

STAND. COM. REP. NO.

1525

Honolulu, Hawaii

APR 12 2013

RE: S.R. No. 84

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.R. No. 84 entitled:

"SENATE RESOLUTION REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO PROPOSE AMENDMENTS TO THE AIRLINE DEREGULATION ACT TO EXEMPT HAWAII FROM THE UNITED STATES' PREEMPTION OF STATE ECONOMIC REGULATION OF INTERSTATE AIR TRANSPORTATION,"

begs leave to report as follows:

The purpose of this measure is to seek an exemption from federal law to ensure stable and continuing airline service throughout the State.

Specifically, this measure requests Hawaii's congressional delegation to propose amendments to the federal Airline Deregulation Act to exempt Hawaii from federal preemption of state regulation of air transportation.

Your Committee finds that the Airline Deregulation Act of 1978 was enacted to promote market competition among airlines to foster lower prices and greater efficiency, innovation, variety, and service quality. To ensure that the states would not enact laws undermining federal deregulation, the Airline Deregulation Act included a preemption provision, codified in Title 49 United States Code Section 41713(b)(1), prohibiting states and their political subdivisions from enacting or enforcing any law affecting air carrier rates, routes, or services. However, preemption under the federal Act does not apply to air transportation provided entirely in Alaska because of a specific statutory exemption granted to Alaska. This measure requests

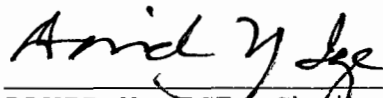
SR84 SSCR LRB 13-2590.doc



Hawaii's congressional delegation to propose an amendment to the Airline Deregulation Act that would allow the State to limit monopoly pricing and ensure service to less profitable air routes, particularly in light of the significant use of airlines for interisland transportation and the relative lack of competition among interisland air carriers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 84 and recommends its adoption.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

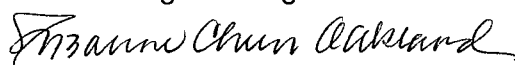


DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SR84	Committee Referral: TIA / PSM, WAM	Date: 4/5/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam			✓	
TOTAL	11	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes