



GOV. MSG. NO. 858

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

July 16, 2009

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fifth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: House Bill No. 994 HD1 SD2 CD1

On July 15, 2009, House Bill No. 994, entitled "A Bill for an Act Relating to Tourism" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to appropriate \$500,000 for the application of a spaceport license from the Federal Aviation Administration. An appropriation of \$250,000 will come from the Department of Transportation's Airport Revenue Fund and a similar amount from the Hawaii Tourism Authority's Tourism Special Fund.

Over the past year, Hawaii's tourism industry has faced devastating losses due to a downturn in the global economy. While we work to rebuild this critical industry, we must also diversify and strengthen tourism opportunities for the future. Space tourism has the potential to provide business opportunities and jobs for our state as new applications dependent on commercial space transportation emerge.

A number of companies are at work to develop reusable launch vehicles that could be used to carry people to space and potentially enable the development of a commercial space tourism industry. Some of these companies have expressed interest in launching this type of vehicle from Honolulu and/or Kona International Airports. In order to start the process to become a launch site, Hawaii must obtain a commercial space transportation license from the Federal Aviation Administration.

This bill would start the application process for a commercial space transportation license from the Federal Aviation Administration. Specifically, the funding provided would support the work needed to conduct the environmental and safety studies required for licensure.

In light of the State's economic situation, I have serious concerns about the appropriations made in this bill. First, monies from the Tourism Special Fund should be targeted towards

The Honorable Colleen Hanabusa, President  
and Members of the Senate

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marketing programs which will translate into immediate returns for the tourism industry. Given that a spaceport will take a number of years to come to fruition, may never happen, and may not be self-sustaining if built, it is difficult to justify spending any amount of public money on a spaceport license.

Second, monies from the Airport Revenue Fund must be approved for use by the Federal Aviation Administration. It is clear that more discussion will be required with the Federal Aviation Administration to ensure the funds appropriated by this measure can be used for the intended purpose. In addition, I am concerned that tapping into the Airport Revenue Fund could be interpreted as a deviation from our focus to use these moneys for the much needed Airports Modernization Initiative.

For the foregoing reasons, I allowed House Bill No. 994 to become law as Act 187, effective July 15, 2009, without my signature.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle", with a stylized flourish at the end.

LINDA LINGLE

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# A BILL FOR AN ACT

RELATING TO TOURISM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that tourism is the chief  
2 generator of employment and revenue in the state, and extends  
3 into all sectors of the State's economy. New developments in  
4 technology, visitor sophistication, and increased competition  
5 from other world tourism markets have challenged Hawaii's  
6 tourism industry to attract visitors with specific interests.

7           The legislature recognizes that expansion of the State's  
8 tourism product by developing new niche products, such as space  
9 tourism, can enhance Hawaii's appeal as a tourist destination.

10           In 2007, Virgin Galactic confirmed viability of space  
11 tourism, by earning approximately \$31,000,000 in ticket revenue  
12 from over one hundred passengers. On December 15, 2008, the  
13 Federal Aviation Administration awarded a launch license for  
14 vertical and horizontal launch to the New Mexico Spaceport  
15 Authority to establish a commercial spaceport.

16           Space tourism is a potential billion dollar global industry  
17 that could significantly increase state revenue sources, provide



1 new aerospace jobs, and rejuvenate economic development in the  
2 Kalaheo area. The Federal Aviation Administration is expected  
3 to issue a limited number of spaceport licenses, and the  
4 legislature finds that it is crucial to position Hawaii for the  
5 economic advantages a license may bring.

6 The purpose of this Act is to appropriate funds for the  
7 application for a spaceport license from the Federal Aviation  
8 Administration.

9 SECTION 2. There is appropriated out of the airport  
10 revenue fund the sum of \$250,000 or so much thereof as may be  
11 necessary for fiscal year 2009-2010 to be transferred from the  
12 department of transportation to the department of business,  
13 economic development, and tourism for the application for a  
14 spaceport license from the Federal Aviation Administration.

15 There is appropriated out of the tourism special fund the  
16 sum of \$250,000 or so much thereof as may be necessary for  
17 fiscal year 2009-2010 to be transferred from the Hawaii tourism  
18 authority to the department of business, economic development,  
19 and tourism for the application for a spaceport license from the  
20 Federal Aviation Administration.



