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STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

March 20, 2025
10:15 A.M.
State Capitol, Room 430

H.C.R. 120 / H.R. 116
REQUESTING THE AIRPORTS DIVISION OF THE DEPARTMENT OF
TRANSPORTATION TO CONVENE A TASK FORCE TO EXPLORE THE
FEASIBILITY OF ESTABLISHING AND IMPLEMENTING A CORPORATION TO
MANAGE THE STATE'S AIRPORTS.

House Committee on Transportation

The Hawai'i Department of Transportation (HDOT) **respectfully opposes** HCR120 and HR116, which propose the formation of a task force to explore the feasibility of establishing an independent airports corporation. This concept has been extensively considered by the Legislature in previous sessions, including 2017 (SB 658), 2018 (SB 2996), 2019 (SB 666), and most recently in 2025 (SB 1087). Each time, the Legislature has chosen not to move forward with the proposal due to significant concerns about accountability, efficiency, and oversight.

An independent airports corporation would operate outside the direct control of the Legislature, reducing transparency and limiting public accountability in decision-making processes. This could diminish the ability of elected officials to provide necessary oversight on airport operations, funding priorities, and policy decisions. Additionally, previous proposals have sought exemptions from HRS Chapter 103D (Hawai'i Public Procurement Code) and HRS Chapter 37D (Financing Agreements), which could lead to inefficiencies, increased costs, and reduced safeguards in contracting. These laws exist to ensure fairness, competition, and fiscal responsibility, and exempting an independent corporation from these provisions poses significant financial risks.

HDOT believes that the current governance structure for Hawai'i's airports is effective and ensures necessary legislative and public oversight. HDOT continues to manage operations efficiently while remaining accountable to the Legislature and the public. If improvements are needed, they should be addressed within the existing framework rather than through the creation of a separate and unproven entity.

Furthermore, the proposed task force is redundant. The Legislature has thoroughly studied and debated this issue over multiple years, consistently concluding that the risks outweigh any potential benefits. Creating another task force to revisit this matter would divert time and resources away from more pressing transportation priorities. Instead,

this time should be used to advance critical projects that enhance airport efficiency and dependability, reduce greenhouse gas emissions, increase resiliency, and improve the overall passenger experience. These include runway and airfield upgrades, lobby and hold room modernizations, concession and retail enhancements, and the new Mauka Concourse—all of which support long-term airline traffic and user needs while ensuring a more sustainable and resilient airport system.

HDOT remains committed to ensuring that Hawai'i's airport system is safe, efficient, and well-managed. The department is actively working to modernize infrastructure, streamline operations, and implement sustainability initiatives to better serve residents and visitors alike. However, the establishment of an independent airport corporation would introduce more challenges than solutions. Given the extensive prior discussions and repeated legislative decisions against this model, we respectfully urge the committee to reject HCR120 and HR116.

Thank you for the opportunity to provide testimony.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**HOUSE OF REPRESENTATIVES
THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2025**

COMMITTEE ON TRANSPORTATION

Rep. Darius K. Kila, Chair
Rep. Tina Nakada Grandinetti, Vice Chair

Thursday, March 20, 2025, 10:15 AM
Conference Room 430 & Videoconference

Re: Testimony on HCR120/HR116 – RELATING TO A COMPENSATORY TIME CASH-OUT PILOT PROGRAM

Chair Kila, Vice Chair Grandinetti, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW provides comments on HCR120/HR116, which requests the Airports Division of the Department of Transportation (“DOT-Airports”) to convene a task force to explore the feasibility of establishing and implementing a corporation to manage the State’s airports.

UPW represents nearly 1,000 public workers who are employed by DOT-Airports statewide. While we recognize the continual need to improve the State’s airport system to remain relevant in a rapidly changing and ultra-competitive global market, the implementation of an airport corporation may significantly impact the jobs of these workers, work which has been historically performed by public employees.

While these resolutions provide for the inclusion of labor union representatives on the proposed task force, UPW respectfully requests to be included, whether it be through an amendment in this resolution or by practice, in the discussion.

Mahalo for this opportunity to testify on this measure.

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AIRLINES COMMITTEE OF HAWAII



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Representative Darius Kila, Chair
Representative Tina Nakada Grandinetti, Vice Chair
Committee on Transportation

RE: HCR 120/HR 116 – REQUESTING THE AIRPORTS DIVISION OF THE DEPARTMENT OF TRANSPORTATION TO CONVENE A TASK FORCE TO EXPLORE THE FEASIBILITY OF ESTABLISHING AND IMPLEMENTING A CORPORATION TO MANAGE THE STATE'S AIRPORTS – COMMENTS

Thursday, March 20, 2025; 10:15 a.m.
Conference room 430 & via Videoconference

Aloha Chair Kila, Vice Chair Grandinetti and members of the committee:

The Airlines Committee of Hawaii (ACH), comprised of 20 signatory air carriers that underwrite the State airport system, conceptually supports an airports corporation and defers to the State Department of Transportation to determine the best approach and structure.

Unlike other State departments and authorities, the airports are self-sustaining and must meet stringent operating, safety and security standards 365 days per year. No State general funds are used for Hawaii's airports.

Hawaii is one of only three states that operate airports. Most U.S. airports are operated by authorities or corporations or a hybrid of the same. It is proven that airport authorities can develop and implement policies and procedures designed to deliver uniquely complex airport capital programs more effectively, while retaining full public transparency and accountability. Also, an airports corporation will increase responsiveness to consumer needs, commercial opportunities and economic demands.

**ACH members are Air Canada, Air New Zealand, Alaska Airlines, All Nippon Airways/Air Japan, Aloha Air Cargo, American Airlines, China Airlines, Delta Air Lines, Federal Express, Fiji Airways, Hawaiian Airlines, Japan Airlines, Korean Airlines, Philippine Airlines, Qantas Airways, Southwest Airlines, Sun Country Airlines, United Airlines, United Parcel Service, and WestJet.*

Thank you for the opportunity to offer comments.

Sincerely,

ACH Executive Committee



Brendan Baker



David Sellers



Elizabeth Loomis



Randall Fiertz



Richard Ide



Alaska
AIRLINES

HAWAIIAN
AIRLINES

Testimony of
ALASKA AIRLINES and HAWAIIAN AIRLINES

Before the House Committee on
TRANSPORTATION

Thursday, March 20, 2025
10:15 A.M.
Hawai'i State Capitol, Room 430

In consideration of
HCR120 / HR116
REQUESTING THE AIRPORTS DIVISION OF THE DEPARTMENT OF TRANSPORTATION TO
CONVENE A TASK FORCE TO EXPLORE THE FEASIBILITY OF ESTABLISHING AND
IMPLEMENTING A CORPORATION TO MANAGE THE STATE'S AIRPORTS.

The Honorable Darius Kila, Chair
The Honorable Tina Nakada Grandinetti, Vice Chair
Members of the Committee on Transportation

Re: Testimony in Support of HCR 120 / HR116

Aloha Chair Kila, Vice Chair Grandinetti and members of the Committee on Transportation,

Alaska Airlines and Hawaiian Airlines appreciate the opportunity to submit testimony in support of HCR 120 / HR116, which requests the Airports Division of the Department of Transportation (DOT-Airports) to convene a task force to explore the feasibility of establishing an airports corporation.

As key stakeholders in Hawai'i's aviation industry, we recognize the importance of ensuring efficient and effective airport management. As it has been several years since there was meaningful conversation on this issue, we believe there is an opportunity to reengage relevant stakeholders in a discussion that could provide valuable insights.

We support convening a group to reassess the state's airport governance structure and its potential improvements. **However, we defer to DOT-Airports on determining the best process for these discussions and trust their leadership in identifying the most effective approach to move forward.**

We appreciate the Legislature's attention to this critical matter and stand ready to engage in discussions to explore solutions that enhance airport operations for the benefit of all stakeholders.

Mahalo for the opportunity to testify.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii
House of Representatives
Committee on Transportation

Testimony by
Hawaii Government Employees Association

March 20, 2025

H.C.R. 120 — REQUESTING THE AIRPORTS DIVISION OF THE DEPARTMENT OF TRANSPORTATION TO CONVENE A TASK FORCE TO EXPLORE THE FEASIBILITY OF ESTABLISHING AND IMPLEMENTING A CORPORATION TO MANAGE THE STATE'S AIRPORTS.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO offers comments on H.C.R. 120, which convenes a task force to explore the feasibility of establishing and implementing a corporation to manage the state's airports.

Our organization represents hundreds of employees across state agencies that provide a variety of services, including the operation, maintenance, law enforcement, inspections, among others, for our state airports. While we appreciate the inclusion of labor unions to be a-part of this task force, **we respectfully request an amendment to specifically include representatives from the “public sector unions” to be a part of this task force.** This will ensure that the voices of government employees that work within our state airports are equitably heard.

Thank you for the opportunity to provide comments on H.C.R. 120.

Respectfully submitted,

Randy Perreira
Executive Director

March 20, 2025, 10:15 a.m.
Hawaii State Capitol
Conference Room 430 and Videoconference

To: House Committee on Transportation
Rep. Darius K. Kila, Chair
Rep. Tina Nakada Grandinetti, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN SUPPORT OF HR116/HCR120 — REQUESTING THE AIRPORTS DIVISION OF THE DEPARTMENT OF TRANSPORTATION TO CONVENE A TASK FORCE TO EXPLORE THE FEASIBILITY OF ESTABLISHING AND IMPLEMENTING A CORPORATION TO MANAGE THE STATE'S AIRPORTS.

Aloha Chair Kila, Vice-Chair Grandinetti and other members of the Committee,

The Grassroot Institute of Hawaii would like to offer its **support** for [HR116/HCR120](#), which requests that the state Department of Transportation convene a task force to explore the feasibility of implementing a corporation to manage Hawaii's airports.

This resolution represents the first step in a long-overdue, much-needed change. Given the importance of air travel and tourism to Hawaii's economy, efficient airport management should be a high priority for the state, especially since currently, Hawaii airports are consistently rated poorly compared to other U.S. airports.

Indeed, Honolulu International Airport in particular recently ranked as the fourth-worst large airport in North America¹ and Kahului Airport as one of the worst medium-sized airports.²

Unfortunately, any effort to improve Hawaii's airports must navigate a complicated structure of stakeholders and state agencies, a process that is both inefficient and costly.

¹ ["North America Airport Satisfaction Study: Large Airports"](#) J.D. Power, 2024.

² ["North America Airport Satisfaction Study: Medium Airports"](#) J.D. Power, 2023.

Creating a corporation that could take over the management of the airports would allow for more streamlined and efficient airport operations. Moreover, an airport corporation would be more responsive and flexible than the current, bureaucratic system of management. This would allow problems to be dealt with more quickly and at lower cost.

The lack of a centralized airport operations and management has held back innovation and improvements in Hawaii's airports, and it is no coincidence that Hawaii is one of only a few states without an independent airport authority.³

We urge you to pass this resolution.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

³ Civil Beat Editorial Board, "[47 States Have An Airport Authority — Why Not Hawaii?](#)" Honolulu Civil Beat, Jan. 10, 2017.