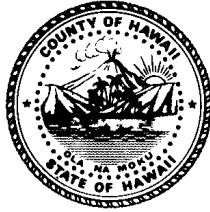


Harry Kim  
Mayor



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January 31, 2019

Representative Henry J.C. Aquino, Chair  
Committee on Transportation  
Hawai'i State Capitol  
Honolulu, HI 96813

Dear Chair Aquino and Committee Members:

**Re: HB 421 Relating to the General Excise Tax (Helicopter Servicing and Repair)**  
**Hearing Date: 02/01/2019 – 10:00 am; House Conference Room 423**

Thank you for this opportunity to testify against HB 421.

Helicopters are a valued component of our tourism industry. They also have been a source of endless complaints from communities that lie in their flight paths, and there should be no doubt that noise can constitute both a nuisance and a health hazard, especially in otherwise tranquil rural areas.

Helicopter companies are now asking the Legislature for special treatment with respect to the general excise tax. There is no suggestion of economic hardship; there is no credible argument (that I know of) that new facilities will be attracted to Hawai'i; and there is no suggestion that the industry would use its savings to better accommodate those who live in their fly-over country. The exemption will simply add to the companies' bottom line.

This year's bill is slightly better than last year's version, in that it asks for only a five-year general excise tax exemption, and it adds a provision that "75% of the helicopters serviced and maintained annually in the facility are equipped with quiet technology." But as far as I can tell, there is no definition of "quiet technology" nor a hint as to how effective such technology is. At a minimum, that needs clarification.

As you struggle to balance your budget, one must ask whether the added profits for these companies' owners could be better utilized in meeting the multiple needs that Hawai'i faces. To me, the answer is that our transportation, education, social service needs, etc., should be a higher priority.

In addition, I don't think it would be unfair to say that tax giveaways should be reserved for good corporate citizens.

I have met with tour operators and asked them to develop a plan to address noise and safety. They have taken some initial steps, and I commend them for that. Moreover, I am

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hopeful that tour operators and community members can work together. However, the history laid out in SCR 183 (2018) is eye-opening:

“In 2000, the National Environmental Policy Act, in conjunction with the National Parks Air Tour Management Act of 2000, required an Air Tour Management Plan to be implemented at various national parks throughout the country... The objective of an Air Tour Management Plan is "to develop acceptable and effective measures to mitigate or prevent the significant adverse impacts, if any, of commercial air tour operations upon the natural and cultural resources, visitor experiences and tribal lands...In 2005, the project was upgraded to an Environmental Impact Statement, and the Federal Aviation Administration published a notice of opportunity for commercial air tour operators granted interim operating authority to review and self-correct annual authorizations. In 2008, Federal Aviation Administration and National Park Service staff met with Hawai'i air tour operators, and acoustic monitoring of three sites at Hawai'i Volcanoes National Park was conducted. In 2011, a preliminary draft Air Tour Management Plan for Hawai'i Volcanoes National Park was published, but...seven years later, in 2018, there [was] still no final Air Tour Management Plan for Hawai'i Volcanoes National Park...In addition, after more than sixteen years, no Air Tour Management Plan for any national park in the nation has been completed...”

How can our residents be asked to tolerate the status quo when it has been 15 years since the Federal Aviation Administration and National Park Service asked for comments on an Air Tour Management Plan Environmental Assessment, and eight years since a preliminary draft Air Tour Management Plan for Hawai'i Volcanoes National Park was published. That is an outrage.

I would urge a No vote on HB 421, at least until the helicopter industry proves itself to be a better neighbor, it is established that “quiet technology” actually makes a difference, and this Legislature determines that the benefits to the broader community of this tax giveaway outweigh the benefits to the helicopter industry.

Respectfully submitted,

A handwritten signature in black ink that reads "Harry Kim". The signature is written in a cursive, flowing style.

Harry Kim  
Mayor, County of Hawai'i