

Honolulu, Hawaii

Feb 13, 2006

RE: H.B. No. 2637

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2637 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this bill is to assist airport vendors while enhancing the ambiance of Hawaii's airports by granting the Department of Transportation (DOT):

- (1) The flexibility to allow airport concessions to make improvements to their facilities; and
- (2) The authority to:
 - (A) Grant short-term extensions to concession leases or concession permits within specified parameters in exchange for improvements; and
 - (B) Modify and alter older leases and permits by changing relief terms to similar terms found in newer concession leases that provide emergency economic relief to concessions in case of disruptive economic events.


DOT, HMS Host, and the Legislative Committee for the Airports Concessionaires Committee testified in support of this bill.



Your Committee finds that Hawaii's airports, as well as their concessions, are in need of repair and remodeling. However, statutory language and stringent accounting rules often make such projects difficult. Granting DOT the authority and flexibility to modify short-term leases and provide relief to a concession in return for improvements to the concession's premises would lead to meaningful investment by concessionaires and assist the State in meeting its airport modernization and improvement goals.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2637 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



JOSEPH M. SOUKI, Chair



