



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
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IN REPLY REFER TO:

February 25, 2016
1:00 p.m.
State Capitol, Room 211

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

Senate Committee on Ways and Means

The Department of Transportation (DOT) **strongly supports** S.B. 3072, S.D. 1 and appreciates the recommendations by the standing committee on Senate Draft 1 which clarifies and strengthens the attributes for the Hawaii Airport Authority to be fully effective by outlining 10 objectives:

1. Increasing security for the State;
2. Providing an appropriate forum for all affected interests;
3. Increasing efficiency in land use and related lease processes;
4. Improving administrative efficiency by streamlining administrative processes;
5. Coordinating environmental issues affecting the airports, particularly relating to alien invasive species. As an airport authority it will be able to oversee everything that enters the State by air, thereby allowing that entity to serve as the agency responsible for comprehensive alien invasive species protection and control;
6. Increasing economic opportunities for the State in collaboration with the Hawaii Tourism Authority;
7. Making possible more responsive planning;
8. Increasing financial flexibility;
9. Increasing responsiveness to customer needs and economic demands; and
10. Improving the efficiency and expedience of the airports capital improvement program implementation.

The DOT believes the 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.

Hawaii's airports operate as an enterprise and have never required general funds to operate and implement their programs. As such, the DOT request that Section 12 be removed from the bill as passage of this important bill will require no general funds as

all appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the department of transportation relating to the functions transferred to the Hawaii airport authority shall be transferred with the functions to which they relate. In addition, the Hawaii airport authority shall reimburse the appropriate State agencies for all costs incurred by such designation.

Thank you for the opportunity to provide testimony.



AIRPORT CONCESSIONAIRES COMMITTEE

Honorable Jill Tokuda
Committee on Ways and Means
Hawaii State Senate
State of Hawaii

LATE TESTIMONY

Room 211, 1:00 p.m.

February 25, 2016

Re: SB 3072, SD1 Relating to Airport Authority

Dear Chair Tokuda and Honorable Committee Members:

My name is Peter Fithian and I am the Chair of the Legislative and Governmental Affairs Committee of the Airports 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 group be formed we would like to have a representative from our concessions group participate. Let' make the decision and be committed to proceed with the Authority unless a major issue arises that calls for the concept to be revisited. Lets' focus on making it work.

Thank you for allowing us to testify on this bill.