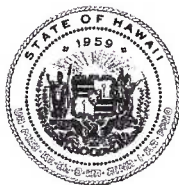


DAVID IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

Testimony of
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN

IN REPLY REFER TO:

LATE

February 3, 2015
1:45 p.m.
State Capitol, Room 414

**S.B. 165
RELATING TO STATE FACILITIES**

Senate Committee on Government Operations

The Department of Transportation (DOT) **opposes** this bill, which proposes to establish Department of Accounting and General Services (DAGS) as the lead department for negotiating and processing real property leases for state departments.

This bill is particularly problematic for DOT's harbors and airports facilities to receive full, fair value for its lands, which would require knowledgeable staff with expertise and historical background in specific lands and tenant situations.

Specifically in the case of airports, there is a statutory requirement that the airports operate on a residual basis, which requires frequent adjustments to the rates paid by the signatory and non-signatory air carriers.

Furthermore, leases at the various facilities are executed with a fair amount of regularity. It would be very inefficient to assign DAGS this responsibility as DOT already has the staff, expertise and processes in place to negotiate and process the leases for DOT's facilities.

Thank you for the opportunity to provide testimony.