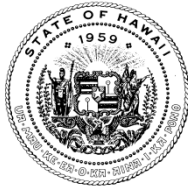


NEIL ABERCROMBIE
GOVERNOR



Testimony of
GLENN M. OKIMOTO
DIRECTOR

Deputy Directors
FORD N. FUCHIGAMI
RANDY GRUNE
AUDREY HIDANO
JADINE URASAKI

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 27, 2014
9:00 a.m.
State Capitol, Room 211

S.B. 2751, S.D. 1
RELATING TO CONCESSIONS

Senate Committee on Ways and Means

The Department of Transportation **supports** S.B. 2751, S.D.1, Relating to Concessions. This bill adds two more types of concessions to the list of concessions not required to be issued through the sealed public bid process. The rapid evolution of communications and media technology make the inclusion of those providing wireless and communication services and those consisting solely of advertising, logical additions to this list.

Being able to forgo the formal bidding process will better enable the State to provide these services in a manner consistent with the expectations of the general public.

Thank you for the opportunity to provide this testimony.



AIRPORT CONCESSIONAIRES COMMITTEE

Honorable David Ige, Chair
Committee on Ways and Means
Hawaii State Senate
Hawaii State Capitol
Honolulu, Hawaii

February 27, 2014; Hearing 9am; Room 211

RE: SB 2751, SD1 - RELATING TO CONCESSIONS

Dear Chair Ige and Honorable Committee Members:

My name is Peter Fithian and I represent the Airport Concessionaires Committee. The Committee represents the majority of the concessions at Hawaii's public airports.

Please pass this bill which will enhance airport revenues and enhance air traveler experiences at our public airports . We urge the Senate to please pass this bill which is also supported by Hawaii's Department of Transportation, Airports Division.

Given ever changing technology, we support better services with latest technological advances for Hawaii's air travelers (visitors and residents) along with enhanced airport revenues.

Hawaii prides itself on being a first-class tourist destination but we clearly can improve in a number of services and offerings at our public airports and increase revenues and better control expenses at our airports at the same time. Two (2) of these areas are airport advertising and wireless/communication/internet services at our public airports.

This bill will give Hawaii's DOT flexibility and the "option" to either bid these concessions or negotiate agreements for these concessions like other concessions presently exempted under current law that have such an option.

The advertising concession and wireless/communication (including internet with possible advertising, etc.) concession, are well suited to be negotiated rather than bid at the discretion of Hawaii's DOT.

Airport Concessionaires Committee

Re SB 2751,SD1

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There are newer, brighter, screens, monitors and equipment being developed and advertised each month. In a bid situation it often takes staff 6 to 9 months to draft a bid document whose equipment and other criteria most likely are understandably outmoded by the time the bid document is advertised and put out to bid.

Further, staff is typically precluded from talking with prospective bidders and/or vendors of equipment and technology to avoid allegations of impropriety. However, if negotiation is allowed for these concessions, Hawaii's DOT will be allowed to develop criteria and talk with two (2) or more interested parties and negotiate terms to get the latest in technological advances best suited for our public airports with guaranteed revenues and/or reduced costs deemed advantageous for our public airports.

We respectfully urge you to pass this bill which will provide greater flexibility and an option for these concessions given the circumstances. Let's provide this option to our public airports and other public agencies that may similarly benefit from such an option already granted to other concessions under present law. Thank you.