

Honolulu, Hawaii

Feb 15, 2008

RE: H.B. No. 2250

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2250 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this bill is to protect the air transportation needs of the people of Hawaii, as well as visitors to Hawaii, by:

- (1) Establishing a statutory scheme for the regulation of inter-island air carriers in Hawaii by an Air Carrier Commission; and
- (2) Providing that this enabling legislation will not take effect until such time that the United States Congress enacts enabling legislation to permit state regulation of inter-island air carriers.

The federal Airline Deregulation Act of 1978 prohibits states from regulating the routes, rates, or services of airlines operating in interstate commerce. Federal statutes make clear that air travel between islands within Hawaii is considered interstate travel, and therefore the State cannot regulate its inter-island carriers.



As an island state, Hawaii's airways serve as our state's "highways." Most of the state's residents, as well as visitors to Hawaii, must rely on inter-island air carriers to travel between islands. Additionally, the shipment of perishable goods and other items of daily importance are shipped via air cargo.

Proposals to allow Hawaii to regulate inter-island air carriers are not new. Act 332 was enacted in 1993 to give the State some measure of control over inter-island air travel. However, Act 332 could not be implemented without federal enabling legislation to exempt Hawaiian inter-island air travel from the federal Airline Deregulation Act of 1978.

As a geographically unique state, inter-island air carriers are vital to the health, welfare, and safety of the people of Hawaii. It makes no sense to classify inter-island air travel as interstate travel. As such, your Committee finds that the State of Hawaii should have the authority to regulate inter-island air travel and that this matter deserves further consideration.

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. 2250 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



JOSEPH M. SOUKI, Chair



HSCR 488-08

State of Hawaii
House of Representatives
The Twenty-fourth Legislature

Record of Votes of the Committee on Transportation

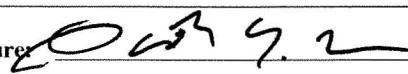
Bill/Resolution No.: HB 2250	Committee Referral: TRN, FIN	Date: 06 Feb. 2008
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	/			
2. NISHIMOTO, Scott Y. (VC)	/			
3. EVANS, Cindy	/			
4. HAR, Sharon E.	/			
5. LEE, Marilyn B.	/			
6. LUKE, Sylvia	/			
7. McKELVEY, Angus L.K.		/		
8. NAKASONE, Bob				/
9. SONSON, Alex M.				/
10. TAKAMINE, Dwight Y.	/			
11. TAKUMI, Roy M.	/			
12. MEYER, Colleen Rose				/
13. PINE, Kymberly Marcos	/			
TOTAL (13)	9	1		3

The recommendation is: Adopted Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: 

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