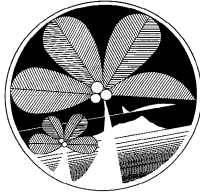


# AIRLINES COMMITTEE OF HAWAII



Honolulu International Airport  
300 Rodgers Blvd., #62  
Honolulu, Hawaii 96819-1832  
Phone (808) 838-0011  
Fax (808) 838-0231

April 1, 2016

Honorable Sylvia Luke, Chair  
Honorable Scott Nishimoto, Vice Chair  
House Committee on Finance

**Re: SB 3072 SD2 HD1 – RELATING TO AN AIRPORT AUTHORITY - SUPPORT**  
Conference Room 308 – 11:00AM; **Agenda #1**

Aloha Chair Luke, Vice Chair Nishimoto and Members of the Committee:

The Airlines Committee of Hawaii\* (ACH), which is made up of 20 signatory air carriers that underwrite the State Airport System, appreciates the opportunity to offer testimony supporting SB 3072 SD2 HD1, which establishes the Airport Authority under the Hawaii State Department of Transportation.

The ACH is in strong support of a Hawaii Airport Authority. Experience at other US airports show that airport authorities can develop and implement policies and procedures designed to deliver uniquely complex airport capital programs more effectively and in a more timely fashion, while retaining full public transparency and accountability.

Thank you for the opportunity to submit testimony.

Sincerely,

Blaine Miyasato  
ACH Co-chair

Turner Maynor  
ACH Interim Co-chair

*\*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, Island Air, Japan Airlines, Korean Air, Philippine Airlines, Qantas Airways, United Airlines, United Parcel Service, Virgin America and WestJet.*



## AIRPORT CONCESSIONAIRES COMMITTEE

Honorable Sylvia Luke  
Chair, Finance Committee  
House of Representatives

Room 308, 11:00a.m.      Hearing: April 1, 2016

Re:    SB 3072, HD1 Relating to Airport Authority

Dear Chair Luke and Honorable Committee Members:

My name is Peter Fithian and I am the Chair of the Legislative and Governmental Affairs Committee of the Airport Concessionaires Committee.

Our Committee represents the majority of the concession operators at the public airports throughout the State of Hawaii. Members of our group contribute about 50% of the operating revenues of the airports along with the airlines who also contribute about 50%.

Our Committee strongly supports the purpose of this bill. There are over 40 authorities on the mainland that recognize the importance of their airports as playing a key role and economic engine for their community. As an Island State, Hawaii clearly should have one.

For airport concessions in particular we like the idea of an Authority where contracts can be "negotiated" via RFP or other means with interested parties like all other airports across the United States. It's time Hawaii airports utilizes a process that will achieve the overall maximum benefits that can result from negotiations among competitors.

At this time we believe amendments to the bill should be made to consider: 1) membership on the Authority that represent the major stakeholder groups. In the case of the airports that would be at least from the airline group and the concessions group; 2) should any study or work group be formed we would like to have a representative from our concessions group participate. Let's focus on making this work.

Thank you for allowing us to testify on this bill.



TESTIMONY OF HAWAIIAN AIRLINES ON SB 3072 SD2 HD1 Relating to an Airport Authority

DATE: Friday, April 1, 2016

TIME: 11:00 a.m.

PLACE: State Capitol, Room 308

Aloha Chair Luke, Vice Chair Nishimoto and members of the House Committee on Finance,

Hawaiian Airlines welcomes the opportunity to testify in **support** of SB 3072, SD2, HD1 Relating to an Airport Authority. As noted in the bill's preamble: the economic well-being of the State depends in part on the efficient use of all of its air transportation resources. We believe placing the authority for the oversight, operation, maintenance and long-term planning of Hawai'i's airports under an Airport Authority will achieve the efficiencies needed to offer a world-class experience to travelers to and between our Islands.

We respectfully ask the committee to advance this bill for further discussion.

Ann Botticelli

SVP Corporate Communications and Public Affairs

Hawaiian Airlines

*Likely LAWSUIT against City and HART, not to mention non-compliance with ADA (disabled), AARP (Senior Citizens) and Transportation Equity (rights of low income workers to a reliable transit service. These policy recommendations are now LAW.)*

Aloha,

**The professional experts on flood zones issued very a strong and clear policy directive in 2011 against building Federally funded transit infrastructure in Flood Plains**

(Flooding can be a result of rain, hurricane storm surge, tsunami or sea level rise. Since this policy paper was released- NEW FEMA flood maps were released, NEW Oahu Tsunami inundation maps were released, the President issued an even stronger Executive Order and signed into LAW the 2015 FAST Act. Clearly the ASFPM policy paper by **professional experts** had a great influence on 2015 Federal acts and Law.)

**(Honolulu Politicians Have Avoided and Evaded Best Rail Construction Policy Practices, Federal Law, Jeopardizing Reliable Commuter Service, Harmed Disabled, Senior Citizen And Low Income Riders When The Rail System And Access Will Shut Down, Electrical Systems Explode, Sewage Floods Station Infrastructure And Transit Services Denied.)**

[http://www.floods.org/ace-files/documentlibrary/Whitepapers/ASFPM Critical Facilities and Flood Risk Final Feb 2011.pdf](http://www.floods.org/ace-files/documentlibrary/Whitepapers/ASFPM_Critical_Facilities_and_Flood_Risk_Final_Feb_2011.pdf)

ASFPM Paper – Critical Facilities Page 1 of 12  
Approved by the ASFPM Board 11-10-10  
Approved with Revisions by the ASFPM Board 2-8-2011

### **Critical Facilities and Flood Risk**

This is a position paper prepared by the Association of State Floodplain Managers (ASFPM), a professional non-profit organization dedicated to reducing flood losses and protecting floodplain functions and resources in the United States, without causing adverse impacts to others.

QUOTES FROM ASFPM PAPER:

***Federal agencies have contributed to the problem by directly building critical facilities or by funding states and localities (via grant programs) to build such facilities in flood hazard areas.***

This is true even though the guidance for Executive Order (11988, Floodplain Management, issued May 24, 1977) directed agencies of the federal government

to give special consideration to, and avoid supporting critical facilities and critical actions in, flood-prone areas. Examination of the implementing guidelines to federal agencies published by the U.S. Water Resources Council (WRC) and codified into federal regulation February 10, 1978, includes specific reference to critical actions and critical facilities.

*The Order states that even a slight chance of flooding is too great for critical facilities and actions, so they should not be located in flood hazard areas if alternatives exist.* The guidelines state that, “The minimum floodplain of concern for certain critical actions is the area subject to inundation from a flood having a 0.2 % chance of occurrence”, also known as the 500-year flood.

**The Order faces challenges in implementation as a result of local and political pressure to develop in flood risk areas for short-term economic gain.**

Flood maps do not reflect future flood conditions. NFIP flood mapping reflects only the flood that will occur based on existing, not future conditions. FEMA claims this is because the NFIP maps must reflect current risks for insurance rating purposes. The focus on existing watershed and floodplain conditions, rather than on future conditions, has resulted in critical facilities being located in what will be high flood risk areas after the watershed is developed, storms intensify, or sea level rises.

**Thus, critical facilities are placed in areas inappropriate to support community resiliency and sustainability.**

### **Extent of the Problem**

When critical facilities in the United States are flooded, they not only sustain costly flood damage, but may also become inoperative and unable to fulfill their function in response and recovery. This can result in greater loss of life and human suffering, and means that it takes longer for the community to get back to pre-flood levels of functionality.

### **EXAMPLE: New Orleans and Hurricane Katrina, 2005**

Transportation infrastructure to provide access to the facility was inoperative during the flood. Critical facilities could have been located at the highest locations in the city, elevated or flood proofed, with accessibility, in order to achieve operability, maximum flood risk reduction and community resiliency.

### **What are Critical Facilities and Critical Actions?**

Transportation Systems: Those systems, and the supporting infrastructure,

necessary for transport of people and resources (including airports, highways, railways, and waterways) during major disasters, including flood events up to the 500-year flood.

**To further assist in determining if a facility is critical, the following questions should be asked:**

1. If flooded, would the facility add another dimension to the disaster?
3. Would the facility be operable during an extreme flood event (e.g., 500-year flood)?
5. If the services provided by the facility were disrupted by flood would the flood disaster result in even more damages and loss of life?

**If the answer to any of these or similar questions is “yes,” then the facility is considered critical, and the action to place the facility at risk of flooding would be a *critical action*.**

The impacts of the loss of function of critical facilities could include:

**The inability to provide essential services.**

Endangering large numbers of concentrated people, such as within emergency evacuation centers that cannot be accessed or serviced, or are otherwise at risk.

Adding to the hazard of the flood water itself, such as by pollutants from flooded wastewater treatment plants or toxic materials. (or exploding electrical vaults, etc.)

*Minimum federal floodplain management standards for federal activities related to critical facilities come from Executive Order 11988, which guidance identifies the 500-year flood elevation as the minimum standard. The American Society of Civil Engineers (ASCE) Standard 24-05, and the International Building Code also provide minimum standards for some Category structures. Those standards, depending on the type of flood exposure, require protection to the 100-year flood elevation, plus up to three feet of freeboard or the “design flood elevation,” which ever is higher. Therefore, the “design flood elevation” for critical facilities, as referred to in this paper, is the higher of the 500-year flood elevation, or the elevation required by applicable codes and standards.*

**Action item:**

**Grant funds should not be available from any federal agency to construct any critical facility that does not meet the flood risk process/standards of the Floodplain Management Executive Order 11988.**

**This would connect community land use decisions to the flood risk cost and exposure**

**of the federal taxpayers; meaning the facilities must be built in accordance with the Executive Order guidance or federal support is not available.**

John Bond  
Kanehili Cultural Hui

**Testimony of  
Gary M. Slovin / Mihoko E. Ito  
on behalf of  
Enterprise Holdings, LLC**

DATE: March 31, 2016

TO: Representative Sylvia Luke  
Chair, Committee on Finance

*Via Email: [FINtestimony@capitol.hawaii.gov](mailto:FINtestimony@capitol.hawaii.gov)*

RE: **S.B. 3072 S.D.2, H.D.1 - Relating to an Airport Authority**  
**Hearing Date: April 1, 2016, 11:00 a.m.**  
**Conference Room 308**

---

Dear Chair Luke and Members of the Committee on Finance:

We submit this testimony on behalf of Enterprise Holdings, which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, Enterprise CarShare and Enterprise RideShare (Van Pool).

Enterprise **supports** S.B. 3072, S.D.2, H.D.1, which would authorize the Governor to establish the Hawaii Airport Authority under the Department of Transportation. Enterprise supports the establishment of the Hawaii Airport Authority to oversee the transformation of our state airports into world class facilities, because a single entity with consolidated jurisdiction over the development, management and operation of Hawaii's airports would streamline processes and improve efficiencies. This would greatly benefit travelers to our islands, as well as all businesses that serve the Hawaii hospitality and tourism market. For these reasons, we support S.B. 3072, S.D.2, H.D.1.

Thank you for the opportunity to submit this testimony.

---

Gary M. Slovin  
Mihoko E. Ito  
C. Mike Kido  
Tiffany N. Yajima

999 Bishop Street, Suite 1400  
Honolulu, HI 96813  
(808) 539-0840



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 30, 2016 1:46 PM  
**To:** FINTestimony  
**Cc:** kamakane73@gmail.com  
**Subject:** \*Submitted testimony for SB3072 on Apr 1, 2016 11:00AM\*

**SB3072**

Submitted on: 3/30/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kama Hopkins	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 30, 2016 5:21 PM  
**To:** FINTestimony  
**Cc:** mendezj@hawaii.edu  
**Subject:** \*Submitted testimony for SB3072 on Apr 1, 2016 11:00AM\*

**SB3072**

Submitted on: 3/30/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 30, 2016 11:55 PM  
**To:** FINTestimony  
**Cc:** hawaiiifishingfanatic@gmail.com  
**Subject:** Submitted testimony for SB3072 on Apr 1, 2016 11:00AM

**SB3072**

Submitted on: 3/30/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Don Aweau	Individual	Support	Yes

Comments: In steadfast support of SB3072 as it will ensure continuity for aeronautical matters and a streamlined approach as has been done at other national and international airports. My experience working for FedEx here in Hawai'i and for FedEx and Frontier Airlines in the Mid-Atlantic states, has made me appreciate the need for an airport authority. I further urge an amendment in the measure to include the appointment of a Native Hawaiian voting member by the Office of Hawaiian Affairs or Native Hawaiian government to preserve Native Hawaiian beneficiaries interests (e.g., ceded lands, revenues, etc.) for present and future uses. Mahalo nui loa.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 31, 2016 1:08 PM  
**To:** FINTestimony  
**Cc:** sanseironin@gmail.com  
**Subject:** Submitted testimony for SB3072 on Apr 1, 2016 11:00AM

**SB3072**

Submitted on: 3/31/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Harry Yoshida	Individual	Oppose	No

Comments: Sir: I ask that you not allow passage of SB3072. We do not need to create another bureaucracy like the creation of the proposed airport authority. If anything, the DOT needs to be audited and reforms instituted which is sorely needed and overdue. The DOT has been badly managed for years and they have had little oversight in their spending and yet our highways are in poor condition, as well as our airports facilities and harbor despite having a great deal of revenue, more than any other state agency. Adding yet another layer of bureaucracy is not going to solve the problem of poor management and incompetence of those who head the DOT. Please do not pass support passage of SB 3072 in any form. Thank you.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

## **Testimony for SB3072 SD2 HD1 Relating to Hawaii Airport Authority**

After reviewing today's Honolulu Star-Advertiser editorial, "Our View: Airports and Harbors – DOT-related bills would diminish transparency," the content of SB3072, and the past history of the State Department of Transportation (DOT), I totally agree with the Star-Advertiser's editorial and would like to express my personal concern prior to approval of this very important bill that has significant impacts and implications for our Hawaii taxpayers.

First, I agree with the need for transparency concerning decisions affecting public land-use dispositions, such as DOT's long-term leases, other land disposition agreements, and month-to-month revocable permits that should remain under the purview of the State Board of Land and Natural Resources (BLNR), which has an established protocol.

Second, SB3072 does not define how the airport authority board's land disposition process would work that should be provided in detail.

Third, SB3072 has vague requirements concerning the level of public input and environmental review, which is of concern based on DOT's past track record that does not provide me the confidence that creation of an airport authority would improve operations, including the handling of land transactions.

For example, the DOT has struggled to expeditiously expend its federal funding for highways, and to some extent its airports, for repairs, maintenance, and new construction, risking the loss of hundreds of millions of dollars that federal officials have threatened to reduce future funding until DOT gets its act together and spend its existing backlog of federal funds more efficiently and effectively.

Fourth, DOT's recent outright dismissal of Native Hawaiians salt makers' concerns provides little assurance that DOT would be willing to listen to public concerns in the future.

Fifth, DOT argues it would be better able to address historical, cultural, and environmental concerns through an airport authority, but DOT does not define how this will be done.

I respectfully request the Hawaii State Legislature, including the House Finance Committee that has scheduled a hearing this Friday on April 1, 2006, to disapprove SB3072 SD2 HD1 for the reasons stated above.

Mahalo nui loa,

George Tsuchida

Mililani Mauka

DAVID Y. IGE  
GOVERNOR



**LATE**

WESLEY K. MACHIDA  
DIRECTOR

RODERICK K. BECKER  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
SENATE BILL NO. 3072, S.D. 2, H.D. 1**

April 1, 2016  
11:00 a.m.

**RELATING TO AN AIRPORT AUTHORITY**

Senate Bill No. 3072, S.D. 2, H.D. 1, proposes to establish the Hawaii Airport Authority (HAA) which shall be a body politic and corporate, constituting a public instrumentality and a special political subdivision of the State, created for the performance of an essential public and government function, as provided in the bill. The authority shall be established and operate as a subdivision of the State. To accomplish this task, the measure transfers the jurisdiction over aeronautics and airports, including airport functions under the Department of Transportation's (DOT) Airports Division, to the HAA on July 1, 2076. The bill also provides that the HAA shall be administratively attached to DOT. This bill also proposes to appropriate an unspecified amount of general funds in FY 2016-17 for the construction of a radar facility and a 100-foot by 150-foot concrete pad for the radar unit at Kalaeloa Airport. The sum appropriated shall be expended by DOT.

The Department of Budget and Finance has very serious concerns with this measure. DOT is currently in the process of exploring the feasibility of establishing an airport authority. This feasibility study has not been completed, nor has any follow-up analysis been conducted of the benefits and challenges of establishing such an authority. Considering the complexity and magnitude of the operations of the State's airports, it would be prudent to review the airports authority feasibility study first, then determine the best course of action for the State.



**LATE**

**SB3072 SD2 HD1**  
**RELATING TO AN AIRPORT AUTHORITY**  
House Committee on Finance

April 1, 2016

11:00 a.m.

Room 308

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on SB3072 SD2 HD1, which would authorize the establishment of the Hawai'i Airport Authority (Authority), to provide coordinated planning, operations, and development of the State's airports and aeronautical facilities.

OHA appreciates the intent of establishing the Authority to oversee the efficient and coordinated functioning of our air transportation system and infrastructure. However, the wording of this measure leaves unclear the legal nature and status of the proposed Authority, in a manner that could significantly affect the legal rights of OHA and our Native Hawaiian beneficiaries.

For example, Section 2 of the measure describes the new Authority as a "body politic and corporate," a "public instrumentality," and a "subdivision of the State." The latter term resembles the term "political subdivisions within the State" in Article VIII of the state constitution describing local government, i.e. the counties. Since the counties are not necessarily subject to the same laws as state agencies, it is unclear whether key state laws of great importance to Native Hawaiians would apply to the Authority. These laws include Act 178, Session Laws of Hawai'i 2006, which imposes strict public land trust revenue accounting requirements on state departments and agencies that use or manage public lands. Chapter 171, Hawai'i Revised Statutes, also contains numerous provisions on the disposition of public lands by state agencies, including requirements that legislative approval be obtained prior to the sale or gift of state lands (HRS §171-64.7), or the exchange of public land for private land (HRS §171-50).

The HD1 does place the Authority within the state Department of Transportation for administrative purposes only, an indication the Authority is intended to be a state agency. However, the "subdivision of the State" language, more often associated with the counties, seems at odds with this intent.

Should this measure move forward, OHA urges the Committee to ensure that all laws establishing and protecting the rights of OHA and its beneficiaries be made explicitly applicable to the Authority in its receipt, administration, and disposition of lands that may fall under its control.

Mahalo for the opportunity to testify on this measure.



Chamber of Commerce HAWAII  
*The Voice of Business*

**LATE**

**Testimony to the House Committee on Finance  
Friday, April 1, 2016 at 11:00 A.M.  
Conference Room 308, State Capitol**

**RE: SENATE BILL 3072 SD2 HD1 RELATING TO AN AIRPORT AUTHORITY**

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

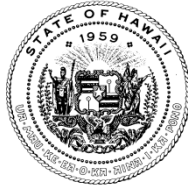
The Chamber **supports** S.B. 3072 SD 2 HD 1, which authorizes the governor to establish the Hawaii Airport Authority within the Department of Transportation. Sets out appointment of members to the board of directors and powers and duties of the Hawaii Airport Authority. Transfers the aeronautics functions of DOT to the Hawaii Airport Authority. Appropriates funds for a radar facility and a concrete pad for radar installation at Kalaeloa Airport.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber supports the establishment of the Hawaii Airport Authority to oversee the transformation of our state airports into world class facilities, because a single entity with consolidated jurisdiction over the development, management and operation of Hawaii's airports would streamline processes and improve efficiencies. This would greatly benefit tourists and residents alike, as well as all businesses that serve the Hawaii hospitality and tourism market.

Thank you for the opportunity to testify.





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

Testimony by:  
FORD N. FUCHIGAMI  
DIRECTOR

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

IN REPLY REFER TO:

**LATE**

April 1, 2016  
1:00 p.m.  
State Capitol, Room 308

**S.B. 3072, S.D. 2, H.D. 1  
RELATING TO AN AIRPORT AUTHORITY**

House Committee on Finance

The Department of Transportation (DOT) **strongly supports** this bill. During the interim of 2014, the Late, Senator Gilbert Kahele discussed with tourism officials as the Chair of the Senate Committee on Tourism and International Affairs about concerns and overall appearance of our international airports here in Hawai'i. Looking for a positive solutions, the Late, Senator discovered that airport authorities were clearly doing something right in Singapore and introduced S.B. 3072. For the third year in a row, the Singapore Changi Airport has been voted the "*World's Best Airport*" by Air Travelers for the third year in a row at the 2015 Word Airport Awards. This measure would increase the efficiency in operation, management and oversight of Hawaii's air transportation system by outlining 10 important statewide objectives that clarify and strengthen the attributes of a Hawaii Airport Authority.

The DOT believes a Hawaii Airport Authority would benefit the State of Hawaii with one jurisdiction having overall authority to efficiently manage and allocate statewide resources, as appropriate, to improve the airport facilities and operations.

The Hawaii Airport Authority would be mandated to provide transparency as it would adhere to Sunshine Law, which requires open meetings. Furthermore, all applicable federal regulations would be followed. Because of the use of state and federal funds the authority would also follow all environmental laws including the National Environmental Policy Act (NEPA) and the Hawaii Environmental Policy Act (HEPA), Chapter 343, and 104F, which allow public comment prior to decision making.

Hawaii's airports operate as an enterprise and is self-sustaining. In addition, the Hawaii airport authority shall reimburse the appropriate State agencies for all central services rendered.

Thank you for the opportunity to provide testimony.



**LATE**

## *Maui Hotel & Lodging*

ASSOCIATION

Testimony of

**Lisa H. Paulson**

Executive Director

Maui Hotel & Lodging Association

on

SB 3072 SD 2 HD 1

**Relating To An Airport Authority**

COMMITTEE ON FINANCE

**Friday, April 1, 2016, 11 am**

**Conference Room 308**

Dear Chair Luke, Vice Chair Nishimoto, and Members of the Committee,

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry. Our membership includes over 150 property and allied business members in Maui County – all of whom have an interest in the visitor industry. Collectively, MHLA's membership employs over 20,000 local residents and represents over 19,000 rooms. The visitor industry is the economic driver for Maui County. We are the largest employer of residents on the Island - directly employing approximately 40% of all residents (indirectly, the percentage increases to 75%).

MHLA is in support of SB 3072 SD2, HD1, which transfers the aeronautics functions of DOT to the Hawaii airport authority upon executive order of the governor. Authorizes the governor to establish the Hawaii Airport Authority within the Department of Transportation. Sets out appointment of members to the board of directors and powers and duties of the Hawaii Airport Authority.

MHLA believes that this measure could facilitate the completion of long-needed airport improvement and also create a platform for integrated planning that will greatly benefit the traveling public. There are over 40 airport authorities on the mainland that recognize the importance of their airports as playing a key role and economic engine for their community. As an Island State, Hawaii clearly needs one as well.

The first and last impressions of our visitors occur at our airports. The hospitality industry's continued progress is very dependent on the quality of our airports. It is vital that we improve upon the service, infrastructure, and overall development of such a vital entity. We support the airport authority as a single entity to overlook our airport's planning, management, marketing and development.

We respectfully request you consider passing SB 3072 SD2 HD1. Thank you for the opportunity to testify.

STATE OF HAWAII  
DEPARTMENT OF DEFENSE

**LATE**

TESTIMONY ON SENATE BILL 3072 SD2 HD1  
A BILL RELATING TO AN AIRPORT AUTHORITY

PRESENTATION TO THE HOUSE COMMITTEE ON FINANCE

BY  
MAJOR GENERAL ARTHUR J. LOGAN ADJUTANT GENERAL  
AND DIRECTOR OF THE HAWAII EMERGENCY MANAGEMENT AGENCY  
April 1, 2016

Chair Luke, Vice Chair Nishimoto, and Members of the House Committee on Finance.

I am Major General Arthur J. Logan, State Adjutant General and the Director of the Hawaii Emergency Management Agency. I am testifying in support of the intent of Senate Bill 3072 SD2 HD1.

This measure includes an appropriation for a radar facility and a concrete pad for radar installation at Kalaeloa Airport. There is a requirement for review and approval by the National Guard Bureau, and the Federal Aviation Administration prior to the start of any construction. Coordination with the State Department of Transportation, Airports Division would also be required.

Thank you for allowing me to testify in support of the intent of Senate Bill 3072 SD2 HD1.



**LATE**

Testimony of

Mufi Hannemann  
President & CEO  
Hawai'i Lodging & Tourism Association

Committee on Finance

Senate Bill 3072, S.D. 2, H.D. 1: Relating to an Airport Authority

Chair Luke, Vice Chair Nishimoto, members of the Committee on Finance:

Thank you for the opportunity to testify. The Hawai'i Lodging & Tourism Association supports Senate Bill 3072, S.D. 2, H.D. 1, which would establish a Hawai'i airport authority.

Given the importance of the state's airports to an island people, combined with its critical role as a cornerstone of the hospitality industry, the HLTA endorses the establishment of a state airport authority. We believe such an entity would give the necessary focus and priority to planning, operations, marketing, improvements, and the ever-changing demands on modern airports. An airport authority, such as those of many mainland cities, would permit administrative flexibility, a stronger voice for resources, and quicker and more efficient responses to the state's needs. Swifter implementation of the ongoing airport modernization project, for example, might be better achieved with an authority exclusively charged with decision-making and oversight. Hawai'i's airports have been the recipients of hundreds of millions of dollars in public investment over the years, and are likely to receive even more in the future, and this bold legislation recognizes that the time has come for a more effective organizational entity to be created to oversee their development and growth.

The first and last impressions of our traveling visitors and residents happen at our airports. The hospitality industry's success is dependent on the quality of our airports, and so it is imperative that we continue to improve our service and infrastructure.

We do have reservations about any provisions that would prevent the public from reviewing and commenting on environmental and land-use proposals. Our airports serve all of our people, and will do so for perpetuity; the public must have an opportunity to offer their input on prospective changes that will likely affect our lives for generations to come.

Mahalo for this opportunity to testify.