

STAND. COM. REP. NO.

321

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 1224  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Transportation, International and Intergovernmental Affairs, to which was referred S.B. No. 1224 entitled:

"A BILL FOR AN ACT RELATING TO AIRPORT CONCESSIONS,"

begs leave to report as follows:

The purpose of this measure is to require the Governor or the Director of Transportation, if directed by the Governor, to adjust and modify existing airport concession leases and contracts under specified conditions and terms.

Your Committee received testimony in support of this measure from the Airport Concessionaires Committee; Island Shoppers, Inc.; HMS Host Corporation; Airlines Committee of Hawaii; and International Currency Exchange. Testimony in opposition was received from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that airport concessionaires have been suffering an economic downturn that began with the September 11, 2001 event. More recently, the State's economic straits are reflected in the profits of the concessionaires. Testimony indicated that one major concessionaire has invested \$3 million in capital improvements and suffered a twenty-five per cent drop off in business.




Your Committee notes that a measure with a similar purpose, Act 201, Session Laws of Hawaii 2004, was enacted in 2004. However, Act 121 was allowed to sunset a year later on July 1, 2005.

Your Committee has amended this measure by deleting its contents and inserting provisions to require the Department of Transportation, beginning July 1, 2009 and periodically thereafter, to review each concession contract for the possibility of adjusting the rent to a reasonable amount, affordable to the concession, taking into consideration specified factors. Your Committee has also inserted a sunset date of July 1, 2014.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1224, S.D. 1, and be referred to the Committee on Ways and Means.


Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,  
International and  
Intergovernmental Affairs,

  
J. KALANI ENGLISH, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Transportation, International and Intergovernmental Affairs**  
**TIA**

Bill / Resolution No.:* <b>SB 1224</b>	Committee Referral: <b>TIA, WAM</b>	Date: <b>2-18-09</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	✓			
GABBARD, Mike (VC)	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>5</b>	<b>—</b>	<b>—</b>	<b>—</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes