

Honolulu, Hawaii

FEB 09 , 2022

RE: H.B. No. 1953
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 1953 entitled:

"A BILL FOR AN ACT RELATING TO CONCESSIONS,"

begs leave to report as follows:

The purpose of this measure is to provide the Department of Transportation with more flexibility and discretion to address substantial hardship situations that impact airport concession contracts.

Your Committee received testimony in support of this measure from the Airport Concessionaires Committee and one individual. Your Committee received testimony in opposition to this measure from the Airlines Committee of Hawaii. Your Committee received comments on this measure from the Department of Transportation.

Your Committee finds that airport concessions, like other local businesses in the State, have suffered devastating losses due to the coronavirus disease 2019 pandemic. Additionally, airport concessions revenues are critical to the operations of the airports in the State, which serves millions of travelers per year. This measure ensures that the Department of Transportation is afforded the flexibility and discretion to grant relief to airport concessions in times of substantial hardship and unexpected circumstances.



Your Committee has amended this measure by:

- (1) Removing all references to "verbal agreement";
- (2) Deleting language that would have allowed an anticipated significant hardship as a condition for grant recoupment by airport concessions;
- (3) Giving the Department of Transportation discretion to require, as a condition for grant recoupment, an airport concession to recall employees who were laid off, under certain conditions;
- (4) Reducing the maximum number of years of the term of any contract for airport concessions from twenty-five to fifteen;
- (5) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of 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. 1953, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1953, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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


HENRY J. AQUINO, Chair



