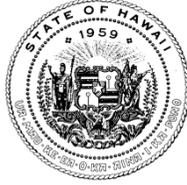


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STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 27, 2025
10:26 A.M.
State Capitol, Room 211

S.B. 1638, SD1
RELATING TO AIR CARRIERS

Senate Committee on Ways and Means

The Hawai'i Department of Transportation (HDOT) provides the following comments on S.B. 1638, SD1, which proposes establishing the Molokai Air Carrier Subsidy Program within HDOT to provide direct financial subsidies to airlines operating out of Molokai Airport.

As an airport operator receiving federal funding, HDOT is subject to Federal Aviation Administration (FAA) grant assurances that prohibit the direct subsidization of air carriers. Establishing a state-funded subsidy program within HDOT would conflict with these federal requirements and could jeopardize HDOT's eligibility for federal funding.

Rather than providing direct subsidies, HDOT is actively working to procure an air charter service contract that will enable the State to support the transportation of high-priority travelers, including medical personnel, patients, and other essential service providers, to and from Molokai.

To implement this service, \$1,000,000 million in General Funds (GF) funding is needed for this fiscal year to ensure timely execution and availability of critical air transportation. By the next fiscal year, HDOT will have a sustainable funding mechanism in place, with departments utilizing the service contributing to the cost, ensuring long-term viability without reliance on additional general funds.

Thank you for the opportunity to provide testimony.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 26, 2025

TO: The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 27, 2025; TESTIMONY IN SUPPORT OF SB1638, SD1, RELATING TO AIR CARRIERS**

I **support** this measure to establish the Molokai Air Carrier Subsidy Program within the Department of Transportation to provide financial assistance to airlines operating out of Molokai Airport.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure for the following reasons:

1. Molokai residents depend on affordable and reliable air travel for essential needs, including medical appointments, work, and family obligations. With only one airline serving the island, high ticket prices create financial hardships for residents who rely on interisland flights.
2. Providing subsidies to air carriers encourages competition and service expansion, helping to lower fares and improve accessibility for Molokai travelers. Supporting additional air carriers will create more options and reduce the burden on a single carrier serving the community.
3. A structured subsidy program ensures accountability and efficiency, requiring compliance with state and federal regulations while ensuring funds are used solely for operational costs that benefit Molokai residents. The program also mandates annual reporting to the Legislature, providing transparency in how subsidies are allocated.

Thank you for your consideration.

SB-1638-SD-1

Submitted on: 2/26/2025 9:10:38 AM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
Pamelyn Fukuoka	Testifying for P & S Refrigeration, LLC	Support	Written Testimony Only

Comments:

The added stress of traveling for leisure, business and/or medical purposes has become an extreme burden for individuals, businesses and even tourists traveling to Molokai. I can remember 20 years ago when these types of issues were non-existent. I'm wondering how we've managed to travel back in time where taking a boat to the outer islands would be a faster and more reliable option than air travel. I am perplexed. Please support this bill as Molokai needs to secure a more reliable flight schedule for it's residents, businesses and tourists.

Pamelyn Fukuoka, Resident & Small Business Owner

**HEARING BEFORE THE SENATE COMMITTEES OF
WAYS and MEANS**

February 27, 2025, 10:26am
Conference Room 211 & Videoconference
Hawaii State Capitol, 415 South Beretania Street

SB1638 - SUPPORT

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Respected Committee Members,

SB1638: Establishes within the Department of Transportation the Molokai air carrier subsidy program to provide subsidies to airlines operating out of Molokai airport. Appropriates moneys.

Thank you in advance for taking the time to read my testimony. I have a sincere love for, and personal roots on Molokai, and these are the reasons why I support this bill:

- **MOLOKAI BILLS: SB1638, SB1570, SB1640, SB557.** I believe the bills Sen DeCoite has introduced, are making a serious attempt to call needed attention to, address, and resolve many of the complex issues Molokai is facing right now. All are interconnected and have a roll in solving the unreliable air transportation, needed access to medical care, and Molokai's economic crises for both the short, and long term. Senator DeCoite and we the residents of Molokai can't do this alone; **we need your support and commitment in tackling issues that have now become a very serious problem to the health and safety of a segment of Hawaii's residents – Molokai.**

Our economy as you know, has been consistently declining and is now particularly fragile. At its best, Molokai has always been basic, but if you take a thoughtful look around you'll quickly recognize that Molokai has far more needs than wants – and those needs are now far more serious, in a far more concerning way.

Our residents' health, safety and current economic situation sincerely needs attention and commitments from our State.

The costs to our Molokai people have been incalculable:

- **FINANCIAL HARDSHIPS.** There are approximately 2500 jobs on island, and many pay minimum wage. Approximately one-third of our residents live through government assistance or social security.
 - Most residents have **limited resources which limits access to any off-island services** families may require;
 - Many are also **responsible for ohana who require off-island travel companions** who have limited mobility and resources;
 - Because of the **lack of any long-term care facilities, families face constant travel** because loved ones must reside at off-island medical facilities instead of here at home; and
 - Many can't afford the **underinsured travel expenses of airfare, car rental and many times hotel lodging** because of unreliable air service.
- **LIMITED ACCESS TO MEDICAL PROFESSIONALS.** Due to the erratic air transportation, medical professionals and specialists no longer can afford to practice on Molokai. **The air transportation problem has cut access to most medical professionals coming to Molokai.**

- **UNRELIABLE AIR TRAVEL.** Because of delayed or cancelled flights, many of us find **missed appointments and off-island procedures can't immediately be rebooked** until months later which **leads to compounded medical problems, expenses, and stress.**
- **PREPAY DENTAL SERVICES.** The majority of our on-island Dentists now are requiring payment upfront for their dental services. Residents must choose how they're going to manage their monthly cash flow when requiring dental care. **Many simply forego dental treatment until its unbearable or use the hospital emergency room** – which is inevitably more costly. Waiting for insurance reimbursements also impede their ability to afford daily needs, or other off island travel needs.
- **VULNERABLE DEMOGRAPHICS.** The majority of our island's demographics are **the elderly and the young** – they can be vulnerable, less inclined, or unable to speak up and advocate for themselves. They in particular **need access to in-person visits with medical specialists/professionals who can recognize and identify what they may not be able to convey.** The air transportation problem has cut access to most medical professionals coming to Molokai.
- **HIGH UNEMPLOYMENT.** Traditionally we've had the highest unemployment in the state, normally two to three times the state average – which **means some of our residents only have sporadic medical coverage** which can expire before they can even be seen if flights are cancelled or randomly rebooked, when needing off-island specialist, or before a specialist can fly to Molokai.

Our past visitor numbers supported more consistent air transportation, a stronger local economy, job stability and the ability for more local businesses and residents to thrive. It provided our community and future generations – more choice and more opportunities.

- **AIRPORT RUNWAY EXPANSION.** We also must acknowledge the reasons why we have only one airline, and the serious problems it's causing to the health and welfare of our community. **We certainly don't need to expand the runway to receive jumbo jetliners, but we can set parameters to receive planes that could bring us back to our past visitor numbers. These are not more visitors, but familiar numbers our community has experienced in the past,** giving us the ability to return to past operational capacities and opportunities that we're familiar with.
 - **Molokai had various types of larger jets in the past** – Aloha Airlines 127-seater Boeing 737-200 jets, Hawaiian Airlines Boeing 123-seater 717-200 jets, etc. But as we know, because of increased federal regulations and restrictions, they no longer can land on our shorter runway.
 - We need to consider **accommodating types of aircraft that are currently flying inter-island,** airlines with a secure business model and successful track record, and **try to become a part of that model to receive reliable service and lower airfares for our families.**

○ **Molokai Annual Visitor Arrivals:**

MONTHLY AVERAGE:	
1990-1999	7,227
2000-2009	6,136
2010-2019	4,810
2020-2024	2,486

SOURCE: Hawaii Tourism Authority, Historical Visitor Statistics

Page: <https://www.hawaiitourismauthority.org/research/historical-visitor-statistics/>

It is reasonable to say that **every island will require a certain amount of fixed infrastructure and program needs to ensure a basic standard of living is met** for its residents – and I don't think anyone disputes **reliable air transportation, access to medical care, and economic stability are important requirements to meet those needs.**

Hawaii's families also live on Molokai. We hope you can help us address these pressing issues.

Thank you so much for the opportunity to share my mana'o.

With Warmest Aloha,

Dawn Bicoy

Dawn Bicoy,
Resident of Maunaloa, Molokai

SB-1638-SD-1

Submitted on: 2/25/2025 8:30:19 AM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
Denise Kawano	Individual	Support	Written Testimony Only

Comments:

My name is Denise Kawano and I am in support of SB1638 SD1. We need to find solutions to delays, cancellations and cost of air travel on Molokai.

SB-1638-SD-1

Submitted on: 2/25/2025 3:24:42 PM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
Helena Miguel	Individual	Support	Written Testimony Only

Comments:

I am in support of this bill because as a resident of Molokai, Us residents depend on the only airline to go off island for work. Also, we need another airline for the kupuna and those people that need to travel out of medical necessity. We can try to go to our appointments a day ahead but we then need to finance room and transportation.

SB-1638-SD-1

Submitted on: 2/25/2025 3:34:25 PM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
Salina Reyes	Individual	Support	Written Testimony Only

Comments:

Aloha All,

I'm testifying in support of SB1638. Our community is in dire need of other means of air transportation for quite sometime now. With DOT's subsidies and support our people will be able to travel freely.

Mahalo,

Salina Reyes

SB-1638-SD-1

Submitted on: 2/25/2025 4:18:07 PM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
Victor K. Ramos	Individual	Support	Written Testimony Only

Comments:

I SUPPORT this bill. Benchmarks should be set and met or exceeded if taxpayers funds are to be used for this purpose.

The residents of Molokai need this bill to pass.

SB-1638-SD-1

Submitted on: 2/25/2025 6:23:50 PM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
Asia Blackwell	Individual	Support	Written Testimony Only

Comments:

It is imperative for the island of Molokai to receive these subsidies to ensure the people receive the care and support they deserve. Many rely on outer island support for medical needs and to help care for others. Without reliable transportation between the islands, you are continuously depriving them of the care and leisure.

SB-1638-SD-1

Submitted on: 2/26/2025 7:31:11 AM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
Shawn Barros	Individual	Support	Written Testimony Only

Comments:

We need help on the island. We have been facing problems with travel for the last 3+ years. People are missing critical diagnoses and treatment because they can't get to the other islands. This is ridiculous! It's not just an inconvenience, people are losing health mentally and physically! We need stable air travel.

SB-1638-SD-1

Submitted on: 2/25/2025 6:43:51 PM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
Reid Hamasaki	Individual	Support	Written Testimony Only

Comments:

I am in favor of this bill, to support the elderly as well.

SB-1638-SD-1

Submitted on: 2/26/2025 8:04:28 AM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
John Habon	Individual	Support	Written Testimony Only

Comments:

I support this because Molokai residents needs a reliable airline so people can travel especially in a emergency situation and be affordable

SB-1638-SD-1

Submitted on: 2/26/2025 7:40:10 AM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
tj.harper	Individual	Support	Written Testimony Only

Comments:

I support

SB-1638-SD-1

Submitted on: 2/26/2025 8:09:38 AM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
Joan F Lasua	Individual	Support	Written Testimony Only

Comments:

SB1638 is necessary to provide a basic need for the people of Molokai. We are currently in a dangerous situation with Mokulele as our only carrier as they have proven to be incapable of providing consistent service to our island. People are missing critical medical appointments and connections to other airlines when traveling to other islands or the mainland. If our island suffered an event like the fire in Lahaina it would be a disaster as there is currently no way to get off this island unless you have a boat.

The State of Hawaii has been negliigent in not providing adequate transportation between islands for almost a century. It is about time the legislative body of the State of Hawaii addresses this problem and SB1638 would help alleviate some of the problem.

SB-1638-SD-1

Submitted on: 2/26/2025 8:21:49 AM

Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	Testifier Position	Testify
Cristin Moore	Individual	Support	Written Testimony Only

Comments:

As a Nurse practitioner living and working on Molokai I see the physical and mental tole that not having reliable air travel puts on the residents here. At the very least, basic needs such as healthcare should be met for citizens, yet with only one airline these needs are not always met even when the one airline is running. Many residents are not able to board the small planes due to injuries, or physically limiting conditions. Mokulele has been inconsistent with flying, and even more inconsistent with their larger plane which can accommodate some of these individuals. There are stories of people's conditions becoming life threatening simply because they were not able to get to their medical appointment off island. Molokai has a few primary care providers with a few specialists who travel to the island once a month or every few months depending. Surgery, MRIs, ICU's, and most specialists are all off island. Even a simple Ultrasound by a trained ultrasound tech is not always available.

This issue has gone on too long. This bill would encourage other airlines to fly to Molokai increasing options to residents as well as creating competition between each other, thus keeping prices affordable and encouraging the airlines to do their best in order to get passengers. Residents already pay high prices for healthcare. Most insurances don't cover the cost that travel incurs. We must not forget that flights, cars, food, sometimes hotels as well, are all needed for residents to get basic healthcare needs met. Most need to also take time off work, and some need to have a family member or friend travel with them as well, thus increasing the financial burden. These costs quickly stack up putting people already strapped for money in even more dire straights.

Pregnant ladies routinely are told to stay off island for up to a month prior to their delivery dates due to the seriousness of pregnancy and the lack of reliable methods to get them off island in case of an emergency. Insurance often doesn't cover their hotels, cars, food, not to mention the lack of income during that period as they and their families take off work in order to keep the mother and unborn baby safe.

Please support this bill and others that help increase access to travel and healthcare for residents.