

STAND. COM. REP. NO.

984

Honolulu, Hawaii

MAR 22 2017

RE: H.B. No. 997
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Transportation and Energy, to which was referred H.B. No. 997, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONCESSIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to provide the Department of Transportation with the authority, flexibility, and discretion to pursue and enter into airport concession contracts and other arrangements by negotiation.

Your Committee received testimony in support of this measure from the Department of Transportation and the Airport Concessions Committee.

Your Committee finds that awarding airport concessionaire agreements through a negotiation process, as compared to just the highest bidder, will result in improved quality of food, products, and services at Hawaii's airports. That, in turn, will increase sales volume and airport fees, which are based on a percentage of sales. Your Committee notes that most mainland airports award airport terminal concession agreements based on circumstances that benefit and are in the best interest of the airport.

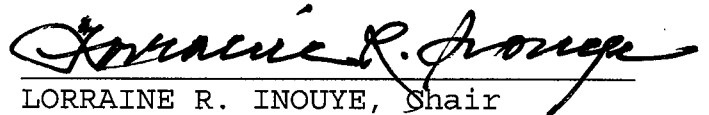
Your Committee has amended this measure by:



- (1) Reinserting language that provides the Department of Transportation with the authority to grant contract extensions for no more than fifteen years for the initial term, and if amended, up to the remaining term plus any agreed upon extension;
- (2) Inserting an effective date of July 1, 2017; and
- (3) 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 997, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 997, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

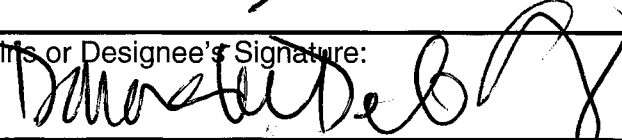
Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Energy,


LORRAINE R. INOUE, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:* HB 997, HD2	Committee Referral: TRE, WAM	Date: 9/20/17		
<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
INOUE, Lorraine R. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani				/
HARIMOTO, Breene				/
SHIMABUKURO, Maile S.L.	/			
TOTAL	3			2
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