STAND. COM. REP. NO. 1524

Honolulu, Hawaii

APR 1 2 2013

S.C.R. No. 121 RE:

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.C.R. No. 121 entitled:

"SENATE CONCURRENT 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

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statutory exemption granted to Alaska. This measure requests 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.C.R. No. 121 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.:*	Committee Referral:			Date:	
SCR121	TIAIPSM, WAM			4/5/13	
The committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	R) Nay	Excused
IGE, David Y. (C)		<b>√</b>			
KIDANI, Michelle N. (VC)		<b>√</b>			
CHUN OAKLAND, Suzanne		<i></i>			
DELA CRUZ, Donovan M.		<b>V</b> ,	-		
ENGLISH, J. Kalani		<b>V</b>			
ESPERO, Will		<b>V</b>			
KAHELE, Gilbert		<b>V</b>			
KEITH-AGARAN, Gilbert S.C.					
KOUCHI, Ronald D.					<b>✓</b>
RUDERMAN, Russell E.					
THIELEN, Laura H.		V			
TOKUDA, Jill N.		<b>✓</b>			
SLOM, Sam				<u>√</u>	
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TOTAL		11	0	l	(
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's Signature: The anne Chun Uakland					
Distribution:         Original         Yellow         Pink         Goldenrod           File with Committee Report         Clerk's Office         Drafting Agency         Committee File Copy					

\*Only one measure per Record of Votes