

Honolulu, Hawaii

FEB 11 2014

RE: S.B. No. 2727

S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Transportation and International Affairs,
to which was referred S.B. No. 2727 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the sunset date of Act 46, Session Laws of Hawaii 2012, to authorize the Department of Transportation to extend the term of an airport concession, and to modify and amend the terms of any concession contracts, leases, and permits 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; HMSHost; Island Shoppers, Inc.; and GRL Corporation.

Act 46, Session Laws of Hawaii 2012, provides the Department of Transportation with the authority and discretion to reach an agreement with an airport concessionaire to extend the term of the concession and to modify and amend terms of any concession contract, lease, or permit in exchange for revenue-enhancing improvements that are made or paid for by the concessionaire. Act 46 expires on July 1, 2014.

Your Committee finds that modernization and improvements at Hawaii's airport 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

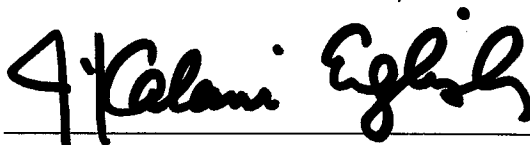


space by as much as forty percent, and that Hawaii's public airports are not maximizing concession revenues. It is important that the Department of Transportation and concessionaires work together in achieving the improvements contemplated in an expeditious but fair and equitable manner, including amendments extending the term of a concession lease or permit at the Department of Transportation's discretion.

Your Committee has amended this measure by making a technical, nonsubstantive amendment 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. 2727, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2727, 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,

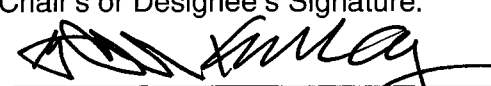


J. KALANI ENGLISH, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and International Affairs
TIA

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2727	TIA, WAM	02-06-14		
<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)	✓			
DELA CRUZ, Donovan M. (VC)				✓
ESPERO, Will				✓
GABBARD, Mike	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
SOLOMON, Malama				✓
SLOM, Sam				✓
TOTAL	5			4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes