

STAND. COM. REP. NO.

46

Honolulu, Hawaii

FEB 06 2017

RE: S.B. No. 658
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 S.B. No. 658 entitled:

"A BILL FOR AN ACT RELATING TO AN AIRPORT CORPORATION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an independent airport corporation, as of July 1, 2018, to consolidate multiple jurisdictional issues amongst different departments and to improve efficiencies in Hawaii's airports system by streamlining administrative processes.

Your Committee received testimony in support of this measure from the Department of Transportation, State Procurement Office, Hawaiian Airlines, Building Industry Association of Hawaii, Hawai'i Lodging & Tourism Association, Maui Hotel & Lodging Association, Airlines Committee of Hawaii, Ko Olina Resort Operators Association, Enterprise Holdings, Airport Concessionaires Committee, Chamber of Commerce Hawaii, and two individuals. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Budget and Finance, and Hawai'i Tourism Authority.

Your Committee finds that the economic well-being of the State is substantially dependent on the efficient development, management, and operation of its airports and air transportation infrastructure. Your Committee further finds that responsibility for Hawaii's airport planning, management, marketing, and capital

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development functions is currently distributed among a number of agencies, including the Department of Transportation's Airports Division, Hawaii Tourism Authority, Department of Budget And Finance, Department of Human Resources Development, Board of Land and Natural Resources, Department of Health with respect to environmental concerns, and the Office of Hawaiian Affairs with respect to ceded land issues, among others.

The Committee believes that coordinated planning and development of air transportation would be achieved more effectively by a single entity having overall consolidated jurisdiction over the State's airport infrastructure.

Your Committee has amended this measure by:

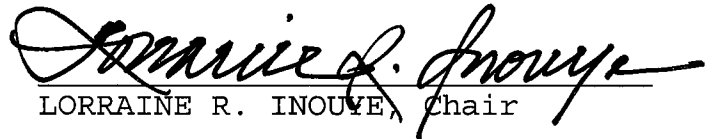
- (1) Upon the recommendation of the Attorney General, deleting the power of the Airport Corporation (Corporation) to appropriate airport funds;
- (2) Upon the recommendation of the Attorney General, exempting the Corporation and its lands from chapter 171, Hawaii Revised Statutes, which, among other things, gives the Department of Land and Natural Resources jurisdiction over the management and lease of public lands;
- (3) Clarifying that a two-thirds vote of each house of the Legislature is required to repeal the Corporation;
- (4) Increasing the number of board members to nine, to be appointed as follows: Governor to appoint five members with at least one member representing each of the islands of Hawaii, Kauai, Maui, and Oahu; and Speaker of the House of Representatives and Senate President to each appoint two members notwithstanding section 26-34, Hawaii Revised Statutes, which limits appointments of board members to the governor; and
- (5) 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 S.B. No. 658, as amended herein, and recommends that it pass



Second Reading in the form attached hereto as S.B. No. 658,
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. INOUÉ, Chair



