

# Bill 89 Testimony

**MISC. COM. 960**



# Rate Commission

CITY AND COUNTY OF HONOLULU

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December 9, 2020

The Honorable Ann H. Kobayashi, Chair and  
Presiding Officer  
Honolulu City Council  
Honolulu Hale  
530 South King Street  
Honolulu, HI 96813

SUBJECT: Honolulu Rate Commission Testimony Bills 89, HD 1

Dear Chair Kobayashi and Members of the City Council:

My name is Cheryl Soon. I am Chair of the Honolulu Rate Commission, which was created by the Honolulu City Charter for the sole purpose of reviewing transit fares and providing advice on such to the Administration and Council.

For the most part, the HD 1 version of Bill 89 reflects the Rate Commission recommendations for fare policy and rate increases. We are appreciative of that. This bill, elements of which have been debated for over three years, will allow a multi-modal (bus and rail) fare structure, and the use of Holo card for multiple ride discounts. These are important policy changes.

At its meeting yesterday, the Rate Commission unanimously voted to recommend several critical amendments to improve HD 1. The majority of our recommendations concern how to implement the Extremely Low Income (ELI) fare category.

- 1) ELI should be a fare category, and as such, reflected in the fare structure table. ELI was never recommended by the Rate Commission, nor is it now, to be a pilot program. [Section 13-4.3]
- 2) The ELI category is meant to apply to both transit riders and to Handi-van riders. The current language does not explicitly mention Handi-Van. [Section 13.2.5]
- 3) Further, the ELI category proposed cap of 2,000 will likely lead to unintended consequences, confusion, and resentment when the number of persons wanting to participate exceeds that number. Our original recommendation does not have a cap. [Section 13-2.10 c)]
- 4) The ELI category should NOT expire on June 30, 2022. [Section 15 item 3].
- 5) Department of Community Services (DCS) is encouraged to work with community partners to expedite qualification. [Section 13-2.10 (a)]
- 6) The ELI eligibility period should be longer than one year to reduce burden on the riders and to ease administration. (Section 13-2.10(b))
- 7) The Rate Commission supports continued use of cash for the ELI category, which was not mentioned in Bill 89, but is widely used.

In addition, we suggest that implementation of all provisions [Section 15] be made the same to avoid confusion and not be bifurcated between two different dates. In choosing that date, Council should consider: 1) the amount of time DTS needs for a robust information and education campaign for the public; 2) the readiness of the Holo card to incorporate all fare adjustments and categories, and 3) the amount of time riders and agencies need to prepare for the changes.

We believe there may be a typographical error for the fare for ELI riders. The recommended rate is \$1.25 not \$1.20. [Section 13-2.10 c)].

Further discussion is need for Section 13-2 (c) which seems to allow for transferability of adult Holo cards to another person. This is not currently allowed, and such a major change in policy was never raised to us by DTS. It does not seem consistent with past practices.

The Rate Commission has diligently worked towards providing Council with recommendations that have two objectives: Simplicity and Fairness. A constant in testimonies made before the Rate Commission was to create the ELI category of fares for those riders in any of the other categories who truly cannot afford the proposed new rates. If they are 30% AMI, and are qualified by the Department of Community Services (DCS), then they should be allowed to use the lower ELI fare rate on transit and paratransit. To water this down with a cap on eligible users or with an expiration date, flies in the face of the intent of this new category. It is a matter of fairness.

The Rate Commission thanks you for this opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl D. Soon".

Cheryl D. Soon, Chair  
Honolulu Rate Commission