

# SB 3072

RELATING TO AN AIRPORT  
AUTHORITY



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

February 10, 2016  
3:15 p.m.  
State Capitol, Room 225

**S.B. 3072**  
**RELATING TO AN AIRPORT AUTHORITY**

Senate Committee(s) on Transportation and Energy & Tourism and International Affairs

The Department of Transportation (DOT) **supports** the intent of this bill to establish an airport authority under the DOT.

The DOT respectfully proposes amendments to clarify and strengthen the independent attributes and capabilities required for an airport authority to be fully effective.

Some of the primary amendments the DOT proposes includes:

- Development of a plan to analyze issues and plan all aspects of the transition.
- Recommendations concerning Board structure, appointments and professional qualifications for Board Members and the Administrator.
- Clarifying the protections afforded to State employees transferring to the new authority.
- Extending the date of the proposed transition to July 2018.

Thank you for the opportunity to provide testimony.

**Testimony by:**  
FORD N. FUCHIGAMI  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
ROSS M. HIGASHI  
EDWIN H. SNIFFEN  
DARRELL T. YOUNG

IN REPLY REFER TO:



TESTIMONY OF HAWAIIAN AIRLINES ON SB 3072 Relating to an Airport Authority

Senate Committee on Transportation and Energy AND  
Senate Committee on Tourism and International Affairs

DATE: Wednesday, February 10, 2016

TIME: 3:15 pm

PLACE: State Capitol, Room 225

Aloha Chairwoman Inouye, Vice Chairman Gabbard, Vice Chairman English and members of the Senate Committee on Transportation and Energy and Senate Committee on Tourism and International Affairs,

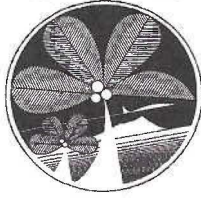
Hawaiian Airlines welcomes the opportunity to testify in support of SB 3072 Relating to an Airport Authority. This measure would transfer the aeronautics function of the state Department of Transportation to an entity directed by an appointed board of directors, but still administered by the State Department of Transportation.

We believe this measure merits discussion, as it could facilitate the completion of long-needed airport improvement and also create a framework for far-sighted and integrated planning that will greatly benefit the traveling public.

We recognize that the details of how such a system will operate are important. Approval of this measure in committee is the first step in that process and we urge its passage.

Ann Botticelli  
SVP Corporate Communications and Public Affairs  
Hawaiian Airlines

## AIRLINES COMMITTEE OF HAWAII



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300 Rodgers Blvd., #62  
Honolulu, Hawaii 96819-1832  
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February 10, 2016

Honorable Lorraine Inouye, Chair  
Senate Committee on Transportation and Energy

Honorable J. Kalani English, Chair  
Senate Committee on Tourism and International Affairs

**Re: SB 3072 – RELATING TO AN AIRPORT AUTHORITY - SUPPORT**  
Conference Room 225 – 3:15 PM

Aloha Chairs Inouye and English, and Members of the Committees:

The Airlines Committee of Hawaii\* (ACH), which is made up of 20 signatory air carriers that underwrite the State Airport System appreciates the opportunity to offer testimony supporting SB 3072.

This measure establishes the Airport Authority under the Hawaii State Department of Transportation.

The ACH is in strong support of a Hawaii Airport Authority, and is grateful the legislature recognizes the need for a single entity with overall consolidated jurisdiction.

Thank you for the opportunity to submit testimony.

Sincerely,

Blaine Miyasato  
ACH Co-chair

Matthew Shelby  
ACH Co-chair

*\*ACH members are Air Canada, Air New Zealand, Alaska Airlines, All Nippon Airways/Air Japan, Aloha Air Cargo, American Airlines, China Airlines, Delta Air Lines, Federal Express, Fiji Airways, Hawaiian Airlines, Island Air, Japan Airlines, Korean Air, Philippine Airlines, Qantas Airways, United Airlines, United Parcel Service, Virgin America and WestJet.*



## AIRPORT CONCESSIONAIRES COMMITTEE

Honorable J. Kalani English, Vice Chair  
Committee on Tourism and International Affairs  
Hawaii State Senate  
State of Hawaii

Honorable Lorraine Inouye, Chair  
Committee on Transportation and Energy  
Hawaii State Senate  
State of Hawaii

Room 225, 3:15 p.m.

February 10, 2016

Re: SB 3072 Relating to Airport Authority

Dear Vice Chair English, Chair Inouye and Honorable Joint Committee Members:

My name is Peter Fithian and I am the Chair of the Legislative and Governmental Affairs Committee of the Airports Concessionaires Committee.

Our Committee represents the majority of the concession operators at the public airports throughout the State of Hawaii. Members of our group contribute about 50% of the operating revenues of the airports along with the airlines who also contribute about 50%.

Our Committee strongly supports the purpose of this bill. There are over 40 authorities on the mainland that recognize the importance of their airports as playing a key role and economic engine for their community. As an Island State, Hawaii clearly should have one.

For airport concessions in particular we like the idea of an Authority where contracts can be "negotiated" via RFP or other means with interested parties like all other airports across the United States. It's time Hawaii airports utilizes a process that will achieve the overall maximum benefits that can result from negotiations among competitors.

At this time we believe amendments to the bill should be made to consider: 1) membership on the Authority that represent the major stakeholder groups. In the case of the airports that would be at least from the airline group and the concessions group; 2) should any study group be formed we would like to have a representative from our concessions group

participate. Let' make the decision and be committed to proceed with the Authority unless a major issue arises that calls for the concept to be revisited. Lets' focus on making it work.

Thank you for allowing us to testify on this bill.