

STAND. COM. REP. NO. 2122

Honolulu, Hawaii

FEB 13 2012

RE: S.B. No. 2337  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Transportation and International Affairs,  
to which was referred S.B. No. 2337 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose and intent of this measure is to provide the Department of Transportation with the authority and discretion to reach an agreement with an airport concession to modify the terms of any concession lease or permit, in exchange for revenue-enhancing improvements that are made or paid for by the concession.

Your Committee received testimony in support of this measure from the Department of Transportation; Airport Concessionaires Committee; Greeters of Hawaii; Tiare Enterprises; HMS Host; Island Shoppers, Inc.; and International Currency Exchange. Testimony in opposition was received from the Office of Hawaiian Affairs.

Your Committee finds that modernization and improvements at Hawaii's airports concessions have not kept pace with passenger needs and demands. A recent study by the State indicates that various areas at our public airports are lacking in concession space by as much as forty percent. The study finds that Hawaii's public airports are not maximizing the revenues they could be receiving from airport concession operations if additional concession spaces were provided and locations were also improved. These improvements reportedly would not only pay for themselves but would also generate additional revenues for Hawaii's public



airports. The Department of Transportation needs to fast-track construction and encourage improvements that will not only benefit Hawaii's public airports but also provide critical jobs and help stimulate Hawaii's economy.

Your Committee has amended this measure by:

- (1) Adding to the authority of the Department of Transportation under this measure the authority to modify, alter, or amend concession contracts; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2337, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2337, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation and  
International Affairs,



J. KALANI ENGLISH, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Transportation and International Affairs**  
**TIA**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2337	TIA, WAM	2/8/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	/			
ESPERO, Will (VC)	/			
DELA CRUZ, Donovan M.				✓
GABBARD, Mike	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
SLOM, Sam				✓
<b>TOTAL</b>	<b>5</b>			<b>2</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Will Espero</i>				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes