

STAND. COM. REP. NO.

1147

Honolulu, Hawaii

March 17

, 2017

RE: S.B. No. 658  
S.D. 2  
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 S.B. No. 658, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to increase the effectiveness of management and administration of scarce and increasingly valuable airport resources by establishing 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 Building Industry Association of Hawaii, Enterprise Holdings, Kohala Coast Resort Association, Maui Hotel & Lodging Association, Hawaii Lodging & Tourism Association, The Chamber of Commerce Hawaii, Maui Chamber of Commerce, and two individuals supported this measure. The Department of Transportation, State Procurement Office, Hawaiian Airlines, and Airlines Committee of Hawaii supported the intent of this measure. The Office of Hawaiian Affairs, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and two individuals opposed this measure. The Department of the Attorney General, Department of Budget and Finance, and Hawaii Tourism Authority provided comments.

SB658 HD1 HSCR TRN HMS 2017-2993



Your Committee has amended this measure by:

- (1) Requiring the Governor to appoint to the Corporation's Board of Directors at least one member representing each of the counties of Hawaii, Kauai, and Maui and the City and County of Honolulu;
- (2) Clarifying that no board member appointed to the Corporation's Board of Directors shall be an officer or employee of the State or the counties;
- (3) Exempting the Corporation from Chapter 103D, Hawaii Revised Statutes, relating to the State Public Procurement Code;
- (4) Requiring the Chief Executive Officer of the Corporation to also serve as the Chief Procurement Officer of the Corporation;
- (5) Clarifying that the Department of Transportation shall no longer establish, maintain, and operate airports;
- (6) Changing its effective date to December 16, 2050, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for purposes of style and clarity.

Should the Committee on Labor & Public Employment deliberate this measure further, your Committee on Transportation respectfully requests that it look into the sections of the measure regarding employment and the Department of the Attorney General's concerns regarding the salary limit of the Deputy Executive Officer of the Corporation.

Should the Committee on Finance deliberate this measure further, your Committee on Transportation respectfully requests that it examine the fiscal implications of establishing the Hawaii Airport Corporation.

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 S.B. No. 658, S.D. 2, as amended herein, and recommends that it pass Second



Reading in the form attached hereto as S.B. No. 658, S.D. 2, H.D. 1, and be referred to your Committee on Labor & Public Employment.

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



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HENRY J.C. AQUINO, Chair



