

STAND. COM. REP. NO.

1676

Honolulu, Hawaii

, 2019

MAR 22

RE: S.B. No. 666
S.D. 2
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 666, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish the Hawaii Airports Corporation (HAC), which shall assume the authority, powers, functions, duties, and responsibilities of the Department of Transportation (DOT) relating to aeronautics and airports.

The Department of Public Safety; University of Hawai'i; Hawai'i Tourism Authority; Subcontractors Association of Hawaii; Hawaii Island Chamber of Commerce; Kona-Kohala Chamber of Commerce; Enterprise Holdings; Electrical Contractor's Association of Hawai'i; Plumbing and Mechanical Contractors Association of Hawaii; Hawaii Chapter of Sheet Metal & Air Conditioning Contractors' National Association; Painting Industry of Hawaii Labor Management Cooperation Trust Fund; Hawaii Tapers Market Recovery Trust Fund; Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund; Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund; Hawaii Building and Construction Trades Council; Hawai'i Lodging & Tourism Association; Ho'omanapono Political

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Action Committee; and a few individuals testified in support of this measure.

Hawaiian Airlines, Pride at Work Hawaii, Hawai'i Pacific Health, Hawaii Iron Workers Stabilization Fund, The International Alliance of Theatrical Stage Employees Local 665, and an individual testified in opposition to this measure.

The DOT, State Procurement Office, Department of Land and Natural Resources, Office of Hawaiian Affairs, Department of the Attorney General, State Procurement Office, Office of the Auditor, League of Women Voters of Hawaii, Kohala Coast Resort Association, Bank of Hawaii, Airport Concessionaires Committee, Airlines Committee of Hawaii, Building Industry Association of Hawaii, Maui Hotel & Lodging Association, Hawai'i Construction Alliance, The Chamber of Commerce Hawaii, Maui Chamber of Commerce, UNITE HERE Local 5, and American Council of Engineering Companies of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Expanding the experience requirements of the HAC Board members to include procurement experience;
- (2) Providing that any contractor furnishing construction work on any airport, air navigation facility, building, or other facility under HAC's jurisdiction shall enter into a project labor agreement;
- (3) Making the number of additional specially qualified exempt employees who may be appointed by the HAC Chief Executive Officer an unspecified amount;
- (4) Deleting the exemption from the Hawaii Public Procurement Code (Procurement Code) relating to contracts made by the HAC; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes different versions of this measure that include provisions making the HAC subject to the Procurement Code or exempting HAC from the Procurement Code. Your Committee believes that greater discussion on this matter is necessary to



enable a better understanding of, and more informed decision making on, the implications and ramifications of procurement as it relates to the HAC and our State.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 666, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 666, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



AARON LINN JOHANSON, Chair



