

STAND. COM. REP. NO. 289

Honolulu, Hawaii

Feb 18, 2009

RE: H.B. No. 378
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 378 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this bill is to allow the Department of Transportation (DOT) to obtain security services at Hawaii's airports in a fair and equitable manner without compromising safety by allowing DOT to award its security contracts by negotiations rather than by a bidding process.

Securitas Security Services USA, Inc. testified in support of this bill. DOT did not support this bill.

The security and regulatory requirements at Hawaii's airports have changed dramatically since the terrorist attacks of September 11, 2001. Many of these requirements have become classified and determined to be sensitive. Furthermore, security requirements at Hawaii's airports are in constant flux as the Transportation Security Administration, United States Department of Homeland Security, and other federal security agencies issue new directives, regulations, and requirements for staffing, security, and other operational matters.

According to DOT, these multiple changes in security requirements do not pose much of a problem for other airports nationwide because a majority of airports handle security with

HB378 HD1 HSCR TRN HMS 2009-1952



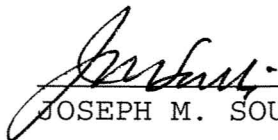
their own security forces. However, Hawaii is unique in that DOT contracts out most of its airport security needs. This poses a problem for security companies bidding on the airport security contracts because, although they may be the lowest bidder, additional cost factors that the bidder must bear in performing the security service are not revealed to the bidder until after a contract has been awarded. Although this is understandable from a security standpoint, the bidder may not be able to meet the security needs of the airport without suffering financial loss or cutting back on services. Allowing DOT to negotiate security contracts rather than award these contracts with a bidding process may solve this problem.

However, your Committee understands DOT's concerns regarding reducing competition by using a non-bid process. Nevertheless, this measure deserves further consideration and your Committee has amended this bill by changing its effective date to July 1, 2050, to encourage further discussion.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

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. 378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 378, H.D. 1, and be referred to the Committee on Finance.

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



JOSEPH M. SOUKI, Chair



Record of Votes of the Committee on Transportation

Bill/Resolution No.: HB 378	Committee Referral: TRN, FIN	Date: 2/9/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	✓			
2. AWANA, Karen Leinani (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HANOHANO, Faye P.		✓		
5. KEITH-AGARAN, Gilbert S.C.		✓		
6. LEE, Marilyn B.	✓			
7. NAKASHIMA, Mark M.	✓			
8. RHOADS, Karl		✓		
9. SAIKI, Scott K.		✓		
10. TAKUMI, Roy M.	✓			
11. YAMASHITA, Kyle T.	✓			
12. PINE, Kymberly Marcos				✓
TOTAL (12)	7	4		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <u>Karen Awana</u>				
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