



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

Western-Pacific Region
Office of Airports

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

May 18, 2022

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: 22-09-C-00-HNL, 22-09-C-00-OGG, 22-09-C-00-KOA, 22-09-C-00-LIH, and 22-07-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 at Keahole (KOA), Lihue Airport (LIH), and Hilo International Airport (ITO). The authority to use PFC revenue is contingent on your continued compliance with the terms of the regulation and any conditions included in this letter.

Enclosed is the Final Agency Decision (FAD) which provides specific information about this approval including the total amount of approved projects, the approved PFC level, total amount of approved net PFC revenue to be imposed and/or used, the earliest charge effective date, and duration of authority to impose the PFC. The FAD also includes information on the approved projects and disapproved projects, 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 approved the imposition of a PFC at HNL, OGG, KOA, LIH, and ITO and to use PFC revenue now and in the future at HNL, OGG, and LIH for six projects; four projects at HNL, one project at OGG, and one project at LIH. The FAA also approved the imposed only PFC for two projects; one project at KOA and one project at OGG. The total approved PFC revenue to be collected for these projects is \$425,912,441 and the amount approved for use is \$361,317,407. Two projects at KOA are not approved, one for impose and use, one for imposed only, for a total of \$35,322,611.

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).

You are required to submit a use application, or a request for extension if the implementation schedule has been delayed, no later than 3 years after the date the application is approved in accordance with section 158.33(c)(1) for the projects which are only approved for collection of PFC revenue.

Any inquiries concerning this action should be directed to Mr. Kevin Nishimura, PFC Coordinator, Honolulu Airports District Office at (808) 312-6030 or by email at kevin.h.nishimura@faa.gov.

Sincerely,

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

Enclosures

FINAL AGENCY DECISION

STATE OF HAWAII DEPARTMENT OF TRANSPORTATION – AIRPORTS DIVISION HONOLULU, HAWAII

Application numbers 22-09-C-00-HNL, 22-09-C-00-OGG, 22-09-C-00-KOA, 22-09-C-00-LIH, and 22-07-C-00-ITO, to impose Passenger Facility Charge (PFC) revenue collected 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 use on seven projects at HNL, OGG, KOA, and LIH and to impose only on three projects at KOA and OGG.

In accordance with §158.29 of Title 14, Code of Federal Regulations (CFR), Part 158,¹ this Final Agency Decision (FAD) includes the appropriate determinations to approve or disapprove, in whole or in part, imposition of a PFC at HNL, OGG, KOA, LIH and ITO and use, either now or in the future, of PFC revenue on six projects at HNL, OGG and LIH and two impose only projects at KOA and OGG.² Two projects at KOA are not approved, one for impose only and one for impose and use.

Procedural History (Dates)

Written notice to air carriers:	July 26, 2021
Public notice posted:	September 1, 2021
Air carrier consultation meeting:	September 1, 2021
Federal Aviation Administration (FAA) application receipt:	December 20, 2021
FAA finding that application is substantially complete:	January 19, 2022

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-***	0	0
04-**-C-02-***	3,305,003	3,305,003
06-**-C-00-***	104,458,000	104,458,000
06-**-C-01-***	-41,958,000	-41,958,000
06-**-C-02-***	-12,940,000	-12,940,000
06-**-C-03-***	-49,560,000	-49,560,000
08-**-C-00-***	76,138,332	49,560,000
08-**-C-01-***	0	0
08-**-C-02-***	-26,578,332	0

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 impose and use projects included in this decision are: USDA Inspection Building at KOA, Ticket Lobby Improvements at LIH, Inbound Baggage Handling System Improvements at OGG, Ticket Lobby Renovations at HNL, Restroom Improvements, Phase 2 at HNL, Air Conditioning Modifications at HNL, and PFC Administrative Costs. The impose only projects are: Federal Inspection Services Building – Aircraft Parking Apron at KOA, Federal Inspection Services Building at KOA, and Holdroom and Gate Improvements at OGG.

08-**-C-03-***	-9,581,161	-9,581,161
09-**-C-00-***	145,081,000	145,081,000
09-**-C-01-***	29,045,249	29,045,249
13-**-C-00-***	449,395,430	434,670,430
13-**-C-01-***	-333,384,687	-333,384,687
13-**-C-02-***	0	0
16-**-U-00-***	0	4,859,250
16-**-U-01-***	0	9,865,750
18-**-C-00-***	313,752,920	313,752,920
19-**-C-00-***	186,434,380	186,434,380
22-**-C-00-***	<u>425,912,441</u>	<u>361,317,407</u>
Total	\$1,302,153,041	\$1,237,588,007

The State of Hawaii, Department of Transportation – Airports Division (State) has opted to collect PFCs at five of its commercial service airports and to use the pooled PFC revenue collected at five 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 (22-**-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 62.25 percent of the total approved amount, OGG will collect approximately 21.43 percent, KOA will collect approximately 9.00 percent, LIH will collect approximately 7.05 percent, and ITO will collect approximately 0.27 percent.

INFORMATION REGARDING EACH AIRPORT

1. Application to Collect a PFC at HNL and Use the PFC Revenue, Either Now or in the Future, 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:	\$265,133,832
Earliest charge effective date:	July 1, 2029

July 1, 2029, 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 19-08-C-00-HNL.³ If the State

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.

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 contains information regarding notification to air carriers and foreign air carriers of the changes to the charge effective date and charge expiration date.

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, 2039. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of Airport Improvement Program (AIP) grant funds. 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

<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	-224,920,542	-224,920,542
13-05-C-02-HNL	281,298	281,298
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	127,726,194	127,726,194
22-09-C-00-HNL	<u>265,133,832</u>	<u>224,922,917</u>
Total	\$873,755,977	\$833,545,062

2. Application to Collect a PFC at OGG and Use the PFC Revenue, Either Now or in the Future, 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:	\$91,290,671
Earliest charge effective date:	July 1, 2029

July 1, 2029, 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 19-08-C-00-OGG.⁴ 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. Title 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the changes to the charge effective date and charge expiration date.

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, 2039. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of Airport Improvement Program (AIP) grant funds. 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

<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

⁴ 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.

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
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	-63,783,437	-63,783,437
13-05-C-02-OGG	-42,847	-42,847
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	34,993,734	34,993,734
22-09-C-00-OGG	<u>91,290,671</u>	<u>77,445,281</u>
Total	\$254,205,576	\$240,360,186

3. Application to Collect a PFC at KOA and Use the PFC Revenue, Either Now or in the Future, 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:	\$38,317,960
Earliest charge effective date:	July 1, 2029

July 1, 2029, 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 19-08-C-00-KOA.⁵ 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. Title 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the changes to the charge effective date and charge expiration date.

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, 2039. 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

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.

authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of Airport Improvement Program (AIP) grant funds. 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

<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
13-05-C-01-KOA	-20,142,139	-20,142,139
13-05-C-02-KOA	139,718	139,718
16-06-U-00-KOA	0	883,500
18-07-C-00-KOA	21,805,828	21,805,828
19-08-C-00-KOA	12,584,320	12,584,320
22-09-C-00-KOA	<u>38,317,960</u>	<u>32,506,554</u>
Total	\$93,246,502	\$87,435,096

4. Application to Collect a PFC at LIH and Use the PFC Revenue, Either Now or in the Future, 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:	\$30,014,974
Earliest charge effective date:	July 1, 2029

July 1, 2029, 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 19-08-C-00-LIH.⁶ 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. Title 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the changes to the charge effective date and charge expiration date.

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, 2039. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of Airport Improvement Program (AIP) grant funds. 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

<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	-11,110,478	-11,110,478
13-05-C-02-LIH	305,515	305,515
16-06-U-00-LIH	0	589,000

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.

18-07-C-00-LIH	15,687,646	15,687,646
19-08-C-00-LIH	10,514,899	10,514,899
22-09-C-00-LIH	<u>30,014,974</u>	<u>25,462,822</u>
Total	\$75,015,125	\$70,462,973

5. Application to Collect a PFC at ITO and Use the PFC Revenue, Either Now or in the Future, 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:	\$1,155,004
Earliest charge effective date:	July 1, 2029

July 1, 2029, is the "earliest" charges 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 19-06-C-00-ITO.⁷ 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. Title 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the changes to the charge effective date and charge expiration date.

Duration of Authority:

The State is authorized to impose a PFC at ITO until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects attributable to ITO or the charge expiration date is reached, whichever comes first. Based on information submitted by the State, the FAA estimates the charge expiration date for this decision to be July 1, 2039. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of Airport Improvement Program (AIP) grant funds. 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

<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

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.

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	-13,428,091	-13,428,091
13-05-C-02-ITO	-683,684	-683,684
16-06-U-00-ITO	0	589,000
18-07-C-00-ITO	156,876	156,876
19-08-C-00-ITO	615,233	615,233
22-09-C-00-ITO	<u>1,155,004</u>	<u>979,833</u>
Total	\$5,929,861	\$5,754,690

Project Approval Determinations

For the projects 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 49 United States Code (USC) §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 project.
- 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 project determination); 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).
- For those surface transportation or terminal projects approved for collection at a PFC level above \$3.00, the requirements of §158.17 (a)(3) have been met. For each such project approved in this Final Agency Determination, 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.
- 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 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).
- For any project approved for only the authority to impose the PFC, there are alternative uses of the PFC revenue to ensure that such revenue will be used on approved projects.
- For any project approved for only impose authority, the determinations regarding project objective, eligibility, and adequate justification, should be considered findings that the project meets nominal statutory requirements. Final determinations must be deferred until FAA review of the “use” application.
- The total approved net PFC revenue includes debt service and financing costs of PFC approved projects. Any PFC revenue collected in excess of debt servicing requirements shall be used for approved projects or retirement of outstanding PFC financing costs.

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

<u>Description</u>	<u>Approved Amount</u>
2. AK1042-14 – Ticket Lobby Improvements, LIH	
Pay-as-you-go	\$0
Bond Capital	\$8,578,452
Financing and Interest	<u>\$6,974,174</u>
Total	\$15,552,626

This project consists of the demolition of the planter areas of the ticket lobby 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 and will be accessible to persons with disabilities and include a place to sit, a table or other flat service, and an electrical outlet complying with the Friendly Airports for Mothers Act in the terminal after the security checkpoint. The construction areas will total approximately 41,032 Square Feet (SF) which consists of approximately 40,983 SF in public-use areas and approximately 49 SF in utility rooms. The construction of this project will not change the number of ticket counters.

LIH was originally designed for interisland travel, not for wide body domestic flights. The number of domestic flights travelling directly to LIH is increasing. The facility can no longer function optimally due to insufficient capacity. The ticket lobby is too small to accommodate 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.

Determination:

Approved for collection and use.

PFC Objective: This project will expand the ticket lobby area to increase the size of the covered walk areas and improving the movement of the passengers within Ticket Lobbies A and B, as well as the movement between the ticket lobby and parking lot. The project will increase capacity by expanding the movement area for passengers within the ticket lobby areas. Thus, this project meets the FAA's objective of enhancing capacity of the national air transportation system.

Basis for Eligibility: Appendix N, Paragraph N-3, Table N-1 of FAA Order 5100.38D, *AIP Handbook* (February 26, 2019) and PFC eligible in accordance with §158.15(b)(6) gates and related areas.

Eligibility for the passenger terminal is limited to those portions of the building which are deemed to be common spaces intended for non-revenue producing public use area related to the movement of passengers and baggage within the confines of the terminal. Construction of the ineligible portions of the terminal will be funded locally.

Adequate Justification: The project will expand the area for the movement of passengers in the ticket lobby area. LIH was originally designed for interisland travel, not for the wide body domestic flights. The number of domestic flights travelling directly to LIH has increased such that the facility can no longer function optimally due to insufficient capacity. The increased ticket lobby areas, new roofing and flooring, new seating, lighting, sprinklers and ceiling fans will provide the additional space and covered protection for travelers. The three traffic signals/crosswalks will provide safe access for passengers to the ground level ticket lobby areas for passenger who need to cross the roadway to get to/from the airport parking lot directly across from the terminal. The total construction area is 41,032 square feet. The FAA finds that the requested PFC amount is based on engineering estimates and financing costs. Therefore, based on the documentation provided by the State and the FAA review based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified.

Estimated Total Project Cost: \$16,218,525.

Proposed Sources of Financing: PFC revenue 15,552,626 (the amount requested by the State) and \$665,899 from Local Bond Funds.

PFC Funds Break-out:

Airport	Pay-as-you-go	Bond Capital	Finance and Interest	Total
HNL	\$ -	\$ 5,340,154	\$ 4,341,478	\$ 9,681,632
OGG	\$ -	\$ 1,838,718	\$ 1,494,854	\$ 3,333,572
KOA	\$ -	\$ 771,775	\$ 627,444	\$ 1,399,219
LIH	\$ -	\$ 604,542	\$ 491,485	\$ 1,096,027
ITO	\$ -	\$ 23,263	\$ 18,913	\$ 42,176

Description

3. AM1109-01 - Inbound Baggage Handling System Improvement, OGG

Pay-as-you-go	\$0
Bond Capital	\$9,647,695
Financing and Interest	\$7,415,420
Total	\$17,063,115

Approved Amount

This project provides for the replacement of 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, 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 Square Feet (SF).

Determination:

Approved for collection and use

PFC Objective: This project will replace the existing inbound BHS and five baggage carousels with the associated overhead conveyor systems and support. The new system will provide a higher capacity baggage carousel system to handle the increase in flights and passengers at OGG. Thus, this project meets the PFC objective of enhancing capacity of the national air transportation system.

Basis for Eligibility: Appendix N, Paragraph N-3, Table N-1 of FAA Order 5100.38D, *AIP Handbook* (February 26, 2019) and PFC eligible in accordance with §158.15(b)(6) gates and related areas.

Eligibility for the passenger terminal is limited to those portions of the building which are deemed to be common spaces intended for non-revenue producing public use area related to the movement of passengers and baggage within the confines of the terminal. Construction of the ineligible portions of the terminal will be funded locally.

Adequate Justification: The current capacity of the existing inbound handling system is not sufficient to support the increase in flights and passengers at OGG. The baggage handling carousels are overloaded, with baggage sometimes stacked on top of each other to fit onto the carousels. The carousels range from 12 to 30 years old. Due to the age of the existing baggage handling carousels, the repairs and maintenance to keep up the system is becoming costly. The FAA finds that the requested PFC amount is based on engineering estimates and financing costs. Therefore, based on the documentation provided by the State and the FAA review based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified.

Estimated Total Project Cost: \$18,456,400.

Proposed Sources of Financing: PFC revenue \$17,063,115 (the amount requested by the State) and \$1,393,285 from Local Bond Funds.

PFC Funds Break-out:

Airport	Pay-as-you-go	Bond Capital	Finance and Interest	Total
HNL	\$ -	\$ 6,005,766	\$ 4,616,157	\$ 10,621,923
OGG	\$ -	\$ 2,067,900	\$ 1,589,432	\$ 3,657,332
KOA	\$ -	\$ 867,972	\$ 667,141	\$ 1,535,113
LIH	\$ -	\$ 679,894	\$ 522,581	\$ 1,202,475
ITO	\$ -	\$ 26,163	\$ 20,109	\$ 46,272

Description

**4. AO1033-22 and AO1033-24 –
Ticket Lobby Renovations, HNL**

Pay-as-you-go	\$0
Bond Capital	\$141,884,439
Financing and Interest	\$122,940,701
Total	\$264,825,140

This project includes the renovation of the Ticket Lobbies and/or BHS in Terminal 1 and Terminal 2 at HNL.

The renovation of the ticket lobbies includes the installation of new check-in counters, back wall conveyor belt systems, various architectural aesthetic improvements, lighting/ceiling fan improvements, and infilling floor penetrations.

Improvements to the outbound BHS include the following:

1. Ticket Lobbies 2 and 3 – Replacement of the outbound baggage make-up equipment and relocation of the Checked Bag Inspection System/Checked Bag Resolution Area (CBIS/CBRA).
2. Ticket Lobby 4 – Expansion of the CBRA and addition of a re-insertion line and Level 1 decision points. The following will be completed:
 - a. Removal of existing herringbone check-in counters and conveyor equipment at the ticket lobby level. Floor penetrations exposed from removal of conveyor equipment will be infilled;
 - b. Installation of new floor penetrations to support a new back wall ticket counter conveyor system;
 - c. Expansion of the CBRA and addition of a re-insertion line;
 - d. Replacement of the existing Explosives Detection System (EDS) machines with new TSA equipment; and
 - e. Connection of the former Delta Airlines' outbound baggage system to the air carriers' operational spaces.
3. Ticket Lobby 6 – Repurposing of lobby and relocation of checked baggage system screening process to Ticket Lobby 7. The following will be completed:
 - a. Demolition of remaining herringbone check-in counters, temporary counters, conveyor equipment, renovations to restore the area for public use;
 - b. Installation of new floor penetrations and a new back wall ticket counter baggage handling conveyor system;
 - c. Removal of existing standalone "Computed Tomography (CT)-80 EDS" equipment and installation of connections between Ticket Lobby 6 and Ticket Lobby 7 CBIS;
 - d. Increase Ticket Lobby 7 CBRA for improved bag storage and ergonomics; and
 - e. Replacement of existing Ticket Lobby 6 sort piers with large capacity make-up devices.
4. Ticket Lobby 7 – Enabling of the existing Ticket Lobby 7 CBIS for the screening of Ticketing Lobby 6 baggage, will necessitate a new CBIS for the Ticketing Lobby 7 screening demand. The new CBIS will incorporate Level 1 and Level 2 decision points, as well as a CBRA in compliance with TSA ergonomics. The following will be completed:
 - a. Construction to move the Ticket Lobby 7 baggage conveyors directly to the basement level, and towards the basement below Ticket Lobby 8; and
 - b. Construction of a new CBIS/CBRA in the basement of Ticket Lobby 8 installation of a sortation line to convey bags back to the existing Ticket Lobby 7 make-up area.
5. Ticket Lobby 8 – Installation of sliding top tables in the expanded Ticket Lobby 8 CBRA, addition of a reinsertion line, the addition of new Level 1 CBIS decision point, and integration of a new international transfer line into the existing CBIS. The following will be completed:
 - a. Construction to reroute the CBIS clear line and installation of a new Outbound Search Room line and Level 1 decision point, improving screening operations;

- b. Expansion of Lobby 8 CBRA to support additional inspection stations with new ergonomic sliding top tables to increase Transportation Security Officer (TSO) ergonomics and manual inspection throughput;
- c. Installation of a new re-insertion line in CBRA, allowing TSOs to rescreen baggage through the EDS machine when no image directed search is available; and
- d. Installation of a new international transfer conveyor line to the existing Ticketing Lobby 8 screening system.

The construction areas total approximately 272,793 Square Feet (SF) which consists of approximately 267,670 SF in public-use areas and approximately 5,123 SF in exclusive-use areas such as offices.

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. At Terminal 2, the ticket lobby 4 is over 40 years old with no major rehabilitation while ticket lobbies 5 and 6 are nearly 30 years old and were rehabilitated in 2014. The existing back wall of the ticket counters are damaged from termite infestation and will be replaced. Due to increasing incidences of baggage throughput and congestion issues, improvements are planned for the outbound BHS in ticket lobbies 4, 6, 7, and 8.

Determination:

Approved for collection and use

PFC Objective: This project will rehabilitate the outbound baggage make-up systems in Ticket Lobbies 2 and 3 in Terminal 1 and Lobbies 4, 6, 7 and 8 in Terminal 2. This project will also relocate the existing CBIS/CBRA to facilitate the operation. This will modernized and increase the capacity of the existing information systems Thus, this project meets the PFC objective of enhancing capacity of the national air transportation system.

Basis for Eligibility: Appendix N, Paragraph N-3, Table N-1 of FAA Order 5100.38D, *AIP Handbook* (February 26, 2019) and PFC eligible in accordance with §158.15(b)(6) gates and related areas.

Eligibility for the passenger terminal is limited to those portions of the building which are deemed to be common spaces intended for non-revenue producing public use area related to the movement of passengers and baggage within the confines of the terminal. Construction of the ineligible portions of the terminal will be funded locally.

Adequate Justification: The project will renovate the ticket lobbies and baggage handling system (BHS) in Terminals 1 and 2. The project will replace the BHS at Ticket Lobbies 2 & 3, expand the checked bag inspection system/checked bag resolution area (BCIS/CBRA) and connect Delta Airlines outbound baggage system to its operational area. At Ticket Lobby 6, the project will repurpose the lobby and relocate the checked baggage system screening process to Ticket Lobby 7. These renovations will replace aging equipment and modernize the BHS to make the process more efficient and increase the system's capacity. The FAA finds that the requested PFC amount is based on engineering estimates and financing costs. Therefore, based on the documentation provided by the State and the FAA review based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified.

Estimated Total Project Cost: \$292,725,531.

Proposed Sources of Financing: PFC revenue \$264,825,140 (the amount requested by the State) and \$27,900,391 from Local Bond Funds.

PFC Funds Break-out:

Airport	Pay-as-you-go	Bond Capital	Finance and Interest	Total
HNL	\$ -	\$ 88,324,175	\$ 76,531,549	\$164,855,724
OGG	\$ -	\$ 30,411,710	\$ 26,351,283	\$ 56,762,993
KOA	\$ -	\$ 12,764,882	\$ 11,060,576	\$ 23,825,458
LIH	\$ -	\$ 9,998,905	\$ 8,663,898	\$ 18,662,803
ITO	\$ -	\$ 384,767	\$ 333,395	\$ 718,162

Description

5. AO1037-31 – Restroom Improvements, Phase 2, HNL

Pay-as-you-go

Bond Capital

Financing and Interest

Total

Approved Amount

\$0

\$22,250,493

\$19,346,208

\$41,596,701

This project includes the renovation of 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 Square Feet (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.

The existing restrooms were last renovated approximately 20 years ago. The rehabilitation will enlarge the size of the restroom stalls to increase the functional space.

Determination:

Approved for collection and use

PFC Objective: This project will increase the functional space in the restroom facilities to accommodate the traveling public. Thus, this project meets the PFC objective of preserving capacity of the national air transportation system.

Basis for Eligibility: Appendix N, Paragraph N-3, Table N-1 of FAA Order 5100.38D, *AIP Handbook* (February 26, 2019) and PFC eligible in accordance with §158.15(b)(6) gates and related areas.

Eligibility for the passenger terminal is limited to those portions of the building which are deemed to be common spaces intended for non-revenue producing public use area

related to the movement of passengers and baggage within the confines of the terminal. Construction of the ineligible portions of the terminal will be funded locally.

Adequate Justification: The project will rehabilitate the public restrooms in the interisland terminal, Makai pier, international arrival building, 2nd floor level of the Ewa Concourse. The existing restrooms were last renovated approximately 20 years ago, which have reached the end of their useful life. The FAA finds that the requested PFC amount is based on engineering estimates and financing costs. Therefore, based on the documentation provided by the State and the FAA review based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified.

Estimated Total Project Cost: \$44,438,408.

Proposed Sources of Financing: PFC revenue \$41,596,701 (the amount requested by the State) and \$2,841,707 from Local Bond Funds.

PFC Funds Break-out:

Airport	Pay-as-you-go	Bond Capital	Finance and Interest	Total
HNL	\$ -	\$ 13,851,106	\$ 12,043,166	\$ 25,894,272
OGG	\$ -	\$ 4,769,202	\$ 4,146,693	\$ 8,915,895
KOA	\$ -	\$ 2,001,805	\$ 1,740,516	\$ 3,742,321
LIH	\$ -	\$ 1,568,040	\$ 1,363,369	\$ 2,931,409
ITO	\$ -	\$ 60,340	\$ 52,464	\$ 112,804

Description

6. AO1045-14 – Air Conditioning Modifications, HNL

Pay-as-you-go

Bond Capital

Financing and Interest

Total

Approved Amount

\$0

\$10,570,625

\$ 9,009,200

\$19,579,825

The 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 International Arrivals Building (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 Square Feet (SF) which consists of approximately 39,081 SF in public-use areas and approximately 7,319 SF in utility rooms.

Determination:

Approved for collection and use

PFC Objective: This project will remove and replace rooftop and basement air conditioning to provide the necessary cooling and ventilation to keep passengers comfortable in the airport. Thus, this project meets the PFC objective of preserving capacity of the national air transportation system.

Basis for Eligibility: Appendix N, Paragraph N-3, Table N-1 of FAA Order 5100.38D, *AIP Handbook* (February 26, 2019).

Eligibility for the passenger terminal is limited to those portions of the building which are deemed to be common spaces intended for non-revenue producing public use area related to the movement of passengers and baggage within the confines of the terminal. Construction of the ineligible portions of the terminal will be funded locally.

Adequate Justification: The project will modify and upgrade the air conditioning system at HNL. The existing systems are over 30 years old. They do not provide adequate mechanical ventilation to provide for the thermal comfort of passengers. Total construction area is 46,400 square feet. The FAA finds that the requested PFC amount is based on engineering estimates and financing costs. Therefore, based on the documentation provided by the State and the FAA review based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified.

Estimated Total Project Cost: \$21,947,072.

Proposed Sources of Financing: PFC revenue \$19,579,825 (the amount requested by the State) and \$2,367,247 from Local Bond Funds.

PFC Funds Break-out:

Airport	Pay-as-you-go	Bond Capital	Finance and Interest	Total
HNL	\$ -	\$ 6,580,297	\$ 5,608,298	\$ 12,188,595
OGG	\$ -	\$ 2,265,722	\$ 1,931,045	\$ 4,196,767
KOA	\$ -	\$ 951,005	\$ 810,528	\$ 1,761,533
LIH	\$ -	\$ 744,935	\$ 634,898	\$ 1,379,833
ITO	\$ -	\$ 28,666	\$ 24,431	\$ 53,097

Description

7. PFC Administrative Cost

Pay-as-you-go

Approved Amount

\$2,700,000

This project provides for the reimbursement of the allowable costs associated with the preparation of this PFC application and accounting requirements. This includes providing quarterly reporting, auditing of projects in this application, consultants fees, and airport staff to prepare reports over the life of this PFC 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 July 1, 2029 through July 1, 2039. Thus, this project meets the

PFC objectives relating to preserving and enhancing capacity of the national air transportation system.

Basis for Eligibility: Project is eligible under FAA Order 5500.1, *Passenger Facility Charge* (August 9, 2001), Section 4-9.c., "Stand-alone PFC Administrative Costs". The FAA notes that the administrative costs approved in this application are limited to those costs associated with this 22-09-C-00-*** application.

Adequate Justification: The project will reimburse the State for the necessary costs associated with the preparation of the PFC application; collection, handling and remittance of PFC revenue; and, reporting and auditing requirements of the PFC program.

Estimated Total Project Cost: \$2,700,000.

Proposed Source of Financing: PFC revenue \$2,700,000 (the amount requested by the State).

PFC Funds Break-out:

Airport	Pay-as-you-go	Bond Capital	Finance and Interest	Total
HNL	\$ 1,680,771	\$ -	\$ -	\$ 1,680,771
OGG	\$ 578,722	\$ -	\$ -	\$ 578,722
KOA	\$ 242,910	\$ -	\$ -	\$ 242,910
LIH	\$ 190,275	\$ -	\$ -	\$ 190,275
ITO	\$ 7,322	\$ -	\$ -	\$ 7,322

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

8. AH2062-15A – Federal Inspection Service Building – Aircraft Parking Apron, KOA

Pay-as-you-go	\$9,726,512
Bond Capital	\$0
Financing and Interest	\$0
Total	\$9,726,512

This project constructs a new aircraft parking apron, aircraft movement areas, and other related improvements for the new Federal Inspection Services Building at KOA.

The project involves the construction of approximately 261,663 Square Feet (SF) of new Portland Cement Concrete (PCC) hardstand and Asphalt Concrete (AC) taxiway 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.

Determination:

Approved for collection

PFC Objective: This project will construct approximately 261,663 SF of new Portland cement concrete hardstand and asphalt concrete taxiway to accommodate an Airplane Design Group (ADG) V aircraft. Thus, this project meets the PFC objective of preserving capacity of the national air transportation system.

Basis for Eligibility: Appendix I, Paragraph I-3, Table I-2 of FAA Order 5100.38D, *AIP Handbook* (February 26, 2019) and PFC eligible in accordance with §158.15(b)(6) gates and related areas.

Adequate Justification: The project strengthens the aircraft parking apron that was rehabilitated 24 years ago that was used for General Aviation aircraft. The new apron will accommodate an Airplane Design Group (ADG) V aircraft at the gate of the FIS Building and allow for inspection efficiencies for arriving passengers. The FAA finds that the requested PFC amount is based on engineering estimates and financing costs. Therefore, based on the documentation provided by the State and the FAA review based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified.

Estimated Total Project Cost: \$10,136,206.

Proposed Sources of Financing: PFC revenue \$9,726,512 (the amount requested by the State) and \$409,694 from Local Funds.

PFC Funds Break-out:

Airport	Pay-as-you-go	Bond Capital	Finance and Interest	Total
HNL	\$ 6,054,830	\$ -	\$ -	\$ 6,054,830
OGG	\$ 2,084,794	\$ -	\$ -	\$ 2,084,794
KOA	\$ 875,063	\$ -	\$ -	\$ 875,063
LIH	\$ 685,448	\$ -	\$ -	\$ 685,448
ITO	\$ 26,377	\$ -	\$ -	\$ 26,377

10. AM1042-42 – Holdroom and Gate Improvements, OGG

Pay-as-you-go	\$0
Bond Capital	\$29,781,869
Financing and Interest	\$25,086,653
Total	\$54,868,522

This project constructs a new Holdroom AB between the existing Holdrooms A and B, along with a new passenger gate and loading bridge. Work will also 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 hold rooms 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 by approximately 40 feet, 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 Square Feet (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.

Determination:

Approved for collection

PFC Objective: This project constructs a new Holdroom AB and expands the existing Holdrooms A and B. This project increases capacity at OGG by expanding the seating capacity in the enlarged hold room and adding a new hold room and a new gate. Thus, this project meets the PFC objective of enhancing capacity of the national air transportation system.

Basis for Eligibility: Appendix N, Paragraph N-3, Table N-1 of FAA Order 5100.38D, *AIP Handbook* (February 26, 2019) and PFC eligible in accordance with §158.15(b)(6) gates and related areas.

Eligibility for the passenger terminal is limited to those portions of the building which are deemed to be common spaces intended for non-revenue producing public use area related to the movement of passengers and baggage within the confines of the terminal. Construction of the ineligible portions of the terminal will be funded locally.

Adequate Justification: The project will construct a new Holdroom AB, expand the two existing holdrooms, construct a second level outdoor seating area and garden deck, and install a new loading bridge and apron extension to support the construction of a new gate. The project will accommodate the increased level of direct passenger flights from the US mainland and to OGG and to prevent delays due to the unavailability of gates. The FAA finds that the requested PFC amount is based on engineering estimates and financing costs. Therefore, based on the documentation provided by the State and the FAA review based upon FAA's experience with airport development projects, the FAA concludes that this project is adequately justified.

Estimated Total Project Cost: \$82,495,403.

Proposed Sources of Financing: PFC revenue \$54,868,522 (the amount requested by the State) and \$27,626,881 from Local Bond Funds.

PFC Funds Break-out:

Airport	Pay-as-you-go	Bond Capital	Finance and Interest	Total
HNL	\$ -	\$ 18,539,447	\$ 15,616,638	\$ 34,156,085
OGG	\$ -	\$ 6,383,488	\$ 5,377,108	\$ 11,760,596
KOA	\$ -	\$ 2,679,378	\$ 2,256,965	\$ 4,936,343
LIH	\$ -	\$ 2,098,793	\$ 1,767,911	\$ 3,866,704
ITO	\$ -	\$ 80,763	\$ 68,031	\$ 148,794

Project Not approved for Authority to Impose a PFC at HNL, OGG, KOA, LIH, and ITO for Use at KOA at a \$4.50 PFC Level.

<u>Description</u>	<u>Amount</u>
1. AH2042-32 – United States Department Agriculture (USDA) Inspection Building, KOA	
Pay-as-you-go	\$0
Bond Capital	\$7,923,632
Financing and Interest	<u>\$6,250,607</u>
Total	\$14,174,239

This project would 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, 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. 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 the airlines. The USDA relocation will be in-line with TSA to increase the level of service for passengers while providing much needed space in the main ticket lobbies.

Determination:

Not approved for collection and use

Passenger screening areas that are used directly for the inspection of passengers have limited eligibility. Eligibility is limited to the construction of bare space (drywall, standard paint, and standard floor covering) with appropriate utilities.”

In order to be eligible under the PFC program the proposed project's eligibility would be limited as described in FAA Order 5100.38D, *AIP Handbook* (February 26, 2019), Paragraph N-9, Table N-5.k.

The PFC application presents costs as line items based on functional spaces. The information provided by the public agency does not provide sufficient detail to determine what project costs are eligible for construction of a bare space. The FAA cannot make a determination on what costs would be eligible, therefore, the proposed project is not approved for collection and use.

Project Not Approved for Authority to Impose a PFC at HNL, OGG, KOA, LIH, and ITO for Future Use at KOA at a \$4.50 PFC Level.

9. AH2062-15 – Federal Inspection Service Building, KOA	Amount
Pay-as-you-go	\$21,148,372
Bond Capital	\$0
Financing and Interest	\$0
Total	\$21,148,372

This project will construct a Federal Inspection Services Building, hold room 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 Square Feet (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.

Determination:

Not approved for collection.

Per FAA Order 5100.38D, *AIP Handbook* (February 26, 2019), this project would be eligible under Paragraph N-9, Table N-5.I., which reads as follows:

“I. Customs and Border Control (formerly Federal Inspection Service) areas that are used directly for the inspection of individuals and goods have limited eligibility. Eligibility is limited to the construction of bare space (drywall, standard paint, and standard floor covering) with appropriate utilities and baggage carousels. Note that these can be separate buildings, but still are considered terminal development. Customs and Border Control must verify that the building is sized to the staffing levels that will be provided (note that the funding source of the staffing does not affect eligibility).”

In order to be eligible under the PFC program the proposed project’s eligibility would be limited as described in FAA Order 5100.38D, *AIP Handbook* (February 26, 2019), Paragraph N-9, Table N-5.I.

The information provided by the public agency does not provide sufficient detail to determine what project costs are eligible for construction of a bare space. The FAA cannot make a determination on what costs would be eligible, therefore, the proposed project is not approved for collection and use.

Environmental Requirements

The projects approved in this application for concurrent authority to impose and use the PFC and the projects for impose the PFC only 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 the acquisition of Airport Actions* (April 28, 2006). Each of

the various projects were determined by the FAA to be categorically excluded. A categorical exclusion refers to a category of actions that do not individually or cumulatively have a significant effect on the human environment, and for which, neither an EA nor an EIS is required.

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 be excluded from the requirement to collect PFCs at any of the five collecting airports.

Determination: No FAA action required. However, the FAA notes that, in accordance with §158.9(a)(4), 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, 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, 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, Department of Transportation – Airports Division 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 January 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 receive any comments during the air carrier consultation process or as a result of the public notice inviting comment 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, and ITO and to use PFC revenue now and in the future at HNL, OGG, and LIH for six projects; four projects at HNL, one project at OGG, and one project at LIH. Two projects are approved for imposed only PFC (not for use); one project at KOA and one project at OGG. Two projects at KOA are not approved, one for impose and use and one for imposed only. 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

Date

Nonconcur

Mark A. McClardy
Director, Office of Airports
Western

Date