

SB 1299



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
Director

Department of Business, Economic Development, and Tourism

before the

SENATE COMMITTEE ON WAYS AND MEANS

Thursday, February 26, 2009

9:00 a.m.

State Capitol, Conference Room 211

in consideration of

SB1299 SD1
RELATING TO ADVANCED FLIGHT SIMULATOR TRAINING

Chair Kim, Vice-Chair Tsutsui, and members of the Committee:

The department supports the concept of SB1299 SD1, which includes commercial aviation training as a qualified business for enterprise zone benefits, as long as its implementation does not impact or replace the priorities set forth in the Executive Biennium Budget for Fiscal Years 2009-2011.

This bill would allow businesses engaged in commercial aviation training for pilots, dispatchers, mechanics, or traffic controllers to be eligible to participate in the State Enterprise Zone Partnership program.

Hawaii's EZ program has been modeled after a nationally recognized tax credit program. Established in 1986, it is one of the State's few funded programs that assist for-

profit businesses. The State provides tax incentives such as GET exemptions, State unemployment insurance credit, and income tax credit. The Counties may also provide additional benefits such as building permit priority processing, building permit fee waiver, grading permit fee waiver, and property tax rebates.

By allowing commercial aviation training to become eligible for Enterprise Zone benefits, we will be encouraging new investment in Hawaii, creating more jobs with better pay for our residents, and providing more opportunities for those airlines that are already established in Hawaii to become more profitable by building a better trained workforce of local residents. We feel that the commercial aviation training sector presents an opportunity for our State to raise the level of education and skills of our resident workforce.

Thank you for the opportunity to provide these comments.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented Before the
Senate Committee on
Ways and Means
February 26, 2009 at 9:00 a.m.

SB 1299, SD1 – Relating to Advanced Flight Simulator Training

Chair Kim, Vice Chair Tsutsui, and Members of the Committee:

The University of Hawai'i stands in support of this measure.

Honolulu Community College (HCC) operates the University System's only flight training and aviation mechanic training programs. The mechanic's program was started in 1949 and the flight training program, founded in 1998, is looking forward to its 11th year of operation. Although the flight industry is in a turbulent time, both programs have the potential for growth. The College hopes to eventually partner with airlines and/or airplane manufacturers in offering this training domestically and internationally to countries that are in great demand for pilots and aviation mechanics.

Since the first private pilot class in August 1998, the Pacific Aerospace Training Center under HCC has helped over 650 students earn their FAA pilot flight certifications and ratings. These commercial pilots are flying with air carriers in Hawai'i, nationally, and worldwide.

Over the last 3 years, HCC has been in numerous discussions with one of the world's largest airline manufacturers to develop partnerships on both pilot and aviation mechanic training for their customers. A bill such as this would assist prospective private sector partners in making an investment in expensive flight training resources in Hawai'i.

We look forward to further solidifying the University of Hawai'i's capacity to become a world-class flight training center.