

Honolulu, Hawaii

February 10, 2017

RE: H.B. No. 1443

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 1443 entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish the Hawaii Airport Corporation (Corporation), to be operational on July 1, 2018, to develop, manage, and operate the State's airports and aeronautical facilities.

The Department of Transportation, State Procurement Office, Airlines Committee of Hawaii, Hawaiian Airlines, Aircraft Owners and Pilots Association, Kohala Coast Resort Association, Enterprise Holdings, Airport Concessionaires Committee, Building Industry Association of Hawaii, General Aviation Council of Hawaii, Maui Hotel & Lodging Association, Ko Olina Resort Operators Association, Chamber of Commerce Hawaii, and Hawai'i Lodging & Tourism Association supported this measure. The Department of Budget and Finance, Office of Hawaiian Affairs, Hawai'i Tourism Authority, Department of the Attorney General, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provided comments.

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 development functions is currently distributed among a number of agencies. By creating an independent airport corporation that shall have overall consolidated jurisdiction over the State's airport infrastructure, the management and administration of scarce and increasingly valuable airport resources can be most effectively carried out.

Your Committee has amended this measure by:

- (1) Deleting the power of the Corporation to appropriate airport funds;
- (2) 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) Requiring the Corporation to procure service and materiel pursuant to the State Procurement Code, Chapter 103D, Hawaii Revised Statutes, and postponing the Corporation's exemption from Chapter 103D, Hawaii Revised Statutes, until the Corporation develops and implements procurement policies and procedures pursuant to this measure;
- (4) Requiring the Office of the Auditor to periodically review and audit the Corporation's procurement practices; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1443, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1443, H.D. 1, and be referred to your Committee on Judiciary.



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



HENRY J.C. AQUINO, Chair



