

**AIRLINES COMMITTEE OF HAWAII**

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**LATE TESTIMONY**

February 1, 2012

Honorable Joseph M. Souki, Chair  
 House Committee on Transportation

**Re: HB 2308 – Relating to Airlines – Support Intent, recommend changes  
 Hawaii State Capitol, Room 309 – 9 a.m.**

Aloha Chair Souki, Vice Chair Ichiyama, and Members of the Committee:

The Airlines Committee of Hawaii\* (ACH), which is made up of 20 signatory air carriers that underwrite the State Airport System supports the HB 2308 – Relating to Airlines, provided that the increase is applied to the Hawaii Tourism Authority's (HTA) Airlift Development Program utilizing the existing protocols, which provides an incentive for air carriers that add new direct routes to Hawaii.

We have seen how HTA's Airlift Development Program provided incentives for newly announced routes from Honolulu to JFK in New York and Honolulu to IAD in Dulles. Much of this support is to market new routes, which is why we also support the establishment and operation of a program to reimburse airlines for costs directly associated with certain flight routes, including:

- (1) Direct labor costs for the crew of the flight, including fringe costs;
- (2) Fuel costs;
- (3) Aircraft lease costs calculated on a pro rata basis for the time the leased aircraft is in operation between Hawaii and its point of origin that qualifies under subsection (a) for the reimbursement;
- (4) Food, beverages, and snacks used on the flight that are not sold; and
- (5) Costs associated with cleaning and servicing the aircraft between flights while the aircraft is in the State.

HTA's Airlift Development Program is a cooperative program with airlines and wholesalers aimed at stimulating travel to Hawaii with an emphasis on short-term impact while supporting profitable airlift to the islands.

As always, we are grateful for the opportunity to provide input on this matter.

Sincerely,

Blaine Miyasato  
 ACH Co-chair

Matthew Shelby  
 ACH Co-chair

*\*ACH members are Air Canada, Air New Zealand, Air Pacific, Alaska Airlines, All Nippon Airways, American Airlines, China Airlines, Continental Airlines, Delta Air Lines, Federal Express, go! Mokulele, Hawaiian Airlines, Japan Airlines, Korean Air, Philippine Airlines, Qantas Airways, United Airlines, United Parcel Service, US Airways, and Westjet.*