



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

Western-Pacific Region
Office of Airports

777 S. Aviation Blvd., Suite 150
El Segundo, CA 90245

SEP 28 2018

Jade T. Butay,
Director of Transportation
State of Hawaii
400 Rodgers Blvd, Suite 700
Honolulu, HI 96819-1880

Dear Mr. Butay:

In accordance with §158.29 of Title 14, Code of Federal Regulations (CFR), Part 158, the Federal Aviation Administration (FAA) approves your application numbers: 18-07-C-00-HNL, 18-07-C-00-OGG, 18-07-C-00-KOA, 18-07-C-00-LIH, and 18-05-C-00-ITO to impose a passenger facility charge (PFC) at Daniel K. Inouye International (HNL), Kahului (OGG), Ellison Onizuka Kona International at Keahole (KOA), Lihue (LIH), and Hilo International (ITO) airports for use of PFC revenue at HNL, OGG, KOA, and LIH airports. The authority to impose a PFC is contingent on your continued compliance with the terms of the regulation and other conditions included in this letter.

Enclosed is the Final Agency Decision (FAD), 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 FAD also includes information on the approved projects as well as the FAA's reasons for its decision. The FAA's findings and determinations required by statute and 14 CFR Part 158 are also included in the FAD.

The FAA approves the imposition of a PFC and use the PFC revenue to be collected on eight projects at HNL, OGG, KOA, and LIH. This includes four projects at HNL, two projects at OGG, one project at KOA, and one project at LIH. The total approved PFC revenue to be collected for these projects is \$313,752,920.

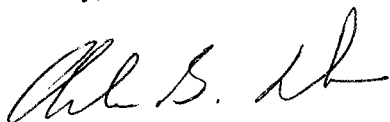
We wish to point out a potential conflict between the definition of airport revenue, which may be proposed in general airport revenue bonds, and conditions contained in your PFC approval. Specifically, bond resolutions may define pledged airport revenue in broad terms, which may be interpreted to include PFC revenues. New bond issues should clarify that use of PFC revenues is limited to the allowable costs of approved PFC projects. The terms of PFC approval do not permit the use of PFC revenues to pay debt service on any new or outstanding bonds issued to finance other than approved PFC projects.

Reporting, record keeping, and auditing requirements are specified in Part 158, Subpart D. Please issue your required quarterly reports in accordance with the previously provided guidance. We request that you advise our Honolulu Airports District Office when you notify the air carriers and foreign air carriers to begin collecting PFCs. Please coordinate construction proposals with the appropriate federal offices as you would with any nonfederally funded construction.

You are required to implement your projects approved for concurrent impose and use authority within 2 years of the date of this letter, in accordance with 14 CFR §158.33(a)(1).

We have enclosed the list of FAA Advisory Circulars with which you must comply in accordance with your Certification of Assurance Number 9, Standards and Specifications.

Sincerely,



for Mark A. McClardy
Director, Office of Airports
Western-Pacific Region

Enclosures

**FINAL AGENCY DECISION
STATE OF HAWAII
HONOLULU, HAWAII**

Application numbers 18-07-C-00-HNL, 18-07-C-00-OGG, 18-07-C-00-KOA, 18-07-C-00-LIH, and 18-07-C-00-ITO to impose a passenger facility charge (PFC) at Daniel K Inouye International (HNL), Kahului (OGG), Ellison Onizuka Kona International at Keahole (KOA), Lihue (LIH), and Hilo International (ITO) airports, for use of PFC revenue at HNL, OGG, KOA, and LIH airports.

In accordance with §158.29 of Title 14, Code of Federal Regulations (CFR) of the Federal Aviation Regulations¹, this Final Agency Decision (FAD) includes all appropriate determinations to approve or disapprove, in whole or in part, imposition of a PFC on eight projects at HNL, OGG, KOA, and LIH, for use of PFC revenue on four projects at HNL, two projects at OGG, one project at KOA, and one project at LIH airports,

Procedural History (Dates)

Written notice to air carriers:	March 28, 2018
Consultation meeting with air carriers:	May 4, 2018
Public notice posted:	May 4, 2018
Federal Aviation Administration (FAA) application receipt:	July 2, 2018
FAA finding that application is substantially complete:	August 1, 2018

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue	
in this decision:	\$313,752,920
Earliest charge effective date:	July 1, 2026

¹ Elsewhere in this document 14 CFR Part 158 may be referred to in abbreviated form as “Section 158.xx” or “§ 158.xx”.

**SUMMARY OF APPROVED COLLECTIONS FOR THE
STATE OF HAWAII**

<u>Application Number</u>	<u>Approved for Collection</u>	<u>Approved for Use</u>
04-**-C-00-***	\$42,632,466	\$42,632,466
04-**-C-01-***	810,250	810,250
04-**-C-02-***	3,305,003	3,305,003
06-**-C-00-***	103,677,000	103,677,000
06-**-C-01-***	-41,644,293	-41,644,293
06-**-C-02-***	-12,854,378	-12,854,378
06-**-C-03-***	-49,178,329	-49,178,329
08-**-C-00-***	76,138,332	49,560,000
08-**-C-01-***	0	0
08-**-C-02-***	-26,578,332	0
08-**-C-03-***	-9,581,161	-9,581,161
09-**-C-00-***	145,081,000	145,081,000
09-**-C-01-***	29,045,250	29,045,250
13-**-C-00-***	449,395,430	434,670,430
16-**-U-00-***	0	14,725,000
18-**-C-00-***	<u>313,752,920</u>	<u>313,752,920</u>
Total	\$1,024,001,158	\$1,024,001,158

The State has opted to collect PFCs at five of its commercial service airports and to use the pooled PFC revenue collected at four of these airports to pay for the same set of projects. Therefore, when referring to the collective applications of the State of Hawaii (State), the FAA uses two asterisks "**" in place of the sequential application number and three asterisks "***" in place of a particular airport's location identifier code.

This application (18-**-C-00-***) applies to each of the five State 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 68 % percent of the total approved amount, OGG will collect 20 %, KOA will collect 6.95 %, LIH will collect 5 % and ITO will collect 0.05 %.

INFORMATION REGARDING EACH AIRPORT

Application to Collect a PFC at HNL and Use the PFC Revenue at HNL, OGG, KOA, and LIH.

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$213,351,986
Earliest charge effective date:	July 1, 2026

July 1, 2026, is the "earliest" charge effective date² on which air carriers are obliged to begin collecting PFCs from passengers ("charge effective date") and is based upon the estimated charge expiration date³ for the previously approved collections in application 13-05-C-00-HNL. If the state of Hawaii (State) changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the State can continue to collect the authorized amount of PFC revenue without a cessation in collections. Title 14 CFR §158.43(c) contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, 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.

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 July 1, 2032. 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. See §158.39(d). If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) AIP grant funds, see §158.39(d).

² Pursuant to Title 14 CFR §158.3, "charge effective date" means the date on which air carriers are obliged to begin collection of a PFC.

³ Pursuant to Title 14 CFR §158.3, "charge expiration date" means the date on which air carriers are to cease collecting a PFC.

Cumulative PFC Authority Including Current Decision
DECISION SUMMARY REPORT

<u>Application Number</u>	<u>Approved for Collection</u>	<u>Approved for Use</u>
04-01-C-00-HNL	\$32,296,466	\$32,296,466
04-01-C-01-HNL	0	0
04-01-C-02-HNL	2,505,760	2,505,760
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	55,344,954	36,025,164
08-03-C-01-HNL	0	0
08-03-C-02-HNL	-19,319,790	0
08-03-C-03-HNL	-6,851,280	-6,851,280
09-04-C-00-HNL	105,909,130	105,909,130
09-04-C-01-HNL	21,203,031	21,203,031
13-05-C-00-HNL	301,094,938	291,229,188
16-06-U-00-HNL	0	9,865,750
18-07-C-00-HNL	<u>213,351,986</u>	<u>213,351,986</u>
Report Total	\$705,535,195	\$705,535,195

Application to Collect a PFC at OGG and Use the PFC Revenue at HNL, OGG, KOA, and LIH.

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$62,750,584
Earliest charge effective date:	July 1, 2026

July 1, 2026, is the "earliest" charge effective date on which air carriers are obliged to begin collecting PFCs from passengers and is based upon the estimated charge expiration date for the previously approved collections in application 13-05-C-00-OGG. If the State changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the State can continue to collect the authorized amount of PFC revenue without a cessation in collections. 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, 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.

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 July 1, 2032. 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. See §158.39(d). If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) AIP grant funds, see §158.39(d).

Cumulative PFC Authority Including Current Decision DECISION SUMMARY REPORT

<u>Application Number</u>	<u>Approved for Collection</u>	<u>Approved for Use</u>
04-01-C-00-OGG	\$8,950,000	\$8,950,000
04-01-C-01-OGG	-2,320,651	-2,320,651
04-01-C-02-OGG	513,926	513,926
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
08-03-C-01-OGG	0	0
08-03-C-02-OGG	-4,550,210	0
08-03-C-03-OGG	-1,617,670	-1,617,670
09-04-C-00-OGG	24,663,770	24,663,770
09-04-C-01-OGG	4,937,692	4,937,692
13-05-C-00-OGG	85,385,132	82,587,382
16-06-U-00-OGG	0	2,797,750
18-07-C-00-OGG	<u>62,750,584</u>	<u>62,750,584</u>
Report Total	\$191,747,455	\$191,747,455

Application to Collect a PFC at KOA and Use the PFC Revenue at HNL, OGG, KOA, and LIH.

PFC Level, Amount, and Charge Effective Date

Level of PFC	\$4.50
Total approved net PFC revenue in this decision:	\$21,805,828
Earliest charge effective date:	July 1, 2026

July 1, 2026, is the "earliest" charge effective date on which air carriers are obliged to begin collecting PFCs from passengers and is based upon the estimated charge expiration date for the previously approved collections in application 13-05-C-00-KOA. If the State

changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the State can continue to collect the authorized amount of PFC revenue without a cessation in collections. 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, 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.

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 July 1, 2032. 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. See §158.39(d). If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) AIP grant funds, see §158.39(d).

Cumulative PFC Authority Including Current Decision DECISION SUMMARY REPORT

<u>Application Number</u>	<u>Approved for Collection</u>	<u>Approved for Use</u>
04-01-C-00-KOA	\$1,065,000	\$1,065,000
04-01-C-01-KOA	1,151,888	1,151,888
04-01-C-02-KOA	171,861	171,861
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
08-03-C-01-KOA	0	0
08-03-C-02-KOA	-1,645,199	0
08-03-C-03-KOA	-585,737	-585,737
09-04-C-00-KOA	7,254,050	7,254,050
09-04-C-01-KOA	1,452,263	1,452,263
13-05-C-00-KOA	26,963,726	26,080,226
16-06-U-00-KOA	0	883,500
18-07-C-00-KOA	<u>21,805,828</u>	<u>21,805,828</u>
Report Total	\$62,346,643	\$62,346,643

Application to Collect a PFC at LIH and Use the PFC Revenue at HNL, OGG, KOA, and LIH.

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$15,687,646
Earliest charge effective date:	July 1, 2026

July 1, 2026, is the "earliest" charge effective date on which air carriers are obliged to begin collecting PFCs from passengers and is based upon the estimated charge expiration date for the previously approved collections in application 13-05-C-00-LIH. If the State changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the State can continue to collect the authorized amount of PFC revenue without a cessation in collections. 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, 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.

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 July 1, 2032. 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. See §158.39(d). If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) AIP grant funds, see §158.39(d).

Cumulative PFC Authority Including Current Decision
DECISION SUMMARY REPORT

<u>Application Number</u>	<u>Approved for Collection</u>	<u>Approved for Use</u>
04-01-C-00-LIH	\$321,000	\$321,000
04-01-C-01-LIH	1,168,763	1,168,763
04-01-C-02-LIH	113,456	113,456
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
08-03-C-01-LIH	0	0
08-03-C-02-LIH	-871,769	0
08-03-C-03-LIH	-308,348	-308,348
09-04-C-00-LIH	7,254,050	7,254,050
09-04-C-01-LIH	1,452,263	1,452,263
13-05-C-00-LIH	17,975,817	17,386,817
16-06-U-00-LIH	0	589,000
18-07-C-00-LIH	<u>15,687,646</u>	<u>15,687,646</u>
Report Total	\$45,290,215	\$45,290,215

Application to Collect a PFC at ITO and Use the PFC Revenue at HNL, OGG, KOA, and LIH.

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$156,876
Earliest charge effective date:	July 1, 2026

July 1, 2026, is the "earliest" charge effective date on which air carriers are obliged to begin collecting PFCs from passengers and is based upon the estimated charge expiration date for the previously approved collections in application 13-03-C-00-ITO. If the State changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the State can continue to collect the authorized amount of PFC revenue without a cessation in collections. 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, 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.

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 HNL, OGG, KOA, and 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 July 1, 2032. 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. See §158.39(d). If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) AIP grant funds, see §158.39(d).

Cumulative PFC Authority Including Current Decision DECISION SUMMARY REPORT

<u>Application Number</u>	<u>Approved for Collection</u>	<u>Approved for Use</u>
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
08-02-C-01-ITO	0	0
08-02-C-02-ITO	-191,364	0
08-02-C-03-ITO	-218,126	-218,126
13-03-C-00-ITO	17,975,817	17,386,817
16-04-U-00-ITO	0	589,000
18-05-C-00-ITO	<u>156,876</u>	<u>156,876</u>
Report Total	\$18,271,399	\$18,271,399

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 based upon its expertise finds that the application and record thereof, contain substantial documentation to support its determinations. Based on its review and pursuant to Title 49, United States Code (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 project approved at a \$3.00 or lower level meets at least one of the objectives set forth in §158.15(a) (as set forth in the individual project determinations); is eligible in accordance with §158.15(b) (as set forth in the individual project determinations); 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 individual project determinations).

- Each project approved at a PFC level above \$3.00 will make a significant contribution in accordance with 14 CFR §158.17(b)⁴ (as set forth in the individual project determinations); meets at least one of the objectives set forth in §158.15(a) (as set forth in the individual project determinations); is eligible in accordance with §158.15(b) (as set forth in the individual project determinations); 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 individual project determinations).
- For those surface transportation or terminal projects approved for collection at a PFC level above \$3.00, the requirements of §158.17(a)(3) and paragraph 10-8 of FAA Order 5500.1, *Passenger Facility Charge* (August 9, 2001), have been met. For each such project approved in this FAD, the FAA has determined that the public agency has made adequate provisions for financing the airside needs at the airport including runways, taxiways, aprons, and aircraft gates.
- Each project approved at a PFC level above \$3.00 will make a significant contribution in accordance with §158.17(b) (as set forth in the individual project determinations); meets at least one of the objectives set forth in §158.15(a) (as set forth in the individual project determinations); is eligible in accordance with §158.15(b) (as set forth in the individual project determinations); 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 individual project determinations).
- 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 concerning approval of the airport layout plan (ALP) and completion of airspace studies have been met. Environmental requirements (§158.29(b)(1)(iv)) have been completed and are discussed under a separate heading below.
- 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-financing costs.

⁴ A project for a medium or large airport is only eligible for PFC funding at levels of \$4 or \$4.50 if the project will make a significant contribution to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on people living near the airport. [See 14 CFR § 158.17(b).]

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

<u>Description</u>	<u>Approved Amount</u>
1. AO1121-24 Taxilanes G and L Widening Phase 1	
Pay-as-you-go	\$0
Bond Capital ⁵	61,681,396
Financing and Interest ⁶	<u>80,185,815</u>
Total	\$141,867,211

This project provides reimbursement of the construction, construction management and bond financing costs required to widen and strengthen Taxilanes G and L and from Taxiway A to the existing Joint Maintenance Facility at HNL in Phase I.

To meet Federal Aviation Administration (FAA) design standards [FAA Advisory Circular (AC) 150/5300-13A], both the geometry of Taxilanes G and L and the strength of the existing pavement would be upgraded to accommodate ADG V aircraft. Specifically, the width of the Taxilanes G and L would be increased from 60 feet to 75 feet, the width of the shoulder would be increased from 20 feet to 35 feet, and the centerline separation between the two taxilanes would be increased to a minimum of 245 feet by relocating the centerline of Taxilane L to the west. The increased separation for ADG V aircraft will result in continuous simultaneous dual taxilanes usage by ADG V aircraft.

The work required to meet FAA design standards includes the rehabilitation of 900 Linear Feet (LF) of 75 feet wide Taxiway A, at the intersection with Taxilanes G and L.

From the existing intersection at Taxiway A to the end of the existing Joint Maintenance Facility, additional work includes the construction of the following:

1,750 LF of 75 feet wide taxilane with two 35 feet shoulders
 800 LF of 75 feet wide taxilane with one 35 feet shoulder and one full strength shoulder
 3,550 LF of 75 feet wide taxilane with two full strength shoulders

In order to comply with FAA design standards (FAA AC 150/5300-13A), for ADG V aircraft, the Taxilane Safety Area must be at least 107 feet on both sides of the centerlines for Taxiway A and Taxilane L and the Taxilane Object Free Area (TOFA) must be at least 138 feet on both sides of the centerlines for Taxiway A and Taxilane L. As a result of these requirements, the open portions of the Manuwai Canal north of Taxiway A would need to be covered within the Safety Area and TOFA for Taxiway A and Taxilane L. Other Safety Area and TOFA clearing work includes removing and replacing the concrete box culvert that currently drains from the western edge of Taxilane L to the Manuwai Canal, replacing wing walls and a portion of the riprap in Manuwai Canal, relocating existing underground water, storm drain, sewer, electrical and fuel lines adjacent

⁵ "Bond capital" refers to the proceeds of a bond or other debt instrument used to pay the capital costs of a project. *This footnote must be inserted for the first project in the FAD that includes bond capital in its PFC financing. It does not need to be included on additional bonded projects appearing later in the same FAD.*

⁶ "Financing and Interest" means the cost of financing a bond or other debt instrument, including debt service. *This footnote must be inserted for the first project in the FAD that includes financing and interest in its PFC financing. It does not need to be included on additional financing projects appearing later in the same FAD.*

to the Manuwai Canal, relocating a Ground Support Equipment (GSE) vehicle wash pad, realigning the two GSE roads that currently cross Taxilanes G and L, and demolishing a portion of the Parking Lot K.

Additional work includes removal and replacement of airfield lighting and signs, installing pavement markings, installing new AOA fencing, installing an emergency sewer bypass line to transport the Ewa Concourse sewage flow to the Elliott Street Sewage Pump Station, and installing new storm drain lines, hydrodynamic separators, and storm water sampling stations to meet the Municipal Separate Stormwater Sewer Systems permit requirements.

Determination:

Approved for collection and use.

Significant contribution: This project provided for widening and strengthening of existing Taxilanes G and L to accommodate Airplane Design Group (ADG) V aircraft. This included increasing the width of Taxilanes G and L from 60 feet to 75 feet, and the width of associated from 20 feet to 35 feet. The project also included relocating Taxilane L centerline to the west to increase the separation between the two taxilanes and allows approximately 50 feet of wingtip clearances for larger aircraft.

The project will reduce airfield congestion by eliminating the need to tow-in/tow-out operations for larger aircraft such as Boeing 767, causing delays for aircraft waiting behind these towed aircraft. The project will also improve air safety by allowing unrestricted movement of taxiing aircraft in the airfield. The project will also allow for simultaneous movements to and from the Inter-Island terminal apron for ADG V aircraft. Therefore, this project makes significant contributions to improving air safety and reducing current and anticipated congestion at the airport.

PFC Objective: This project provided for widening and strengthening of the existing Taxilanes G and L to accommodate simultaneous ADG V aircraft operations for arriving and departing aircraft. This project enhances safety and capacity by widening and improving the structural integrity of Taxilanes G and L to meet FAA design standards. The project will also assist the airport in maintaining compliance with 14 CFR Part 139 requirements. Thus, this project meets the PFC objective of enhancing safety and capacity of the national air transportation system.

Basis for eligibility: Appendix H, Paragraphs H-2(d) , Table H-1(c), Table H-3(a)(d) of FAA Order 5100.38D, AIP Handbook (September 30, 2014).

Adequate justification: The widening and strengthening of Taxilanes G and L will alleviate congestion by providing the space needed for arriving and departing of larger aircraft. This project will also enhance safety by improving the structural integrity of taxilane pavements to support heavy aircraft operations. The FAA further finds that the requested PFC amount is based on financing costs for work already completed and appear reasonable for this type of project. Therefore, based on the documentation provided by the State and the FAA's review of the detailed basis of costs provided in the application and based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified for those components approved.

Estimated total project cost: \$150,570,955

Sources of financing: PFC revenue (\$141,867,211- the amount requested by the State), and local funds (\$8,703,744).

PFC funds breakout: HNL \$96,469,703; OGG \$28,373,442; KOA \$9,859,771; LIH \$7,093,361; ITO \$70,934. (HNL will collect approximately 68 % percent of the total approved amount, OGG will collect 20 %, KOA will collect 6.95 %, LIH will collect 5 % and ITO will collect 0.05 %).

Capital costs: HNL \$41,943,349; OGG \$12,336,279; KOA \$4,286,857; LIH \$3,084,070; ITO \$30,841.

Financing costs: HNL \$54,526,354; OGG \$16,037,163; KOA \$5,572,914; LIH \$4,009,291; ITO \$40,093.

2. AO1021-25 Runway 8L Widening & Miscellaneous Improvements, Phase 1. \$5,781,750

This project will provide for the reimbursement of the State's matching funds for the construction and construction management services under an Airport Improvement Program (AIP) Grant Nos. 3-15-0005-122-2015 and 3-15-0005-127-2016 as required to rehabilitate and widen the width from 150 feet to 200 feet along a length of 6,000 feet on the eastern end of Runway 8L-26R, construct blast pads and relocate arresting barrier cement structures for Airplane Design Group (ADG) VI aircraft, upgrade associated striping, land and hold short operations and edge lighting, pavement and other improvements to both the runway and surrounding taxiways to meet the federal airport certification requirements under Title 14 Code of Federal Regulations (CFR) Part 139.

Determination:

Approved for collection and use.

Significant contribution: This project provided for the rehabilitation and widening of Runway 8L-26R to allow new entrants of ADG VI aircraft. The project involves widening Runway 8L-26R from 150 feet to 200 feet, strengthening the pavement, and upgrade associated lighting and marking. The runway improvements needed to support large aircraft operations and to meet to the FAA airport design standards. The project will also maintain compliance with 14 CFR Part 139 requirements. Therefore, this project makes significant contributions to improving air safety and reducing anticipated congestion at the airport.

PFC Objective: This project provided for rehabilitation and widening Runway 8L-26R and facilitate the movement of aircraft operations. The project enhances safety by improving the structural integrity of the runway pavement to support the landing of ADG VI aircraft. Thus, this project meets the PFC objective of enhancing safety of the national air transportation system.

Basis for eligibility: Appendix G, Paragraphs G-2, Table G-1(c), Table G-3(a) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Adequate justification: The rehabilitation and widening of Runway 8L-26R and associated improvements will improve air safety and reduce congestion at the airport by proving adequate space for larger aircraft operations. The FAA finds that the requested PFC amount is to reimburse the local matching share of the allowable costs for work already completed under approved AIP grants. The PFC funds appear reasonable for this type of project. Therefore, based on the documentation provided by the State and the FAA's review based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified for those components approved.

Estimated total project cost: \$27,459,421

Sources of financing: PFC revenue (\$5,781,750- the amount requested by the State), existing AIP 3-15-0005-122-2015 (\$16,172,638) and AIP 3-15-0005-127-2016 (\$3,111,025) grants, and local funds (\$2,394,007).

PFC funds breakout: HNL \$3,931,590; OGG \$1,156,350; KOA \$401,831; LIH \$289,088; ITO \$2,890. (HNL will collect approximately 68 % percent of the total approved amount, OGG will collect 20 %, KOA will collect 6.95 %, LIH will collect 5 % and ITO will collect 0.05 %).

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

<u>Description</u>	<u>Approved Amount</u>
3. AO1038-23 Airbus A380 Improvements at Gates 29 and 34	
Pay-as-you-go	\$0
Bond Capital	13,291,489
Financing and Interest	<u>18,382,615</u>
Total	\$31,674,104

This project provides design-build services, construction management costs, and bond financing costs necessary for the construction of improvements to Gates 29 and 34 at HNL to accommodate Airbus A380 aircraft. The scope of work includes installation of a third passenger loading bridge from the third level, installation of a third level corridor from the passenger loading bridge to the international arrivals sterile corridor at the Ewa Concourse, strengthening of the hardstand and pavement areas, upgrade to the electrical capacity, marking, and other miscellaneous improvements.

Determinations:

Approved for collection and use.

PFC Objective: This project provided for improvements to Gates 29 and 34 at the Ewa concourse to accommodate Airbus A380. The project included installation of new passenger loading bridge at the third level of the concourse and associated facilities. The project preserves safety and capacity by upgrading Gates 29 and 34, strengthening the hardstand and installation of new passenger loading bridge to accommodate the increased numbers of passengers and the seating capacity of larger air carrier operations. Thus, this project meets the PFC objective of preserving safety and capacity at the airport.

Basis for eligibility: Appendix N, Paragraph N-7, Table N-5(g), Table 3-16(b) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014), as well as §158.15(b)(6), "gates and related areas."

Adequate justification: The improvements to Gates 29 and 34 and the installation of new passenger loading bridge and other terminal improvements will maintain safety by providing the facility needed to accommodate Airbus A380 aircraft. The project will also increase access capacity for wide body aircraft with larger seating capacity. The FAA further finds that the requested PFC amount is based on financing costs that appear reasonable for the type of project. Therefore, based on the documentation provided by the State and the FAA's review of detailed basis of cost provided in the application and based upon FAA's experience with airport

development projects, the FAA concludes that this project is adequately justified for those components approved.

Estimated total project cost: \$33,017,115.

Sources of financing: PFC revenue (\$31,674,104-the amount requested by the State) and local funds (\$1,343,011).

PFC funds breakout: HNL \$21,538,391; OGG \$6,334,821; KOA \$2,201,350; LIH \$1,583,675; ITO \$15,837. (HNL will collect approximately 68 % percent of the total approved amount, OGG will collect 20 %, KOA will collect 6.95 %, LIH will collect 5 % and ITO will collect 0.05 %).

Capital costs: HNL \$9,038,213; OGG \$2,658,298; KOA \$923,758; LIH \$664,574; ITO \$6,646.

Financing costs: HNL \$12,500,178; OGG \$3,676,523; KOA \$1,277,592; LIH \$919,131; ITO \$9,191.

4. AO1123-34 Terminal Improvements to Shuttle Bus Roadway Between Gates 26 to 62 at HNL

Pay-as-you-go	\$792,680
Bond Capital	8,980.000
Financing and Interest	<u>11,209,269</u>
Total	\$20,981,949

This project provides reimbursement of the construction, construction management services, and bond financing costs necessary for the rehabilitation of the intra-terminal busing system on the Inter-Island Terminal 3rd Level Wiki-Wiki Bus Roadway and at the vehicular connecting link between the Inter-Island Terminal and the Ewa Concourse and other miscellaneous improvements.

The scope of work includes removal and replacement of the concrete wearing slab and the sandwiched waterproofing membrane, repair deteriorated concrete on the structural deck, removal and replacement of the existing expansion joints, removal and replacement of the deck drain body and grates, and other related improvements.

Determination:

Approved for collection and use.

PFC Objective: This project provided for improvements of the third level Wiki-Wiki shuttle bus roadway system to meet the FAA airport design standards. The project increases the efficiency of ground transportation between Gates 26 to 62 by improving the shuttle-bus roadway. The roadway serves as the only drop off/pick up stations for moving passengers between Inter-Island Terminal and Ewa concourse. Thus, this project meets the PFC objective of preserving capacity of the airport.

Basis for eligibility: Appendix P, Paragraphs P-2, Table P-3(c) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Adequate justification: The improvements to the deteriorated shuttle bus roadway system will increase the efficiency of transportation for screened passengers of the Overseas and Inter-

island Terminals. The project will serve an estimated 9 million passengers per year at the airport. The project will also maintain the airport compliance with Americans with Disabilities Act (ADA) requirements. The FAA further finds that the requested PFC amount is based on a mixture of engineering estimates and financing costs that appear reasonable for this type of project. Therefore, based on the documentation provided by the State and the FAA's review of detailed basis of cost provided in the application and based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified for those components approved.

Estimated total project cost: \$22,377,477

Proposed sources of financing: PFC revenue (\$20,981,949 - the amount requested by the State) and local Funds (\$1,395,528).

PFC funds breakout: HNL \$14,267,726; OGG \$4,196,390; KOA \$1,458,245; LIH \$1,049,097; ITO \$10,491. (HNL will collect approximately 68 % percent of the total approved amount, OGG will collect 20 %, KOA will collect 6.95 %, LIH will collect 5 % and ITO will collect 0.05 %).

PFC amount: HNL \$539,023; OGG \$158,536; KOA \$55,091; LIH \$39,634, ITO \$396;

Capital costs: HNL \$6,106,400; OGG \$1,796,000; KOA \$624,110; LIH \$449,000; ITO \$4,490.

Financing costs: HNL \$7,622,303; OGG \$2,241,854; KOA \$779,044; LIH \$560,463; ITO \$5,605.

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

<u>Description</u>	<u>Approved Amount</u>
5. AM1042-31 Replacement of Passenger Boarding Bridges	
Pay-as-you-go	\$0
Bond Capital	8,520,511
Financing and Interest	<u>11,415,823</u>
Total	\$19,936,334

This project provides reimbursement of the construction, construction management services and bond financing costs necessary to replace a total of seven (7) passenger boarding bridges (PBB) at Gates 15, 23, 27, 29, 33, 35, and 39 and to decommission two (2) existing passenger loading bridges at Gates 25 and 31 at OGG.

The scope of work also includes related improvements to the common-use boarding areas at the gates where the PBB are being replaced, such as electrical work, furnish and install gate signs, removal and re-installation of the telephone communication system, and removal and re-installation of the electronic card access readers at the service entrances and control consoles. Other work items include installation of 400-Hertz (Hz) converters, three sided triangular lighted gate signs, apron markings, and replacement of the cab saloon doors at the seven (7) PBB.

Determination:

Approved for collection and use.

Significant contribution: This project provided for the replacement of seven PBBs and associated electrical, communication, and access control systems at OGG. The project included installation of reliable and modern equipment to facilitate movements of deplaning and boarding passengers at the airport. There are nine major domestic airlines, two foreign flag, and two commuter air carriers serving the airport. The existing PBBs must be moved into place solely by an operator allowing potential damage to aircraft. The project improves air safety by reducing the risk of damage to aircraft while providing efficient docking process. The project also reduces current and anticipated congestion that would occur if the boarding gates had no reliable equipment readily available for all airlines uses. Therefore, this project will make a significant contribution for improving air safety and reducing current and anticipated congestion at the airport.

PFC Objective: This project provided for the replacement of seven PBBs and associated electrical, communication, and access control systems that are more than 20 years old and have outlived their useful lives. The project will meet current and future passengers and air carrier's capacity demands by providing reliable equipment readily available for all airlines uses. Thus, this project meets the PFC objective of preserving capacity of the national air transportation system.

Basis for eligibility: Appendix N, Paragraph N-2, Tables N-5(g) and N-9(e)(3)(b) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Adequate justification: The replacement of PBBs and associated electrical, communication and access control systems will improve safety by providing reliable and modern equipment for efficient movement of boarding passengers at the Interisland Terminals. The new equipment will provide efficient equipment and reduce congestion if one of PBBs is taken out of service for repairs. The FAA further finds that the requested PFC amount is based on a mixture of engineering estimates and financing costs of completed project that appear reasonable for the type of project. Therefore, based on the documentation provided by the State and based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified for those components approved.

Estimated total project cost: \$19,981,434

Proposed sources of financing: PFC revenue (\$19,936,334 - the amount requested by the State) and local funds (\$45,100).

PFC funds breakout: HNL \$13,556,707; OGG \$3,987,266; KOA \$1,385,576; LIH \$996,817; ITO \$9,968. (HNL will collect approximately 68 % percent of the total approved amount, OGG will collect 20 %, KOA will collect 6.95 %, LIH will collect 5 % and ITO will collect 0.05 %).

Capital costs: HNL \$5,793,947; OGG \$1,704,102; KOA \$592,176; LIH \$426,026; ITO \$4,260.

Financing costs: HNL \$7,762,760; OGG \$2,283,164; KOA \$793,400; LIH \$570,791; ITO \$5,708.

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

<u>Description</u>	<u>Approved Amount</u>
6. AM1042-35 Replacement of Elevators and Escalators	
Pay-as-you-go	\$0
Bond Capital	6,005,682
Financing and Interest	<u>7,496,582</u>
Total	\$13,502,264

This project provides reimbursement of the construction, construction management services, and bond financing costs necessary to remove and replace ten (10) elevators (OGG-1, OGG-2, OGG-3, OGG-6, OGG-7, OGG-10, OGG-13, OGG-15 OGG-18, and OGG-21), three (3) escalators (OGG-8, OGG-9, and OGG-14) and four (4) moving walkways (OGG-16, OGG-17, OGG-19, and OGG-20) at Kahului Airport. Of the ten (10) elevators being removed and replaced, three (3) elevators (OGG-6, OGG-7, and OGG-13) can be utilized by the general public and are PFC eligible. Elevators OGG-6 and OGG-7 are located in the Central Building at Security Checkpoints 1 and 2, respectively. Elevator OGG-13 is located in the connecting bridge lobby.

The scope of work includes demolition, proper disposal, and replacement of the elevators, escalators, and walkways, upgrade of the fire alarm system for connectivity to the new elevators, electrical work, and other miscellaneous items.

Determination:

Approved for collection and use.

PFC objective: This project provided for replacement of approximately 10 elevators, three escalators, and four moving walkways, which are over 25 years old and had exceeded the end of their useful lives. The project preserves capacity by facilitating the movement of passengers and baggage between the various levels of the terminal and gates. Thus, this project meets the PFC objective of preserving capacity at the airport.

Basis for eligibility: Appendix N, Paragraphs N-2, Tables N-1, N-2; Paragraph N-7, Tables N-5; Paragraph N-10, Table N-9(e)(3-d) of FAA Order 5100.38D, AIP Handbook (September 30, 2014).

Eligibility for the passenger terminal equipment is limited to those portions of the building, which are located in non-revenue producing public use areas related to the movement of passengers and baggage within the confines of the airport. Of the ten elevators being replaced, only three elevators (OGG-6, OGG-7, and OGG-13) can be utilized by the public and are PFC eligible.

Adequate justification: The project will preserve capacity by replacement of outdated terminal elevators, escalators, moving walkways, and other related equipment, which are over 25 years old and have outlived their useful lives. Extended downtimes to find equipment parts result in inconveniences, congestion and delays experienced by passengers. The FAA finds that the requested PFC funding are consistent with the detailed basis of cost of the completed project as provided in the application. Based on these findings, FAA concurs that the estimated costs are reasonable to justify funding the PFC eligible project elements. Based on the documentation provided by the State and FAA's experience with airport improvement projects, FAA concludes that requested PFC amount is adequately justified for those components approved.

Estimated total project cost: \$14,842,255

Proposed sources of financing: PFC revenue (\$13,502,264 - the amount requested by the State) and local funds (\$1,339,991).

PFC funds breakout: HNL \$9,181,539; OGG \$2,700,454; KOA \$938,407; LIH \$675,113; ITO \$6,751. (HNL will collect approximately 68 % percent of the total approved amount, OGG will collect 20 %, KOA will collect 6.95 %, LIH will collect 5 % and ITO will collect 0.05 %).

Capital costs: HNL \$4,083,863; OGG \$1,201,137; KOA \$234,000; LIH \$300,284; ITO \$3,003.

Financing costs: HNL \$5,097,676; OGG \$1,499,317; KOA \$309,062; LIH \$374,829; ITO \$3,748.

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

<u>Description</u>	<u>Approved Amount</u>
7. AK1031-15 Runway 3-21 and Taxiway B Rehabilitation	
Pay-as-you-go	\$3,012,886
Bond Capital	940,955
Financing and Interest	<u>1,148,332</u>
Total	\$5,102,173

This project provides for reimbursement of the State's matching funds for the construction grant as required for pavement rehabilitation of Runway 3-21, Taxiway (TW) B, and adjoining TWs C, D, and E. Construction management services are also included.

The dimensions of the runway and TWs affected by this project are:

- TW 3-21 6,500 feet by 150 feet
- TW B 7,425 feet by 75 feet
- TW C 287.5 feet by 90 feet □ TW D 670 feet by 90 feet
- TW E 265 feet by 90 feet.

The scope of work includes milling out approximately 4 inches to 6 inches of asphalt concrete pavement from the existing pavement surface for an area of approximately 205,800 square yard, replacing with approximately 48,300 tons of asphalt concrete, grooving an area of approximately 94,710 square yard, and runway and TW striping.

Before any work can begin on Runway 3-21, TW B needs to be repaved to manage all redirected aircraft traffic to Runway 17-35 while work is performed on Runway 3-21. TW B is the main thoroughfare to Runway 17-35.

Determination:

Approved for collection and use

Significant contribution: (the significant contribution rule does not apply because the funds are to be used for a project at Lihue Airport, a small hub airport,)

PFC Objective: This project provided for rehabilitation of Runway 3-21, parallel Taxiway B, and adjoining Taxiways C, D, and E pavements, to extend the useful life of the pavement and to meet FAA design standards. The project preserves the capacity of aircraft operations by

restoring the structural integrity the failing pavement and to meet the FAA current standards. The existing pavements have a PCI ranging from 40 to 70 (indicating poor to fair). The pavement is exhibiting signs of distress, block cracks, and weathering. The project also preserves safety of aircraft operations by reducing the potential for FOD, which could cause hazard to aircraft and to meet to meet 14 CFR Part 139 requirements. Thus, this project meets the PFC objective of preserving safety and capacity at the airport.

Basis for eligibility: Appendix H, Paragraphs H-2(d), Table H-3(d); Appendix G, Paragraphs G-2, Table G-1(d), Table G-3(a)(e) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Adequate justification: The rehabilitation of Runway 3-21 and Taxiway B will preserve safety of aircraft operations by restoring the structural integrity the runway pavement and bring it up to i FAA current design standards. The project will also reduce the risk of damage to aircraft due to FOD. The project will also assists the airport in maintaining compliance with Title 14 CFR Part 139 requirements. The FAA further finds that the requested PFC amount is based on a mixture of engineering estimates and financing costs of the project that appear reasonable for this type of projects. Therefore, based on the documentation provided by the State and the FAA's review of the detailed basis of costs in the application and based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified for those components approved.

Estimated total project cost: \$17,857,304

Proposed sources of financing: PFC revenue (\$5,102,173 - the amount requested by the State), and a portion of existing AIP 3-15-0013-049-2016 grant (\$12,755,131).

PFC funds breakout: HNL \$3,469,477; OGG \$1,020,435; KOA \$354,601; LIH \$255,109; ITO \$2,551. (HNL will collect approximately 68 % percent of the total approved amount, OGG will collect 20 %, KOA will collect 6.95 %, LIH will collect 5 % and ITO will collect 0.05 %).

PFC amount: HNL \$2,048,762; OGG \$602,577; KOA \$209,396; LIH \$150,644, ITO \$1,507

Capital costs: HNL \$639,850; OGG \$188,191; KOA \$65,396; LIH \$47,048; ITO \$470.

Financing costs: HNL \$780,865; OGG \$229,667; KOA \$79,809; LIH \$57,417; ITO \$574.

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

<u>Description</u>	<u>Approved Amount</u>
8. AH2045-16 Terminal Modernization, Phase 1	
Pay-as-you-go	\$40,568,447
Bond Capital	13,508,821
Financing and Interest	<u>20,829,867</u>
Total	\$74,907,135

This project provides for reimbursement of construction, construction management services, and bond financing costs necessary for the construction of a centralized security screening checkpoint building, in-line Explosive Detection System baggage handling system, outbound

Baggage Handling System (BHS), Common Use Passenger Processing Systems (CUPPS), two covered bag drop areas with USDA agricultural screening equipment, a baggage handling building with TSA baggage screening equipment, baggage conveyor tunnel connecting the two existing ticket lobby takeaway belts with the two bag drops to the baggage handling system building, and a corridor connection of the North and South Hold room areas of KOA. Other work items include construction of additional restrooms in the non-secured and secured areas, and the integration of the Flight Information Display System (FIDS), Public Address (PA) System, and air conditioning of public areas.

The new construction areas will total approximately 150,675 Square Feet (SF) which consists of approximately 139,779 SF in public space and approximately 10,896 SF in exclusive-use areas such as concessions, offices, and other non-public areas. Based upon the space eligibility analysis, approximately 93 percent of the KOA Modernization project is PFC-eligible. Detailed worksheets showing the eligibility analysis with corresponding sketch is included on pages following this Attachment B.

Determination:

Approved for the collection and use.

PFC Objective: The project includes construction of a new centralized 6-lane passenger-screening checkpoint, two common use inspection areas for baggage drop off and screening equipment, baggage conveyor tunnel connecting the two existing ticket lobby, takeaway belts to the baggage handling system, and a corridor connecting the north and south hold room areas. Additional work includes installation of integrated flight display system, public address system and visual information display system to improve communication with the flying public. This project enhances capacity and security by improvements to the existing north and south terminal buildings to meet the passenger and air carrier demands. Thus, the project meets the PFC objectives of enhancing security and capacity at the airport.

Basis for Eligibility: Appendix N, Paragraphs N-2, Paragraph N-7, Table N-5(c)(k), Table N-9 (c)2 of FAA Order 5100.38D, AIP Handbook (September 30, 2014), as well as §158.15(b)(6), "gates and related areas". By a letter dated November 24, 2017, from Assistant Federal Security Director, Transportation Security Administration, concurred with the project and staffing and equipment requirements.

Eligibility for the passenger terminal is limited to those portions of the building, which are deemed public spaces intended for non-revenue producing public use areas related to the movement of passengers and baggage within the confines of the terminal. We reviewed the terminal drawings provided in the application and spreadsheet and concur the eligible proration percentage to be 93.78%. The public agency counted a few ineligible areas; however, the amount was negligible and the proration percentage remained at 93.78%.

The FAA's findings with regard to eligibility are based on the estimated square footage and eligible area of each work element as itemized on the square footage and cost breakout table presented in the application. This table shows an estimated 145,629 square feet of 156,675 square feet of the total terminal improvement area is eligible for PFC funding. FAA concluded the total terminal eligibility proration percentage to be acceptable.

Adequate justification: The improvements to the existing terminal buildings will provide the facility needed to handle the increased number of passengers and air carrier operations. The project will enhance security by improvements to passenger and baggage screening checkpoints to meet the increased security requirements at the airport. The FAA further finds

that the requested PFC amount is based on a mixture of engineering estimates and financing costs of the project that appear reasonable for this types of projects. The allowable costs are based on the estimated square footage and eligible area of each work element as itemized on the square footage and cost breakout table presented in the application. Therefore, based on the documentation provided by the State and the FAA's review of detailed basis of cost provided in the application and based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified for those components approved.

Estimated total project cost: \$104,568,727

Proposed sources of financing: PFC revenue (\$74,907,135 - the amount requested by the State), and local funds (\$29,661,592

PFC funds breakout: HNL \$50,936,853; OGG \$14,981,426; KOA \$5,206,046; LIH \$3,745,356; ITO \$37,454. (HNL will collect approximately 68 % percent of the total approved amount, OGG will collect 20 %, KOA will collect 6.95 %, LIH will collect 5 % and ITO will collect 0.05 %).

PFC amount: HNL \$27,586,544; OGG \$8,113,689; KOA \$2,819,507; LIH \$2,028,422; ITO \$20,285.

Capital costs: HNL \$9,185,999; OGG \$2,701,464; KOA \$938,863; LIH \$675,441; ITO \$6,754.

Financing costs: HNL \$14,164,310; OGG \$4,165,973; KOA \$1,447,676; LIH \$1,041,493; ITO \$10,415.

Calculation of PFC Level

To ease the burden of administering the PFC program, paragraph 10 -18 of FAA Order 5500.1, *Passenger Facility Charge*, (August 9, 2001), 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 level. The State requested that four of the eight projects in the application (Airbus A380 Improvements at Gates 29 and 34, Shuttle Bus Roadway between Gates 26 to 62, Replacement of Elevators and Escalators, and Terminal Modernization) be approved at a \$3.00 PFC level. The State requested, and the FAA has approved, that the remaining four projects be approved at a \$4.50 PFC level. In the case of this application for projects at HNL, OGG, KOA, and LIH airports, the FAA has determined that approximately 55 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

Each of the projects approved in this decision for concurrent authority to impose and use the PFC were examined under the guidelines contained in FAA Order 1050.1F, *Environmental Impact: Policies and Procedures* (July 16, 2015) and FAA Order 5050.4B, *National Environmental Policy Act (NEPA) Implementing Instructions for Airport Actions* (April 28, 2006), in compliance with the National Environmental Policy Act of 1969.

Seven of the eight projects in this application were determined to be categorically excluded and do not have a significant effect on the human environment. Categorical exclusions are categories of actions that the FAA has determined, based on previous experience, do not have significant individual or cumulative impact on the quality of the human environment except in extraordinary circumstances. The FAA Finding of No Significant Impact (FONSI) and Record of Decision (ROD) for the "Taxilanes G and L Widening" project was approved on January 29, 2013.

Request Not to Require a Class or Classes of Carriers to Collect PFCs

The State has not requested that a class or classes of carriers not be required 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), the State is prohibited from imposing a PFC on any passenger on inter-island 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 HNL and OGG in accordance with §158.29(a)(1)(viii). By a letter dated April 3, 2013, the FAA has determined that HNL's competition plan is in accordance with §155 of AIR-21. In addition, on July 10, 2012, the FAA has determined that OGG's competition plan is in accordance with §155 of AIR-21. The remaining three airports LIH, KOA, and ITO, approved for authority to collect a PFC in this FAD are not required to submit competition plans.

Air Carrier Consultation and Public Notice Comments

The State did not receive any certifications of disagreement with respect to the proposed PFC application as a result of the air carrier consultation process. Furthermore, the State did not receive any comments in response to its public notice requesting comment on the proposed PFC application.

The State received comments from Air China following the air carrier consultation meeting on one of the proposed projects in this application.

Air China Comments

Air China questioned that would "Airbus A380 Improvement at Gates 29 and 34" project at HNL take consideration for those airlines that do not fly A380? Air China indicated that project costs are charged to all the airlines even if the Airline does not fly the type of aircraft. Air China further indicated that because Air China only fly A330-200 to HNL and does not fly domestic, calculation of this charge should be adjusted if the airline does not fly this type of aircraft. Additionally, for all the fund collected for OGG, LIH, KOA, these location construction are being charged to HNL airlines. Air China believe that these charges should be determined by the airlines that fly to these islands or charged by transfer passenger.

State of Hawaii Response

The State responded that it is not possible for the charge to be adjusted for an airline due to lack of use of the PFC funded project. The PFC program is administered uniformly nationwide with regard to the procedures and requirements dictated by legislation, regulation, and FAA Order 5500.1. The statute authorizes the U.S. Secretary of Transportation to allow a public agency that controls at least one commercial service airport to impose a fee for each paying passenger of an air carrier enplaned at the airport. This revenue finances eligible airport projects to be carried out at the commercial service airport or any other airport that the public agency controls.

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. This PFC application applies to each of State of Hawaii's five airports imposing PFCs. The State intent is to collect a pro-rata share of the total amount at each imposing airport, HNL, OGG, KOA, LIH, and ITO. Based on the projected estimate of revenue collections at each of the five airports, it is estimated to collect approximately the following percentage of the total approved PFC amount: HNL 68.35%; OGG 19.60%, KOA 6.50%; LIH 5.50% ITO 0.05%. Total: 100.00 %. It is not possible for the airlines to determine these charges.

The PFC program allow a public agency that controls at least one commercial service airport to impose a fee for each paying passenger of an air carrier enplaned at the airport. This revenue finances eligible airport projects to be carried out at the commercial service airport or any other airport, which the public agency controls.

The FAA finds that 14 CFR Part 158 allows a public agency to use PFC revenues collected at a commercial service airport it controls on any other airports it controls. Therefore, based on the information submitted by the public agency and the FAA's expertise with like projects, the FAA is approving the project at HNL included in this application for the collection and use of PFC revenue.

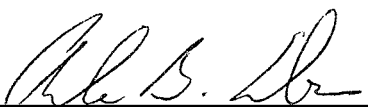
List of Carriers Certifying Disagreement

None.

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 to use PFC revenue at HNL, OGG, KOA, and LIH on eight projects. 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 Mark A. McClardy
 Director, Office of Airports
 Western-Pacific Region

9/28/18
 Date

Nonconcur

 Mark A. McClardy
 Director, Office of Airports
 Western-Pacific Region

 Date

 A copy of the signed document is in the files at the FAA's Office of Airports, Western-Pacific Regional Office, in El Segundo, California; as well as in the FAA's Honolulu Airports District Office, in Honolulu, Hawaii.