



Western-Pacific Region
Airports Division

777 S. Aviation Blvd., Ste 150
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U.S Department of
Transportation

**Federal Aviation
Administration**

JUL 19 2019

Jade T. Butay
Director, Department of Transportation
State of Hawaii
869 Punchbowl Street, Room 509
Honolulu, HI 96813-5097

Dear Mr. Butay:

In accordance with Section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158), the Federal Aviation Administration (FAA) approved your application numbers: 19-08-C-00-HNL, 19-08-C-00-OGG, 19-08-C-00-KOA, 19-08-C-00-LIH, and 19-08-C-00-ITO to impose a passenger facility charge (PFC) at Daniel K. Inouye International Airport (HNL), Kahului Airport (OGG), Ellison Onizuka Kona International Airport (KOA), Lihue Airport (LIH), and Hilo International Airport (ITO) for use 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 (FAD), which provides specific information about this approval including the total amount of approved projects, net PFC revenue to be used, as well as the FAA's reasons for its decision. The FAA's findings and determinations required by statute and Part 158 are also included in the FAD.

The FAA approves the imposition of a PFC and to use PFC revenue at HNL for three projects. The total approved PFC revenue to be collected for these projects is \$186,434,381.

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, recordkeeping, and auditing requirements are described in Part 158, Subpart D. Please issue your required quarterly reports in accordance with the previously issued 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. You are responsible for coordinating any construction with the appropriate Federal offices as you would with any non-federally 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 Section 158.33(a)(1).

Any inquiries concerning this action should be directed to Mr. Kevin Nishimura, PFC Coordinator, Honolulu Airports District Office at (808) 312-6030.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. McClardy', with a long horizontal flourish extending to the right.

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

Enclosures

FINAL AGENCY DECISION

STATE OF HAWAII HONOLULU, HAWAII

Application numbers 19-08-C-00-HNL, 19-08-C-00-OGG, 19-08-C-00-KOA, 19-08-C-00-LIH, and 19-08-C-00-ITO to impose a Passenger Facility Charge (PFC) revenue at Daniel K. Inouye International Airport (HNL), Kahului Airport (OGG), Ellison Onizuka Kona International Airport (KOA), Lihue Airport (LIH), and Hilo International Airport (ITO) for use at HNL.

In accordance with §158.29 of Title 14, Code of Federal Regulations¹, Part 158, this Final Agency Decision (FAD) includes the appropriate determinations to approve or disapprove, in whole or in part, imposition of a PFC and use of PFC revenue on three projects at HNL².

Procedural History (Dates)

| | |
|--|-------------------|
| Written notice to air carriers: | November 2, 2018 |
| Public notice posted: | December 10, 2018 |
| Air carrier consultation meeting: | December 10, 2018 |
| Federal Aviation Administration (FAA) application receipt: | April 15, 2019 |
| FAA finding that application is substantially complete: | May 10, 2019 |

SUMMARY OF PFC COLLECTION AND USE 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 |
| 13-**-C-01-*** | -335,702,302 | -335,702,302 |
| 16-**-U-00-*** | 0 | 14,725,000 |

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

² The projects included in this decision are: New Mauka Concourse at HNL, New Mauka Concourse – Aircraft Parking Apron at HNL and PFC Administrative Costs.

| | | |
|----------------|----------------------|----------------------|
| 18-**-C-00-*** | 313,752,920 | 313,752,920 |
| 19-**-C-00-*** | <u>186,434,381</u> | <u>186,434,381</u> |
| Total | \$874,733,237 | \$874,733,237 |

The State of Hawaii (State) has opted to collect PFCs at five of its commercial service airports (HNL, OGG, KOA, LIH, and ITO) and to use the pooled PFC revenue at one of these airports to pay for the same set of projects. Therefore, when referring to the collective applications of the State of Hawaii, 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 (19-**-C-00-***) applies to each of the five State airports imposing PFCs. The State’s intent is to use 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 68.51 percent of the total approved amount, OGG will collect approximately 18.77 percent, KOA will collect approximately 6.75 percent, LIH will collect approximately 5.64 percent, and ITO will collect approximately 0.33 percent.

INFORMATION REGARDING EACH AIRPORT

1. Application to Collect a PFC at HNL and Use the PFC Revenue at HNL

PFC Level, Amount, and Charge Effective Date

| | |
|--|---------------|
| Level of PFC: | \$4.50 |
| Total approved net PFC revenue in this decision: | \$127,726,194 |
| Earliest charge effective date: | July 1, 2025 |

July 1, 2025 is the "earliest" charge effective date and is based upon the estimated charge expiration date for the previously approved collections in application 18-07-C-00-HNL³. 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. §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 carrier of approval to impose the PFC.

The "earliest" charge effective date of this application will change from July 1, 2025 to January 1, 2020 upon receive the date change request from the State. The FAA cannot approve the charge effective to January 1, 2020 at this time because the application specifically stated that the charge effective date is July 1, 2029.

³ 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; "charge expiration date" means the date on which air carriers are to cease collecting a PFC.

Duration of Authority to Impose a PFC:

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, 2029. 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 ceases⁴. 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. If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) Airport Improvement Program (AIP) grant funds. See §158.39(d).

Cumulative PFC Authority Including Current Decision

| <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 |
| 13-05-C-01-HNL | -223,203,776 | -223,203,776 |
| 16-06-U-00-HNL | 0 | 9,865,750 |
| 18-07-C-00-HNL | 213,351,986 | 213,351,986 |
| 19-08-C-00-HNL | <u>127,726,194</u> | <u>127,726,194</u> |
| Total | \$610,057,613 | \$610,057,613 |

⁴ See Title 14 CFR § 158.63(a) (The public agency must provide quarterly reports to air carriers collecting PFCs for the public agency with a copy to the appropriate FAA Airports Office.), §158.67(c) (The public agency shall annually provide for an audit of its PFC account.), and §158.39(a) (If excess PFC revenue has been collected, the public agency must use the excess funds for approved PFC projects or to retire outstanding PFC – financed bonds.).

Application to Collect a PFC at OGG and Use the PFC Revenue at HNL

PFC Level, Amount, and Charge Effective Date

| | |
|--|--------------|
| Level of PFC: | \$4.50 |
| Total approved net PFC revenue in this decision: | \$34,993,734 |
| Earliest charge effective date: | July 1, 2025 |

July 1, 2025 is the "earliest" charge effective date and is based upon the estimated charge expiration date for the previously approved collections in application 18-07-C-00-OGG⁵. 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. §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 carrier 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 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, 2029. 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. 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

| <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 |
| 08-04-C-03-OGG | -1,617,670 | -1,617,670 |

⁵ 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; "charge expiration date" means the date on which air carriers are to cease collecting a PFC.

| | | |
|----------------|----------------------|----------------------|
| 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 |
| 13-05-C-01-OGG | -64,044,932, | -64,044,932 |
| 16-06-U-00-OGG | 0 | 2,797,750 |
| 18-07-C-00-OGG | 62,750,584 | 62,750,584 |
| 19-08-C-00-OGG | <u>34,993,734</u> | <u>34,993,734</u> |
| Total | \$162,696,257 | \$162,696,257 |

2. Application to Collect a PFC at KOA and Use the PFC Revenue at HNL

PFC Level, Amount, and Charge Effective Date

| | |
|--|--------------|
| Level of PFC: | \$4.50 |
| Total approved net PFC revenue in this decision: | \$12,584,320 |
| Earliest charge effective date: | July 1, 2025 |

July 1, 2025 is the "earliest" charge effective date and is based upon the estimated charge expiration date for the previously approved collections in application 18-07-C-00-KOA⁶. 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. §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 carrier 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 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, 2029. 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. 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

| <u>Application Number</u> | <u>Approved for Collection</u> | <u>Approved for Use</u> |
|----------------------------------|---------------------------------------|--------------------------------|
|----------------------------------|---------------------------------------|--------------------------------|

⁶ 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; "charge expiration date" means the date on which air carriers are to cease collecting a PFC.

| | | |
|----------------|---------------------|---------------------|
| 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 |
| 13-05-C-01-KOA | -19,289,439 | -19,289,439 |
| 16-06-U-00-KOA | 0 | 883,500 |
| 18-07-C-00-KOA | 21,805,828 | 21,805,828 |
| 19-08-C-00-KOA | <u>12,584,320</u> | <u>12,584,320</u> |
| Total | \$55,641,524 | \$55,641,524 |

3. Application to Collect a PFC at LIH and Use the PFC Revenue at HNL

PFC Level, Amount, and Charge Effective Date

| | |
|--|--------------|
| Level of PFC: | \$4.50 |
| Total approved net PFC revenue in this decision: | \$10,514,899 |
| Earliest charge effective date: | July 1, 2025 |

July 1, 2025 is the "earliest" charge effective date and is based upon the estimated charge expiration date for the previously approved collections in application 18-07-C-00-LIH⁷. 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. §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 carrier of approval to impose the PFC.

⁷ 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; "charge expiration date" means the date on which air carriers are to cease collecting a 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 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, 2029. 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. 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

| <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 |
| 13-05-C-01-LIH | -11,538,325 | -11,538,325 |
| 16-06-U-00-LIH | 0 | 589,000 |
| 18-07-C-00-LIH | 15,687,646 | 15,687,646 |
| 19-08-C-00-LIH | <u>10,514,899</u> | <u>10,514,899</u> |
| Total | \$44,266,789 | \$44,266,789 |

4. Application to Collect a PFC at ITO and Use the PFC Revenue at HNL**PFC Level, Amount, and Charge Effective Date**

| | |
|--|--------------|
| Level of PFC: | \$4.50 |
| Total approved net PFC revenue in this decision: | \$615,234 |
| Earliest charge effective date: | July 1, 2025 |

July 1, 2025 is the "earliest" charge effective date and is based upon the estimated charge expiration date for the previously approved collections in application 18-07-C-00-ITO⁸. 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. §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 carrier 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 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, 2029. 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. 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

| <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 |
| 13-05-C-00-ITO | 17,975,817 | 17,386,817 |
| 13-05-C-01-ITO | -17,600,630 | -17,600,630 |
| 16-06-U-00-ITO | 0 | 589,000 |
| 18-07-C-00-ITO | 156,876 | 156,876 |
| 19-08-C-00-ITO | <u>615,234</u> | <u>615,234</u> |
| Total | \$1,286,003 | \$1,286,003 |

⁸ 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; "charge expiration date" means the date on which air carriers are to cease collecting a PFC.

Project Approval Determinations

For each project approved in this Final Agency Decision 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 the application and record thereof, contained substantial evidence to support the following determinations:

- The amount and duration of the PFC will not result in revenue that exceeds the amount necessary to finance the specific projects.
- 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.
- 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).
- The 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.
- Each approved project meets at least one of the objectives set forth in §158.15(a); 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).

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

| <u>Description</u> | <u>Approved Amount</u> |
|---|-------------------------------|
| 1. AO1123-30 – New Mauka Concourse | |
| Pay-as-you-go | \$26,000,000 |
| Bond Capital | \$55,340,389 |
| Financing and Interest | <u>\$54,784,867</u> |
| Total | \$136,125,256 |

This project will provide for construction and construction management services and financing costs required to construct the New Mauka Concourse building at Daniel K. Inouye International Airport (HNL).

The New Mauka Concourse building will contain approximately 261,592 square feet in area consisting of airline gates capable of accommodating six (6) wide-body or eleven (11) narrow-body aircraft, new hold rooms, operations areas, new security screening lanes, concessions, a restroom and service core, common areas and public area furnishings, space for an airline Premier Club, elevators, escalators, passenger loading bridges, fixtures and equipment and other associated work integral to the building construction.

Demolition of Existing Facilities: The scope of work for this project includes demolition of the existing Commuter Terminal building and ground level parking lot to allow for the construction of the new concourse and modifications to the existing roadways.

New Mauka Concourse building: The scope of work includes demolition of the existing Commuter Terminal building, site work for the new concourse building, construction of the new concourse building, utilities, 400Hertz (Hz) ground power, outlets to accommodate airlines-provided preconditioned air for passenger loading bridges, twelve (12) passenger loading bridges, and a replacement passenger loading bridge for Gate A13.

The scope of work also includes landside pavement, landside drainage system, water, sewer and non-potable water, landscaping, irrigation, building foundations, building superstructure, roofing, elevators, escalators, interior finishes, fixed furnishings, hold room seating, mechanical, interior and exterior electrical, plumbing, fire protection, fire alarm, heating, ventilation, and air conditioning systems, emergency distribution system, interior and exterior lighting, security and common use gate management system, a common-use flight information display system, energy management and control system, interior and exterior telecom work, a ground transportation center, and related incidental work.

Aircraft Parking Apron for the new Mauka Concourse: A new aircraft parking apron for the new Mauka Concourse will be constructed under a separate PFC project. Please refer to Project 1 – New Mauka Concourse - Aircraft Parking Apron, State Project No. AO1123-30A of this application.

Passenger Loading Bridges: This project will purchase and install twelve (12) new passenger loading bridges at the new Gates A1 to A12. The scope of work includes construction of the foundations, electrical work, and installation of fixed extension

walkways. The 400Hz and potable water are included in the passenger loading bridge cost.

This project will also purchase and install one (1) new passenger loading bridge at Gate A13 (formerly Gate 61) in the existing Terminal 1 (formerly the Interisland Terminal) building. The loading bridge for this gate requires modification to accommodate construction of the new Mauka Concourse extension to the Terminal 1 building.

Determination:

Approved for collection and use

PFC Objective: This project constructs a new concourse with six gates capable of accommodating aircraft up to size ADG V. This project also include the installation 12-passenger loading bridges and a replacement passenger loading bridge for Gate A13. The new concourse will increase gate capacity and ease a current peak hour demand shortfall. The project will also reduce current peak hour congestion problems within the terminal area associated with aircraft waiting for gate or being repositioned to free up a gate. Thus, this project meets the PFC objective of enhancing capacity of the national air transportation system.

Project Justification: HNL does not have enough existing gate capacity to handle the current number of ADG IV and V operations during peak hours (between 11 am and 1:30 pm). HNL experiences gate capacity and congestion problems during these peak hours related to both mainland U.S. and international operations. During these hours, all gates capable of handling ADG IV and V aircraft are occupied. Aircraft that are not scheduled to depart shortly after passengers disembark must be towed to a remote parking apron in order to make the gate available for other ADG IV and V aircraft waiting to offload passengers. The Ewa Concourse is particularly impacted because that is where customs processing is conducted and all international arrivals must pass through customs. Moving and towing of aircraft to and from the gates results in congestion on the taxiways as well as increasing aircraft taxi time, passenger inconvenience and congestion within the aircraft parking aprons.

The proposed project will increase the overall number of gates that can accommodate ADG Group V or higher from 19 to 25. The six additional ADG V gates at the new concourse will increase airport capacity and ease existing peak hour congestion caused by the current shortage of ADG V capable gates. The project will also facilitate passenger movement throughout the terminal and security screening and reduce potential flight delays.

Basis for Eligibility: Appendix N, Paragraphs N-3, N-4, N-5, N-7. Table N-5(g), Table N-9(a) of FAA Order 5100.38D, Change 1, *AIP Handbook* (February 26, 2019), as well as §158.15 (b)(6), gates and related areas.

FAA bases its findings concerning the eligibility of the work on the estimated terminal square footage (SF). FAA used the square footage table presented in the public agency's PFC application to determine the square footage of the terminal building. FAA's proration percentage was determined to be 47.45% (124,130 SF prorated eligible space of SF total terminal space). The FAA agrees in general with the methodology presented for the PFC estimated eligible and ineligible costs associated with passengers and airlines public use areas. The PFC share of the total cost provided by the public agency has been reviewed and accepted to be appropriate.

Estimated Total Project Cost: \$286,659,041.

Proposed Sources of Financing: PFC revenue (\$136,125,256 - the amount requested by the State) and \$150,533,785 from Local bond capital.

PFC Funds Breakout:

| Location | Pay-as-you-go | Bond Capital | Interest | Total |
|----------|---------------|---------------|---------------|----------------|
| HNL | \$ 17,812,600 | \$ 37,913,700 | \$ 37,533,113 | \$ 93,259,413 |
| OGG | \$ 4,880,200 | \$ 10,387,391 | \$ 10,283,120 | \$ 25,550,711 |
| KOA | \$ 1,755,000 | \$ 3,735,476 | \$ 3,697,978 | \$ 9,188,454 |
| LIH | \$ 1,466,400 | \$ 3,121,198 | \$ 3,089,866 | \$ 7,677,464 |
| ITO | \$ 85,800 | \$ 182,624 | \$ 180,790 | \$ 449,214 |
| Total | \$ 26,000,000 | \$ 55,340,389 | \$ 54,784,867 | \$ 136,125,256 |

Description

Approved Amount

2. AO1123-30A – New Mauka Concourse – Aircraft Parking Apron

| | |
|------------------------|---------------------|
| Pay-as-you-go | \$44,000,000 |
| Bond Capital | \$2,818,710 |
| Financing and Interest | \$2,790,415 |
| Total | \$49,609,125 |

This project provides for the construction, construction management and financing costs required to reconstruct a portion of the existing airfield and construct a new aircraft parking apron for the new Mauka Concourse building at Daniel K. Inouye International Airport (HNL) and other related improvements (see Project 2 – New Mauka Concourse). The portion of the existing airfield to be reconstructed the primary taxilanes providing access to and from the new Mauka Concourse Aircraft Parking Apron.

The portion of airfield to be reconstructed comprises of 4,500 Linear Feet (LF) of 75-foot wide asphalt taxilanes, with full-length shoulders. The new aircraft parking apron comprises of 420,000 Square Feet (SF) of concrete hardstand pavement.

Other related improvements consist of airfield drainage, which includes a detention basin and the incorporation of permanent post-construction best management practice measures; hardstand and exterior airfield lighting and foundations; fencing; airfield striping and markings, and signage; installation of a jet-blast fence including foundations and retaining walls; and an extension of the fuel hydrant system for the new gates.

The fuel hydrant system extension consists of extending the fuel hydrant system from the gates fronting the existing Terminal 1 to the new gates. A new 10-inch fuel line, 1,600 LF long, will be installed around the perimeter of the new Mauka Extension, and tie into the existing 12-inch fuel line near Gate A13. There will also be 21 new hydrant pits and several high point drains and low point pump outs installed along all the fuel lines serving the Mauka Concourse building.

Determination:

Approved for collection and use.

PFC Objective: This project constructs the required aircraft parking apron for a new concourse with six gates capable of accommodating aircraft up to size ADG V. This project also include reconstruction of taxi-lanes, which provide access to and from the new Mauka concourse aircraft parking apron. The new parking apron is required as a companion project to the new concourse and the resulting increase in airport gate capacity will ease a current peak hour demand shortfall. The project will also reduce current peak hour congestion problems within the terminal area associated with aircraft waiting an aircraft parking position. Thus, this project meets the PFC objective of enhancing capacity of the national air transportation system

Project Justification: The existing aircraft parking apron and taxi-lanes in this area were constructed in 1987 for use by ADG III and smaller aircraft. The pavement strength is not adequate to sustain the weight of aircraft up to ADG V, which will be using the new concourse. The project is needed because there is a shortage of aircraft parking positions at the terminals that can support ADG V sized aircraft during the peak hours (11:00 am to 1:30pm). Construction of these pavements is needed in order for the new Mauka Concourse to be put into service.

Basis for Eligibility: Appendix H, Paragraph H-2(e), Table H-4(a); Appendix I, Paragraph I-2, Table I-3(a) of FAA Order 5100.38D, Change 1, *AIP Handbook* (February 26, 2019), as well as Section 158.15 (b)(6), gates and related areas.

Estimated Total Project Cost: \$51,201,625.

Proposed Sources of Financing: PFC revenue (\$49,609,125 - the amount requested by the State) and \$1,592,500 from Local bond capital.

PFC Funds Breakout:

| Location | Pay-as-you-go | Bond Capital | Financing | Total |
|----------|---------------|--------------|--------------|---------------|
| HNL | \$ 30,144,400 | \$ 1,931,098 | \$ 1,911,713 | \$ 33,987,211 |
| OGG | \$ 8,258,800 | \$ 529,072 | \$ 523,761 | \$ 9,311,633 |
| KOA | \$ 2,970,000 | \$ 190,263 | \$ 188,353 | \$ 3,348,616 |
| LIH | \$ 2,481,600 | \$ 158,975 | \$ 157,380 | \$ 2,797,955 |
| ITO | \$ 145,200 | \$ 9,302 | \$ 9,208 | \$ 163,710 |
| Totals | \$ 44,000,000 | \$ 2,818,710 | \$ 2,790,415 | \$ 49,609,125 |

Description**3. PFC Administrative Cost**

Pay-as-you-go

Approved Amount

\$700,000

This project provides for the costs associated with the preparation of the PFC applications and the accounting, quarterly reporting, and the auditing of the PFCs related to this application. The project includes the cost of outside consultants, auditors, and airport accounting staff to prepare PFC reports over the life of the PFC program for this application.

Determinations:

Approved for collection and use.

PFC Objective: This project is to reimburse the State for the reasonable and necessary costs of administering its PFC program for the duration of the PFC collection and use associated with the projects in this application, which is estimated to be from January 1, 2020 through July 1, 2029. Thus, this project meets the PFC objectives relating to enhancing safety, security, and capacity of the national air transportation system.

Project Justification: The project will reimburse the necessary costs associated with the preparation of the PFC application; collection, handling and remittance of PFC revenue by air carriers; and, reporting and auditing requirements of the PFC program.

Basis for Eligibility: Definition of "PFC administrative support costs" in §158.3, §158.13 (b), and Section 3-60 of FAA Order 5100.38D, Change 1, *AIP Handbook* (February 26, 2019). The FAA notes that the administrative costs approved in this application are limited to those costs associated with this 19-08-C-00-*** application.

Estimated Total Project Cost: \$700,000.

Proposed Source of Financing: PFC revenue (\$700,000 - the amount requested by the State).

PFC Funds Breakout:

| Location | Pay-as-you-go |
|----------|---------------|
| HNL | \$ 479,570 |
| OGG | \$ 131,390 |
| KOA | \$ 47,250 |
| LIH | \$ 39,480 |
| ITO | \$ 2,310 |
| Total | \$ 700,000 |

Environmental Requirements

The projects approved in this application 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 Actions. An environmental assessment was completed for these projects. The FAA's Finding of No Significant Impact/Record of Decision (FONSI/ROD) with respect to New Mauka Concourse project was approved on January 29, 2013. The New Mauka Concourse - Aircraft Parking Apron was 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 PFCs

The State did not request that a class or classes of carriers be excluded from the requirement to collect PFC's.

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, ITO, KOA, or LIH 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, ITO, KOA, or LIH 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

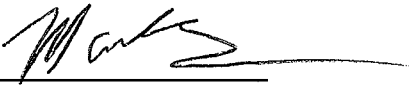
As of the date of this approval, the State of Hawaii has complied with the requirement to submit a competition plan for HNL and OGG in accordance with §158.29(a)(1)(viii). Furthermore, by a letter dated July 9, 2015, the FAA has determined that HNL's competition plan is in accordance with §155 of AIR-21. 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, KOA, LIH, 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 received any comments during the air carrier consultation process or as a result of the public notice inviting comments on this application.

Legal Authority

This decision is made under the authority of 49 U.S.C. 46110 and 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, ITO and use PFC revenue on three projects 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.

Concur 

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

7/19/19
Date

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

Date