

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII
ASSOCIATION FOR JUSTICE (HAJ) IN SUPPORT WITH
COMMENTS FOR SB 2747 SD2**

Hearing Date: Thursday March 14, 2024

Time: 10:00 a.m.

My name is Evan Oue and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in **SUPPORT WITH COMMENTS** on SB 2747 SD2, Relating to Aircraft.

HAJ supported the previous version of the bill as it required tour aircraft operators to have commercial general liability insurance coverage of at least \$1,000,000. The measure was amended to require the Director of Transportation to adopt rules that require tour aircraft operators to have aircraft liability *insurance coverage not less than an unspecified percentage of the highest minimum similar coverage required by a United States international airport per person per incident*. Sufficient insurance coverage is vital to protecting our residents if they suffer: 1) bodily injury and death; or 2) property damage from an incident involving tour aircraft operations.

Requiring insurance coverage has become increasingly necessary given recent incidents involving helicopter crashes which resulted in catastrophic injury, loss of life, and substantial property damage. For example, the Kailua helicopter crash killed all who were onboard, and the wreckage fell onto a Kailua neighborhood. These tour aircraft operators conduct flights in airspace over our local residential neighborhoods and need to have proper insurance minimums in place to assure that their passengers, along with Hawaii residents are properly compensated if there is an incident that result in bodily injury or death.

HAJ supported the \$1,000,000 in minimum general liability insurance coverage in the previous version of the measure to assure that residents can be properly compensated. We support a percentage of the highest minimum similar coverage required by a United States international airport per person per incident that would properly reflect the risk associated with operating helicopters in Hawaii.

The current minimum insurance coverage is far too low for as many of these operators employ is less than the auto or home coverage of many of the legislative members reviewing this bill. Furthermore, many of these operators are a part of Hawaii's tourist industry, and many tourists may not be aware how low the current Hawaii's insurance minimums are for these operators.

HAJ appreciates the legislatures commitment to assuring that there is sufficient recourse for injuries resulting from commercial activities in Hawaii. Thank you for allowing us to testify regarding this measure. Please feel free to contact us should you have any questions or desire additional information.



House Committee on Transportation
March 14, 2024

Re: Support SB 2747, SD2, Relating to Aircraft

Aloha Chair Todd, Vice Chair Kila, and members of the committee,

We are writing to support SB 2747, SD2, Relating to Aircraft. This bill requires the Director of Transportation to adopt rules that require tour aircraft operators to have aircraft liability insurance coverage not less than an unspecified percentage of the highest minimum similar coverage required by a United States international airport per person per incident.

Blue Hawaiian continues to support safety in the industry, and we firmly believe that adequate insurance coverage is the right thing to do for the customer and community. We note that this bill will likely need to be amended to apply to all aviation.

Our aircraft are equipped with technologies and equipment like Helicopter Terrain Awareness and Warning Systems (HTAWS), automatic dependent surveillance-broadcast (ADS-B), aircraft floats and upgraded with the newest GARMIN glass-cockpit avionics to exceed the federal regulatory requirements for helicopter air tour safety. To further that commitment, Blue Hawaiian Helicopters is the only air tour operator in Hawaii to be a member of the Tour Operators Program of Safety, as well as to also have a Voluntary FAA Safety Management System (SMS) implementation program and an accepted and approved Voluntary FAA Aviation Safety Action Program (ASAP).

We are all familiar with automotive insurance carriers having programs that encourage, promote, and incentivize safe driving and safety equipment. We believe that, with increased aviation insurance requirements, insurers will similarly promote increased adoption of technology, equipment, and programs that increase safety for our community.

We look forward to engaging with policy leaders and wish to be a resource to the legislature.

Thank you for the opportunity to testify in support of this measure.



March 13, 2024

COMMITTEE ON TRANSPORTATION

Rep. Chris Todd, Chair
Rep. Darius K. Kila, Vice Chair

RELATING TO AIRCRAFT.

Requires the Director of Transportation to adopt rules that require tour aircraft operators to have aircraft liability insurance coverage not less than an unspecified percentage of the highest minimum similar coverage required by a United States international airport per person per incident. (SD2)

Committee Hearing Date: March 14, 2024 10:00AM

Aloha Chair Todd, Vice Chair Kila, and Committee Members,

Jack Harter Helicopters opposes SB2747 that would make changes to Hawaii Revised Statute 261-12.

The US Congress has granted preemptive authority to the Federal Aviation Administration (FAA) over the operation of aircraft in the National Airspace System (NAS). This was done to provide a safe and sustainable aviation system across the entire country. If passed, this bill would limit the operation of tour aircraft in the NAS unless the operator of the aircraft met the minimum insurance requirements contained in this bill. A tour helicopter or tour airplane operator that is otherwise in compliance with the Federal Aviation Regulations (FARs), but is unable to obtain a State of Hawaii, Air Tour Operators Permit would be denied access to the NAS. This violates the congressionally established authority over control of the NAS given to the FAA.

Paragraph 23 of the Federal Grant Assurances requires the State of Hawaii, Department of Transportation, Airports Division to operate the airports in the State of Hawaii in a non-discriminatory manner. This bill includes language that would establish discriminatory policies in that airplanes and helicopters that are not engaged in tour flights would not be subject to the same insurance requirements.

If the language related to insurance requirements in SB2747SD2 applied to all aircraft operating at HI DOT airports, then the Grant assurance matter would not be an issue.

Thank you for considering our testimony and we urge your committee to **oppose passage of SB2747SD2.**

A handwritten signature in black ink that reads "Casey Riemer".

Casey Riemer
Special Project Manager