ISLAND MATTERS Mufi Hannemann

Musings On Security, Airlines, Rail

uring a recent congressional hearing on the U.S. military's response to intensifying North Korean threats, Adm. Harry B. Harris Jr., commander of all military forces in the Pacific hemisphere, noted that the Hawaiian Islands — despite being the headquarters for those forces — is unprotected from a potential North Korean missile attack.

The admiral's assessment was echoed by Riki Ellison, whom sports fans may remember as a former San Francisco 49ers great, and an inductee into the Polynesian Football Hall of Fame. He also is the

founder and chairman of Missile Defense Advocacy Alliance, a nonprofit group that advocates the development and deployment of our nation's missile defense. Ellison pointed out convincingly that travel and tourism, particularly for an international destination like ours, would suffer greatly if hostilities in the region were to intensify.

Those of us who are deeply involved with travel and tourism know all too well that Hawaii's well-deserved reputation of being a safe and secure destination is one of the competitive advantages we have over our competition — a

large and capable defense presence buttressed by an ohana of experienced law enforcement officials, and a cadre of trained and professional first responders second to none. Time and time again it has worked in our favor when bidding against other destinations for major international events and activities. When I was mayor, I played that card in our attempts to woo the State Department and the White House to award Honolulu the APEC summit over other U.S. cities vying for it, and we won out. I shudder to think what the impact would be on our tourism economy if potential tourists would think

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twice about visiting our fair islands because they have lost confidence in our ability to protect, defend and ensure safety and security when confronted by man-made or natural disasters.

It would behoove our government officials, from Washington, D.C., to the state Capitol to our county buildings, to take greater heed and pay more attention to the seasoned Adm. Harris and passionate defense advocate Ellison. The threat from North Korea is cause for major concern that requires more dialogue and input to take place, not less, at this stage. It also would be-

hoove a Hawaii elected official or two to be actively engaged like Sen. Daniel Inouye would have been with these type of discussions.

We fervently hope that cooler heads prevail and a peaceful resolution is achieved. Whatever the outcome, this points to the fragility of our islands and our economy. The global recession, the massive tsunami that devastated the eastern coast of Japan's Honshu, and other conditions far from our shores have triggered major shockwaves for Hawaii's visitor industry, as travelers have canceled trips amidst security concerns and economic uncer-

ainty

It hasn't helped that the recent high-profile incidents involving airlines' treatment of passengers have generated calls for boycotts of those airlines. Most of these major carriers are our only links to North America and Asia, and any significant decreases in passengers will likely result in cutbacks in capacity that would harm our people and our economy. If the airline industry is not going to be more proactive in moving quickly to implement changes and corrective action, then Congress needs to do more than just hold

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Public-Private Partnerships

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hearings and get serious about passing meaningful legislation that will get at the heart of the most common complaints that the public has about airlines' customer service — overbooking of flights and the haphazard manner they go about denying boarding to passengers. The challenge for lawmakers who are trying to respond to an increasingly wearisome public is how do you institute changes when four airlines — United, American, Delta and Southwest — control the lion's share of the domestic market? Stay tuned, as the debate and skirmish have only just begun ...

Which brings me to the state of the tourism industry and the work of the 2017 Legislature. Our legislators failed to reach an agreement on some of the most significant issues facing our state, among them the extension of the general excise tax surcharge to fund Honolulu's rail transit project; the collection of general excise and transient accommodations taxes on online vacation rentals: the establishment of an airport corporation utilizing fees generated by the industry, not more tax dollars to oversee the development and operation of our airports; and redefining the Stadium Authority's mission to determine the future of Aloha Stadium and its surroundings through transit-oriented development.

The Legislature's failure to reach an agreement on funding for the rail project was unfortunate. There needs to be a special session (whether the governor calls for one or not) so legislators can hammer out a proposal that will generate long-term revenue that will enable rail to reach Ala Moana Center. Despite all of the gaffes and inadequate responses by Mayor Caldwell and HART, this is an important and far-reaching transit project that will benefit residents and visitors alike for generations to come. If the Legislature desires more accountability and a better return on taxpayer dollars, then strongly urge the city administration and HART to identify opportunities for public-private partnerships (P3s) to take place. They should have tried sooner to start such a concept with Kakaako developers and other business interests along the rail line, but for

some inexplicable reason were too timid to make a serious attempt. P3s are occurring with increasing frequency throughout the nation in building all kinds of public projects, such as convention centers, hospitals, housing, transportation systems and infrastructure, that it is mind-boggling that steps haven't been discussed in greater detail and depth with Honolulu's rail project to get the system to downtown and eventually to University of Hawaii.

P3 is a procurement approach that would involve elements of private finance. It would optimize the risk between the public and private sectors and call for performance standards that would go a long way in guaranteeing

on-time and on-budget results. Having a P3 type of developer would require some flexibility and modifications in how HART is currently managing the procurement process, but in my view, that's exactly what the Caldwell administration needs to do. To simply ask for more public dollars without a believable commitment and plan to operate better and restore trust will only continue to lead to nowhere, or worse yet, to try to raise real property taxes by as much as 15-16 percent across the board, which it suggested openly when pressed for an answer.

There has to be a willingness, initially, to turn over some form of control, design and construction to a P3-type developer who will commit to

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finish the project and offer a firm fixed price, and in the process, reduce the public risk and stabilize long-term costs. All of this would require a long-term public-funding commitment, which has been difficult for the city to secure using the same old approach that has gotten very little traction so far.

Besides, wouldn't the project be much more attractive and appealing at the federal funding level within the Department of Transportation if a solid private sector component was part of the mix to get the project done?

Methinks it's worth a try ...

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