



MAUI TOMORROW FOUNDATION, INC.

Protecting Maui's Future

September 19, 2008

Judith
Michaels
President

TO: Members of Hawaii Inter-island Large Capacity Ferry Vessel-Oversight Task Force

RE: Providing a document stating financial cost of Hawaii Superferry to taxpayers

Rob
Parsons
Vice President

Aloha OTF members,

Trip
Lynch
Treasurer

Governor Lingle recently issued emergency orders to control and reduce State government expenditures. The state budget director is forecasting a billion-dollar shortfall in revenues through 2011 and we're told the 2009 Legislature will need to make tough decisions. Already depleted resources for the state library system have been trimmed by another \$1.2 million and community clinics that provide basic health care services to low-income and uninsured residents are under-funded.

Maury
King
Secretary

In this financial climate priorities must be considered, and it has become even more critical that Hawaii taxpayers be presented a public report, listing the costs which the State has incurred supporting a private, mainland-owned corporation, Hawaii Superferry (HSF). A complete financial accounting is especially important because the Lingle administration's Department of Transportation violated the law by exempting HSF's operation from undergoing the required HRS 343 Environmental Review in spite of the State Supreme Court ruling unanimously that the law should be upheld.

Lance
Holter

The following are just some of the activities to be included in a true financial assessment of funds diverted to HSF operations:

Ed
Lindsey

Richard
Michaels

1. \$40,000,000 in changes to accommodate the ferry at all four harbors (barges, ramps, fences, parking areas, etc.)
2. The numerous legislative attempts to pass bills that would over-ride the DOT's exemption of the needed Environmental Review.
3. At least twelve (12) legislatively mandated DOT public meetings (3 on each island) to receive input that an environmental review would have evaluated.
4. Purchase of land where Kahului Railroad building is now located to accommodate the ferry's need for wharf space.
5. Relocation of Young Bros. operations at Kahului Harbor to handle less-than-container (LTC) load shipments.
6. Office of Environmental Quality Control's special meeting of the Environmental Council to review the DOT exemption decision.
7. The citizen lawsuits against the DOT and their on-going appeals. (The expenses include the Attorney General's defense in several lower courts and the State

Michael
Howden

Elle
Cochran

Irene
Bowie
*Executive
Director*

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Supreme Court, plus the court-ordered payments to the citizens who brought the court cases and won at the Supreme Court.)

8. The expenditures resulting from Governor Lingle's special "Unified Command" utilizing various State departments, the Coast Guard, and the Kauai Police Department to force HSF onto the people of Kauai, even after the Supreme Court ruling that environmental review was needed before ferry operations could begin.
9. The Special Legislative Session (October, 2007) to pass Act 2.
10. The year-long operations of the Act 2 mandated Large-Capacity Ferry Vessel Oversight Task Force.
11. The preparation of a legislative mandated Act 2 "Rapid Risk assessment".
12. The preparation of a legislative mandated Act 2 Environmental Impact Statement, paid for by the State.
13. The preparation of a legislative mandated Act 2 State Auditor's investigation and report on the failures of the administration to comply with the provisions of HRS 343.
14. The Department of Transportation's expenditures to purchase the daily services of a tug-boat to hold the barge in place at Kahului Harbor.
15. State Dept. of Agriculture inspectors at each harbor who watch over the screening done by minimally trained HSF employees.
16. State DLNR and DOCARE staffing to monitor the illegal transfer of items between islands.
17. Projected costs associated with HSF operations at Kawaihae Harbor beginning in 2009 and additional costs if HSF resumes service to Kauai.
18. Portions of the 2030 Kahului Harbor Environmental Impact Statement that includes extensive new harbor facilities at Kahului Harbor, primarily for HSF.

Maui Tomorrow formally requests that the Oversight Task Force produce this information in its final report to the Legislature and asks the State Senate Ways and Means Committee and State House Finance Committee to release this document both to the State Auditor and to the public prior to the end of the 2009 legislative session. Taxpayers deserve this information and your efforts will be commended a community who demands an accurate assessment of the financial impacts that come about when government fails to follow the law.

Sincerely,

Irene Bowie,
Executive Director

Cc: Sen. Roz Baker, Chair, State Senate Ways and Means Committee
Rep. Marcus Oshiro, Chair, State House Finance Committee
Marion M. Higa, State Auditor