
HOUSE CONCURRENT RESOLUTION

STRONGLY URGING THE UNITED STATES CONGRESS TO ENACT FEDERAL
LEGISLATION TO ALLOW HAWAII TO REGULATE AIR CARRIERS
OPERATING BETWEEN ISLANDS IN THE STATE UNDER THE HAWAII
REVISED STATUTES.

1 WHEREAS, as an island state where the counties are
2 separated by many miles of open ocean, the State of Hawaii is
3 critically and uniquely dependent upon air transportation
4 services as the only efficient way to transport passengers, both
5 residents and visitors alike, between the islands of the state;
6 and

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8 WHEREAS, today, many residents commute daily between
9 islands by air and are thus highly dependent for their
10 livelihood on convenient, reliable, safe, and affordable air
11 transportation services; and

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13 WHEREAS, air transportation is also the only way to move
14 many locally produced goods, including newspapers, produce, and
15 other perishable items, to their ultimate island destinations
16 for sale in a timely manner; and

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18 WHEREAS, for approximately the last 60 years, inter-island
19 air transportation in Hawaii has been provided largely by two
20 carriers, Aloha Airlines ("Aloha"), and Hawaiian Airlines, Inc.
21 ("Hawaiian"), who vigorously competed against each other; and

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23 WHEREAS, on December 19, 2001, due in large part to the
24 tragic events of September 11, 2001, and the devastating effect
25 these events had on the airline industry, Aloha and Hawaiian
26 announced that they had agreed to merge into a single airline
27 under a new holding company to be called Aloha Holdings, Inc.;

28 and



1 WHEREAS, the Legislature was concerned that the proposed
2 merger of Aloha and Hawaiian would eliminate competition for
3 inter-island air transportation services and create the
4 potential for a monopolistic market that would dictate fee
5 structure, flight schedules, and levels of service, that would
6 adversely affect Hawaii's already high cost of living; and
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8 WHEREAS, with the recent demise of Aloha, concerns
9 regarding a single, dominant air carrier for Hawaii's inter-
10 island transportation needs have once again been raised; and
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12 WHEREAS, although additional air carriers have entered
13 Hawaii's inter-island market including go! Airlines, Mokulele
14 Air, Pacific Wings, and Aloha Island Air, these carriers do not
15 currently have the lift capacity to adequately address Hawaii's
16 inter-island transportation needs; and
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18 WHEREAS, concerns over the ability of a single air carrier
19 to dominate intrastate air traffic is not new to the
20 Legislature, as the same fears prompted the Legislature to enact
21 Act 332, Session Laws of Hawaii 1993 ("Act 332"), which was
22 codified as Chapter 261C, Hawaii Revised Statutes, which
23 established an Air Carrier Commission to regulate inter-island
24 air travel, contingent upon federal enabling legislation
25 permitting such a scheme; and
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27 WHEREAS, the federal Airline Deregulation Act of 1978
28 preempts states from regulating interstate air transportation
29 and air transport between points within a state, including
30 between two islands in Hawaii, which transport is considered
31 interstate air transport by virtue of the air carriers'
32 receiving certification to operate such services from the United
33 States Department of Transportation; and
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35 WHEREAS, only enactment of federal legislation will permit
36 Hawaii to regulate inter-island air carriers; and
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38 WHEREAS, the Legislature finds that in light of the recent
39 events regarding the bankruptcy and closing of passenger service
40 of Hawaii's second largest inter-island carrier, Aloha, the need
41 again arises for federal legislation to be enacted to allow
42 Hawaii to regulate inter-island air carriers; now, therefore,



1 BE IT RESOLVED by the House of Representatives of the
2 Twenty-fourth Legislature of the State of Hawaii, Regular
3 Session of 2008, the Senate concurring, that the Legislature
4 strongly urges the United States Congress to enact federal
5 legislation to allow Hawaii to regulate air carriers operating
6 between islands in the state through the implementation of state
7 regulatory statutes; and

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9 BE IT FURTHER RESOLVED that certified copies of this
10 Concurrent Resolution be transmitted to the President of the
11 United States, Speaker of the United States House of
12 Representatives, President of the United States Senate, United
13 States Secretary of Transportation, Governor of the State of
14 Hawaii, and the members of Hawaii's congressional delegation.

