highways Division is in the process of establishing comprehensive environmental programs for the Division. An Environmental Management System (EMS) has been developed, especially for all maintenance activities. The EMS follows EPA's National Environmental Investigative Center (NEIC) EMS model, which incorporates the ISO 14001 EMS standards. The coverage of the EMS includes Environmental Policy; Organization; Personnel and Oversight of EMS; Accountability and Responsibility; Environmental Requirements, Assessment, Prevention and Control; Environmental Incident and Noncompliance Investigations; Environmental Training, Awareness, and Competence; Environmental Planning and Decision-Making; Maintenance of Records and Documentation; Pollution Prevention and Best Management Practices Program; Continuing Program Evaluation and Improvement; and Public Involvement and Community Outreach.

Timeline: Ongoing

Measures used to gauge effectiveness - Continuing to meet NEIC standards.

Waste Management Program: Highways Division developed and implemented the Hazardous Waste Management Program, Solid Waste Management Program, and Safety Program (including Hazard Communication or HazCom Program). Other programs to be developed include the Petroleum, Oil and Lubricants (POL) Management Program, Lead-based Paint Management Program, Asbestos Management program, and Universal Waste Program.

Timeline: Continuous

Measures used to gauge effectiveness - Continuing to meet environmental requirements set by federal regulations.

Storm Water Pollution Control Plan: DOT Highways has prepared a Storm Water Pollution Control Plan (SWPCP) for each baseyard with industrial activities on Neighbor Islands and all baseyards on Oahu.

Timeline: Continuous

Measures used to gauge effectiveness - Independent third party inspections on a quarterly basis of all baseyards on Oahu have been conducted by a trained individual.

5. Economy and Growth

- **Promote the expansion and diversification of Hawaii's economy through the efficient and effective use of transportation facilities including movement of people, goods, and services in a safe, energy efficient, and environmentally sound manner.**

Maui Highways, Dairy Road: Dairy Road provides the primary access from Kihei/Wailea and Lahaina/Kaanapali tourist areas to the Maui Airport in Kahului. Dairy Road also provides local access to commercial and light industrial businesses which line the road. The Kahului Airport Access Road will provide traffic relief on Dairy Road by providing a direct access to the airport essentially parallel to Dairy Road.

Timeline: Design has been completed and the project is currently scheduled to advertise in early 2013.

Measures used to gauge effectiveness - Improved traffic flow and congestion by addressing traffic demands for access into and out of Kahului Airport.

6. Energy

- **Actively pursue actions in transportation which help to achieve the State clean Energy Goal of 40% renewable energy by 2030; and use integrated action plans from DBEDT's Lead by Example Energy Initiatives with priority transportation actions that would support the Hawaii Clean Energy Initiative (HCEI).**
- **Identify ways to increase energy efficiency by 30% at transportation facilities and identify projects and**

programs for increased efficiency of energy in support of the HCEI, Leadership in energy & Environmental Design (LEED), and other green initiatives for more efficient use of energy.

Statewide Traffic Signal Modernization: DOT has a statewide program to convert traffic signal lighting to energy saving LED lights. Program is focused on energy savings from use of LED lights, as well as improved visibility of LED lighting. Program directs highway projects involving modifications to traffic signals to include conversion of existing signal lighting to LED.

Timeline: DOT has completed Phase I and Phase II of the Traffic Signal Modernization, LED Signal Retrofit, for the island of Oahu. Phase III of this program will convert existing traffic signal lights on the neighbor islands to LED. Phase III has been programmed, however, funding has not been secured.

Measures used to gauge effectiveness - Meet projected energy savings of 6 million kilowatt hours per year.

Energy Savings Performance Contract: The DOT is also initiating an Energy Savings Performance Contract (ESPC) through DBEDT. The initiative will convert existing highway lighting to energy saving LED lighting.

Timeline: This statewide initiative has been initiated late fall of 2011, and details and schedules have not been developed.

Measures used to gauge effectiveness - Meet potential energy savings of projected 2/3 on electricity costs for highway lighting and achieve projected savings of up to \$6.4 million annually.

7. Funding

- Obtain sufficient and specific transportation funding.
- The Highways Division receives its funding from both Federal and State sources. Federal funds make up about two fifths of its funding. The Highways Division has been challenged even more so than in the past, to meet its goals and objectives, due to declining Federal and State Highway Funds, as well as staff reductions and restrictions due to the current State economy.
- The Federal Highway Trust Fund allocates revenue to states through the Federal-aid highway program. The revenues are apportioned to states annually based on

a formula process under the current surface transportation legislation, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Revenues come from motor vehicle fuel taxes, sales taxes for heavy trucks and trailers, tire taxes, and heavy truck use taxes.

- Programs funded under SAFETEA-LU include the Surface Transportation Program and its Highway Safety Improvement Program. To receive funds from the Federal Highway Trust Fund, all category programs and projects must be included in the Highways Division's statewide long-range land transportation plan and in Hawaii's Statewide Transportation Improvement Program (STIP). The STIP is basically a four year Federal approved budget for the Division.
- Authorization to use the Federal Highway Trust Fund, under SAFETEA-LU, expired on September 29, 2009. Congress has yet to pass a new Highway Appropriations Act, and thus, the Highways Division has been operating under a continuing resolution, which provides the annual distribution of Federal Highway funds in monthly allocations. This monthly distribution limits the Highways Division's ability to put out planned, larger projects at the beginning of the Federal fiscal year, and thus reduces its ability to assist in the State's economic long-term recovery.
- The State Highway Fund is used to fund land transportation projects and programs in the State of Hawaii. The four primary revenue fees for the Highway Fund are the gas tax, rental car tax, vehicle weight tax, and vehicle registration fee. The State Highway Funds used by the Highways Division fall under the Capital Improvement Program, Special Maintenance Program, and Routine Maintenance Program.
- On November 30, 2011 \$117 million in Highway Revenue Bonds were successfully sold. This sale provided \$112 million to fund various highway projects while the remaining \$5 million will provide over \$1 million in present-value savings and reduce annual debt service payments.
- The Highway revenue bond rating is based on the Division's revenue stream. Moody's Investors Service, Standard & Poor's Ratings Service and Fitch Ratings affirmed the state's strong bond ratings of

Aa2, AA+ and AA, respectively. Rating agencies cited the demonstrated willingness of the state legislature to implement measures to contribute to the pledged revenues as a key strength. In addition, all three rating agencies cited the strong legal provisions and high debt service coverage for the high credit rating assigned to the bonds.

Improved Accounting System: Development and implementation of the new accounting system for the Highways Division is currently in the second half of implementation. The stages include discovery, design, development, and deployment. Contract requirements include delivery of a fully functional system to support the Highways Division's fiscal and accounting requirements. With this implementation, we envision a greater dissemination of funding and fiscal information within the Division and thus, improved management of our overall program.

Timeline: Ongoing

Measures used to gauge effectiveness - Improved Division accounting process, which includes but not limited to, more efficient payments and processing federal reimbursements.

8. Leadership

- Increase the level of accountability of personnel both on and off the job.
- Provide increased opportunities for training and sufficient equipment allowing personnel to be successful.
- Implement policies that demonstrate commitment to transparency, ethics and strict compliance with regulations, policies and procedures.
- Promote open communication between management and rank and file employees.

Achieve full compliance with procurement training requirements for staff delegated with procurement authority to approve, review, conduct or participate in procurement actions.

Timeline:

Year 1 milestones: Employees with delegated authority to approve, review, conduct or participate in procurement actions have been accorded such authority on SPO-36 forms on record with the State Procurement Office (SPO). Employees have attended all core

mandatory courses except for Anti-Trust Training which has not been scheduled by the SPO.

Year 2 milestones: Staff with delegated procurement authority have attended all mandatory courses including Anti-Trust training.

Year 5 milestones: Staff with delegated procurement authority have attended all mandatory courses and current with all SPO requirements.

Year 5 and up milestones: same as above

Measures used to gauge effectiveness - 100% attendance to mandatory courses; No procurement violations.