

Honolulu, Hawaii

FEB 14 2025RE: S.B. No. 1638
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 1638 entitled:

"A BILL FOR AN ACT RELATING TO AIR CARRIERS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish within the Department of Transportation the Molokai Air Carrier Subsidy Program to provide subsidies to airlines operating out of Molokai airport; and
- (2) Appropriate funds.

Your Committee received testimony in support of this measure from one member of the Maui County Council and three individuals.

Your Committee received comments on this measure from the Department of Transportation.

Your Committee finds that since January 2021, only one passenger airline has provided service to the general public out of Molokai Airport. The cost of plane tickets remains a significant obstacle for many Molokai residents who need to travel to neighbor islands for essential reasons such as visiting family, attending medical appointments, and work obligations. This measure will alleviate the burden on residents residing in rural



communities who rely on air travel by incentivizing airlines to offset the cost of passenger tickets and encouraging other airlines to commence services at Molokai Airport.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1638, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Culture and the Arts,



CHRIS LEE, Chair



