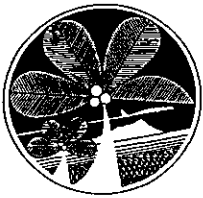


## AIRLINES COMMITTEE OF HAWAII



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## LATE TESTIMONY

January 30, 2012

Honorable Joseph M. Souki, Chair  
House Committee on Transportation

**Re: HB2612 – Relating to Airport Revenue – Support Intent  
Hawaii State Capitol, Room 309 – 9 a.m.**

Aloha Chair Souki, Vice Chair Ichiyama, and Members of the Committee:

The Airlines Committee of Hawaii\* (ACH), which is made up of 20 signatory air carriers that underwrite the State Airport System supports HB 2612 – Relating to Airport Revenue, which expresses the desire to increase the flexibility and marketability in the disposition of airport lands, with the ultimate objective of maximizing the amount of non-aeronautical rent to the Department of Transportation – Airports Division (DOT-A). We also wanted to alert the committee to potential unintended consequences that may arise with the current draft of this bill.

Currently, the DOT-A is prohibited from directly negotiating a long-term lease with non-aeronautical tenants, resulting in short term leases with minimal investments by the tenants, and materially lower rental income to the DOT-A. Due to the self-sustaining requirement of the airports system and the residual obligation of the signatory air carriers, the ACH commends and supports the DOT-A in their pursuit of maximizing the revenue streams from their land, buildings and other assets. This business like mindset will help to ensure a financially stable airports system, which is critical for the air carriers as well as the state economy.

Additionally, to provide an incentive for non-aeronautical tenants to enter into long-term leases, the committee may want to consider amending Page 7 lines 9 through 13, which states that: "All the arrangements shall contain a clause that the land may be repossessed by the department when needed for aeronautics purposes upon giving the tenant temporarily occupying the same not less than thirty days' notice in writing of intention to repossess." This could be accomplished in a variety of ways, and the ACH would be happy to assist in discussions by which to accomplish same.

As always, we are grateful for the opportunity to provide input on this matter.

Sincerely,

Blaine Miyasato  
ACH Co-chair

Matthew Shelby  
ACH Co-chair

*\*ACH members are Air Canada, Air New Zealand, Air Pacific, Alaska Airlines, All Nippon Airways, American Airlines, China Airlines, Continental Airlines, Delta Air Lines, Federal Express, go! Mokulele, Hawaiian Airlines, Japan Airlines, Korean Air, Philippine Airlines, Qantas Airways, United Airlines, United Parcel Service, US Airways, and Westjet.*