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U.S Department
of Transportation

**Federal Aviation
Administration**

Western-Pacific Region
Airports Division

P.O. Box 92007
Worldway Postal Center
Los Angeles, CA 90009

October 13, 2009

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

Dear Mr. Sekiguchi:

In accordance with section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158), the Federal Aviation Administration (FAA) has approved your application numbers 09-04-C-00-HNL, 09-04-C-00-OGG, 09-04-C-00-KOA, and 09-04-C-00-LIH to impose a Passenger Facility Charge (PFC) at Honolulu International (HNL), Kahului (OGG), Kona International (KOA), and Lihue (LIH) airports for use at OGG and HNL. The authority to impose a PFC is contingent on your continued compliance with the terms of the regulation and other conditions included in this letter.

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

The FAA has approved PFC collection at HNL, OGG, KOA, and LIH and use of PFC revenue on five projects at HNL and two projects at OGG. The total approved PFC revenue to be collected for these projects is \$145,081,000.

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

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

You are required to implement your projects approved for concurrent impose and use authority within 2 years of this date. Section 158.33(a)(1) requires the public agency to begin implementation of a project no later than 2 years after receiving approval to use PFC revenue on that project.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'M. McClardy', with a horizontal line underneath.

Mark A. McClardy
Manager, Airports Division

Enclosures

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

Application numbers 09-04-C-00-HNL, 09-04-C-00-OGG, 09-04-C-00-KOA, and 09-04-C-00-LIH, to impose a passenger facility charge (PFC) at Honolulu International Airport (HNL), Kahului Airport (OGG), Kona International Airport at Keahole (KOA), and Lihue Airport (LIH), for use at HNL and OGG.

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

Procedural History (Dates)

Written notice to air carriers	March 11, 2009
Public notice posted:	April 10, 2009
Air carrier consultation meeting:	April 16, 2009
Federal Aviation Administration (FAA) application receipt:	June 15, 2009
FAA finding that application is substantially complete:	July 15, 2008

SUMMARY OF APPROVED COLLECTIONS FOR THE STATE OF HAWAII

<u>Application Number</u>	<u>Approved for Collection</u>	<u>Approved for Use</u>
04-0*-C-00-***	\$42,632,466	\$42,632,466
04-0*-C-01-***	0	0
06-0*-C-00-***	103,677,000	103,677,000
06-0*-C-01-***	(41,644,293)	(41,644,293)
06-0*-C-02-***	(12,854,378)	(12,854,378)
06-0*-C-03-***	(49,178,329)	(49,178,329)
08-0*-C-00-***	75,590,135	\$49,203,168
08-0*-C-01-***	0	0
<u>09-0*-C-00-***</u>	<u>145,081,000</u>	<u>145,081,000</u>
Total	\$263,303,601	\$236,916,634

The state of Hawaii has opted to collect PFCs at four of its commercial service airports and to use the pooled PFC revenue collected at two 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 three asterisks "****" in place of a particular airport's location identifier code.

This application (09-0*-C-00-***) applies to each of the state of Hawaii's (State) four airports imposing PFCs (The single asterisk "*" refers to the sequential application number). The State's intent is to collect a pro-rata share of the total approved amount at each imposing airport, HNL, OGG, KOA, and LIH. Based on the State's estimate of collections at each airport, the FAA estimates that HNL will collect approximately 73 percent of the total approved amount, OGG will collect approximately 17 percent, KOA will collect approximately 5 percent, and LIH will collect approximately 5 percent.

INFORMATION REGARDING EACH AIRPORT

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

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$105,909,130
Earliest charge effective date:	January 1, 2010

January 1, 2010, 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 08-03-C-01-HNL. If the State of Hawaii (State) changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the State can continue to collect the authorized amount of PFC revenue without a cessation in collections. Title 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, the public agency must comply with §158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC.

Duration of Authority

The State is authorized to impose a PFC at HNL until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects attributable to HNL or the charge expiration date is reached, whichever comes first. Based on information submitted by the State, the FAA estimates the charge expiration date for this decision to be February 1, 2014. 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

DECISION SUMMARY TABLE

<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
06-02-C-00-HNL	78,050,000	78,050,000
06-02-C-01-HNL	(31,350,608)	(31,350,608)
06-02-C-02-HNL	(9,672,687)	(9,672,687)
06-02-C-03-HNL	(37,026,705)	(37,026,705)
08-03-C-00-HNL	55,344,953	36,025,164
08-03-C-01-HNL	0	0
09-04-C-00-HNL	<u>105,909,130</u>	<u>105,909,130</u>
Totals	\$193,550,549	\$174,230,760

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

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$24,663,770
Earliest charge effective date:	January 1, 2010

January 1, 2010, 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 08-03-C-01-OGG. If the State changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the State can continue to collect the authorized amount of PFC revenue without a cessation in collections. Title 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, the public agency must comply with §158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC.

Duration of Authority

The State is authorized to impose a PFC at OGG until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects attributable to OGG or the charge expiration date is reached, whichever comes first. Based on information submitted by the State, the FAA estimates the charge expiration date for this decision to be February 1, 2014. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of AIP grant funds. See §158.39(d). If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) AIP grant funds, see §158.39(d).

Cumulative PFC Authority Including Current Decision

DECISION SUMMARY TABLE

<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)
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
09-04-C-00-OGG	<u>24,663,770</u>	<u>24,663,770</u>
Totals	\$44,328,001	\$39,777,791

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

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$7,254,050
Earliest charge effective date:	January 1, 2010

January 1, 2010, 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 08-03-C-01-KOA. If the State changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the State can continue to collect the authorized amount of PFC revenue without a cessation in collections. Title 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, the public agency must comply with §158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC.

Duration of Authority

The State is authorized to impose a PFC at KOA until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects attributable to KOA or the charge expiration date is reached, whichever comes first. Based on information submitted by the State, the FAA estimates the charge expiration date for this decision to be February 1, 2014. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of AIP grant funds. See §158.39(d). If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) AIP grant funds, see §158.39(d).

Cumulative PFC Authority Including Current Decision

DECISION SUMMARY TABLE

<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
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
09-04-C-00-KOA	<u>7,254,050</u>	<u>7,254,050</u>
Totals	\$14,183,901	\$12,538,702

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

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$7,254,050
Earliest charge effective date:	January 1, 2010

January 1, 2010, 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 08-03-C-01-KOA. If the State changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the State can continue to collect the authorized amount of PFC revenue without a cessation in collections. Title 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, the public agency must comply with §158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC.

Duration of Authority

The State is authorized to impose a PFC at LIH until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects attributable to LIH or the charge expiration date is reached, whichever comes first. Based on information submitted by the State, the FAA estimates the charge expiration date for this decision to be February 1, 2014. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of AIP grant funds. See §158.39(d). If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) AIP grant funds, see §158.39(d).

Cumulative PFC Authority Including Current Decision

DECISION SUMMARY TABLE

<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
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
09-04-C-00-LIH	<u>7,254,050</u>	<u>7,254,050</u>
Totals	\$11,241,150	\$10,369,381

Project Approval Determinations

For each project approved in this FAD and for the application as a whole, the FAA, based on its expertise with the PFC program and airport development, exercises its judgment, and based upon its expertise finds that the application and record thereof, contain necessary documentation to support its determinations. Based on its review and pursuant to 49 U.S.C. §40117, the FAA finds that:

- The amount and duration of the PFC will not result in revenue that exceeds the amount necessary to finance the specific projects.
- Each project approved at a \$3 or lower level meets at least one of the objectives set forth in §158.15(a) (as set forth in the individual project determinations); is eligible in accordance with §158.15(b) (as set forth in the individual project determinations); and is adequately justified in accordance with §158.15(c) and paragraph 4-8 of FAA Order 5500.1, Passenger Facility Charge (August 9, 2001) (as set forth in the individual project determinations).
- Each project approved at a PFC level above \$3 will make a significant contribution in accordance with §158.17(b) (as set forth in the individual project determinations); meets at least one of the objectives set forth in §158.15(a) (as set forth in the individual project determinations); is eligible in accordance with §158.15(b) (as set forth in the individual project determinations); and is adequately justified in accordance with §158.15(c) and paragraph 4-8 of FAA Order 5500.1, Passenger Facility Charge (August 9, 2001) (as set forth in the individual project determinations).
- Each project approved for collection at a PFC level above \$3, meets the requirements of §158.17(a)(2). The FAA has reviewed the State's funding proposals for each project. For each project, the FAA has determined that AIP funds are not expected to be available to fund the project in whole or in part.
- For those surface transportation or terminal projects approved for collection at a PFC level above \$3, 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 Final Agency Decision, 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 collection process, including a request by the public agency not to require a class or classes of carrier to collect PFC, is reasonable, not arbitrary, nondiscriminatory, and otherwise in compliance with the law.
- The public agency has not been found to be in violation of §9304(e) or §9307 of the Airport Noise and Capacity Act (ANCA) of 1990 (since codified at 49 U.S.C. 47524 and 47526).
- All project-related requirements concerning approval of the airport layout plan (ALP) and completion of airspace studies have been met. Environmental requirements (§158.29(b)(1)(iv)) have been completed and are discussed under a separate heading below.

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

<u>Description</u>	<u>Approved Amount</u>
Taxiway A Pavement Improvements	\$33,000,000

This project will reconstruct Taxiway A including the taxiway safety area adjacent to the main aircraft parking apron. The area of work consists of two sections, north and south. One section is 75 feet by 1,366 feet and the second section is 75 feet by 5,143 feet. The work scope includes excavation, cold milling and asphalt concrete paving from 5-inches to 16-inches deep, as required, painting and striping and other related improvements. The project also includes construction management services.

Originally constructed in 1942, Taxiway A is the parallel taxiway to Runway 02-20, the primary commercial service runway at OGG. Currently, pavement sections of Taxiway A are exhibiting varying levels of deterioration. Taxiway A on the Runway 02 side is in failure. This is the area where all of the aircraft turn onto Runway 02 to take off. This area has been patched repeatedly, and as recently as 2006, however it appears the base course is in failure. This section of the taxiway has had "quick fix remedies" consisting of the removal and replacement of the top layer. These overlays have resulted in continuing failure. The only permanent repair will be a complete reconstruction of the taxiway. Also, the taxiway at the Runway 20 end (from the hold short line out toward the runway) is in failure. Cracks are appearing and separation has been observed as recently as mid-May 2009. There appear to be signs of base course failure in this area also.

Determinations:

Approved for collection and use.

Significant contribution: This project will reconstruct portions of the parallel taxiway to the air carrier runway at OGG. Aircraft must transit this taxiway to travel from the runway to the terminal area and portions of the taxiway are exhibiting signs of failure. Thus, this project meets the significant contribution of reducing current or anticipated congestion which would occur if the taxiway were taken out of service due to pavement failure.

PFC Objective: This project will improve the structural integrity of taxiway A, the parallel taxiway to the air carrier runway at OGG. Thus, this project will preserve capacity at OGG.

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

Estimated total project cost: \$33,000,000.

Proposed source of financing: PFC revenue \$33,000,000—the amount requested by the State).

PFC funds break-out: HNL \$24,090,000; OGG \$5,610,000; KOA \$1,650,000; LIH \$1,650,000.

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

<u>Description</u>	<u>Approved Amount</u>
Air Cargo Apron Improvements, Phase II	\$5,410,000

This project includes the construction of an extension of the aircraft parking apron in front of the new cargo building and an extension to Taxiway A. The work includes taxiway and apron lighting systems, storm drain lines, security fencing, painting and striping and other related improvements. The taxiway extension will be approximately 637 feet long by 220 feet wide with

35-foot wide shoulders. The cargo apron will accommodate three aircraft parking spaces. The project also includes construction management services.

This project is required to complete the general purpose apron and extend Taxiway A to connect to the apron as part of the Alien Species Action Plan (ASAP) for OGG. The apron will allow the airport to isolate arriving "suspect" (encompassing both bomb and biological threats) aircraft from the terminal building and other passenger aircraft. The extended apron also provides space for itinerant/emergency parking, remain overnight parking, general cargo purposes, and engine run-up activities. The ASAP is a requirement to implement projects covered under the current Federal environmental impact statement and to stop the introduction of alien species into Maui.

Determinations:

Approved for collection and use.

PFC Objective: This will extend Taxiway A and the general purpose apron to increase aircraft parking for itinerant/emergency parking purposes and increase the operational efficiency of the airfield. Thus, this project meets the PFC objective of enhancing capacity.

Basis for eligibility: Paragraph 526 of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Estimated total project cost: \$5,410,000

Proposed sources of financing: PFC revenue (\$5,410,000- the amount requested by the State).

PFC funds break-out: HNL \$3,949,300; OGG \$919,700; KOA \$270,500; LIH \$270,500.

The State requested that this project be approved for collection at a \$4.50 level. However, the material submitted to support this project did not demonstrate that the project makes a significant contribution to reducing current or anticipated congestion at OGG. The State did not provide any quantitative data to indicate what, if any congestion benefits this project would provide. Therefore, the FAA is approving this project at a \$3 PFC level.

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

Description

Approved Amount

Taxiway Z Structural Improvements

\$50,000,000

This project will reconstruct Taxiway Z, approximately 75-feet by 6,533-feet and includes a 10-foot wide asphalt concrete pavement transition area approximately of 133,498 square feet, and a Portland cement concrete pavement area of approximately 566,943 square feet. Other work items include sawcutting, cold milling, excavation, painting and striping, and other related improvements. The project also includes construction management services.

Taxiway Z provides access to air carrier Runway 08L for all aircraft up to Group V. This taxiway receives a significant amount of both departing and arriving aircraft originating from, or arriving at, the Overseas Terminal. Additionally, the portion of Taxiway Z adjacent to the terminal apron receives a significant amount of static aircraft loading from aircraft that have been pushed back from their departure gate onto the taxiway pavement. This is a contributing factor to the amount of load-related distress including "alligator" cracking and rutting that is currently present on Taxiway Z. Additionally, on certain portions of the pavement there is high-severity distress including corner breaks and spalling, joint spalling, joint seal damage, linear cracking and shrinkage cracking.

Determinations:

Approved for collection and use

Significant contribution: This taxiway provides critical access between the Overseas Terminal and Runway 08L. Thus this project meets the significant contribution of reducing current or anticipated congestion which would occur if the taxiway were taken out of service due to pavement failure.

PFC Objective: This project extends the useful life of a taxiway that provides access between the Overseas Terminal and Runway 08L. Thus, this project meets the PFC objective of preserving capacity at HNL.

Basis for eligibility: Paragraph 525a of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Estimated total project cost: \$50,000,000.

Proposed sources of financing: PFC revenue (\$50,000,000 – the amount requested by the State).

PFC funds break-out: HNL \$36,500,000; OGG \$8,500,000; KOA \$2,500,000; LIH \$2,500,000.

New Airfield Electrical Vault**\$3,800,000**

This project provides for the construction of an additional 60-foot by 120-foot airfield electrical vault (Vault Z) at the end of Lagoon Drive to provide 100 percent emergency backup power to airfield loads. The scope of work includes the switchgear-regulator system, 480V switchgear, uninterrupted power supply, emergency generator, backup feeders and manholes to Vault X, re-circuiting and re-cabling of all lighting new airfield lighting control and monitoring system, wind turbines and other related work. This project also includes construction management services.

The entire airfield at HNL is currently being fed by Vault X. As experienced in the aftermath of the earthquake on October 15, 2006, this vault was experiencing an electrical short in one of the lines, thus constantly tripping the circuit breaker. The entire system had to be shut down and systematically brought back on-line to determine the cause of the circuit breaker tripping off. It took over one hour to bring the first primary runway (Runway 8L) back on-line. Thus, under the current configuration, in the event of a power failure, the lighting systems and navigational aids will shut down and cause an airport closure. This project provides an additional 500 KW electrical vault. The airfield loads will be distributed among the two vaults. If a catastrophic failure occurred at one vault, the loads can be transferred and the other vault will be able to power the entire airfield.

Determinations:

Approved for collection and use

Significant contribution: This construction of a new airfield electrical vault and re-distribution of airfield electrical loads will allow for continuous airfield operations in the event one of the vaults suffers a catastrophic failure, as has happened as recently as 2006. Thus, this project meets the significant contribution of improving air safety and reducing current or anticipated congestion which would occur if the airfield were closed due to lack of power for airfield lighting and navigational aids.

PFC Objective: This project will provide 100 percent emergency power to the airfield lighting system. In the event of a power failure at one vault, the loads can be transferred and the other vault will be able to power the entire airfield. Thus the project meets the PFC objectives of preserving and enhancing safety and capacity at HNL.

Basis for eligibility: Paragraph 538(b) of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Estimated total project cost: \$12,568,283.

Proposed sources of financing: PFC revenue (\$3,800,000 – the amount requested by the State), and an existing AIP grant 3-15-0005-91 (\$8,768,283).

PFC funds break-out: HNL \$2,774,000; OGG \$646,000; KOA \$190,000; LIH \$190,000.

Interisland Maintenance Facility Site Preparation **\$24,600,000**

This project provides for the construction of four aircraft hardstands in the area adjacent to the existing Aircraft Rescue Firefighting Facility Station No. 1 and site preparation for the relocation of facilities to be impacted by the widening of Taxiways G and L. The work includes excavation and backfill for the apron site areas consisting of demolition, clearing and grubbing, and earthwork; excavation and backfill for utilities inclusive of airfield drainage, chain link fencing, and airfield pavements, both asphalt and concrete. The project also includes installation of an oil/water separator and associated pump house. Utility work includes a tie-in to and extension of the existing potable water, power and communication systems, and 400 hertz generation and distribution system. A utility building will be provided to house associated electrical power and 400 hertz generation components. High mast airfield lighting and modifications to taxiway lighting and transitions to existing airfield pavement is also included in the work scope. Modifications to the existing hydrant fueling system include: 20-inch fuel line extension from the existing, hydrant pits and valve pits, associated cathodic protection, and the extension of the emergency shutdown system. The project also includes construction management services.

The Taxiways G and L widening project is required to meet FAA standards for Group V aircraft separation on dual taxiways.

Determinations:

Approved for collection and use.

Significant contribution: This project is a required enabling project associated with the widening of Taxiways G and L. The widening of Taxiways G and L is needed in order to obtain the FAA-mandated minimum wingtip clearance for Group V aircraft traversing on both taxiways. These taxiways service the Interisland Terminal, Taxiway A and air carrier Runway 08L. Thus, this project will make a significant contribution to reducing current or anticipated congestion which could occur due to the lack of adequate separation between Taxiways G and L at HNL.

PFC objective: This project provides additional aircraft parking to replace those areas which will be impacted by the widening of Taxiways G and L. The widening of Taxiways G and L will allow for minimum wingtip clearance between aircraft transiting these two taxiways in the area of the Interisland Terminal. Thus, this project meets the PFC objective of enhancing safety and capacity at HNL.

Basis for eligibility: Paragraphs 525b, 526, and 535 of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Estimated total project cost: \$40,000,000

Proposed sources of financing: PFC revenue (\$24,600,000 – the amount requested by the State) and airport revenue bonds (\$15,400,000).

PFC funds break-out: HNL \$17,958,000; OGG \$4,182,000; KOA \$1,230,000; LIH \$1,230,000.

Projects Approved for Authority to Impose a PFC at HNL, OGG, KOA, and LIH for Use at HNL at a \$3.0 PFC Level.

<u>Description</u>	<u>Approved Amount</u>
Electrical Distributed Generation System	\$27,771,000

This project provides for the construction of a new emergency power facility at HNL including site preparation, architectural, structural, civil, mechanical, plumbing, fire protection, electrical, electrical power generating equipment, supervisory control and data acquisition and related work necessary to support the operation of emergency power generators. This project also includes the cost of construction management services.

The emergency power facility will be an emergency power plant owned by the State Department of Transportation Airports Division with the primary purpose of providing emergency power to the prioritized airport electrical loads within five minutes of a utility grid outage. In the event of a grid outage, the emergency power facility will provide up to 10 MW of emergency power to HNL. HNL currently has 1.7 MW of emergency power capacity to serve its runway lights, elevators, and a few other critical loads. However, the peak load requirement for the entire airport is much greater, at about 14 MW. During the October 15, 2006 earthquake that resulted in a ten hour island-wide power outage, the emergency back-up power capability at HNL was insufficient to meet the terminal operational demands, crippling the terminal operation.

Determination:

Approved for collection and use.

PFC objective: This project will provide emergency power for HNL in the event of a significant commercial power outage. Thus, this project meets PFC objectives of preserving safety and capacity at HNL.

Basis for eligibility: Paragraphs 609 and 613 of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Estimated total project cost: \$30,822,000.

Proposed sources of financing: PFC revenue (\$27,771,000 – the amount requested by the State) and airport revenue bonds (\$3,051,000).

PFC funds break-out: HNL \$20,272,830; OGG \$4,721,070; KOA \$1,388,550; LIH \$1,388,550.

The State requested that this project be approved for collection at a \$4.50 level. However, the material submitted to support this project did not demonstrate that the project makes a significant contribution to improving air safety or reducing current or anticipated congestion at HNL. Based on the information provided in the Attachment B, it appears that this project is primarily intended to service terminal and landside facilities. The State did not provide any quantitative data to indicate what, if any safety or congestion benefits this project would provide. Therefore, the FAA is approving this project at a \$3 PFC level.

PFC Administrative Costs	\$500,000
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This project provides for the costs associated with the preparation of this PFC application 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 this PFC application.

Determinations:

Approved for collection and use.

PFC objective: This project is intended 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 this application, which is estimated to be from January 2010 through February 2014.

Basis for eligibility: Definition of "PFC administrative support costs" in §158.3. The FAA notes that the administrative costs approved in this application are limited to those costs associated with this 09-04-C-00-*** application. The State has previously received approval for PFC administrative costs in the 06-02 and 08-03 applications, therefore, the approved administrative costs in this decision cannot be used for administrative costs associated with any prior PFC decision.

Estimated total project cost: \$500,000.

Proposed source of financing: PFC revenue (\$500,000 – the amount requested by the State).

PFC funds break-out: HNL \$365,000; OGG \$85,000; KOA \$25,000; LIH \$25,000.

The State has requested that this project be approved for collection at a \$4.50 level. However, the preparation of PFC applications and administration of the PFC program does not, in and of itself, make a significant contribution to improving air safety, improving air security, reducing current or anticipated congestion, increasing competition among air carriers, or reducing the impact aviation noise on people living near HNL. Therefore, the FAA is approving this project for collection at a \$3.00 PFC level.

Calculation of PFC Level

In 2000, the "Wendell H. Ford Aviation Investment and Reform Act for the 21st Century" (AIR-21), Pub. L. 106-181 (April 5, 2000) amended the PFC statute to establish additional eligibility requirements for projects to be funded with PFC levels above \$3.00. As a result, public agencies may be able to collect for certain projects at a \$1.00, \$2.00, or \$3.00 PFC level and others at a \$4.00 or \$4.50 PFC level. This is true here. The FAA determined that three of the seven projects in the application (general purpose apron and cargo building, phase II, electrical distribution generation system, and PFC administrative costs) for which the State requested a higher PFC level did not meet the requirements of §158.17(b).

It is consistent with the PFC statute and regulation to apply a single PFC level to the entire application. The FAA notes that the \$4.50 authority established by AIR-21 represents a \$1.50 premium above the current authorized \$3 PFC base charge for an application. The \$1.50 premium can be authorized when a sufficient value of projects in the application can be shown to meet the criteria specified by 14 CFR 5158.17. Thus, on an application basis, the FAA may authorize a public agency to collect the \$1.50 premium over the \$3.00 base level until the total revenue collected through the PFC premium for that application equals the total value of the projects approved for premium collection status. Once that total value is collected, the public agency would no longer be authorized to collect the premium and would be required to reduce its PFC to \$3.00. As a practical matter, if, in the case of a \$4.50 PFC, the value of the premium projects equaled at least one-third (33 percent) of the total value of collection authority, the total premium value would not be collected before all outstanding PFC authority were collected and there would be no need to step down the PFC to the \$3.00 PFC level. To ease the burden of administering the PFC program, paragraph 10-18 of FAA Order 5500.1, Passenger Facility Charge, permits the FAA to authorize the premium collection on the combined application projects when a sufficient value of projects in the application can be shown to satisfy the higher standards associated with the higher PFC charge. In the case of this application for projects at HNL and OGG, FAA has determined that approximately 77 percent of the total PFC value of the

approved projects is collectible at \$4.50 and, thus, is authorizing the \$4.50 collection level for the entire application in accordance with the procedures discussed in paragraph 10-18 of FAA Order 5500.1, Passenger Facility Charge, (August 9, 2001).

Environmental Requirements

The projects approved in this 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 Projects (April 28, 2006) and FAA Order 1050.1E Environmental Impact: Policies and Procedures (June 8, 2004). These projects have been determined to be categorically excluded from the requirement for formal environmental review. There appear to be no extraordinary circumstances requiring further review.

Request Not to Require a Class or Classes of Carriers to Collect 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 four 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 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 has not been found to be in violation of 49 U.S.C. §47107(b) or in violation of grant assurances made under 49 U.S.C. §47107(b).

Compliance with Requirement to Submit a Competition Plan

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

Air Carrier Consultation and Public Notice Comments

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

Legal Authority

This decision is made under the authority of 49 U.S.C. §40117, as amended. This decision constitutes a final order to approve, in whole or in part, the State of Hawaii's application to impose a PFC at HNL, OGG, KOA, and LIH and use PFC revenue on five projects at HNL and two projects at OGG. Any party to this proceeding having a substantial interest may appeal this decision to the courts of appeals for the United States or the United States Court of Appeals for the District of Columbia upon petition, filed within 60 days after issuance of this decision in accordance with 49 U.S.C. §46110.

Concur



Manager, Airports Division
Western-Pacific Region

10/13/09
Date

Nonconcur

Manager, Airports Division
Western-Pacific Region

Date

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

Dated: 3/21/2007

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

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

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

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

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

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

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

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

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

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

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

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