

Honolulu, Hawaii

March 12, 2010

RE: S.B. No. 2942  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 2942, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose of this bill is to increase the economic efficiency of the State by reorganizing the administration and function of certain agencies. Specifically, this bill:

- (1) Abolishes the Aloha Tower Development Corporation (ATDC) and transfers certain functions of ATDC to the Hawaii Community Development Authority (HCDA);
- (2) Transfers the Harbors Modernization Group from ATDC to the Department of Transportation (DOT);
- (3) Places the Commercial Harbors Modernization Plan (HMP) under the auspices of the Harbors Modernization Group; and
- (4) Appropriates an unspecified sum for consultant services to implement the HMP.



The Hawaii Building and Construction Trades Council supported this bill. ATDC and the Hawaii Developers' Council testified in opposition. DOT and the Hawaii Harbors Users Group offered comments.

Hawaii is facing a dire fiscal situation. This economic downturn is severely impacting the state budget with a budget deficit expected to be in excess of \$1 billion. The State must not only develop additional revenue sources while maintaining current revenue streams, but also reexamine areas where streamlining can accomplish more with fewer resources. Abolishing ATDC and transferring its various functions to DOT and HCDA is one means of accomplishing this without unnecessarily delaying any of the needed improvements to our State's harbors.

However, your Committee understands the concerns raised by ATDC that the abolishment of this agency and the transfer of its various functions to DOT and HCDA may have a more harmful effect on the State's economy and not result in any realized savings.

Further, your Committee notes the concerns of DOT that time and resources will be necessary for DOT to assume the responsibilities of providing administrative oversight of the Harbors Modernization Group, and that the lack of a transition period could severely impact the continued implementation of the HMP.

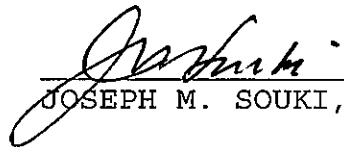
Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language that:

- (1) Establishes a task force within DOT to determine the feasibility of abolishing ATDC and placing its various responsibilities within HCDA and DOT;
- (2) Provides that the recommendations of the task force shall include a transition period for placing the responsibilities within HCDA and DOT and that the abolishment of ATDC, if recommended, not take place prior to July 1, 2013;
- (3) Appropriates \$1,875,479 in Harbor Special Funds to DOT for purposes of obtaining consultant services to implement the HMP; and
- (4) Makes technical, nonsubstantive amendments 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 S.B. No. 2942, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2942, S.D. 2, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

  
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JOSEPH M. SOUKI, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

**HSCR710-10**

**Record of Votes of the Committee on Transportation**

<b>Bill/Resolution No.:</b> SB 2942, SD2 (SSCR2583)	<b>Committee Referral:</b> TRN, WLO, FIN	<b>Date:</b> March 10, 2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <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)				
<b>TRN Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
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	/			
<b>TOTAL (12)</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				