

**STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
AIRPORTS DIVISION**

**Notice of Intent to File Passenger Facility Charge (PFC) Applications**

Under the provisions of 49 United States Code Section 40117 and the Federal Aviation Administration (FAA), Department of Transportation, regulations (Title 14 Code of Federal Regulation (CFR) Part 158) implementing the PFC, the State of Hawaii (State) invites public comment on its intent to file Application Numbers 21-09-C-00-\*\*\* with the FAA to impose and use a \$4.50 PFC at Daniel K. Inouye International Airport (HNL), Kahului Airport (OGG), Ellison Onizuka Kona International Airport at Keahole (KOA), Lihue Airport (LIH), and Hilo International Airport (ITO), for projects at HNL, OGG, KOA, and LIH. Wendell H. Ford Aviation Investment and Reform Act for the 21<sup>st</sup> Century (AIR-21), paragraph 10-32(b), excludes all inter-island flights from collecting PFCs.

The proposed charge effective date is estimated to be July 1, 2029. The total amount of PFC revenue estimated to be collected under these proposed applications is \$459.9 million. The estimated charge expiration date is July 1, 2039.

These PFC applications will request to impose and use PFC revenue for the following projects:

1. United States Department of Agriculture (USDA) Inspection Building, located at KOA

Project Description:

This project includes construction, construction management, and financing costs required to construct a USDA Inspection Building adjacent to the existing Baggage Make-up Building. The outbound baggage handling system will be expanded into the new USDA Building, allowing USDA inspections to be conducted in-line with the Department of Homeland Security, Transportation Security Administration (TSA) Security inspections. Bags travelling to the continental U.S. will be routed into the USDA screening area for inspection of prohibited items. After USDA clearance, the bags will continue to the TSA checked baggage inspection service area for their inspection and sortation. This project will also connect the USDA equipment to the existing oversized baggage belts within the existing bag drop buildings, and will include modifications to the following systems: Closed-Circuit Television (CCTV) system, access control system, mechanical and electrical systems, and all associated work.

The USDA Inspection Building will consist of an inline screening area, laboratory, office space, and a break area. The laboratory will be used to examine prohibited agricultural items that have been confiscated after screening. For example, fruits found in a passenger's checked bag will be inspected for insects under microscopes, then be properly disposed of. The laboratory is necessary as part of the USDA screening process for all outbound overseas (domestic) baggage. The new construction areas will total

approximately 5,110 Square Feet (SF) which consists of approximately 4,890 SF in eligible areas and approximately 220 SF in exclusive-use areas such as offices. Based upon the space eligibility analysis, approximately 96 percent of the USDA Inspection Building project is PFC eligible.

**Project Justification:**

The current USDA agriculture inspection areas are in the main ticket lobbies causing congestion for departing passengers which contributes to poor way-finding and level of service. There is limited counter space available for airlines to provide needed services for their passengers. By relocating the agriculture inspection services to the back-of-house, the screening equipment, partitions, counters, and personnel will all be moved into a new facility out of view from the traveling public. This creates the opportunity to expand ticketing operations for the airlines. The TSA has relocated their inspection services to the new baggage make-up building as part of the KOA Terminal Modernization, Phase 1 project. The USDA relocation is planned to be located directly north of the new baggage make-up and will be in-line with TSA to increase the level of service for passengers while providing much needed space in the main ticket lobbies.

PFC Level of Collection: \$4.50

PFC Project Amount: \$14,174,239

2. Ticket Lobby Improvements, located at LIH

**Project Description:**

This project includes the construction, construction management, and financing costs required to renovate Ticket Lobbies A and B at LIH.

Work in the ticket lobbies includes demolishing the planter areas to increase the size of the ticket lobbies, constructing a new roof over the demolished planter areas, new flooring, repositioning the USDA inspection screening equipment, renovating affected walls and ceiling, and installing new seating, lighting, fire sprinklers, and ceiling fans. Work in the TSA Security Screening Checkpoint area includes painting, installation of new lighting and ceiling fans. The renovation will not impact TSA operations. Work will also include installing new signal heads, walk/do not walk signals, and pedestrian push buttons for three traffic signals/crosswalks between the ticket lobby and the parking lot, and replacing wiring and signal controllers for the traffic signals/crosswalks in an electrical handhole in the ticket lobby planter area. In addition, a lactation pod will be installed in the terminal after the security checkpoint.

The construction areas will total approximately 41,032 SF which consists of approximately 40,983 SF in public-use areas and approximately 49 SF in utility rooms. Based upon the space eligibility analysis, 100 percent of this project is PFC-eligible.

**Project Justification:**

LIH was originally designed for interisland travel, and not for wide body domestic flights. With the number of domestic flights travelling directly to LIH increasing, the facility can no longer function optimally due to insufficient capacity. The ticket lobby is too small to accommodate the surges of passengers that check-in for overseas departures. Passengers checking in overflow into the uncovered walkway areas, causing congestion in the walkways. This project will expand the ticket lobby to provide additional space and covered protection for travelers.

In addition, a lactation pod will be installed in the terminal after the security checkpoint. The lactation pod will be accessible to persons with disabilities and include a place to sit, a table or other flat surface, and an electrical outlet complying with the Friendly Airports for Mothers (FAM) Act.

PFC Level of Collection:      \$4.50

PFC Project Amount:          \$15,374,779

3. Inbound Baggage Handling System Improvements, located at OGG

**Project Description:**

This project includes design-build construction, construction management, and financing costs required to replace the existing inbound Baggage Handling System (BHS) consisting of Baggage Carousels No. 1, 2, 3, 4, and 5, associated overhead conveyor systems and supports, baggage breakdown conveyor systems, motor control panels, automatic roll up doors, Air Operations Area (AOA) access doors, card readers, CCTV cameras and other associated equipment. In addition, this project will install a new roof structure at the outbound BHS makeup area and replace damaged and corroded structural supports.

The construction areas total approximately 15,535 SF which consists entirely of eligible areas. Based upon the space eligibility analysis, 100 percent of this project is PFC eligible.

**Project Justification:**

The current capacity of the existing inbound BHS is not sufficient to support the increase in flights and passengers at OGG. Because of this, the baggage handling carousels are being overloaded, with baggage sometimes being stacked on top of each other to fit onto

the carousels. This overloading is causing additional wear and tear on the system, which is resulting in frequent breakdowns and outages of the inbound BHS. Repairs and maintenance to upkeep the system is becoming costly, and insufficient capacity of the baggage carousels are making it difficult for airport personnel and airline staff to manage. In addition, due to the age of the existing baggage handling carousels ranging from 12 to 30 years and the additional cost associated with refurbishing the baggage handling carousels, a full replacement of the baggage handling carousels is needed.

A portion of the outbound BHS area is currently uncovered which is exposing some of the structural supports to wind driven rain causing the structural supports to corrode. The areas to the west and east of the uncovered outbound BHS area have roof structures that were constructed approximately 8 to 11 years ago, respectively.

PFC Level of Collection:     \$4.50

PFC Project Amount:         \$17,063,115

#### 4. Ticket Lobby Renovations, located at HNL

##### Project Description:

This project includes the construction, construction management, and financing costs required to renovate Ticket Lobbies 2 and 3 in Terminal 1 and Ticket Lobbies 4, 5, 6, 7, and 8 in Terminal 2 at HNL.

The scope of work for Ticket Lobbies 2 and 3 in Terminal 1 consists of:

- New construction of TSA baggage screening spaces including equipment;
- Six baggage makeup carousels;
- New USDA spaces, in-line with the TSA Security inspections and related work;
- Demolition/reconstruction of existing tenant spaces for new BHS corridor;
- Demolition of existing TSA baggage screening spaces;
- Demolition of existing baggage makeup carousels;
- Construction of BHS;
- Replacement of CCTV;
- Access control;
- Mechanical and electrical systems and all associated work in these areas.

The scope of work for Ticket Lobbies 4, 5, 6, 7, and 8 in Terminal 2 consists of:

- New ticket counters and canopies;
- Take away conveyor belts;
- High-Volume Low-Speed (HVLS) ceiling fans;
- Incorporation of a Common Use Ticketing Equipment (CUTE) system;
- Construction of new and modifications to existing TSA baggage screening spaces and equipment on the apron and basement levels;

- Baggage makeup carousels at the apron level;
- Demolition of existing mid-lobby ticket counters;
- Renovation to existing airline office spaces;
- Concrete floor repairs;
- Lighting;
- Fire protection system;
- New associated finishes on the ticket level;
- Demolition of baggage makeup carousels;
- CCTV;
- Access control;
- Mechanical and electrical systems and all associated work.

The construction areas total approximately 272,793 SF which consists of approximately 267,670 SF in public-use areas and approximately 5,123 SF in exclusive-use areas such as offices. Based upon space eligibility analysis, approximately 98 percent of this project is PFC eligible.

**Project Justification:**

The outbound baggage make-up systems in Ticket Lobbies 2 and 3 in Terminal 1 are over 12 years old and in deteriorated condition necessitating removal and replacement. This project will relocate the existing Checked Baggage Inspection System/Checked Baggage Reconciliation Area (CBIS/CBRA) to facilitate the operations and will modernize and increase the capacity of the existing systems.

At Terminal 2, Ticket Lobby 4 is 40 years old with no major rehabilitation while Ticket Lobbies 5 and 6 are nearly 30 years old and were rehabilitated in 2014. The planned renovations in Ticket Lobbies 4 through 6 are overdue and will match the general ambiance of the newly renovated Ticket Lobbies 7 and 8, with different color schemes and unique patterns. In addition, the existing back wall of the ticket counters are damaged from termite infestation and will be replaced for safety and aesthetic reasons. Due to increasing incidences of baggage throughput and congestion issues, improvements are planned for the outbound BHS in Ticket Lobbies 4, 5, 6, 7, and 8, and their associated Explosive Detection Systems (EDS).

PFC Level of Collection:     \$4.50

PFC Project Amount:         \$264,825,140

5. Restroom Improvements, Overseas Terminal, Phase 2, located at HNL

**Project Description:**

This project includes the construction, construction management, and financing costs required to renovate the public restrooms in the Interisland Terminal, Makai Pier, the

International Arrivals Building, the second level of the Ewa Concourse, and ground floor of the Garden area.

The scope of work includes: 1) installation of new toilets, toilet accessories, and sinks; 2) installation of related appurtenances supporting the new restroom fixtures; 3) modernizing the plumbing infrastructure; 4) installation of new lighting; 5) air-conditioning and/or ventilation modifications; 6) new floor to ceiling finishes; and 7) increasing the size of the stalls.

The construction areas will total approximately 24,103 SF which consists of approximately 18,499 SF in public-use areas, approximately 734 SF in exclusive-use areas such as tenant spaces and approximately 4,870 SF in utility rooms. Based upon the space eligibility analysis, approximately 96 percent of the project is PFC eligible.

**Project Justification:**

The primary reasons for renovating these restrooms include the following:

Improving the personal experience of all visitors

The existing restrooms were last renovated approximately 20 years ago, which is evident by the dated fixtures, poor lighting, inadequate ventilation, and stains in the grout lines of the floor and wall tiles. In addition, the size of the existing restroom stalls is narrow. Passengers have difficulties fitting their luggage or small children into the restroom stalls with them due to the lack of space in the restroom stalls. Increasing the size of the stalls will increase the functional space in the restroom stalls.

Easing the maintenance of restrooms

Installation of grout-less floor and wall tiles will minimize floor and wall staining. Products and materials will be selected with the goal of simplifying maintenance and cleaning needs. Utility chases, sewer clean-outs, and plumbing appurtenances will be designed to meet the functional needs of the plumbers and custodial staff.

PFC Level of Collection:     \$4.50

PFC Project Amount:         \$41,596,701

6. Air Conditioning Modifications, located at HNL

**Project Description:**

This project includes reimbursement of construction, construction management, and financing costs required to modify the air conditioning system within the International Arrivals Building (IAB).

The scope of work for this project includes removal and replacement of rooftop and basement air conditioning units and associated ductwork, piping, accessories and controls. Supply and return ductwork will be replaced throughout the IAB and will undergo extensive realignment. Roof coatings and waterproofing will be applied to facilitate the removal and installation of the rooftop air conditioning systems.

The construction areas will total approximately 46,400 SF which consists of approximately 39,081 SF in public-use areas and approximately 7,319 SF in utility rooms. Based upon the space eligibility analysis, 100 percent of this project is PFC eligible.

**Project Justification:**

The heating, ventilation, and air conditioning (HVAC) system was installed over 30 years ago. The HVAC system providing air throughout the IAB is inefficient and does not provide adequate mechanical ventilation for the thermal comfort of passengers traveling through the area. Due to the age and condition of the HVAC system, the replacement of the system is a proactive measure ensuring that disruption to operations of the IAB are kept to a minimum.

The HVAC equipment at the IAB roof and the basement will be upgraded and replaced. The replacement of the Roof HVAC units and removal of the duct work at the vent shafts will allow the system to be upgraded and include ductwork to be fitted through the space provided from new outside air units. This will enable the mechanically ventilated spaces of the IAB queue areas to have better circulation and increased temperature control resulting in a higher quality of comfort cooling. The two basement mechanical HVAC units will be replaced with new units. The units, which had been previously refurbished approximately 23 years ago, have controls that are not functioning, and the units are reaching the end of their life cycle. Replacement of these units will ensure that the new ductwork and variable air volume boxes perform as intended, contributing to a better indoor environment in the IAB.

PFC Level of Collection:     \$4.50

PFC Project Amount:         \$19,579,825

7. Stand Alone PFC Administrative Cost, located at HNL

**Project Description:**

This project provides for the costs associated with the preparation and monitoring of the PFC application, amendments, close out documents, letters to air carriers, collection accounting, quarterly reporting, and auditing of the PFCs related to these applications. The project includes the cost of outside consultants, auditors, and airport staff to prepare PFC reports over the life of the PFC program for these applications.

Project Justification:

The PFC program has requirements for reporting, recordkeeping, and auditing of accounts for projects in these applications. Costs associated with reporting, recordkeeping and auditing are eligible for PFC reimbursement.

PFC Level of Collection: \$4.50

PFC Project Amount: \$2,700,000

These PFC applications will request impose only of PFC revenue for the following projects:

1. Federal Inspection Services Building – Aircraft Parking Apron, located at KOA

Project Description:

This project includes the construction and construction management costs required to construct a new aircraft parking apron, aircraft movement areas, and other related improvements for the new Federal Inspection Services (FIS) Building at KOA.

The project involves the construction of approximately 261,663 SF of new Portland Cement Concrete (PCC) hardstand and Asphalt Concrete (AC) taxilane pavement. The new PCC pavement consists of 18.5-inches of PCC over 6-inches of aggregate base course. The new AC pavement consists of 6.5-inches of AC pavement over 6-inches asphalt concrete stabilized base. Other related improvements include exterior airfield lighting and foundations and airfield striping and markings.

Project Justification:

This project provides the aircraft parking apron and aircraft movement areas associated with the new FIS Building to expand gate capacity by adding a wide-body gate.

The existing aircraft parking apron area was constructed between 1969 and 1982 and was last rehabilitated in 1997 for general aviation use by single engine and light twin engine aircraft. The pavement strength is currently not adequate to sustain airfield movement for the heavier Airplane Design Group (ADG) V aircraft around the FIS Building.

PFC Level of Collection: \$4.50

PFC Project Amount: \$9,272,572

## 2. Federal Inspection Services Building, located at KOA

### Project Description:

This project includes the construction and construction management costs required to construct a FIS Building, holdroom building with gate, covered walkway canopy, ground transportation parking lot with covered pedestrian waiting area, and related site work. Construction of these facilities include site improvements, ramp improvements, ramp markings and lighting, CCTV, public address/flight information display system, access control system, mechanical and electrical systems, and the demolition of the General Aviation hangars.

The new construction areas will total approximately 113,262 SF which consists of approximately 47,186 SF in public-use areas, approximately 60,773 SF in exclusive-use areas such as concessions and offices, and approximately 5,303 SF in utility rooms. Based upon the space eligibility analysis, approximately 83 percent of this project is PFC eligible.

### Project Justification:

In 2017, KOA was ranked 70 out of 555 commercial service airports in the U.S., reporting 1,765,995 passenger enplanements (an increase of 12.45% from the previous year)<sup>1</sup>. A significant portion of the increase can be attributed to the return of nonstop service between Japan and KOA. Between 2010 and 2016, there was no international commercial service at KOA. In December 2016, Hawaiian Airlines (HA) began triweekly nonstop service from Haneda International Airport (HND) to KOA<sup>2</sup>, and in September 2017, Japan Airlines (JAL) began daily nonstop service from Narita Airport (NRT) to KOA<sup>3</sup>. Within a year's span, international passengers arriving at KOA sharply increased from zero to a maximum of 2,173 weekly passengers (nearly 113,000 annually).

To accommodate the arrivals from Japan, the United States CBP has been utilizing an interim FIS building, constructed north of the primary terminals in the mid-1990's. Although the interim FIS building is outdated, does not meet current CBP Airport Technical Design and Passenger Processing Facility Standards, and can only process one flight at a time, use of the facility (with moderate improvements) was granted on the condition that a permanent facility be constructed by December 2021, five years after HA began its nonstop service from HND.

The new facility will meet the current CBP standards and include space for primary and secondary processing, a CBP Command and Control Center, and an inbound baggage control system. This facility includes a new gate and holdroom to support both domestic and international flights, covered walkways, and waiting areas for ground transportation pick up. The new FIS building will provide comfort and efficiency for passengers arriving at KOA, well beyond the current experience at the interim facility.

### References

1. [https://www.faa.gov/airports/planning\\_capacity/passenger\\_allcargo\\_stats/passenger/media/cy17-commercial-service-enplanements.pdf](https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/media/cy17-commercial-service-enplanements.pdf)
2. <https://newsroom.hawaiianairlines.com/releases/hawaiian-airlines-celebrates-launch-of-new-haneda-kona-service>
3. [https://www.ar.jal.co.jp/ar/en/area\\_news/index201709.html](https://www.ar.jal.co.jp/ar/en/area_news/index201709.html)

PFC Level of Collection: \$4.50

PFC Project Amount: \$20,700,603

### 3. Holdroom and Gate Improvements, located at OGG

#### Project Description:

This project includes the construction, construction management, and financing costs required to construct new Holdroom AB between the existing Holdrooms A and B, along with a new passenger gate and loading bridge. Work will include enclosure and air conditioning of the existing second level open concourse, and the removal of the walls, storefronts, and sliding doors that separate the holdrooms from the concourse to expand existing Holdrooms A and B. The proposed project will also involve construction of a second level outdoor seating area and garden deck on the west side of the south terminal building, replacement of interior finishes at Holdrooms A and B, expansion of the general purpose apron to the south, installation of new fixed extensions for the loading bridges at Gates 1 and 3, and restriping of the aircraft parking positions at Gates 1 through 15 to accommodate the new gate and loading bridge. This project will be phased so only one gate will be closed at a time to allow the remaining gates to be used for passenger enplanement and deplanement.

The new construction areas will total approximately 124,580 SF which consists of approximately 72,365 SF in public-use areas, approximately 51,171 SF in exclusive-use areas such as offices, and approximately 1,044 SF in utility rooms. Based upon the space eligibility analysis, approximately 59 percent of the project is PFC eligible.

#### Project Justification:

OGG was originally designed for interisland travel, and not for wide body domestic flights. With the number of domestic flights travelling directly to OGG increasing, the holdrooms can no longer function optimally due to insufficient capacity. The enlarged Holdrooms A and B and the addition of the new Holdroom AB will be able to comfortably accommodate passengers for ADG IV and ADG V aircraft.

Due to the increase in the number of flights at OGG, the airport is reaching a point where there is an insufficient number of gates to accommodate the airline flight schedule during certain times of the day. The addition of a new gate will increase capacity and will assist Airport Operations with gate assignments.

PFC Level of Collection: \$4.50

PFC Project Amount: \$54,580,374

The following alternative project is provided in these applications to ensure the PFC revenues will be used only on a PFC eligible project in the event the three proposed “Impose Only” projects are not ultimately approved for use of PFC revenues as required by Title 14 CFR Part 158:

1. Taxiway A Reconstruction, located at HNL

Project Description:

This project includes reimbursement of the construction, construction management, and financing costs required to reconstruct Taxiway A. The scope of work for this project includes demolition of approximately 150,000 Square Yards (SY) of existing taxiway pavement, including the entire Taxiway A, portion of Taxiway Z, and all connector taxiways that are adjacent to Taxiway A and Runway 8L-26R. In addition, the scope also includes full reconstruction of Taxiway A, partial reconstruction of Taxiway Z, and construction of 24 adjacent connector and cross-over taxiways that total approximately 365,000 SY of new taxiway pavement. Other improvements consist of all associated utility modifications, storm drainage improvements, airfield edge lighting and signs, runway guard lights, pavement marking and a taxiway bridge across Manuwai Canal.

Project Justification:

According to the latest Pavement Management Report (Honolulu International Airport Pavement Management Report) completed in April 2016, Taxiway A and associated Taxiways were last rehabilitated at various times between 1968 and 2014. Specifically, the eastern portion of Taxiway A (Runway 8L to Taxiway L) was last rehabilitated between 1999 and 2005, the middle portion (Taxiway L to Taxiway K) was last rehabilitated between 1984 and 2010, and the western portion (Taxiway K to Runway 26R) was last rehabilitated between 2000 and 2011.

From the Airport Improvement Program (AIP) Handbook, dated February 26, 2019, Table H-4 states that “the work must be supported by a Pavement Condition Index (PCI) or planning study.” From the Honolulu International Airport Pavement Management Report, the weighted average PCI for Taxiway A is 52. According to Table H-1 of the AIP Handbook, for an airfield pavement reconstruction project, the PCI must not be less

than 55. Since the weighted average PCI for Taxiway A is less than 55, a reconstruction project for the airfield pavement for Taxiway A is justified. Also, rehabilitation will eliminate the potential of FOD due to deteriorating pavement and in turn, reduce the risk of damage to aircraft.

PFC Level of Collection: \$4.50

PFC Project Amount: \$715,937,724

Additional information concerning the PFC Applications and these projects are available on the DOT Airports website at:

<http://hidot.hawaii.gov/airports/doing-business/engineering/passenger-facility-charge/>

Written comments on the proposed projects contained in this notice will be accepted by the State until **Friday, October 1, 2021 at 4:00 pm Hawaii Standard Time (HST)**.

To submit comments or request additional information, please contact:

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