

Honolulu, Hawaii

FEB 0 9

, 2022

H.B. No. 1953 RE:

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 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

## State of Hawaii House of Representatives The Thirty-first Legislature

Record of Votes of the Committee on Transportation

Bill/Resolution No.: HB 1953	Committee Referral:			
The committee is reconsidering its previous				
40 THE SECTION OF THE PROPERTY OF THE PROPERT	namended (as is) Pa nort form bill with HD to reco	ss, with amendments (		
TRN Members	Ayes	Ayes (WR)	Nays	Excused
. AQUINO, Henry J.C. (C)	*	A PORT OF THE PROPERTY OF THE	100	
. ILAGAN, Greggor (VC)	<b>X</b>	A CONTRACTOR OF THE CONTRACTOR		dina di kananananananananananananananananananan
. CLARK, Linda	4	P. D. Lett Market		
. HASHIMOTO, Troy N.	***			Tarter of Parking
. KITAGAWA, Lisa	4		a en	1 1078687 15852 16674 - 2572
. LoPRESTI, Matthew S.	The second of th	1.28 (1	Character sec. 3	X
. NAKAMURA, Nadine K.	*			
. TAKUMI, Roy M.		A THE RESERVED		X
. MATSUMOTO, Lauren	*			The second secon
				79
TOTAL (9)	17			2
The recommendation is: Adop		did not suppo	rt recommendation	on.
Vice Chair's or designee's signature:	NA			
Distribution: Original (White) – Committ	tee Duplicate (Yellow)	- Chief Clerk's Office	Duplicate (	(Pink) – HMSO