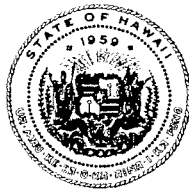


LINDA LINGLE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION
400 Rodgers Boulevard, Suite 700
Honolulu, Hawaii 96819-1880

BRENNON T. MORIOKA
DIRECTOR

Deputy Directors
MICHAEL D. FORMBY
FRANCIS PAUL KEENO
BRIAN H. SEKIGUCHI
JIRO A. SUMADA

IN REPLY REFER TO:

AIR-ER
08.0095

October 22, 2008

Mr. Michael R. Quinn
President
Aero Micronesia, Inc.
dba Asia Pacific Airlines
156 Diablo Road, Suite 203
Danville, California 94526

Dear Mr. Quinn:

Re: Passenger Facility Charge (PFC) Increased Collection Notification Consolidated
Final Agency Decisions
PFC Application 06-03-C-00-*** Amendment and Revised Expiration Date
PFC Application 08-03-C-00-*** New Charge Effective Date: December 1, 2008

In accordance with Section 158.29 of the Federal Aviation Administration (FAA) Regulations (Title 14, Code of Federal Regulations, Part 158), this letter is to notify all collecting air carriers of FAA's approval of the State of Hawaii, Department of Transportation, Airports Division's PFC Application No. 08-03-C-00-*** which increases the PFC charge rate from \$3.00 to \$4.50 effective December 1, 2008, and Amendment to current PFC Application No. 06-03-C-00-***.

Pursuant to Section 158.43 of 14 CFR Part 158 your airline should begin collecting a \$4.50 PFC from eligible passengers at airports in Hawaii effective December 1, 2008. Each notified carrier, including your airline, shall notify its agents, including other issuing carriers, of the increased collection requirement. The following applications to blend current "Impose and Use" projects and a new "Impose Only" project have been approved:

08-03-C-00-HNL	(Honolulu International Airport)
08-03-C-00-OGG	(Kahului Airport)
08-03-C-00-KOA	(Kona International Airport at Keahole)
08-03-C-00-LIH	(Lihue Airport)
08-02-C-00-ITO	(Hilo International Airport)

PFC Level:	\$4.50
Total Approved Net PFC Revenue to be collected:	\$55,344,953
Charge Effective Date:	December 1, 2008
Estimated Charge Expiration Date:	January 1, 2010

Summary of PFC Application No. No. 06-03-C-00-*:**

Blended "Impose and Use" projects:	Project Amount
HNL Aircraft Rescue and Fire Fighting Facilities Improvements	\$ 4,600,000
HNL Escalator Improvements	\$ 9,700,000
HNL Loading Bridge Replacement	\$14,000,000
HNL Air Conditioning System Improvements, Phase II	\$20,560,000
Stand-Alone PFC Administrative Costs	<u>\$ 700,000</u>
Revised "Impose & Use" total:	\$49,560,000

Summary of PFC Application No. 08-03-C-00-*:**

"Impose Only" projects:	Project Amount
HNL Taxiways G&L Realignment	\$26,578,332
Revised "Impose Only" total:	\$26,578,332
Revised Total PFC Application:	\$76,138,332
Revised Charge Expiration Date:	January 1, 2010

By regulations and in accordance with Section 158.37, a copy of the Consolidated FAA Final Agency Decisions (FAD) of PFC Application Nos. 06-03-C-00-*** and 08-03-C-00-*** approvals are attached and may also be found on the State's website at:
<http://hawaii.gov/dot/airports/doing-business/passenger-facility-charge-pfc-program>.

In accordance with Section 158.43(d), a copy of this notice is being provided to the FAA Airports District Office in Honolulu.

Collection of PFCs on tickets issued outside the U.S.

For any air carrier or foreign air carrier issuing tickets outside the U.S., please refer to Section 158.47 of 14 CFR Part 158, to clarify requirements.

Excluded Carriers and Passengers

A PFC will not be collected from certain carriers and passengers as follows:

- Interisland passengers (those passengers on flights or flight segments between two or more points in Hawaii) will not be charged a PFC, pursuant to Section 158.9(a) of 14 CFR Part 158. *It is the responsibility of each carrier to notify its agents, including other issuing carriers, and ensure compliance with this federal regulation.*

- Non-revenue passengers will not be subject to PFC collection, as similarly defined and implemented at other U.S. airports. Non-revenue enplanements traditionally involve airline employees and passengers traveling on accumulated bonus programs.
- Pursuant to Section 158.45 (3)(c) of 14 CFR Part 158: PFC collection is also restricted to the first two airports on a one-way trip where PFCs are imposed. For each round trip, a PFC shall be collected only for enplanements at the first two enplaning airports and the last two enplaning airports where PFCs are imposed (four airports total).

The State of Hawaii did not request for a class or classes of carriers to be excluded from the requirement to collect PFCs at any of the five collecting airports.

Remittance and Reporting Information

PFC collections minus a collection fee (currently \$0.11 per passenger) are to be remitted by the end of the month following the month in which the PFC was collected by check to the following address:

Fiscal Management Officer
State of Hawaii
Department of Transportation
Airports Division
400 Rodgers Boulevard, Suite 700
Honolulu, Hawaii 96819-1880

808-838-8646/FAX 808-838-8750
Email: ross.higashi@hawaii.gov

Electronic transfers may be made after completing the “Automated Clearing House (ACH) Vendor/Miscellaneous Payment Enrollment Form” to the address shown above. The form will then be processed by the State and the Bank.

Monthly and quarterly reporting forms should be submitted with the PFC remittances for each airport. These forms can also be found on the State’s website at:
<http://www.hawaii.gov/dot/airports/business/pfc.htm>

Please note that past-due balances will be assessed a fee of one percent per month, consistent with other Airports Division interest charge assessments. The Airports Division will assess an interest charge retroactive to the first day the remittance was overdue. Carriers that are more than 60 days delinquent in PFC remittances more than twice in any calendar year will be required to submit a security deposit in the sum of twice the highest overdue amount. Delay of over 60 days or default will result in FAA notification and potential airport access restrictions.

Mr. Michael R. Quinn
October 22, 2008
Page 4

AIR-ER
08.0095

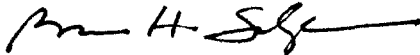
Carriers collecting PFCs retain the interest accrued on PFC revenues before the due date, in addition to the \$0.11 collection fee as established by the FAA.

Request for Carrier Contact Information

Please provide DOTA with the updated contact information of the individual at your airline that we should contact regarding the PFC Program.

The Airports Division would like to thank all the air carriers for their continued support in the PFC Program. If you have any questions or require any additional information, please contact Ms. Sandra Kam, Engineering Project Coordinator at (808) 838-8833. Thank you for serving Hawaii's airports.

Sincerely,



BRIAN H. SEKIGUCHI
Deputy Director-Airports

Attachments: Consolidated Final Agency Decisions (FAD) dated September 30, 2008
FAA Letter dated September 4, 2008 – Approval of Amendment to PFC
Application 06-02-C-02-***
Monthly and Quarterly Reporting Forms
Automated Clearing House (ACH) Vendor/Miscellaneous Payment
Enrollment Form

c: Mr. Steve Wong, FAA Airports District Office
Mr. Rod Aoki, Hawaii Airline Liaison Office

(P:\PFC\PFC Collection Notifications\DOT Letter 102208.doc)

SAME LETTER ADDRESSED TO:
(AIR-ER 08.0095 dated October 22, 2008)

Mr. Michael R. Quinn
President
Aero Micronesia, Inc.
dba Asia Pacific Airlines
156 Diablo Road, Suite 203
Danville, California 94526

Mr. Montie Brewer
President and CEO
Air Canada
Air Canada ZIP 1400
4800 Levy Street, 2nd Floor
St-Laurent, Quebec
Canada H4R2P8

Mr. Rod Sim
Manager, Customer Service Hawaii
Air Canada
Honolulu International Airport
300 Rodgers Boulevard, #59
Honolulu, Hawaii 96819-1893

Mr. Ralph Norris
President and CEO
Air New Zealand
Honolulu International Airport
300 Rodgers Boulevard, #43
Honolulu, Hawaii 96819

Mr. Glen Brabant
General Manager
Air Pacific
Honolulu International Airport
300 Rodgers Boulevard, #60
Honolulu, Hawaii 96819

Air Transport Association (ATA) of
America, Inc.
1301 Pennsylvania Avenue, NW\
Suite 1100
Washington, DC 20004-1707

Mr. William S. Ayer
President and CEO
Alaska Airlines, Inc.
Box 68900 - SEAPZ
Seattle, Washington 98168-0900

Ms. Millie Takesue
Vice President and General Manager,
Hawaii
All Nippon Airways
Honolulu International Airport
300 Rodgers Boulevard, #47
Honolulu, Hawaii 96819

Mr. Douglas Parker
Chairman, President and CEO
America West Airlines, Inc.
111 W. Rio Salado Parkway
Tempe, Arizona 85281

Mr. Gerard J. Arpey
Chairman, President and CEO
American Airlines
4333 Amon Carter Blvd., MD 5621
Fort Worth, Texas 76155

Ms. Lucy Korolov
Accounting Manager
Apple Vacations
115 East Gish Road, Suite 201
San Jose, California 95112

Mr. Peter S. Hwang
Senior Manager, Revenue Accounting
Asiana Airlines
3530 Wilshire Boulevard, Suite 1700
Los Angeles, California 90010

Mr. H. Wei
President
China Airlines
Honolulu International Airport
300 Rodgers Boulevard, #14
Honolulu, Hawaii 96819

Ms. Becky Gonzalez
CIA Mexicana De Aviacion
9841 Airport Boulevard, Suite 400
Los Angeles, California 90045-9452

Mr. Larry Kellner
Chief Executive Officer
Continental Airlines, Inc.
1600 Smith Street, Dept. HQSPF
Houston, Texas 77002

Mr. Mark Erwin
President and CEO
Continental Micronesia, Inc.
Guam International Airport
Tamuning, Guam 96931

Mr. Gerald Grinstein
Chief Executive Officer
Delta Air Lines, Inc.
1030 Delta Blvd., Dept. 877
Atlanta, Georgia 30320

Mr. Jen-Chung Huang
President
EVA Airways Corporation
12440 East Imperial Highway, Suite 250
Norwalk, California 90650

Mr. Brian Bauer
President
Evergreen International Airlines, Inc.
3850 Three Mile Lane
McMinnville, Oregon 97128

Mr. David Bronczek
President and CEO
Federal Express Corporation
3610 Hacks Cross Road
Memphis, Tennessee 38125

Mr. Bob Brattston
Director, Properties Facilities & Contracts
Administration
Harmony Airways
250-3600 Lysander Lane
Richmond, British Columbia
Canada V7B 1C3

Mr. Robert Mauracher
President
Hawaii Island Air, Inc.
99 Kapalulu Place
Honolulu, Hawaii 96819-1843

Mr. Mark Dunkerly
President and CEO
Hawaiian Airlines
3375 Koapaka Street, Suite G350
Honolulu, Hawaii 96819

Mr. Kazunari Yashiro
President and CEO
Jalways Company, Ltd.
Honolulu International Airport
300 Rodgers Boulevard, #24
Honolulu, Hawaii 96819

Mr. Simon Glover
General Manager Finance-Long Haul
Project
Jetstar Airways Pty Limited
Level 1, 473 Bourke Street
Melbourne, VIC 3000

Mr. Yi Shim
President and CEO
Korean Air Lines Company, Ltd
Honolulu International Airport
300 Rodgers Boulevard, #69
Honolulu, Hawaii 96819

Lanchile Airlines
1313 Ponce De Leon Boulevard, #201
Coral Gables, Florida 33134

Mr. Jonathan Ornstein
Chairman/Chief Executive Officer
Mesa Airlines, Inc.
410 North 44th Street, Suite 700
Gateway 3 Building
Phoenix, Arizona 85008

Mr. Douglas Fischer
President
Miami Air International, Inc.
P. O. Box 660880
5000 NW 36th Street
Suite 307
Miami Springs, Florida 33266

Mr. Stephen M. Spellman
Chief Operating Officer and CFO
MN Airlines, LLC
1300 Mendota Heights
Mendota Heights, Minnesota 55120

Mr. William J. Boyer Jr.
Chief Executive Officer/President
Mokulele Airlines
1100 Alakea Street, Suite 1401
Honolulu, Hawaii 96813

Molokai Lanai Air Shuttle
99 Kaulele Place
Honolulu, Hawaii 96819

Mr. Doug Steenland
Chief Operating Officer
Northwest Airlines, Inc.
Department A1135
2700 Lone Oak Parkway
Eagan, Minnesota 55121-1534

Mr. Jeff Crippen
CEO/President
Omni Air International, Inc.
P. O. Box 582527
Tulsa International Airport
Tulsa, Oklahoma 74158

Mr. Richard Ford
Director of Operations
Pacific Wings, LLC
P. O. Box 791537
Paia, Hawaii 96779

Mr. Lucio Tan
Chairman and CEO
Philippines Airlines, Inc.
447 Sutter Street
San Francisco, California 94108

Mr. Renato Diaz de Rivera
Pleasant Holidays, LLC
2404 Towsgate Road
Westlake Village, California 91361

Mr. James Strong
Managing Director and CEO
Qantas Airways Limited
Honolulu International Airport
300 Rodgers Boulevard, #53
Honolulu, Hawaii 96819-1887

Mr. Don Gelman
Finance and Administration
Scandinavian Airlines of North America,
Inc.
9 Polito Avenue
Lyndhurst, New Jersey 07071

Singapore Airlines Limited
5670 Wilshire Boulevard, Suite 1800
Los Angeles, California 90036

Ms. Nancy P. Mallins, CA
Director of Finance and Controller
Skyservices Airlines, Inc.
31 Fasken Drive
Etobicoke, Ontario Canada M9W 1K6

Mr. Manfred Schlarb
Taxation Manager
Swiss International Airlines
776 Reckson Plaza
Uniondale, New York 11556

Tranportes Aereos Meriodionais
1313 Ponce De Leon Boulevard, #201
Coral Gables, Florida 33134

Mr. Glenn Tilton
Chairman, President and CEO
United Air Lines, Inc.
P. O. Box 66919
Chicago, Illinois 60666

Mr. Douglas Parker
President and CEO
US Airways
4000 East Sky Harbor Blvd., CH-CRE
Phoenix, Arizona 85034

Mr. Clive Beddoe
Chairman and CEO
WestJet
1601 Airport Road NE, Suite 200
Calgary, Alberta Canada T2E 6Z8

08, 071C



U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of the Associate Administrator
for Airports

800 Independence Ave., SW
Washington, DC 20591

SEP 30 2009

Mr. Brian H. Sekiguchi
Deputy Director Airports
State of Hawaii, Department of Transportation
400 Rodgers, Boulevard, Suite 700
Honolulu, Hawaii 96819-1880

Dear Mr. Sekiguchi:

In accordance with section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158), the Federal Aviation Administration has approved, in part, your application to impose a passenger facility charge (PFC) at Honolulu International Airport (HNL), Kahului Airport (OGG), Kona International at Keahole Airport (KOA), Lihue Airport (LIH), and Hilo International Airport (ITO) and to use PFC revenue, either now or in the future, at HNL. The authority to impose a PFC is contingent on your continued compliance with the terms of the regulation and any conditions included in this letter.

Enclosed is a Final Agency Decision which provides specific information about this approval including the approved PFC level, total amount of approved, net PFC revenue to be collected, earliest charge effective date, and duration of authority to impose the PFC. This Decision also includes lists of approved and partially approved projects, as well as the FAA's reasons for each decision. The FAA's findings and determinations required by statute and Part 158 are also included in the Decision.

The FAA has approved authority, in whole or in part, to impose a PFC at HNL, OGG, KOA, LIH, and ITO for six projects and to use PFC revenue for five of those projects at HNL and for future use on one project at HNL. The total approved net PFC revenue to be collected for these projects is \$76,138,332, which is less than was requested by the State due to the partial approval of one project.

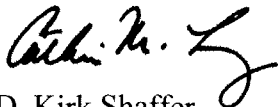
Reporting, recordkeeping, and auditing requirements are described in Part 158, Subpart D. Please issue your required quarterly reports in accordance with the previously issued guidance on reports. We request that you advise our Honolulu Airports District Office when you notify the air carriers and foreign air carriers to begin collecting PFCs. Also, you are responsible for coordinating any construction with the appropriate Federal offices as you would with any non-federally funded construction.

Five of the projects were previously approved for PFC collection and use. In accordance with §158.33(a)(1), you are required to implement these projects by November 2008.

In addition, you are required to submit a use application, or a request for extension if the implementation schedule has been delayed, no later than three years after the date of this decision in accordance with section 158.33(c)(1) for the remaining project which was only approved for collection of PFC revenue.

We have enclosed the list of advisory circulars with which you must comply in accordance with your certification of Assurance Number 9, "standards and specifications."

Sincerely,



js
D. Kirk Shaffer
Associate Administrator
for Airports

FINAL AGENCY DECISION

STATE OF HAWAII HONOLULU, HAWAII

Application numbers 08-03-C-00-HNL, 08-03-C-00-OGG, 08-03-C-00-KOA, 08-03-C-00-LIH, and 08-02-C-00-ITO to impose a passenger facility charge (PFC) at Honolulu International Airport (HNL), Kahului Airport (OGG), Kona International Airport at Keahole (KOA), Lihue Airport (LIH), and Hilo International Airport (ITO) for use at HNL.

In accordance with §158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158), this Final Agency Decision (FAD) includes all appropriate determinations to approve or disapprove, in whole or in part, imposition of a PFC at HNL, OGG, KOA, LIH, and ITO, use of PFC revenue on five projects at HNL and for future use on one project at HNL.

Procedural History (Dates)

Air carrier consultation meeting:	February 1, 2008.
Public notice date:	February 1, 2008.
Federal Aviation Administration (FAA) application receipt:	April 18, 2008.
FAA finding that application is substantially complete:	May 14, 2008.
Date of public agency request to withdraw one project:	August 4, 2008.

SUMMARY OF APPROVED COLLECTIONS FOR THE STATE OF HAWAII

<u>Application Number</u>	<u>Approved for Collection</u>	<u>Approved for Use</u>
04-0*-C-00-***	\$ 42,632,466	\$ 42,632,466
06-0*-C-00-***	\$104,458,000	\$104,458,000
06-0*-C-01-***	\$ -41,958,000	\$ -41,958,000
06-0*-C-02-***	\$ -12,940,000	\$ -12,940,000
06-0*-C-03-***	\$ -49,560,000	\$ -49,560,000
08-0**-C-00-***	\$ 76,138,332	\$ 49,560,000
Total	\$118,770,798	\$ 92,192,466

This application (08-0**¹-C-00-***²) applies to each of the state of Hawaii's (State) five airports imposing PFCs. The State's intent is to collect a pro-rata share of the total approved amount at each imposing airport, HNL, OGG, KOA, LIH, and ITO. Based on the State's estimate of collections at each airport, the FAA estimates that HNL will collect approximately 72.69 percent of the total approved amount, OGG will collect approximately 17.12 percent, KOA will collect approximately 6.19 percent, LIH will collect approximately 3.28 percent and ITO will collect approximately 0.72 percent.

INFORMATION REGARDING EACH AIRPORT

Application to Collect a PFC at HNL and Use the PFC Revenue Either Now or in the Future at HNL

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$55,344,953
Charge effective date for \$3.00 PFC collections:	February 1, 2007
Earliest charge effective date for \$4.50 PFC collections:	November 1, 2008

November 1, 2008, is the "earliest" charge effective date for \$4.50 collections. In establishing its charge effective date for the \$4.50 collections, the public agency must comply with §158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC at the higher PFC level. Collections will continue at a \$3.00 PFC level until the charge effective date for the \$4.50 collections.

¹ The double asterisk "***" refers to the sequential application number. The application submitted in 2004 (04-**-C-00-****) involved PFC collection at four airports, HNL, OGG, KOA, and LIH. The applications submitted in 2006 and 2008 (06-0*-C-00-*** and 08-0*-C-00-****) involved PFC collection at five airports, HNL, OGG, KOA, LIH and ITO. Since ITO was not included in the 2004 application, the application number for the 2008 application for ITO is 08-02-C-00-ITO while the application numbers for the four remaining applications are 08-03-C-***.

² The state of Hawaii has opted to collect PFCs at several of its commercial service airports and to use the pooled PFC revenue collected at each airport to pay for the same set of projects. Therefore, when referring to the collective applications of the State of Hawaii, the FAA uses three asterisks "****" in place of a particular airport's location identifier code.

Duration of Authority

The State is authorized to impose a PFC at HNL until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects attributable to HNL or the charge expiration date is reached, whichever comes first. Based on information submitted by the State, the FAA estimates the charge expiration date for this decision to be January 1, 2010. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of Airport Improvement Program (AIP) grant funds. Section 158.39(d).

Cumulative PFC Authority Including Current Decision

DECISION SUMMARY TABLE

Application Number	Approved for Collection	Approved for Use
04-01-C-00-HNL	\$ 32,296,466	\$ 32,296,466
06-02-C-00-HNL	\$ 78,050,000	\$ 78,050,000
06-02-C-01-HNL	\$ -31,350,608	\$ -31,350,608
06-02-C-02-HNL	\$ -9,672,687	\$ -9,672,687
06-02-C-03-HNL*	\$ -37,026,705	\$ -37,026,705
08-03-C-00-HNL	\$ 55,344,953	\$ 36,025,164
Totals	\$ 87,641,419	\$ 68,321,630

Administrative Amendment

The State requested, and the FAA has granted the State's request, to consolidate one previously approved decision (06-02 Final Agency Decision (FAD)) into this 08-03-C-00-HNL FAD to achieve a uniform collection level at HNL. This action resulted in an administrative amendment closing out collections for the 06-02-C-00-HNL FAD whose projects were transferred to the 08-03 FAD. An asterisk following the application number in the table above indicates the administrative amendment.

Revised Project Costs

<u>Description:</u>	<u>Approved Impose Amount</u>	<u>Revised Impose Amount</u>
For the 06-02-C-03-HNL* administrative amendment:		
Aircraft rescue and firefighting facilities Improvements	\$ 3,437,075	\$0
Elevator and escalator improvements	\$ 7,247,746	\$0
Loading bridge replacement	\$10,460,664	\$0
Air conditioning system improvements, phase II	\$15,358,320	\$0
PFC administrative costs	\$ 522,900	\$0
Total	\$37,026,705	\$0

[Net change: \$0 - \$37,026,705 = -\$37,026,705]

**Application to Collect a PFC at OGG and Use the PFC Revenue Either Now
or in the Future at HNL**

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$13,034,882
Charge effective date for \$3.00 PFC collections:	February 1, 2007
Earliest charge effective date for \$4.50 PFC collections:	November 1, 2008

November 1, 2008, is the "earliest" charge effective date for \$4.50 collections. In establishing its charge effective date for the \$4.50 collections, the public agency must comply with §158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC at the higher PFC level. Collections will continue at a \$3.00 PFC level until the charge effective date for the \$4.50 collections.

Duration of Authority

The State is authorized to impose a PFC at OGG until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects attributable to OGG or the charge expiration date is reached, whichever comes first. Based on information submitted by the State, the FAA estimates the charge expiration date for this decision to be January 1, 2010.

Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of AIP grant funds. Section 158.39(d).

Cumulative PFC Authority Including Current Decision

DECISION SUMMARY TABLE

Application Number	Approved for Collection	Approved for Use
04-01-C-00-OGG	\$ 8,950,000	\$ 8,950,000
06-02-C-00-OGG	\$16,000,000	\$16,000,000
06-02-C-01-OGG	\$ -6,426,774	\$ -6,426,774
06-02-C-02-OGG	\$ -1,985,689	\$ -1,985,689
06-02-C-03-OGG*	\$ -7,587,537	\$ -7,587,537
08-03-C-00-OGG	\$13,034,882	\$ 8,484,672
Totals	\$21,984,882	\$17,434,672

Administrative Amendment

The State requested, and the FAA has granted the State's request, to consolidate one previously approved decision (06-02-FAD) into this 08-03-C-00-OGG FAD to achieve a uniform collection level at OGG. This action resulted in an administrative amendment closing out collections for the 06-02-C-00-OGG FAD whose projects were transferred to the 08-03 FAD. An asterisk following the application number in the table above indicates the administrative amendment.

Revised Project Costs

<u>Description:</u>	<u>Approved Impose Amount</u>	<u>Revised Impose Amount</u>
Aircraft rescue and firefighting facilities Improvements	\$ 704,590	\$0
Elevator and escalator improvements	\$1,485,765	\$0
Loading bridge replacement	\$2,144,402	\$0

For the 06-02-C-03-OGG* administrative amendment:

Air conditioning system improvements, phase II	\$3,145,680	\$0
PFC administrative costs	\$ 107,100	\$0
Total	\$7,587,537	\$0

[Net change: \$0 - \$7,587,537 = -\$7,587,537]

**Application to Collect a PFC at KOA and Use the PFC Revenue Either Now
or in the Future at HNL**

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$4,712,963
Charge effective date for \$3.00 PFC collections:	February 1, 2007
Earliest charge effective date for \$4.50 PFC collections:	November 1, 2008

November 1, 2008, is the "earliest" charge effective date for \$4.50 collections. In establishing its charge effective date for the \$4.50 collections, the public agency must comply with §158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC at the higher PFC level. Collections will continue at a \$3.00 PFC level until the charge effective date for the \$4.50 collections.

Duration of Authority

The State is authorized to impose a PFC at KOA until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects attributable to KOA or the charge expiration date is reached, whichever comes first. Based on information submitted by the State, the FAA estimates the charge expiration date for this decision to be January 1, 2010. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of AIP grant funds. Section 158.39(d).

Cumulative PFC Authority Including Current Decision

DECISION SUMMARY TABLE

Application Number	Approved for Collection	Approved for Use
04-01-C-00-KOA	\$ 1,065,000	\$ 1,065,000
06-02-C-00-KOA	\$ 6,281,000	\$ 6,281,000
06-02-C-01-KOA	\$-2,522,912	\$-2,522,912
06-02-C-02-KOA	\$- 780,827	\$- 780,827
06-02-C-03-KOA*	\$-2,977,261	\$-2,977,261
08-03-C-00-KOA	\$ 4,712,963	\$ 3,067,764
Totals	\$ 5,777,963	\$ 4,132,764

Administrative Amendment

The State requested, and the FAA has granted the State's request, to consolidate one previously approved decision (06-02 FAD) into this 08-03-C-00-KOA FAD to achieve a uniform collection level at KOA. This action resulted in an administrative amendment closing out collections for the 06-02-C-00-KOA FAD whose projects were transferred to the 08-03 FAD. An asterisk following the application number in the table above indicates the administrative amendment.

Revised Project Costs

<u>Description:</u>	<u>Approved Impose Amount</u>	<u>Revised Impose Amount</u>
For the 06-02-C-03-KOA* administrative amendment:		
Aircraft rescue and firefighting facilities Improvements	\$ 276,595	\$0
Elevator and escalator improvements	\$ 583,254	\$0
Loading bridge replacement	\$ 841,812	\$0
Air conditioning system improvements, phase II	\$1,233,600	\$0
PFC administrative costs	\$ 42,000	\$0
Total	\$2,977,261	\$0

[Net change: \$0 - \$2,977,261 = -\$2,977,261]

**Application to Collect a PFC at LIH and Use the PFC Revenue Either Now or
in the Future at HNL**

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$2,497,337
Charge effective date for \$3.00 PFC collections:	February 1, 2007
Earliest charge effective date for \$4.50 PFC collections:	November 1, 2008

November 1, 2008, is the "earliest" charge effective date for \$4.50 collections. In establishing its charge effective date for the \$4.50 collections, the public agency must comply with §158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC at the higher PFC level. Collections will continue at a \$3.00 PFC level until the charge effective date for the \$4.50 collections.

Duration of Authority

The State is authorized to impose a PFC at LIH until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects attributable to LIH or the charge expiration date is reached, whichever comes first. Based on information submitted by the State, the FAA estimates the charge expiration date for this decision to be January 1, 2010. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of AIP grant funds. Section 158.39(d).

Cumulative PFC Authority Including Current Decision

DECISION SUMMARY TABLE

Application Number	Approved for Collection	Approved for Use
04-01-C-00-LIH	\$ 321,000	\$ 321,000
06-02-C-00-LIH	\$ 3,346,000	\$ 3,346,000
06-02-C-01-LIH	\$-1,343,999	\$-1,343,999

06-02-C-02-LIH	\$- 415,175	\$- 415,175
06-02-C-03-LIH*	\$-1,586,826	\$-1,586,826
08-03-C-00-LIH	\$ 2,497,337	\$ 1,625,568
Totals	\$ 2,818,337	\$ 1,946,568

Administrative Amendment

The State requested, and the FAA has granted the State's request, to consolidate one previously approved decision (06-02 FAD) into this 08-03-C-00-LIH FAD to achieve a uniform collection level at LIH. This action resulted in an administrative amendment closing out collections for the 06-02-C-00-LIH FAD whose projects were transferred to the 08-03 FAD. An asterisk following the application number in the table above indicates the administrative amendment.

Revised Project Costs

<u>Description:</u>	<u>Approved Impose Amount</u>	<u>Revised Impose Amount</u>
For the 06-02-C-03-LIH* administrative amendment:		
Aircraft rescue and firefighting facilities Improvements	\$ 147,347	\$0
Elevator and escalator improvements	\$ 310,711	\$0
Loading bridge replacement	\$ 448,448	\$0
Air conditioning system improvements, phase II	\$ 657,920	\$0
PFC administrative costs	\$ 22,400	\$0
Total	\$1,586,826	\$0

[Net change: \$0 - \$1,586,826 = -\$1,586,826]

Application to Collect a PFC at ITO and Use the PFC Revenue Either Now or in the Future at HNL

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$548,196
Charge effective date for \$3.00 PFC collections:	February 1, 2007
Earliest charge effective date for \$4.50 PFC collections:	November 1, 2008

November 1, 2008, is the "earliest" charge effective date for \$4.50 collections. In establishing its charge effective date for the \$4.50 collections, the public agency must comply with §158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC at the higher PFC level. Collections will continue at a \$3.00 PFC level until the charge effective date for the \$4.50 collections.

Duration of Authority

The State is authorized to impose a PFC at ITO until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects attributable to ITO or the charge expiration date is reached, whichever comes first. Based on information submitted by the State, the FAA estimates the charge expiration date for this decision to be January 1, 2010. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of AIP grant funds. Section 158.39(d).

Cumulative PFC Authority Including Current Decision

DECISION SUMMARY TABLE

Application Number	Approved for Collection	Approved for Use
06-01-C-00-ITO	\$ 781,000	\$ 781,000
06-01-C-01-ITO	\$-313,707	\$-313,707
06-01-C-02-ITO	\$- 85,622	\$- 85,622
06-01-C-03-ITO*	\$-381,671	\$-381,671
08-02-C-00-ITO	\$548,196	\$ 356,832
Totals	\$548,196	\$ 356,832

Administrative Amendment

The State requested, and the FAA has granted the State's request, to consolidate one previously approved decision (06-01 FAD) into this 08-02-C-00-ITO FAD to achieve a uniform collection level at ITO. This action resulted in an administrative amendment closing out collections for the 06-01-C-00-ITO FAD whose projects

were transferred to the 08-02 FAD. An asterisk following the application number in the table above indicates the administrative amendment.

Revised Project Costs

<u>Description:</u>	<u>Approved Impose Amount</u>	<u>Revised Impose Amount</u>
For the 06-01-C-03-ITO* administrative amendment:		
Aircraft rescue and firefighting facilities Improvements	\$ 34,393	\$0
Elevator and escalator improvements	\$ 72,524	\$0
Loading bridge replacement	\$104,674	\$0
Air conditioning system improvements, phase II	\$164,480	\$0
PFC administrative costs	\$ 5,600	\$0
Total	\$381,671	\$0

[Net change: \$0 - \$381,671 = -\$381,671]

Project Approval Determinations

For each project approved in this FAD and for the application as a whole, the FAA, based on its expertise with the PFC program and airport development, exercises its judgment, and finds that there is substantial evidence to support the following determinations. Based on its review and pursuant to 49 U.S.C. §40117, the FAA finds that:

- The amount and duration of the PFC will not result in revenue that exceeds the amount necessary to finance the specific projects.
- Each approved project (as set forth in the individual project determinations) meets at least one of the objectives set forth in §158.15(a); is eligible in accordance with §158.15(b); and is adequately justified in accordance with §158.15(c) and paragraph 4-8 of FAA Order 5500.1, Passenger Facility Charge (August 9, 2001).
- Each approved project (as set forth in the individual project determinations) at a PFC level above \$3.00 will make a significant contribution in accordance with §158.17(b); meets at least one of the objectives set forth in §158.15(a); is eligible in accordance with §158.15(b); and is adequately justified in accordance with §158.15(c) and paragraph 4-8 of FAA Order 5500.1, Passenger Facility Charge (August 9, 2001) (as set forth in the discussion of significant contribution in the individual project determinations).

- The project approved for collection at a PFC level above \$3, meets the requirements of §158.17(a)(2). The FAA has determined that AIP funds are not expected to be available to fund the project in whole or in part.
- The collection process, including a request by the public agency not to require a class or classes of carrier to collect PFC, is reasonable, not arbitrary, nondiscriminatory, and otherwise in compliance with the law.
- The public agency has not been found to be in violation of §9304(e) or §9307 of the Airport Noise and Capacity Act (ANCA) of 1990 (since codified at 49 U.S.C. §§47524 and 47526).
- All project-related requirements, if applicable, pertaining to the airport layout plan (ALP) and airspace studies have been met. Environmental requirements (§158.29(b)(1)(iv)) are completed and discussed under a separate heading below.
- For the project approved for only impose authority, the determinations regarding project objective, eligibility, adequate justification, and if appropriate, significant contribution, should be considered findings that the project meets nominal statutory requirements. Final determinations must be deferred until FAA review of the “use” application.
- The total approved net PFC revenue includes debt service and financing costs of PFC approved projects. Any PFC revenue collected in excess of debt servicing requirements shall be used for approved projects or retirement of outstanding PFC-financed costs.
- This FAD includes approval of authority to impose PFCs for Project 1: taxiways G and L widening; and impose and use PFCs for Project 2: aircraft rescue and firefighting facilities improvements; Project 3: escalator improvements; Project 4: loading bridge replacement; Project 5: air conditioning system improvements, phase II; and Project 6: PFC administrative costs. Having met the general statutory and regulatory eligibility requirements, this approval authority (as set forth in the individual project determinations) is also based on assurances contained in the public agency’s application.

Consolidated Final Agency Decisions

This FAD consolidates one previously issued FAD with new projects requesting impose authority. Specifically, the State requested that the FAA combine the projects in applications 06-02-C-00-HNL, 06-02-C-00-OGG, 06-02-C-00-KOA, 06-02-C-00-LIH, and 06-01-C-00-ITO with the proposed projects in the new application in order to achieve a uniform PFC collection level. The State based

its request on the FAA's decision approving the 06 FAD at a \$3.00 PFC level. In addition, the FAA made a preliminary finding that both of the projects in the new application and the consolidated application could qualify for the \$4.50 PFC level on a stand-alone basis. By collecting the PFC at the \$4.50 level as approved by this FAD, the duration of collection for the entire PFC stream at HNL, OGG, KOA, LIH and ITO will be reduced by several months. The FAA, in order to preserve the requirements placed on each project at its earlier approval, has included, in this determination, the original requirements for implementation of that project. Thus, the benefit gained by the State due to the FAA's agreement to combine the 06 FAD with the 08 FAD, is a shorter collection period and uniform PFC collection level. Such a combined PFC rate is permissible. (See paragraph 10-21 of FAA Order 5500.1, Passenger Facility Charge, (August 9, 2001).)

Project Partially Approved for Authority to Impose a PFC at HNL, OGG, KOA, LIH, and ITO for Future Use at HNL at a \$4.50 PFC Level

<u>Description:</u>	<u>Approved Amount</u>
Project 1. Taxiways G and L Widening	
Bond Capital	\$12,042,742
Financing and Interest	<u>\$14,535,590</u>
Total	\$26,578,332

This project will widen the existing taxiways G and L located parallel to the existing Interisland terminal. The project includes construction management services as well as the construction. This project will result in 75-foot wide continuous dual taxilanes that provide a uniform centerline to centerline separation of 245 feet, thus permitting simultaneous operation by Group V aircraft. The taxiway centerline to centerline separation currently varies from 300 feet to 135 feet and was designed for operations by Group III or smaller aircraft. The State has received indication from at least one carrier operating out of the interisland terminal that the carrier is purchasing A330 and A350 aircraft, both Group V type aircraft, for use at HNL. Thus, the taxiways must be modified in order to accommodate the expected future aircraft fleet mix.

Determinations:

Partially approved for collection.

Significant contribution: This project will modify the existing taxiways in the vicinity of the interisland terminal to accommodate a more varied fleet mix. In addition, providing a uniform centerline to centerline separation between the two taxiways will improve operational safety for taxiing aircraft. Thus, this project makes a significant contribution to reducing current congestion by eliminating a potential choke point area, increasing competition among air carriers by making it easier for the carriers to operate an expanded fleet mix,

and improving air safety by providing for greater lateral separation between taxiing aircraft at HNL.

PFC Objective: This project will improve the taxiway centerline to centerline separation which will improve operational safety and allow aircraft of up to Group V size to utilize the taxiways. Thus, the project meets three PFC objectives, enhance safety, enhance capacity, and furnish opportunities for enhanced competition between or among air carriers at HNL.

Basis for eligibility: paragraphs 520 and 525 of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Estimated total project cost: \$30,236,000.

Proposed source of financing: PFC revenue (\$26,578,332 – The State requested \$30,236,000, however the FAA determined that a portion of the requested amount was not allowable (see reason for partial approval below) and, thus, reduced the approved amount from that which was requested) and revenue bonds (\$3,657,668).

PFC funds break-out: HNL \$19,319,789 (capital - \$8,753,869; interest - \$10,565,920); OGG \$4,550,210 (capital - \$2,061,717; interest - \$2,488,493); KOA \$1,645,199 (capital - \$745,446; interest - \$899,753); LIH \$871,769 (capital - \$395,002; interest - \$476,767); ITO \$191,364 (capital - \$86,708; interest - \$104,656).

Reason for partial approval: The cost estimate for this project included a line item labeled “Contingencies.” Given the speculative nature of this contingency amount, the FAA is unable to determine that these costs are reasonable and necessary. This is especially true for a project where the public agency is only requesting authority to collect, but not to use PFC revenue and where the actual construction is several years in the future. Moreover, §158.37 provides procedures for amending an approved PFC project in the event actual costs are different than the costs provided at the time the project was approved. Therefore, the FAA reduced the capital amount by the amount labeled as “Contingency” in the cost estimate. The FAA also reduced the amount of financing costs approved commensurate with the reduction in capital costs.

This project is being approved for impose authority in this FAD. Therefore, in accordance with §158.33(c), the State must submit an application requesting use authority for this project or have been granted an extension of time to submit a use application no later than 3 years after the approval date of this FAD.

In addition, in the event that the State wishes to amend this project to increase the approved PFC amount in the future, the State must use the original approved amount for this project, \$26,578,332, in determining whether §158.37(b)(1)(i) or (b)(1)(ii) applies.

Projects Approved for Authority to Impose a PFC at HNL, OGG, KOA, LIH, and ITO and Use PFC Revenue at HNL at a \$3.00 PFC Level

<u>Description:</u>	<u>Approved Amount</u>
Project 2. Aircraft Rescue and Firefighting Facilities Improvements	\$4,600,000

This project provides for the construction of various improvements to two existing aircraft rescue and firefighting (ARFF) stations so that the stations will be able to meet current and future needs. The project includes the construction of a new apparatus bay for the ARFF vehicles, an equipment storage area, an alarm/control room, a new vehicle enclosure, a 10,000-gallon fuel tank for emergency generator and vehicle refueling, a new vehicle maintenance building as well as pavement and related site improvements. The additions to the building due to the various components listed above total approximately 3,730 square feet. The project also includes construction management services. The existing ARFF facilities are over 30 years old and cannot accommodate four recently acquired ARFF vehicles.

Determinations:

Approved for collection and use.

PFC objective: The expansion of the ARFF station will enhance safety by providing adequate space to house the airport's required ARFF equipment and to train ARFF personnel at HNL. Thus, this project meets the PFC objective of enhancing safety.

Basis for eligibility: paragraph 547b of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Estimated total project cost: \$4,600,000.

Proposed source of financing: PFC revenue (\$4,600,000 – the amount requested by the State).

PFC funds break-out: HNL \$3,343,740; OGG \$787,520; KOA \$284,740; LIH \$150,880; ITO \$33,120.

The State did not request that this project be collected at a higher PFC level.

This project was previously approved for concurrent impose and use authority in the 06-02-C-00-HNL, 06-02-C-00-OGG, 06-02-C-00-KOA, 06-02-C-00-LIH, and 06-01-C-00-ITO FAD and has been consolidated into this FAD so that HNL, OGG, KOA, LIH, and ITO can achieve a uniform PFC level. In accordance with §158.33(a)(1) and the 06 FAD, the State is required to begin implementation of this project by November 27, 2008. The project is scheduled to be implemented by November 2008. If the State maintains this schedule, the requirements of §158.33(a)(1) will be met.

In addition, in the event that the State wishes to amend this project to increase the approved PFC amount in the future, the State must use the original approved amount for this project, \$4,600,000, in determining whether §158.37(b)(1)(i) or (b)(1)(ii) applies.

Project 3. Escalator Improvements \$9,700,000

This project provides for the installation of 39 escalators and related improvements serving the overseas and inter-island terminals. The project will replace the escalators which are approximately 20 years old or older and have outlived their useful lives. Equipment failure is becoming a more frequent occurrence and key components of the equipment are scarce or obsolete. These facilities provide passenger access between the ground, second and third levels containing ticket counters, boarding gates, and baggage claim areas. These replacement escalators serve common-use public terminal areas. The project will facilitate passenger movement and will allow HNL to comply with the Americans with Disabilities Act as well as emergency access requirements.

Determinations:

Approved for collection and use.

PFC objective: The escalator improvements will preserve capacity by modernizing the escalators that passengers use to access and move between the three passenger levels of the overseas and inter-island terminals at HNL. Thus, this project will meet the PFC objective of preserving capacity.

Basis for eligibility: paragraphs 601, 605, and 611 of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Estimated total project cost: \$9,700,000.

Proposed sources of financing: PFC revenue (\$9,700,000 – the amount currently requested by the State. The State initially requested \$19,400,000 for this project but later reduced that amount).

PFC funds break-out: HNL \$7,050,930; OGG \$1,660,640; KOA \$600,430; LIH \$318,160; ITO \$69,840.

The State did not request that this project be collected at a higher PFC level.

This project was previously approved for concurrent impose and use authority in the 06-02-C-00-HNL, 06-02-C-00-OGG, 06-02-C-00-KOA, 06-02-C-00-LIH, and 06-01-C-00-ITO FAD and has been consolidated into this FAD so that HNL, OGG, KOA, LIH, and ITO can achieve a uniform PFC level. In accordance with §158.33(a)(1) and the 06 FAD, the State is required to begin implementation of this project by November 27, 2008. The project is scheduled to be implemented by November 2008. If the State maintains this schedule, the requirements of §158.33(a)(1) will be met.

In addition, in the event that the State wishes to amend this project to increase the approved PFC amount in the future, the State must use the original approved

amount for this project, \$19,400,000, in determining whether §158.37(b)(1)(i) or (b)(1)(ii) applies.

Project 4. Loading Bridge Replacement \$14,000,000.

This project provides for the installation of 14 new passenger loading bridges to replace the existing bridges at the boarding gates of the overseas terminals. The project also includes related improvements to the common-use boarding areas at the gates where the bridges are being replaced. The existing loading bridges are between 16 and 30 years old and each has exceeded its useful life.

Replacement of the aged, deteriorating bridges is necessary to accommodate the increased number of passengers.

Determinations:

Approved for collection and use.

PFC objective: The new bridges replace outdated equipment and will provide access to aircraft at common use gates. Thus, this project meet the PFC objective of preserving capacity.

Basis for eligibility: paragraph 601 of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Estimated total project cost: \$14,000,000.

Proposed source of financing: PFC revenue (\$14,000,000 – the amount requested by the State).

PFC funds break-out: HNL \$10,176,600; OGG \$2,396,800; KOA \$866,600; LIH \$459,200; ITO \$100,800.

The State did not request that this project be collected at a higher PFC level.

This project was previously approved for concurrent impose and use authority in the 06-02-C-00-HNL, 06-02-C-00-OGG, 06-02-C-00-KOA, 06-02-C-00-LIH, and 06-01-C-00-ITO FAD and has been consolidated into this FAD so that HNL, OGG, KOA, LIH, and ITO can achieve a uniform PFC level. In accordance with §158.33(a)(1) and the 06 FAD, the State is required to begin implementation of this project by November 27, 2008. The project is scheduled to be implemented by November 2008. If the State maintains this schedule, the requirements of §158.33(a)(1) will be met.

In addition, in the event that the State wishes to amend this project to increase the approved PFC amount in the future, the State must use the original approved amount for this project, \$14,000,000, in determining whether §158.37(b)(1)(i) or (b)(1)(ii) applies.

Project 5. Air Conditioning System Improvements, Phase II \$20,560,000

This project provides for the second phase of the replacement and upgrade of the chiller plants in the overseas terminal and other improvements related to the

air conditioning system. The chiller plants in the overseas terminal are nearly 30 years old and are approaching the end of their useful lives. In addition, these plants are under-sized for the current terminal configuration. This project will reduce the likelihood of potential air conditioning system failure.

Determinations:

Approved for collection and use.

PFC objective: The new chillers will replace outdated equipment that is not adequate to meet current and future capacity. Thus, this project will meet two PFC objectives, preserving and enhancing capacity.

Basis for eligibility: paragraph 601 of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Estimated total project cost: \$36,510,000.

Proposed source of financing: PFC revenue (\$20,560,000 – the amount currently requested by the State. The State initially requested \$33,600,000 for this project but later reduced that amount. This project also includes local funds totaling \$15,950,000).

PFC funds break-out: HNL \$14,945,064; OGG \$3,519,872; KOA \$1,272,664; LIH \$674,368; ITO \$148,032.

The State did not request that this project be collected at a higher PFC level.

This project was previously approved for concurrent impose and use authority in the 06-02-C-00-HNL, 06-02-C-00-OGG, 06-02-C-00-KOA, 06-02-C-00-LIH, and 06-01-C-00-ITO FAD and has been consolidated into this FAD so that HNL, OGG, KOA, LIH, and ITO can achieve a uniform PFC level. In accordance with §158.33(a)(1) and the 06 FAD, the State is required to begin implementation of this project by November 27, 2008. The project is scheduled to be implemented by November 2008. If the State maintains this schedule, the requirements of §158.33(a)(1) will be met.

In addition, in the event that the State wishes to amend this project to increase the approved PFC amount in the future, the State must use the original approved amount for this project, \$33,600,000, in determining whether §158.37(b)(1)(i) or (b)(1)(ii) applies.

Project 6. PFC Administrative Costs

\$700,000

This project provides for reimbursement of allowable costs associated with the preparation of the 06 PFC application. The project also includes the administrative costs associated with the handling of PFC revenue. Financial reporting and audit requirements, outside consultants, auditors, airport accounting and administrative staff associated with the 06 PFC decision.

Determinations:

Approved for collection and use.

PFC objective: This PFC application contains projects that will preserve and/or enhance safety and capacity. Thus, the PFC administrative support costs approved in this project will facilitate the State's accomplishment of projects that meet several the PFC objectives including preserving and/or enhancing safety and capacity.

Basis for eligibility: Definition of "PFC administrative support costs" in §158.3..

Estimated total project cost: \$700,000.

Proposed source of financing: PFC revenue (\$700,000 – the current amount requested by the State. The State initially requested \$600,000 for this project but later increased that amount.).

PFC funds break-out: HNL \$508,830; OGG \$119,840; KOA \$43,330; LIH \$22,960; ITO \$5,040.

The State did not request that this project be collected at a higher PFC level.

This project was previously approved for concurrent impose and use authority in the 06-02-C-00-HNL, 06-02-C-00-OGG, 06-02-C-00-KOA, 06-02-C-00-LIH, and 06-01-C-00-ITO FAD and has been consolidated into this FAD so that HNL, OGG, KOA, LIH, and ITO can achieve a uniform PFC level. In accordance with §158.33(a)(1) and the 06 FAD, the State is required to begin implementation of this project by November 27, 2008. The project was implemented on July 1, 2007, therefore the State has met the requirements of §158.33(a)(1) for this project.

In addition, in the event that the State wishes to amend this project to increase the approved PFC amount in the future, the State must use the original approved amount for this project, \$600,000, in determining whether §158.37(b)(1)(i) or (b)(1)(ii) applies.

Withdrawn Project

<u>Description:</u>	<u>Withdrawn Amount</u>
New Diamond Head Concourse, Phase I	
Bond Capital	\$231,696,596
Financing and Interest	<u>\$279,657,791</u>
Total	\$511,354,387

Determination:

This project was withdrawn by the State by letter dated August 4, 2008.

Alternative Uses for PFC Revenue

The FAA finds the following as the State's alternative uses for the PFC revenue: new EWA concourse, phase I and connector building and automated people mover superstructure. These projects total \$823,788,000.

The FAA makes this finding on alternative projects to ensure that, in the event one or more of the approved impose-only primary projects are not implemented in a timely manner, the State has sufficient eligible uses for the PFC revenues already collected for the impose only projects. The cost of the alternatives listed exceeds the cost of the approved impose-only project; therefore, the alternative project requirement has been satisfied.

The FAA cautions the State that, if it does not submit an application to use the PFC revenue on the impose only primary project within 3 years of the approval date of this FAD or does not begin implementation of the impose only primary project within 5 years of the approval date of this FAD, the State's authority to impose a PFC will automatically expire in accordance with §158.33. This does not constitute approval for use of PFC revenue.

Calculation of PFC Level

This FAD consolidates one previously issued FAD (Projects 2 through 6, approved for impose and use) with Project 1 approved for impose authority. The FAA determined that Project 1 (for which the State requested approval at a higher PFC level) meets the requirements of §158.17(b). The State did not request a higher PFC level for the other five projects in this FAD that were originally approved at \$3 in the 06-02 FAD.

To ease the burden of administering the PFC program, paragraph 10-18 of FAA Order 5500.1, Passenger Facility Charge, permits the FAA to authorize the premium collection on the combined application projects when a sufficient value of projects in the application can be shown to satisfy the higher standards associated with the higher PFC charge. Here, the FAA has determined that approximately 35 percent of the total PFC value of the approved projects is collectible at \$4.50 and, thus, is authorizing the \$4.50 collection level for the entire application in accordance with the procedures discussed in paragraph 10-18 of FAA Order 5500.1, Passenger Facility Charge, (August 9, 2001).

Environmental Requirements

The projects approved in this FAD for concurrent authority to impose and use the PFC were examined under the guidelines contained in FAA Order 5050.4B, National Environmental Policy Act (NEPA) Implementing Instructions for Airport Projects (April 28, 2006), and each project has been determined to be

categorically excluded from the requirement for formal environmental review. There appear to be no extraordinary circumstances requiring further review.

Request Not to Require a Class or Classes of Carriers to Collect PFC's.

The State has not requested that a class or classes of carriers be excluded from the requirement to collect PFCs at any of the five collecting airports.

Determination: No FAA action required. However, the FAA notes that, in accordance with §158.9(a)(4), no public agency may impose a PFC on any passenger on flights, including flight segments, between two or more points in Hawaii.

Compliance with the Airport Noise and Capacity Act of 1990 (ANCA)

The FAA is not aware of any proposal at HNL, OGG, KOA, LIH, or ITO that would be found to be in violation of the ANCA. The FAA herein provides notice to the State that a restriction on the operation of aircraft at HNL, OGG, KOA, LIH or ITO must comply with all applicable provisions of the ANCA and that failure to comply with the ANCA and Part 161 makes the State subject to provisions of Subpart F of that Part. Subpart F, "Failure to Comply With This Part," describes the procedures to terminate eligibility for AIP funds and authority to collect PFC revenues.

Compliance with Subsection 47107(b) Governing Use of Airport Revenue

As of the date of this approval the State of Hawaii has not been found to be in violation of 49 U.S.C. §47107(b) or in violation of grant assurances made under 49 U.S.C. §47107(b).

Compliance with Requirement to Submit a Competition Plan

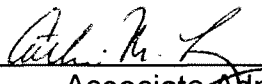
As of the date of this approval, the State of Hawaii has complied with the requirement to submit a competition plan for OGG in accordance with §158.29(a)(1)(viii). Furthermore, by letter dated May 12, 2004, the FAA has determined that OGG's competition plan is in accordance with §155 of AIR-21. The remaining four airports approved for authority to collect a PFC in this FAD are not required to submit competition plans.

Air Carrier Consultation and Public Notice Comments

There were no disagreements received with respect to the proposed projects or application as a result of the air carrier consultation and public notice and comments processes.

Legal Authority

This decision is made under the authority of 49 U.S.C. §40117, as amended. This decision constitutes a final order to approve, in whole or in part, the State of Hawaii's application to impose a PFC at HNL, OGG, KOA, LIH, and ITO and use PFC revenue on Projects 2 through 6 at HNL and to impose a PFC at HNL, OGG, KOA, LIH, and ITO (but not to use PFC revenue) on Project 1 at HNL. Any party to this proceeding having a substantial interest may appeal this decision to the courts of appeals for the United States or the United States Court of Appeals for the District of Columbia upon petition, filed within 60 days after issuance of this decision in accordance with 49 U.S.C. §46110.

Concur *for*  9/29/08
Associate Administrator Date
for Airports

Nonconcur _____
Associate Administrator Date
for Airports

**CURRENT FAA ADVISORY CIRCULARS REQUIRED FOR USE IN AIP FUNDED
AND PFC APPROVED PROJECTS**

Dated: 3/21/2007

View the most current versions of these ACs and any associated changes at
http://www.faa.gov/airports_airtraffic/airports/resources/advisory_circulars/.

NUMBER	TITLE
70/7460-1K*	Obstruction Marking and Lighting
150/5000-13	Announcement of Availability--RTCA Inc., Document RTCA-221, Guidance and Recommended Requirements for Airport Surface Movement Sensors
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5070-6B	Airport Master Plans
150/5070-7	The Airport System Planning Process
150/5200-28C	Notices to Airmen (NOTAMS) for Airport Operators
150/5200-30A and Changes 1 through 8	Airport Winter Safety and Operations
150/5200-33A	Hazardous Wildlife Attractants On or Near Airports
150/5210-5B	Painting, Marking and Lighting of Vehicles Used on an Airport
150/5210-7C	Aircraft Fire and Rescue Communications
150/5210-13B	Water Rescue Plans, Facilities, and Equipment
150/5210-14A	Airport Fire and Rescue Personnel Protective Clothing
150/5210-15	Airport Rescue & Firefighting Station Building Design
150/5210-18	Systems for Interactive Training of Airport Personnel
150/5210-19	Driver's Enhanced Vision System (DEVIS)
150/5220-4B	Water Supply Systems for Aircraft Fire and Rescue Protection
150/5220-10C	Guide Specification for Water/Foam Type Aircraft Rescue and Firefighting Vehicles
150/5220-13B	Runway Surface Condition Sensor Specification Guide
150/5220-16C	Automated Weather Observing Systems for Non-Federal Applications
150/5220-17A and Change 1	Design Standards for Aircraft Rescue Firefighting Training Facilities
150/5220-18	Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials
150/5220-19	Guide Specification for Small, Dual-Agent Aircraft Rescue and Firefighting Vehicles
150/5220-20 and Change 1	Airport Snow and Ice Control Equipment
150/5220-21B	Guide Specification for Lifts Used to Board Airline Passengers With Mobility Impairments

FAA Advisory Circulars Required For Use In AIP Funded And PFC Approved Projects
 March 21, 2007

NUMBER	TITLE
150/5220-22A	Engineered Materials Arresting Systems (EMAS) for Aircraft Overruns
150/5300-13 and Changes 1 through 10	Airport Design
150/5300-14 and Changes 1 through 2	Design of Aircraft Deicing Facilities
150/5300-16	General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey
150/5300-17	General Guidance and Specifications for Aeronautical Survey Airport Imagery Acquisition and Submission to the National Geodetic Survey
150/5300-18	General Guidance and Specifications for Submission of Aeronautical Surveys to NGS: Field Data Collection and Geographic Information System (GIS) Standards
150/5320-5B	Airport Drainage
150/5320-6D and Changes 1 through 4	Airport Pavement Design and Evaluation
150/5320-12C and Changes 1 through 8	Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces
150/5320-14	Airport Landscaping for Noise Control Purposes
150/5320-15 and Change 1	Management of Airport Industrial Waste
150/5325-4B	Runway Length Requirements for Airport Design
150/5335-5A	Standardized Method of Reporting Pavement Strength PCN
150/5340-1J	Standards for Airport Markings
150/5340-5B and Change 1	Segmented Circle Airport Marker System
150/5340-18D	Standards for Airport Sign Systems
150/5340-30B	Design and Installation Details for Airport Visual Aids
150/5345-3E	Specification for L821 Panels for Control of Airport Lighting
150/5345-5B	Circuit Selector Switch
150/5345-7E	Specification for L824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10F	Specification for Constant Current Regulators Regulator Monitors
150/5345-12E	Specification for Airport and Heliport Beacon
150/5345-13A	Specification for L841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits
150/5345-26C	Specification for L823 Plug and Receptacle, Cable Connectors

FAA Advisory Circulars Required For Use In AIP Funded And PFC Approved Projects
 March 21, 2007

NUMBER	TITLE
150/5345-27D	Specification for Wind Cone Assemblies
150/5345-28F	Precision Approach Path Indicator (PAPI) Systems
150/5345-39C	FAA Specification L853, Runway and Taxiway Retroreflective Markers
150/5345-42F	Specification for Airport Light Bases, Transformer Housings, Junction Boxes and Accessories
150/5345-43F	Specification for Obstruction Lighting Equipment
150/5345-44G	Specification for Taxiway and Runway Signs
150/5345-45B	Low-Impact Resistant (LIR) Structures
150/5345-46C	Specification for Runway and Taxiway Light Fixtures
150/5345-47B	Specification for Series to Series Isolation Transformers for Airport Lighting Systems
150/5345-49B	Specification L854, Radio Control Equipment
150/5345-50A	Specification for Portable Runway and Taxiway Lights
150/5345-51A	Specification for Discharge-Type Flasher Equipment
150/5345-52	Generic Visual Glideslope Indicators (GVGI)
150/5345-53C	Airport Lighting Equipment Certification Program
150/5345-54A and Change 1	Specification for L-1884 Power and Control Unit for Land and Hold Short
150/5345-55	Lighted Visual Aid to Indicate Temporary Runway Closure
150/5345-56	Specification for L-890 Airport Lighting Control and Monitoring System (ALCMS)
150/5360-9	Planning and Design of Airport Terminal Facilities at NonHub Locations
150/5360-12D	Airport Signing and Graphics
150/5360-13 and Change 1	Planning and Design Guidance for Airport Terminal Facilities
150/5370-2E	Operational Safety on Airports During Construction
150/5370-10B	Standards for Specifying Construction of Airports
150/5370-11A	Use of Nondestructive Testing Devices in the Evaluation of Airport Pavement
150/5380-6A	Guidelines and Procedures for Maintenance of Airport Pavements
150/5390-2B	Heliport Design
150/5390-3	Vertiport Design
150/5395-1	Seaplane Bases

*This AC is available at <http://www.faa.gov/ats/ata/ai/index.html> or http://www.airweb.faa.gov/Regulatory_and_Guidance_Library/rgAdvisoryCircular.nsf/MainFrame?OpenFrameSet.

FAA Advisory Circulars Required For Use In AIP Funded And PFC Approved Projects
 March 21, 2007

THE FOLLOWING ADDITIONAL APPLY to AIP PROJECTS ONLY
Dated: 3/21/2007

NUMBER	TITLE
150/5100-14D	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5100-15A	Civil Rights Requirements for the Airport Improvement Program
150/5100-17 and Changes 1 through 6	Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects
150/5200-37	Introduction to Safety Management Systems (SMS) for Airport Operators
150/5300-15	Use of Value Engineering for Engineering Design of Airports Grant Projects
150/5320-17	Airfield Pavement Surface Evaluation and Rating (PASER) Manuals
150/5370-6B	Construction Progress and Inspection Report—Airport Grant Program
150/5370-11A	Use on Nondestructive Testing Devices in the Evaluation of Airport Pavements
150/5370-12	Quality Control of Construction for Airport Grant Projects
150/5370-13A	Offpeak Construction of Airport Pavements Using Hot-Mix Asphalt
150/5380-7A	Airport Pavement Management System
150/5380-8	Handbook for Identification of Alkali-Silica Reactivity in Airfield Pavements

THE FOLLOWING ADDITIONAL APPLY to PFC PROJECTS ONLY
Dated: 3/21/2007

NUMBER	TITLE
150/5000-12	Announcement of Availability—Passenger Facility Charge (PFC) Application (FAA Form 5500-1)

08.0675



U.S Department of Transportation
Federal Aviation Administration

Western-Pacific Region
Airports Division

P.O. Box 92007
Los Angeles, CA 90009

SEP -4 2008

Brian H. Sekiguchi
Deputy Director - Airports
State of Hawaii, Department of Transportation
400 Rodgers Blvd., Suite 700
Honolulu, Hawaii 96819-1880

Dear Mr. Sekiguchi:

In accordance with section 158.37(a) of the Federal Aviation Regulations (14 CFR Part 158), the Federal Aviation Administration (FAA) has reviewed and approved your request dated August 4, 2008, to amend applications 06-02-C-01-HNL, 06-02-C-01-OGG, 06-02-C-01-KOA, 06-02-C-01-LIH, and 06-01-C-01-ITO, which were approved to impose a passenger facility charge (PFC) at Honolulu International (HNL), Kahului (OGG), Kona International at Keahole (KOA), Lihue (LIH), and Hilo International (ITO) Airports for use at HNL. For future reference, these amendments will be referred to as: 06-02-C-02-HNL; 06-02-C-02-OGG; 06-02-C-02-KOA; 06-02-C-02-LIH; and 06-01-C-02-ITO, respectively.

The following two of six approved projects in these applications were revised:

<u>Project</u>	<u>Approved Amount</u>	<u>Revised Amount</u>	<u>Net Increase/ Decrease</u>
Air Conditioning System Improvements, Phase II	\$33,600,000	\$20,560,000	(\$13,040,000)
PFC Administrative Costs	<u>600,000</u>	<u>700,000</u>	<u>100,000</u>
Total	\$34,200,000	\$21,260,000	(\$12,940,000)

The total net effect of this amendment is a decrease in the PFC imposition authority for the state of Hawaii's five airports by \$12,940,000, from \$62,500,000 to \$49,560,000. Based on the information provided by the public agency and our review of the collection records, the estimated charge expiration date for each of these five applications remains November 1, 2009. There is no change in the approved PFC level of \$3.00 for these applications.

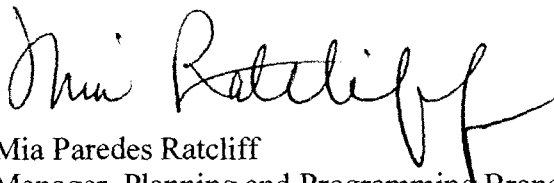
Based on the previous estimate of revenue collections at each of the five airports, the FAA concurs that HNL will collect approximately 74.7 percent of the revised approved amount, (\$49,560,000), OGG will collect approximately 15.3 percent, KOA will collect approximately 6.0 percent, LIH will collect approximately 3.2 percent, and ITO will collect approximately 0.8 percent. Accordingly, the prorated shares of the revised impose and use amount for each of the five PFC applications were revised as follows:

<u>Application Number</u>	<u>Approved Amount</u>	<u>Revised Amount</u>	<u>Net Increase/Decrease</u>
06-02-C-02-HNL	\$46,699,000	\$37,021,320	(\$9,677,680)
06-02-C-02-OGG	9,575,000	7,582,680	(1,992,320)
06-02-C-02-KOA	3,757,000	2,973,600	(783,400)
06-02-C-02-LIH	2,001,000	1,585,920	(415,080)
06-01-C-02-ITO	<u>468,000</u>	<u>396,480</u>	<u>(71,520)</u>
Total	\$62,500,000	\$49,560,000	(\$12,940,000)

You are reminded to notify, in writing, each of the collecting carriers operating at each of the five airports of the changes resulting from this amendment in accordance with §158.37(d) of the regulation. Please attach a copy of this letter to your notice.

Any inquiries concerning this amendment should be referred to Mr. Steven Y. Wong, Project Manager, Honolulu Airports District Office, at (808) 541-1225.

Sincerely,



Mia Paredes Ratcliff
Manager, Planning and Programming Branch

MONTHLY REPORT

Passenger Facility Charges Statement
for the Month Ended _____
Airport: _____

Airline
Address

To: Fiscal Management Officer
State of Hawaii
Department of Transportation
Airports Division
Honolulu International Airport
400 Rodgers Blvd., Suite 700
Honolulu, HI 96819

- (1) Total PFC Revenue Collected During Month: \$ _____
- (a) Number of PFC-eligible tickets sold: _____
- (b) Number of PFC-exempt tickets sold: _____
- (c) Number of PFC-eligible tickets issued
for flight operated by another carrier: _____
- (2) Total PFC Revenue Refunded this Month: \$(_____)
- (3) Total Collection Compensation (Net): \$(_____)
- (4) Total Remitted for Month: \$(_____)

QUARTERLY REPORT

**Passenger Facility Charges Statement
for the Quarter Ended _____
Airport: _____**

Airline
Address

To: Fiscal Management Officer
State of Hawaii
Department of Transportation
Airports Division
Honolulu International Airport
400 Rodgers Blvd., Suite 700
Honolulu, HI 96819

(1) Total PFC Revenue Collected During Quarter:		\$ _____
(a) Number of PFC-eligible tickets sold:	_____	
(b) Number of PFC-exempt tickets sold:	_____	
(c) Number of PFC-eligible tickets issued for flight operated by another carrier:	_____	
(2) Total PFC Revenue Refunded this Quarter:		\$(_____)
(3) Total Collection Compensation (Net):		\$(_____)
(4) Total Remitted for Quarter:		\$(_____)
(5) Dates and Amounts of PFC Monthly Remittance		
Date		
Month 1 ____/____/____		\$(_____)
Month 2 ____/____/____		\$(_____)
Month 3 ____/____/____		\$(_____)
Total		\$(_____)

**ACH VENDOR/MISCELLANEOUS PAYMENT
ENROLLMENT FORM**

OMB No. 1510-0056
Expiration Date 01/31/2000

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.

PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

AGENCY INFORMATION

FEDERAL PROGRAM AGENCY		
AGENCY IDENTIFIER:	AGENCY LOCATION CODE (ALC):	ACH FORMAT: <input type="checkbox"/> CCD+ <input type="checkbox"/> CTX <input type="checkbox"/> CTP
ADDRESS:		
CONTACT PERSON NAME:		TELEPHONE NUMBER: ()
ADDITIONAL INFORMATION:		

PAYEE/COMPANY INFORMATION

NAME SOH-DOT-AIRPORTS (402)	SSN NO. OR TAXPAYER ID NO. 99-0257540
ADDRESS HNL-400 RODGERS BLVD. SUITE 700	
HONOLULU HI 96819-1880	
CONTACT PERSON NAME: JULITA A. LAYGUI - FISCAL MANAGEMENT OFFICER	TELEPHONE NUMBER: (808) 838-8657

FINANCIAL INSTITUTION INFORMATION

NAME: FIRST HAWAIIAN BANK	
ADDRESS: 999 BISHOP STREET HONOLULU HI 96813	
ACH COORDINATOR NAME: DOUGLAS SAKAMOTO	TELEPHONE NUMBER: (808) 844-3399
NINE-DIGIT ROUTING TRANSIT NUMBER: <u> 1 </u> <u> 2 </u> <u> 1 </u> <u> 3 </u> <u> 0 </u> <u> 1 </u> <u> 0 </u> <u> 1 </u> <u> 5 </u>	
DEPOSITOR ACCOUNT TITLE: DIRECTOR OF FINANCE, STATE OF HAWAII	
DEPOSITOR ACCOUNT NUMBER: 01-000497	LOCKBOX NUMBER:
TYPE OF ACCOUNT: <input checked="" type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> LOCKBOX	
SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL: (Could be the same as ACH Coordinator)	TELEPHONE NUMBER: (808) 844-3700