

Honolulu, Hawaii

APR 05 2017

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

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

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 997, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONCESSIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to permanently authorize the Department of Transportation to pursue and enter into concession contracts and other arrangements by negotiation.

Your Committee received written comments in support of this measure from the Department of Transportation Airports Division and the Stadium Authority.

Your Committee finds that Hawaii's airports are often the first and last impression that visitors have of the State. Imparting a positive impression of Hawaii is important for the State's tourism based economy as visitors with a positive impression are more likely to return for future visits and recommend Hawaii to others as a travel destination. Currently, airport concession contracts are awarded to the highest bidder without consideration of the quality or variety of service to be provided. Authorizing the Department of Transportation to enter into and award airport concession contracts through negotiation rather than simply to the highest bidder will result in higher



quality services at state airports, which in turn will provide visitors with better first and last impressions of Hawaii.

Your Committee has amended this measure by:

- (1) Repealing and reinstating language that exempts airport operation of concessions from the public bidding process, to ensure that this exemption is not repealed on June 30, 2021, pursuant to section 4 of Act 141, Session Laws of Hawaii 2014; and
- (2) Making a technical nonsubstantive change for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 997, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 997, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



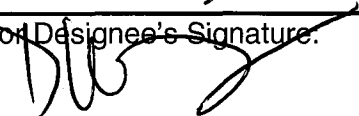
---

JILL N. TOKUDA, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

|   |   |                                       |                     |         |
|---|---|---------------------------------------|---------------------|---------|
| Bill / Resolution No.:*   | Committee Referral:   | Date:                                 |                     |         |
| HB 997, HD2, SD1  | TRE, WAM  | 3/28/17                               |                     |         |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____ |   |                                       |                     |         |
| The Recommendation is:  |   |                                       |                     |         |
| <input type="checkbox"/> Pass, unamended<br>2312  | <input checked="" type="checkbox"/> Pass, with amendments<br>2311 | <input type="checkbox"/> Hold<br>2310 |                     |         |
| <input type="checkbox"/> Recommit<br>2313   |   |                                       |                     |         |
| Members   | Aye   | Aye (WR)                              | Nay                 | Excused |
| TOKUDA, Jill N. (C)   | /   |                                       |                     |         |
| DELA CRUZ, Donovan M. (VC)  | /   |                                       |                     |         |
| ENGLISH, J. Kalani  |   |                                       |                     | /       |
| GALUTERIA, Brickwood  | /   |                                       |                     |         |
| HARIMOTO, Breene  |   |                                       |                     | /       |
| INOUYE, Lorraine R.   | /   |                                       |                     |         |
| KAHELE, Kaiali'i  | /   |                                       |                     |         |
| RIVIERE, Gil  | /   |                                       |                     |         |
| SHIMABUKURO, Maile S.L.   | /   |                                       |                     |         |
| TANIGUCHI, Brian T.   |   |                                       |                     | /       |
| WAKAI, Glenn  | /   |                                       |                     |         |
|   |   |                                       |                     |         |
|   |   |                                       |                     |         |
|   |   |                                       |                     |         |
|   |   |                                       |                     |         |
|   |   |                                       |                     |         |
| <b>TOTAL</b>  | 8   |                                       |                     | 3       |
| Recommendation:   |   |                                       |                     |         |
| <input checked="" type="checkbox"/> Adopted   |   | <input type="checkbox"/> Not Adopted  |                     |         |
| Chair's or Designee's Signature:  |   |                                       |                     |         |
|    |   |                                       |                     |         |
| <b>Distribution:</b>  |   |                                       |                     |         |
| Original  | Yellow  | Pink                                  | Goldenrod           |         |
| File with Committee Report  | Clerk's Office  | Drafting Agency                       | Committee File Copy |         |

\*Only one measure per Record of Votes