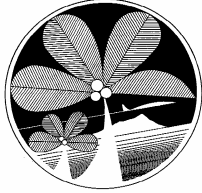


## AIRLINES COMMITTEE OF HAWAII



Honolulu International Airport  
300 Rodgers Blvd., #62  
Honolulu, Hawaii 96819-1832  
Phone (808) 838-0011  
Fax (808) 838-0231

March 29, 2012

Honorable David Ige, Chair  
Honorable Michelle Kidani, Vice Chair  
Senate Committee on Ways and Means  
Hawaii State Capitol, Honolulu, HI 96813

**Re: HB 2800 HD1 SD1 – Relating to Transportation**  
Hawaii State Capitol, Room 211 – 9:00 a.m.

Aloha Chair Ige, Vice Chair Kidani 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 understands the intent of this bill is to address service to the rural communities.

The ACH does support efforts to increase such service to rural communities. However, we want to raise concerns that by waiving fees at one or several state airports, you will be essentially shifting the burden of the costs to other airports. Because any offset of landing fees and other user costs may be passed along to signatory air carriers, this bill has the potential to make it increasingly difficult for airlines to operate. Thus, there is no additional cushion for the ACH to subsidize other airport tenants while maintaining its support for an operations and capital improvement program in Hawaii.

Therefore, we respectfully ask your consideration of the potential impacts this bill may have upon the airport system.

As always, we appreciate the opportunity to provide input and we stand ready to assist the state on airport-related matters.

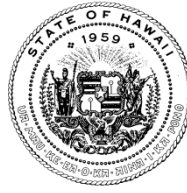
Sincerely,

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.*

NEIL ABERCROMBIE  
GOVERNOR



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RANDY GRUNE  
JADINE URASAKI

**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

March 29, 2012

**H.B. 2800 H.D.1 S.D.1**

**RELATING TO TRANSPORTATION**

**COMMITTEE ON WAYS AND MEANS**

The Department of Transportation supports this bill. The temporary waiver of landings fees at small airports will encourage increased usage of the facilities. Due to the temporary nature of the suspension, the loss of revenue should not adversely impact the airport system.

We thank you for the opportunity to testify.





March 29, 2012

Honorable David Ige, Chair  
Honorable Michelle Kidani, Vice Chair  
Senate Committee on Ways and Means  
Hawaii State Capitol, Honolulu, HI 96813

**Re: HB 2800 HD1 SD1 – Relating to Transportation**  
Hawaii State Capitol, Room 211 – 9:00 a.m.

Aloha Chair Ige, Vice Chair Kidani and Members of the Committee:

I am writing to you in regards to HB 2800 HD1 SD1, with specific reference to the provisions regarding stimulating growth in rural communities.

Although United Air Lines, Inc. (“United”) does support efforts to increase such service, we would respectfully ask that any such initiatives be pursued in a responsible manner. Because of the way landing fees are structured around the State airport system in the contract between the State and United (and other ACH member airlines), by waiving fees at one or several state airports, you will be shifting the burden of the costs to other airports and ultimately other airlines. Because the Agreement dictates that the resultant costs associated with any offset of landing fees for one entity are ultimately passed along to other signatory air carriers, this bill has the potential to be in violation of the Agreement between the State and United, as well as make it increasingly difficult for the State to comply with well-established Federal law regarding FAA monies. There is simply no additional cushion for United or any other ACH member airline to subsidize other airport tenants during this fragile period of economic recovery.

Therefore, we respectfully ask your consideration of the potential impacts this bill may have upon the airport system as well as the airlines that underwrite and backstop airport system finances.

As always, we thank you for your opportunity to present the above testimony and stand ready to assist the State where possible in moving forward responsible initiatives for airport system growth.

Sincerely,

Matthew Shelby  
United Air Lines, Inc.  
Corporate Real Estate