

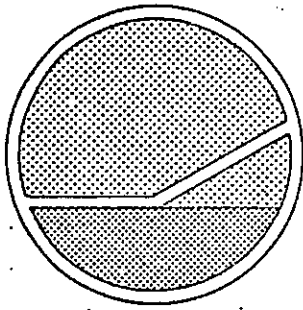
AIR HANDBOOK

1971

Airports Division
Department of Transportation
State of Hawaii

24 ZZZ 19

December 1971



Airports Division
Dept of Transportation
State of Hawaii

CHIEF - Owen Miyamoto

Asst Chief, Engineering - Robert Chun

Asst Chief, Administration - John G. Long

General Aviation Officer - William Klopp

VIP Administrator - Shota Sakai

District Superintendents

Oahu - William H. Kraft

South Hawaii - Oswald A. Byrne

North Hawaii - Philip A. Sykes

Kauai - Sidney J. Lawrence

Maui - Thomas J. Hanchett

MISSION

TRAFFIC

Passengers
Cargo
Mail
Movements

SYSTEM IMPROVEMENTS

Completed
Underway
Future

FINANCIAL

Aviation Fuel Tax
Concession Fees
Aeronautical Rentals
Investment Income
Airport Use Charges/Landing Fees
Highlights

AIR

MISSION

The Airports Division of the Department of Transportation is charged with the safe, rapid, and economical movement of people, goods, and mail into, within, and out of the State by providing and operating airport facilities and supporting services. To accomplish this, the Division operates and maintains thirteen existing airports and one heliport located throughout the State and is currently planning and developing three other airports.

STATEWIDE SYSTEM OF AIRPORTS

The statewide system of airports are listed below by county and

island generally from west to east. These locations are shown on the accompanying map.

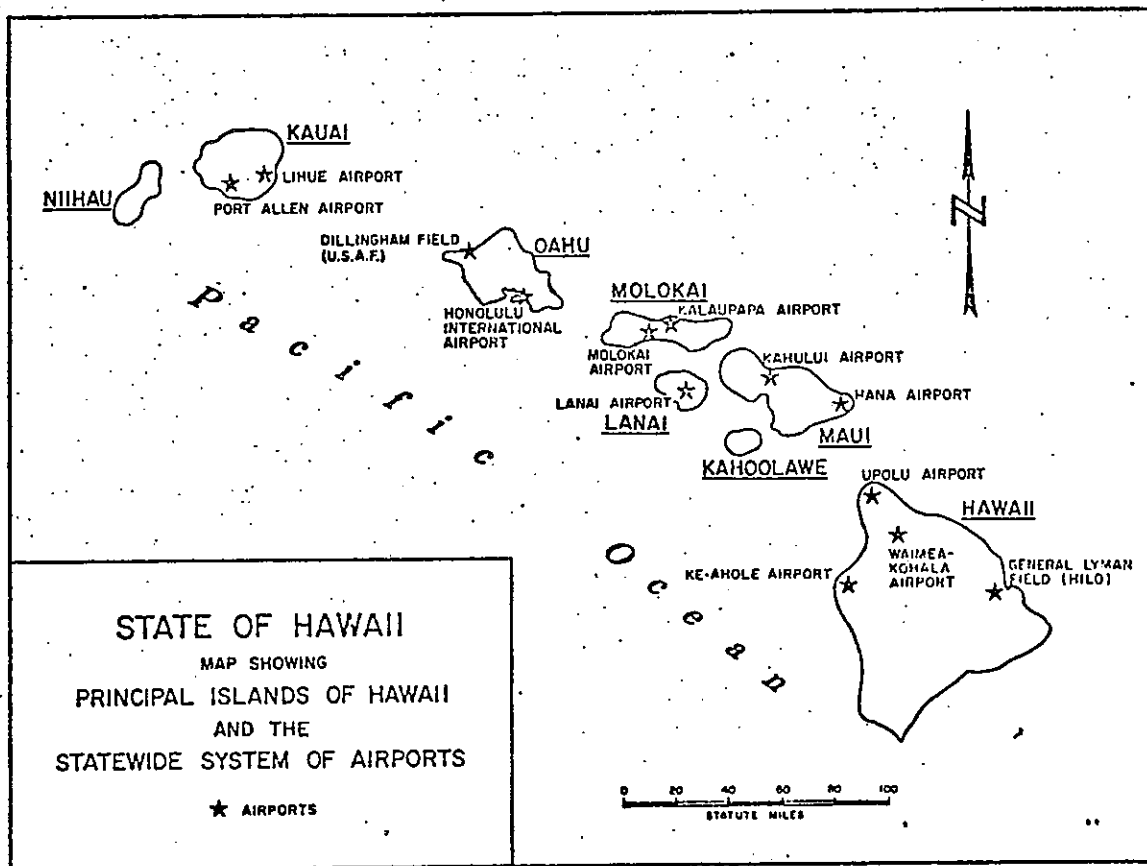
Kauai County, Island of Kauai

Lihue Airport
Port Allen Airport

City and County of Honolulu,
Island of Oahu

Honolulu International Airport
Heliport at Waikiki
Dillingham Field (This is a U.S. Air Force facility; the State has an arrangement whereby civilian light planes may use the runway.)

Maui County



Island of Molokai
Molokai Airport
Kalaupapa Airport

Island of Lanai
Lanai Airport

Island of Maui
Kahului Airport
Hana Airport

Hawaii County, Island of Hawaii

General Lyman Field, at Hilo
Ke-ahole Airport
Waimea-Kohala Airport
Upolu Airport

Currently the Airports Division has a short-term arrangement with the Navy so that small planes from Honolulu International Airport can practice landings at nearby Ford Island, which reduces runway activity at Honolulu.

The airports of the statewide system (except the U.S.A.F. Dillingham Field and the Heliport at Waikiki) are listed below. The number of overseas and interisland flight arrivals shown were those scheduled for a week in July 1971. "Overseas" flights are between Hawaii and places overseas such as the U. S. mainland or Japan. "Interisland" flights are between the islands or airports of Hawaii. The airports with scheduled overseas flights are listed first and the others are listed generally in sequence by number of passengers.

The first five airports on the list, Honolulu International, Hilo, Kahului, Lihue and Ke-ahole, have substantial terminal buildings, automobile parking lots for pay-parking, air cargo buildings, shop buildings for airport maintenance, small plane hangars,

HAWAII STATEWIDE SYSTEM OF AIRPORTS
LOCATION, SIZE, RUNWAY LENGTH, SCHEDULED FLIGHTS AND PASSENGER TRAFFIC

Airport	Island	Airport Acreage	Length of Principal Runway (Feet)	Overseas Flight Arrivals Scheduled Weekly (A)	Interisland Flight Arrivals Scheduled Weekly		Arriving and Departing Passengers Calendar Year 1970	
					Pass. (A)	Cargo (B)	Overseas (C)	Interisland (E)
Honolulu International	Oahu	4,002	12,380	510 For Passengers 35 For Cargo Only	577	31	3,977(C)	2,297
General Lyman Field (Hilo)	Hawaii	1,056	9,800	66 For Passengers (D)	147	4	306(C)	579
Kahului	Maui	1,390	7,000		438	10		1,166
Lihue	Kauai	157	6,480		189	3		1,113
Ke-ahole	Hawaii	2,722	6,500		159	2		479
Molokai	Molokai	316	4,500		278	2		155
Waimea-Kohala	Hawaii	90	5,200		159	2		87
Lanai	Lanai	91	5,000		186	4		37
Hana	Maui	139	3,600		110	2		18
Kalaupapa	Molokai	17	2,760		—	—		4(F)
Upolu	Hawaii	98	4,000		—	—		1(F)
Port Allen	Kauai	179	2,500		—	—		—

(A) Source: July 1971 Official Airline Guide. The interisland passenger flights include those by commuter air carriers.

(B) From Hawaiian Airlines schedule effective September 3, 1969, which is in effect in September, 1971.

(C) Some "through" passengers who arrive and depart on the same flight are included in this figure.

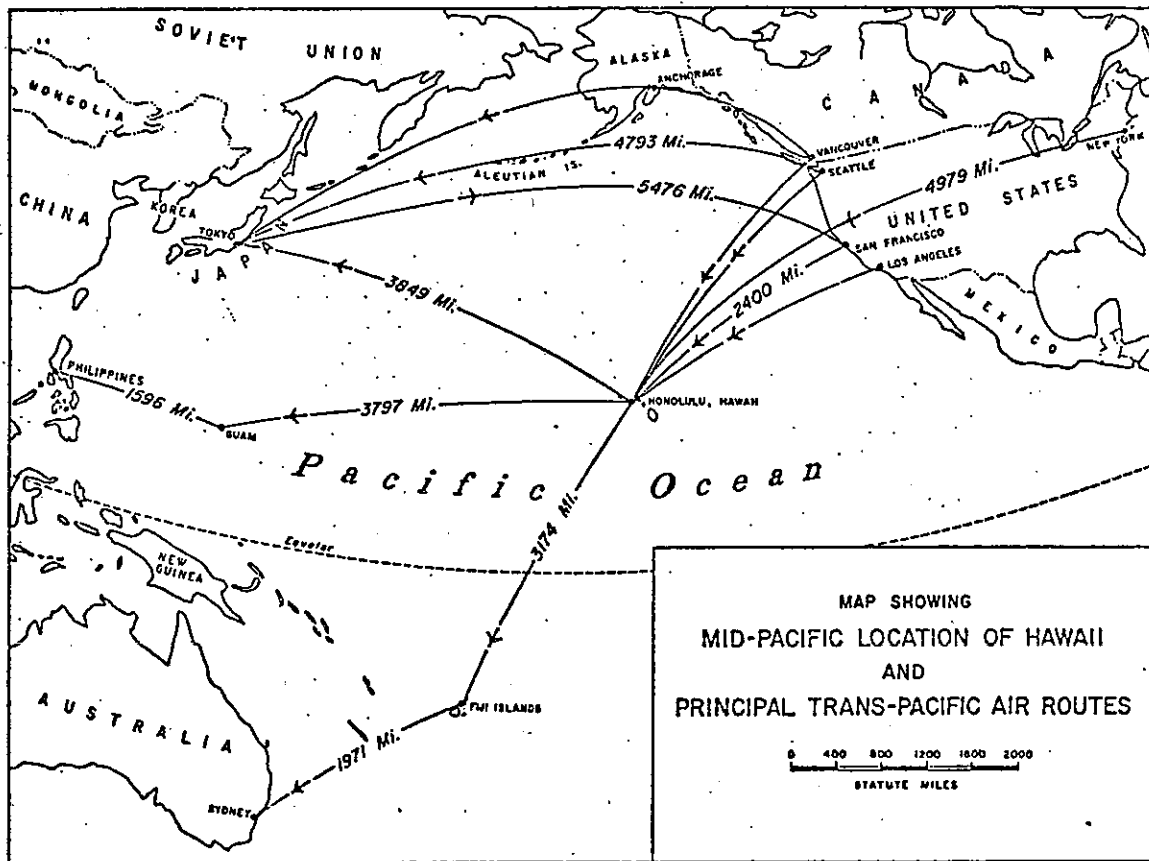
(D) Forty of these flights also stop at Honolulu and are included in the Honolulu number of overseas flight arrivals.

(E) Includes passengers on scheduled airlines, commuter airlines and air taxis.

(F) Air taxi service only.

airline operating offices and a number of concessions providing services for air travelers and visitors and revenue for the Airports Division. Honolulu also has maintenance shops, cargo facilities and in-flight kitchens operated by airlines; commuter air carriers' and air taxis' maintenance and operating hangars; and small-plane sales, flight instruction and hangars. The other airports have fewer facilities and the lesser airports, such as Hana and Kalaupapa, have simple wooden buildings which serve as all-purpose waiting rooms for passengers and visitors. The Port Allen and Upolu Airports have no buildings for passengers, only runways. Most of Hawaii's airports were World War II Military facilities that were acquired and improved by the State.

Located in the city of Honolulu, Honolulu International Airport is the most important in the statewide system. This principal airport serves a majority of Hawaii's interisland and most of the overseas air traffic. Honolulu International Airport is adjacent to the U. S. Air Force's Hickam Field so that the principal 12,380-foot runway is approximately one-third on Hickam Field and two-thirds on Honolulu International Airport. The joint military and commercial use of the principal runway is of considerable financial benefit to the State because the U. S. Air Force pays maintenance and repair costs for one-third the length of the principal runway and parallel taxiways. Also, the U.S.A.F. provides full-time crashfire crews, equipment and service for the combined field areas.



Honolulu International Airport has facilities for U. S. Customs, Immigration, Public Health and Department of Agriculture control of foreign arrivals. It is the only Hawaii airport with such U. S. government border facilities for flights to and from foreign places.

Honolulu's advantageous mid-Pacific location with reference to principal transpacific air routes is shown on the accompanying map. Eighteen airlines are authorized to serve Hawaii with scheduled overseas flights as follows: Air Micronesia, Air New Zealand, Air Siam, American Airlines, Braniff International Airlines, British Overseas Airways Corporation, Canadian Pacific, China Airlines, Continental Airlines, Japan Air Lines, Northwest Airlines, Pan American World Airways, Philippine Airlines, Qantas Airways, Trans World Airlines, Union de Transports Aeriens, United Air Lines, and Western Airlines.

General Lyman Field in the City of Hilo on the eastern side of the "big island" of Hawaii is used also for scheduled flights to and from U. S. mainland cities by Braniff, Continental, Northwest, United and Western.

There are a few small, private landing strips (some paved) at various places in Hawaii, generally located to serve a hotel or an agricultural venture. The State neither operates nor maintains these private landing strips. The most active of these

private strips is at Kaanapali on Maui, for which 46,072 arriving and departing passengers were reported in calendar year 1970.

Various U. S. airlines operate a number of scheduled overseas charter flights to, from and through Honolulu under contract for the Military Airlift Command (MAC) and nonscheduled charters for tour groups. Tour group charters also are operated to Hilo and Kahului Airports. Nonscheduled flights are operated by the U. S. flag carrier and foreign airlines.

A substantial number of scheduled overseas MAC charter flights have been operated by scheduled and non-scheduled airlines at Honolulu International Airport. In recent years primarily due to the Vietnam war. The number of MAC scheduled charter flights has decreased in recent months and is expected to decrease further as the number of military personnel in Vietnam decreases.

Aloha Airlines and Hawaiian Airlines provide scheduled interisland service for Hawaii. In addition, there are commuter air carriers, an air tours company, and air taxi services which operate a number of interisland flights with small aircraft and carry a number of interisland passengers. Most of the commuter air carriers and air taxi flights are between Honolulu and airports on Molokai, the Kaanapali landing strip and Hana Airport on Maui, and Waimea-Kohala and Ke-ahole Airports on Hawaii.

AIR TRAFFIC VOLUMES

Passengers

Annual volumes of overseas air passenger traffic to and from Hawaii have increased at a

substantial rate for a number of years as follows.

<u>Year (Calendar)</u>	<u>Honolulu International (A)</u>	<u>General Lyman Field at Hilo(A) (Thousands)</u>	<u>Total</u>	<u>Percent Increase</u>
1960	786	—	786	—
1961	926	—	926	17.8%
1962	1,084	—	1,084	17.1
1963	1,296	—	1,296	19.6
1964	1,476	—	1,476	13.9
1965	1,794	—	1,794	21.5
1966	2,125	—	2,125	18.5
1967	2,700	35(B)	2,735	28.7
1968	2,849	322	3,171	15.9
1969	3,465	342	3,807	20.1
1970	4,937(C)	306	5,243(C)	37.7(C)
Jan.-June 1970 ...	2,378(C)	149	2,527	—
Jan.-June 1971 ...	2,320(D)	148	2,468(D)	(—2.3)(D)

(A) A portion of these are "through" passengers who arrive and leave on through flights.

(B) Scheduled overseas flights commenced in October 1967.

(C) Includes all MAC passengers on scheduled (by MAC) charter flights; these were not included in prior years.

(D) Reflects 234,000 decrease in MAC passengers on scheduled charter flights. Non-MAC passengers increased 176,000 or 8.7%.

Most of the non-MAC overseas passengers are on trips between Hawaii and the mainland as shown

by the following data for the six-month period January 1971 through June 1971.

	<u>Passenger Arrivals and Departures (Thousands)</u>
Between Hawaii and the mainland	1,583
Between Hawaii and locations to the west	420
"Through" passengers	174
Total	2,177

Hawaii Visitors Bureau statistics indicate that the metropolitan areas of Los Angeles and San Francisco-Oakland are the areas which produce the largest numbers of visitors from the

mainland, and that Tokyo and Sydney are the two largest sources of visitors from places west of Hawaii. In recent years the number of visitors from Japan has shown significant growth.

Certain changes appear to be taking place in the pattern of overseas air passenger traffic at Hawaii. Following the award by the Civil Aeronautics Board (CAB) in July 1969 of new Hawaii overseas routes to five additional airlines, considerable nonstop or through plane service has now been established between Hawaii and many inland cities on the U. S. mainland such as New York, Chicago, Dallas, Detroit, St. Louis, Baltimore and Minneapolis. Hawaii Visitors Bureau statistics indicate that this new direct service is increasing the proportion of Hawaii visitors from mainland states other than California.

Another change taking place in

overseas air passenger traffic for Hawaii is the reduction in MAC charter flights mentioned previously. No forecast is available for passengers on MAC scheduled charter flights, but it is reasonable to expect further decline in this segment of Hawaii's overseas air passenger traffic. (The historical overseas passenger statistics listed above for 1970 and 1971 include most but not all MAC passengers.)

Not only has overseas passenger traffic increased in recent years, but the number of Hawaii interisland arriving and departing passengers have similarly increased during the same period.

HAWAII AIRPORTS SYSTEM AIR TRAFFIC VOLUMES - ALL AIRPORTS

YEAR	*Overseas	Departing and Arriving Passengers (Thousands)		% Increase
		% Increase	Inter-island	
1960.....	786	—	1,912	—
1961.....	926	17.8	1,878	(-1.8)
1962.....	1,084	17.1	1,960	4.4
1963.....	1,296	19.6	2,288	16.7
1964.....	1,476	13.9	2,682	17.2
1965.....	1,794	21.5	3,076	14.7
1966.....	2,125	18.5	3,510	14.1
1967.....	2,735	28.7	4,236	20.7
1968.....	3,171	15.9	4,696	10.9
1969.....	3,807	20.1	5,448	16.0
1970.....	4,283	12.5	5,986	9.9
January-June 1970...	2,002	—	2,772	—
January-June 1971...	2,177	8.7	3,110	12.2

* Through passengers who arrive and depart on the same flight are included; passengers on MAC scheduled flights are not included.

Estimates of future air passenger traffic volumes which can be expected for the airports of the State of Hawaii are made with reference to the previously mentioned historical air traffic growth which is relisted below,

the decline in MAC scheduled flights which is expected to continue into the fiscal year 1973 with an accompanying decline in the military Rest and Recuperation (R&R) program, continuation of vigorous

promotion efforts by airlines including promotion of B-747 flights and direct flights from mid-U.S. mainland cities to Hawaii and the continuing promotion of transpacific travel by Pan American, TWA, American, Japan and other airlines which have the rights for such routes, the prospective construction of recreational-residential developments which have been announced for many locations throughout Hawaii, the start of interisland ferry service in 1973, the current national

economic situation, and our assumptions that the number of hotel and resort accommodations in Hawaii will continue to increase, that the nation will continue to be reasonably prosperous and that U. S. mainland, Japan and Australia residents will continue to find Hawaii an unusually attractive place to visit. Using these premises and based on the growth rates set forth below, Hawaii air passenger traffic for future fiscal years through 1978 are projected as follows.

<u>History</u>			<u>History</u>		
<u>Arriving and Departing Overseas Passengers</u>			<u>Arriving and Departing Interisland Passengers</u>		
<u>Calendar Year</u>	<u>Passengers (Thousands)</u>	<u>Percent Increase</u>	<u>Calendar Year</u>	<u>Passengers (Thousands)</u>	<u>Percent Increase</u>
1965	1,794	—	1965	3,076	—
1966	2,125	18.5%	1966	3,510	14.1%
1967	2,735	28.7	1967	4,236	20.7
1968	3,171	15.9	1968	4,696	10.9
1969	3,807	20.1	1969	5,448	16.0
1970	5,234(A)	37.5	1970	5,986	9.9
Jan-June 1970	2,527(A)	—	Jan-June 1970	2,772	—
Jan-June 1971	2,468(A)	(—2.3)	Jan-June 1971	3,110	12.2

<u>Estimates</u>					
<u>Fiscal Year Ending June 30</u>	<u>Arriving and Departing Overseas Passengers</u>		<u>Arriving and Departing Interisland Passengers</u>		
	<u>Percent Increase</u>	<u>Number (Thousands)</u>	<u>Percent Increase</u>	<u>Number (Thousands)</u>	
1971 (Actual).....	(B)	5,192	10.0%	6,316 (C)	
1972.....	2.0%	5,296	10.0	6,948	
1973.....	7.6	5,697	9.0	7,573	
1974.....	10.0	6,267	10.0	8,330	
1975.....	10.0	6,894	10.0	9,163	
1976.....	8.0	7,446	9.0	9,988	
1977.....	8.0	8,042	9.0	10,887	
1978.....	8.0	8,685	8.0	11,758	

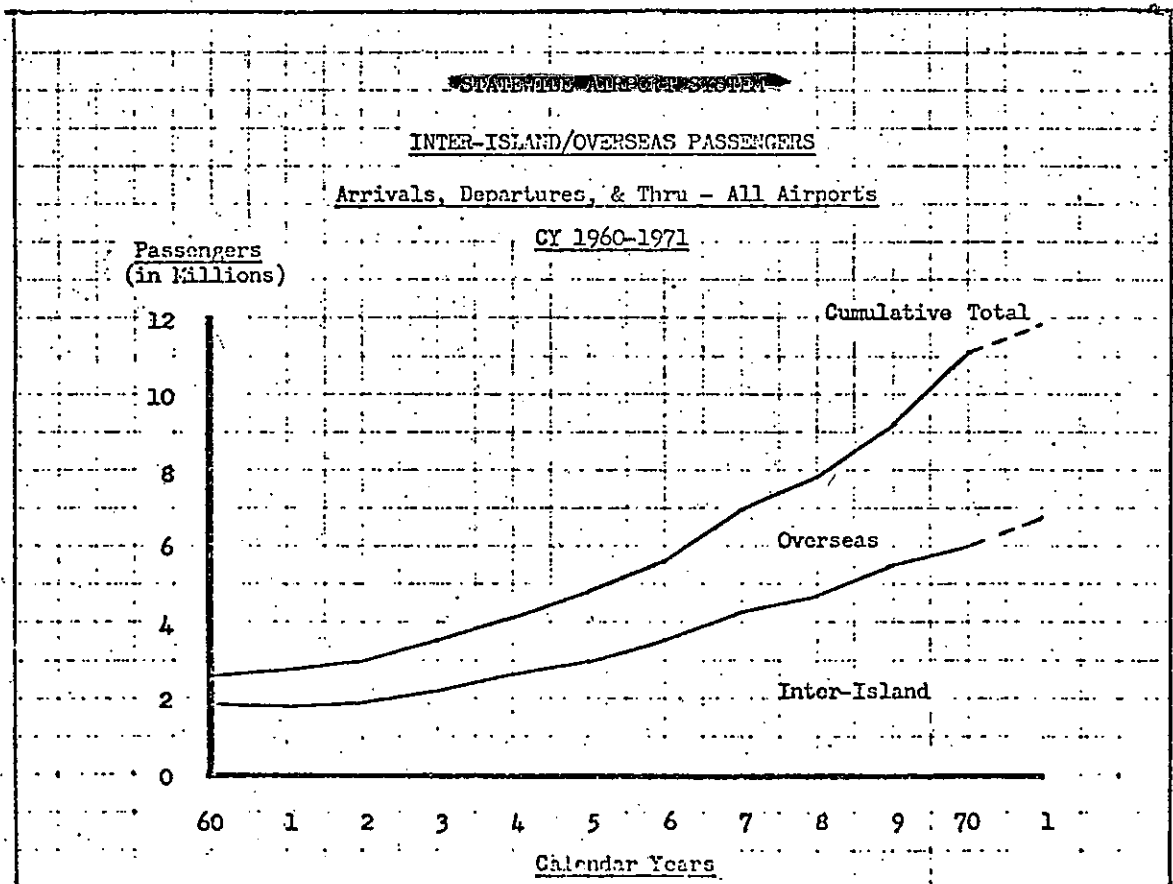
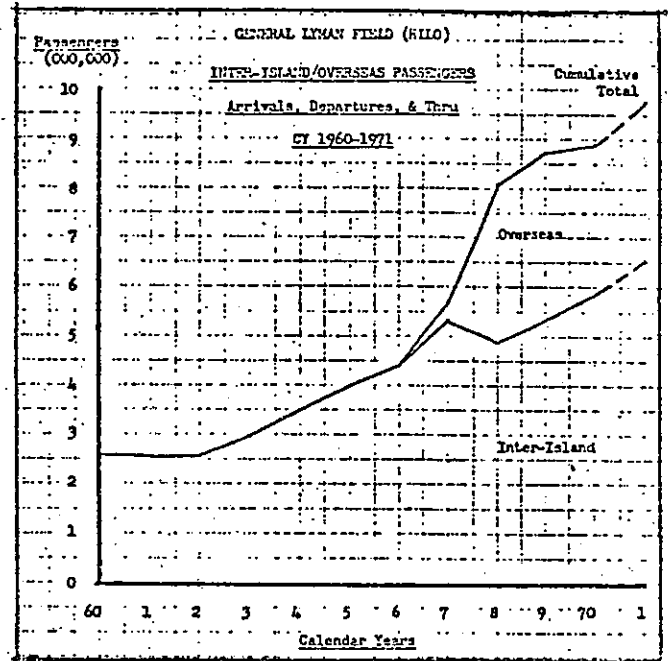
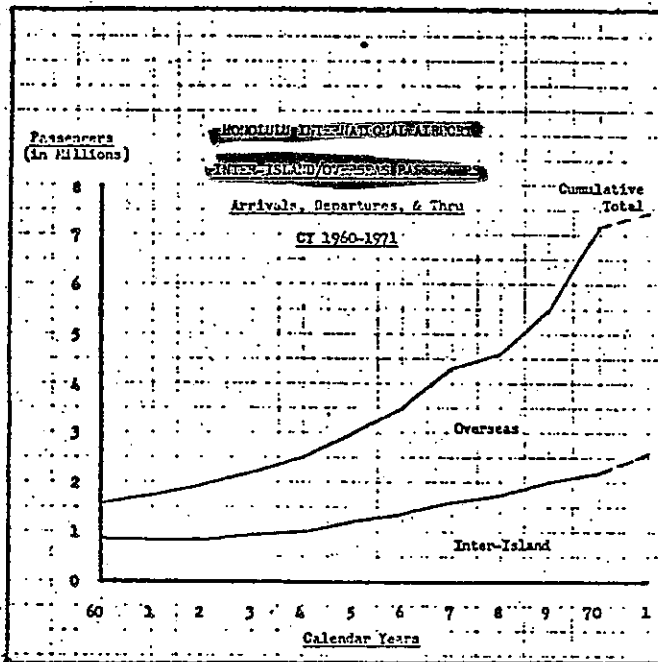
(A) Includes MAC passengers on scheduled charter flights.

(B) This fiscal year 1971 figure for overseas passengers reflects the change in reporting MAC passengers, effective January 1, 1970. It includes all passengers on MAC scheduled charter flights and is therefore not comparable with prior years' figures. A percentage increase calculation for this 1971 fiscal year passenger figure would be meaningless.

(C) Interisland passengers include revenue, non-revenue and air taxi passengers.

To conclude this passenger traffic volume section of the report, below is a visual indication of the Honolulu International Airport and

General Lyman Field segments of passenger traffic in relation to that of the State as a whole. The rapid and constant rates of growth are striking.



Cargo

Annual tons of overseas and interisland air cargo inbound and outbound recorded at Hawaii

airports has shown a generally increasing trend until recent years as follows.

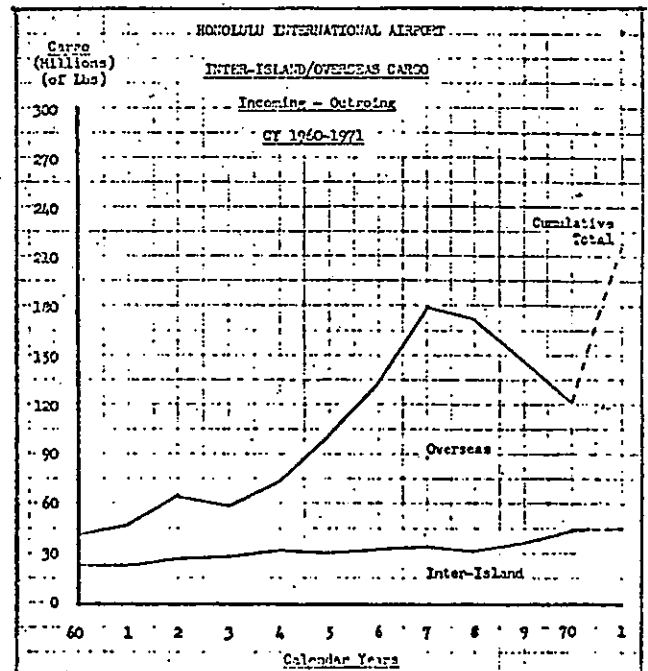
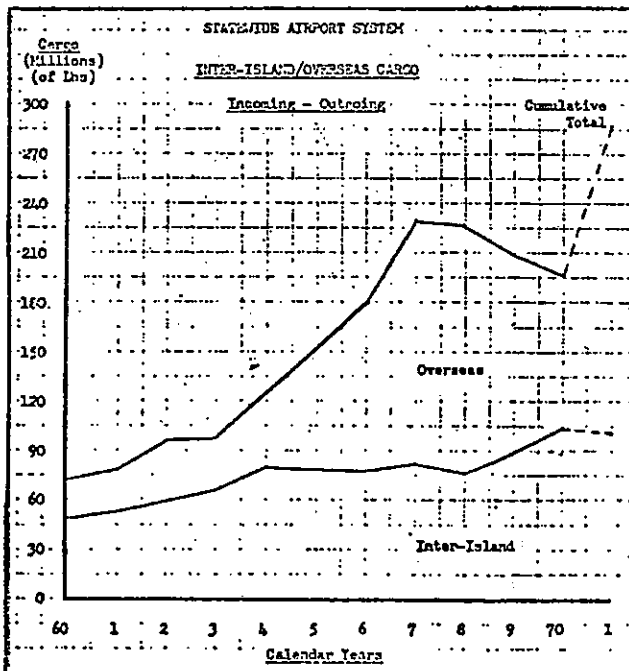
Year (Calendar)	Air Cargo(A)			Percent Change
	Overseas	interisland (Thousands of Tons)	Total	
1960	9.6	25.3	34.9	—
1961	12.5	26.2	38.7	10.9%
1962	18.6	29.4	48.0	24.0
1963	16.0	32.7	48.7	1.5
1964	21.2	40.3	61.5	26.3
1965	36.1	39.6	75.7	23.1
1966	50.7	38.8	89.5	18.2
1967	72.7(B)	42.0	114.7	28.2
1968	75.5	38.2	113.7	(- .9)
1969	60.1	44.6	104.7	(-7.9)
1970	45.9	52.1	98.0	(-6.4)
January-June 1970 .	21.8	25.9	47.7	—
January-June 1971 .	23.5	22.5	46.0	(-3.6)

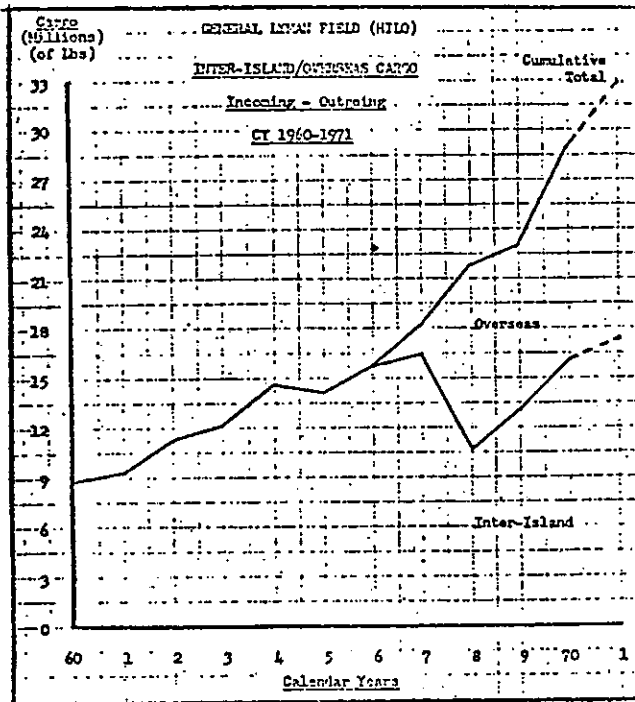
(A) Data exclude cargo on military carriers. Transpacific data are for all air cargo coming to or leaving Hawaii.

(B) Scheduled overseas flights commenced General Lyman Field, October 1967.

The declines in overseas air cargo in 1969 and 1970 may have been the result of curtailment of U. S. military activity in Vietnam. However, due primarily to the West Coast dock strike from July 1 to October 9, 1971,

this decreasing trend in the volume of overseas air cargo was sharply reversed as the associated charts below indicate. Projections for 1971 are based on actual data for the first ten months.

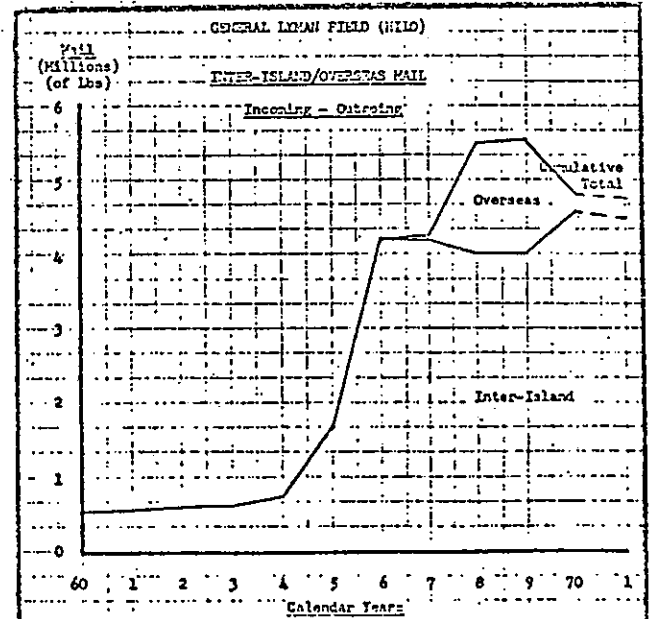
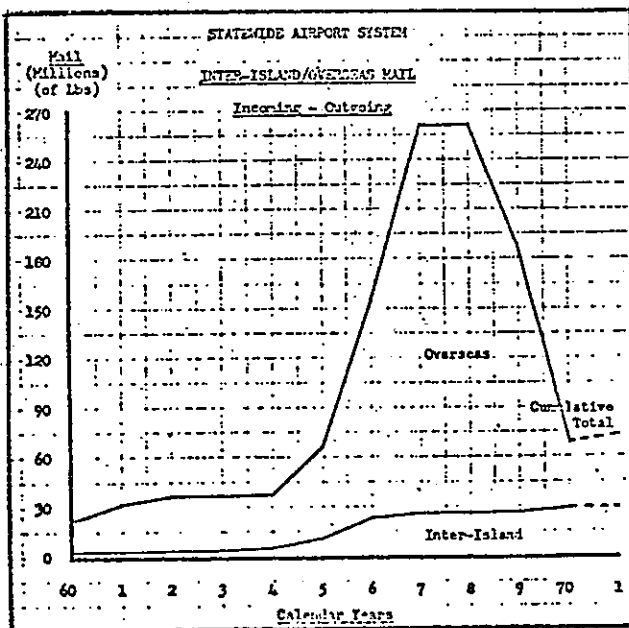
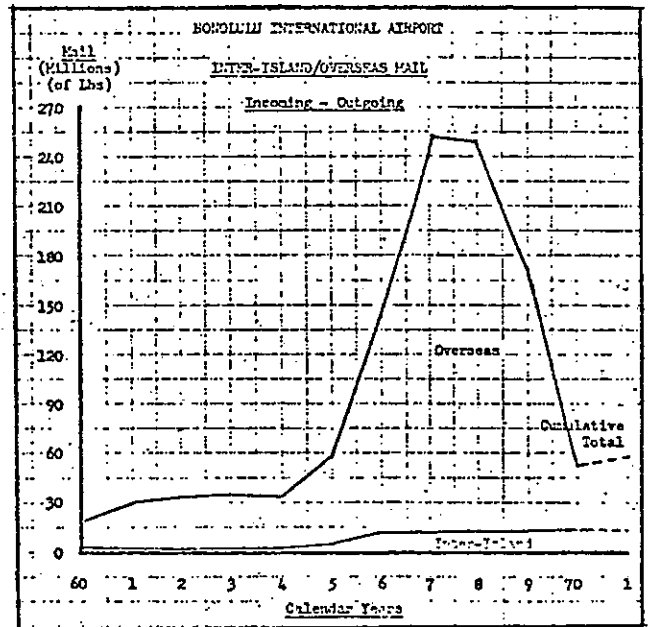




bulk of air mail either passed through or was transshipped in Hawaii, subsequent to 1968, such activity has taken place in Japan. Not discernible in the charts is a steady rise in the use of air mail throughout the Aloha State. Omitting Honolulu International Airport and General Lyman Field, air mail volume in and out of the neighbor island airports increased sixteen fold over the eleven year period.

Mail

Although the volume of air mail has increased over the years, the rapid decline in overseas volume in 1969 and 1970 is believed to have been caused by a change in the routing of most air mail to and from South East Asia (SEA). Whereas prior to 1969 the great

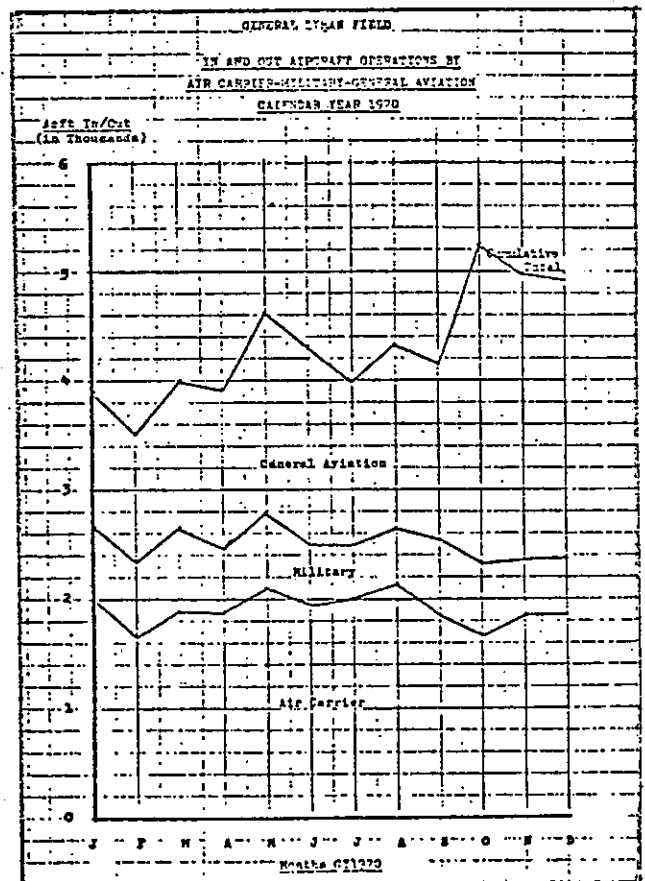
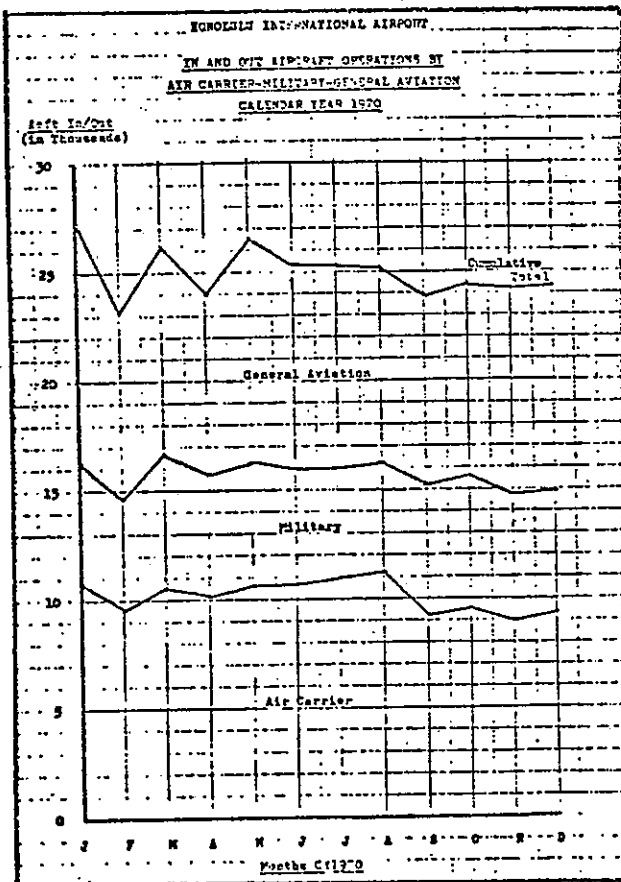


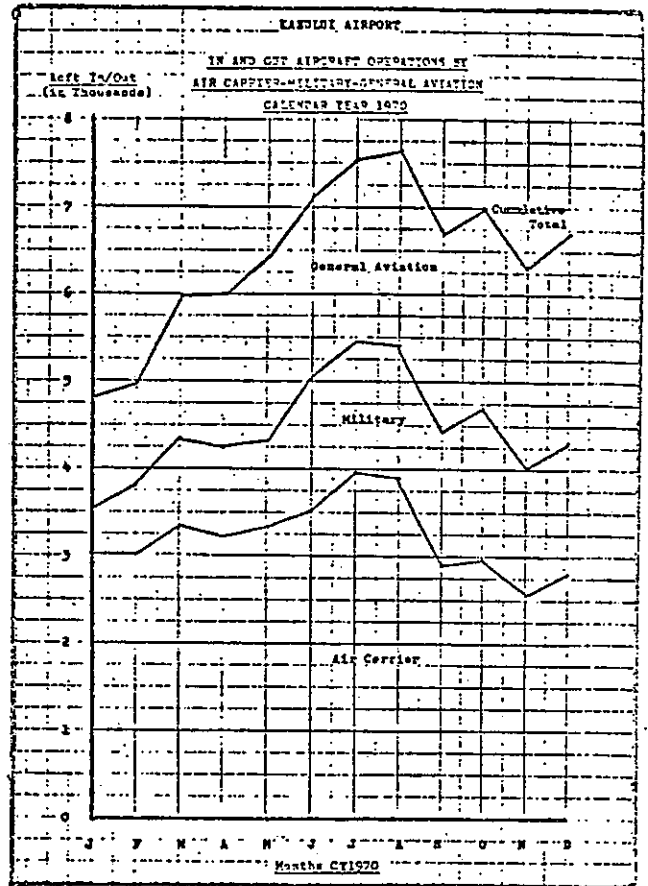
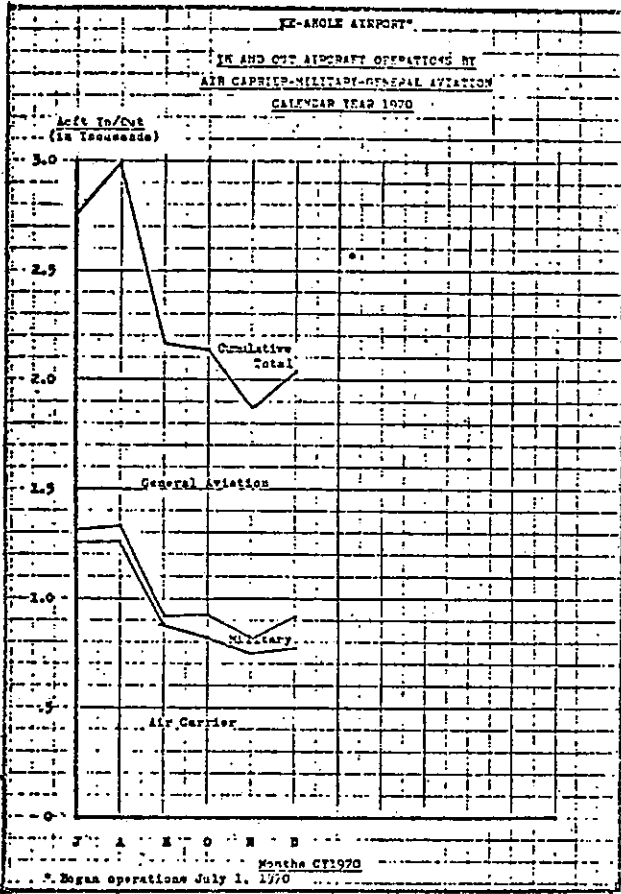
Movements

Of the thirteen State operated airports, only five provide facilities for controlling aircraft movements by the Federal Aviation Administration (FAA). FAA reported aircraft arrivals and departures for four of these airports during 1970 are plotted on the accompanying charts. Not shown are 100,260 mainly touch-and-go landings by small general aviation aircraft for the last ten months of 1970 at the U. S. Naval facility, Ford Island in order to relieve traffic congestion at the Honolulu International Airport. It is hoped such an arrangement will continue with the U. S. Navy until reliever airports for general

aviation in windward and central Oahu are established. Projects and costs for these facilities appear in the next section of this report.

Normally movements/operations are associated with powered aircraft. Seldom publicized, nonpowered flights do take place at Dillingham Field. A 13 day FAA traffic count in July-August 1971 indicated that sailplanes accounted for 20% of the traffic. This same traffic count, together with counts taken by the State during 10 days of October 1971, indicates an actual utilization of Dillingham by civil aircraft of some 102,000 operations during FY 1972.





STATEWIDE AIRPORT SYSTEM IMPROVEMENTS

The growth of air transportation, coupled with the introduction of the jumbo jets and jet service to the neighbor islands produced a tremendous demand for improvement of the airport terminal and airfield facilities. In addition, the inauguration of five new overseas carriers to Hawaii and the introduction of direct mainland flights into Hilo have compounded the requirements for expansion of the Hilo and Honolulu terminals.

At the Honolulu International Airport (HIA), major projects in the Phase I program are the construction of the Gull Wings (Holding rooms to accommodate the jumbo 747 aircraft); extension of the main terminal

building, both for handling domestic and international passengers; construction of a 2,000 stall parking structure; and the 2,000-foot extension of a runway, making it a primary landing runway with no overland flight. Other projects, lesser in cost but contributing highly to the accomplishment of the mission are the Flight Information Display System for instant flight information to the public, Wiki-Wiki busses for passenger shuttle, and the baggage carrousel claim systems.

The most publicized project is the 12,000-foot Reef Runway which will become operational by mid-1973. In addition to eliminating the city overflights on takeoff and decreasing noise pollution, it will increase the

operational capacity of HIA. The completion of this reef project will also enhance Keehi Lagoon and the environment by promoting mass circulation of the now "stagnant" lagoon water.

General Lyman Field in Hilo had its share of construction activities, the most noted being the "interim" addition to the terminal to accommodate the overseas air carriers who were awarded direct flights into Hilo. The plans for the new terminal are well under way with construction slated for the summer of 1972. The \$16 million facility project will be the highlight for General Lyman Field. The summer of 1974 is the target date for grand opening.

The award winning Ke-ahole Airport was dedicated on July 1, 1970, after only 13 months of construction. The \$20 million complex is the first of its kind in the U. S. for an open-air airport. The cluster of cool Polynesian-style buildings blends neatly in the serenity of the vast Kona Coast lava fields.

Terminal expansion has also been in common with Kahului, Lihue, Waimea-Kohala, Molokai and Lanai Airports. Lihue's and Kalaupapa's runways were extended to make both safer and operationally more convenient airports.

The projects which highlight the expansion program for the state-wide airports are listed below.

Completed Projects

<u>Honolulu International Airport</u>	<u>Millions of Dollars</u>
Diamond Head Gull Wing Structure	3.8
Parking Structure	5.3
Loading Bridges for 747 Gate Positions	1.2
Ewa Gull Wing Gate Super-structure	7.4
Extension and Reconstruction of Runway	5.3
Direction and Location Signs	.6
Triple Unit Wiki-Wiki Busses	1.0
Flight Information Display System	2.4
Enplaning-Deplaning Roadway, Phase I	2.3
<u>General Lyman Field</u>	
Terminal Building Expansion/ Parking Lot Alterations	.8
<u>Ke-ahole Airport</u>	
Grading and Drainage of Airfield and Terminal Site	4.5
Interisland Terminal	4.5
<u>Kahului Airport</u>	
Drainage and Airfield Improvements	1.0
Additions to Terminal Building	.1
<u>Lihue Airport</u>	
Extension of Runway	1.3

Projects Underway

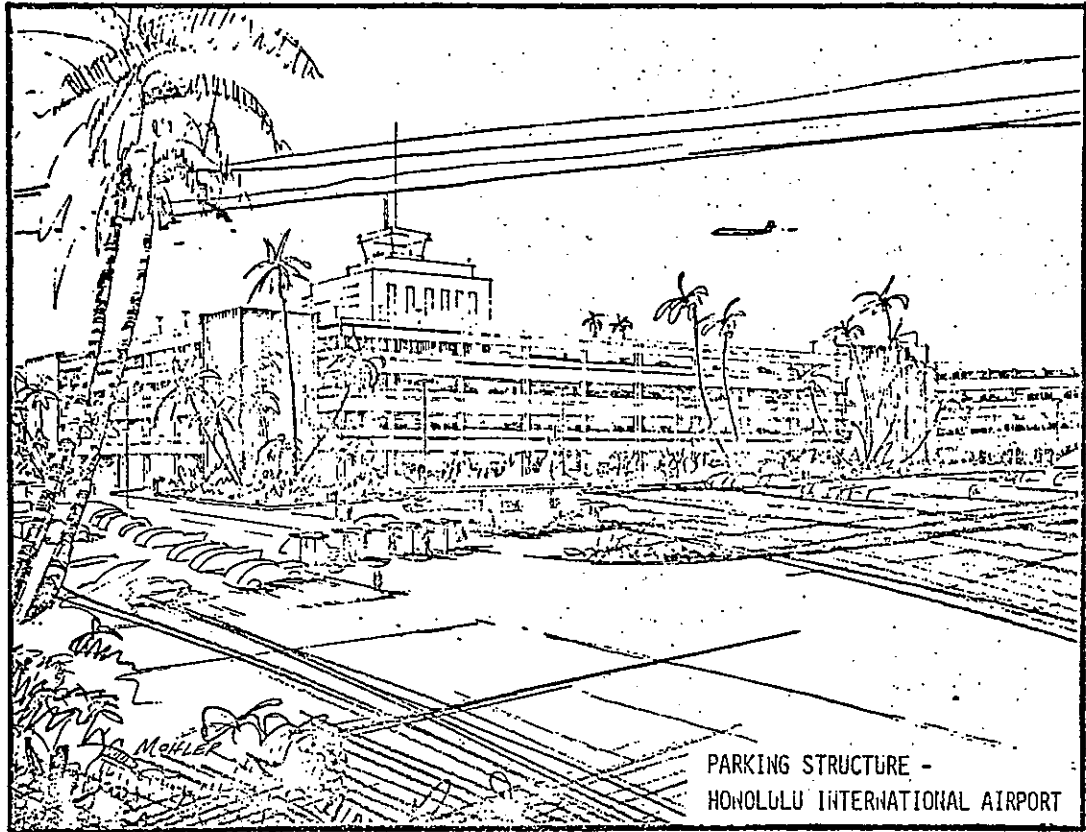
<u>Lihue Airport</u>	
Terminal Additions	.4

Projects Underway

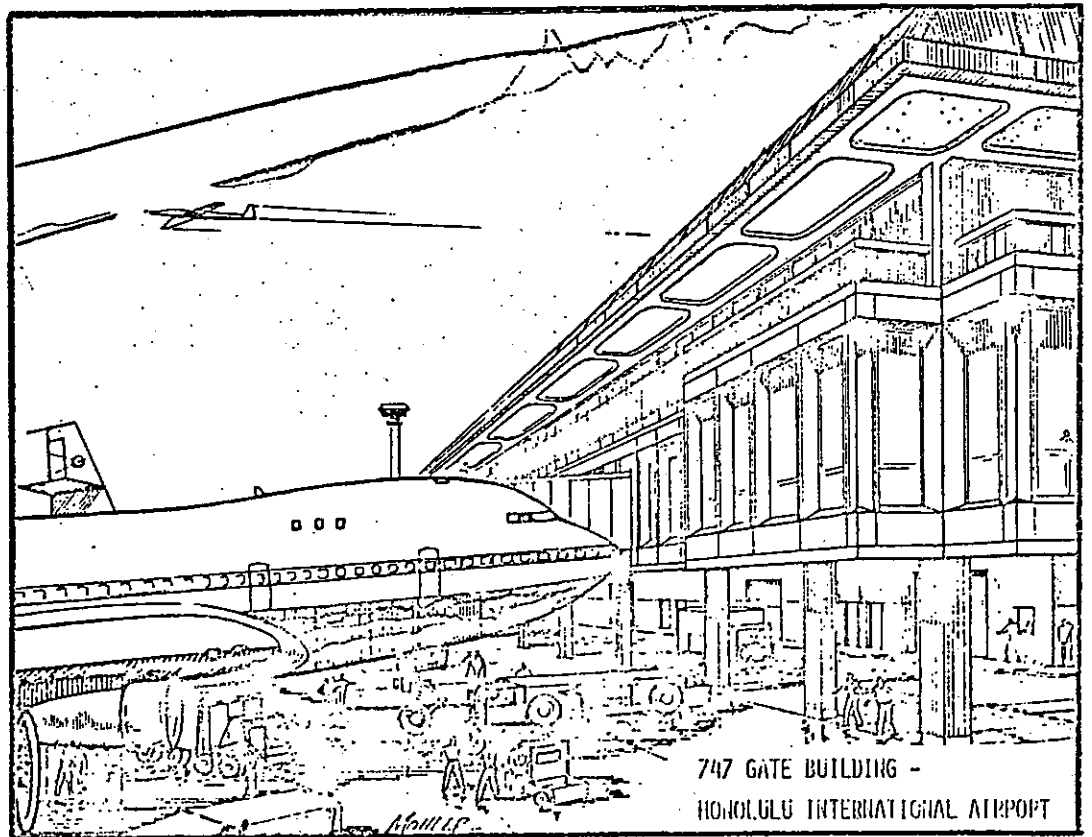
<u>Honolulu International Airport</u>	<u>Millions of Dollars</u>
Ewa Extension to Terminal Building for Domestic Arrivals	6.9
Ewa and Diamond Head Connecting Link to Main Terminal	2.8
Diamond Head Extension to Main Terminal	3.1
Enplaning-Deplaning Roadways, Phase II	3.4
Remodeling Existing Waiting Lobby	1.5
<u>Waimea-Kohala Airport</u>	
Terminal Expansion	.4

Future Projects

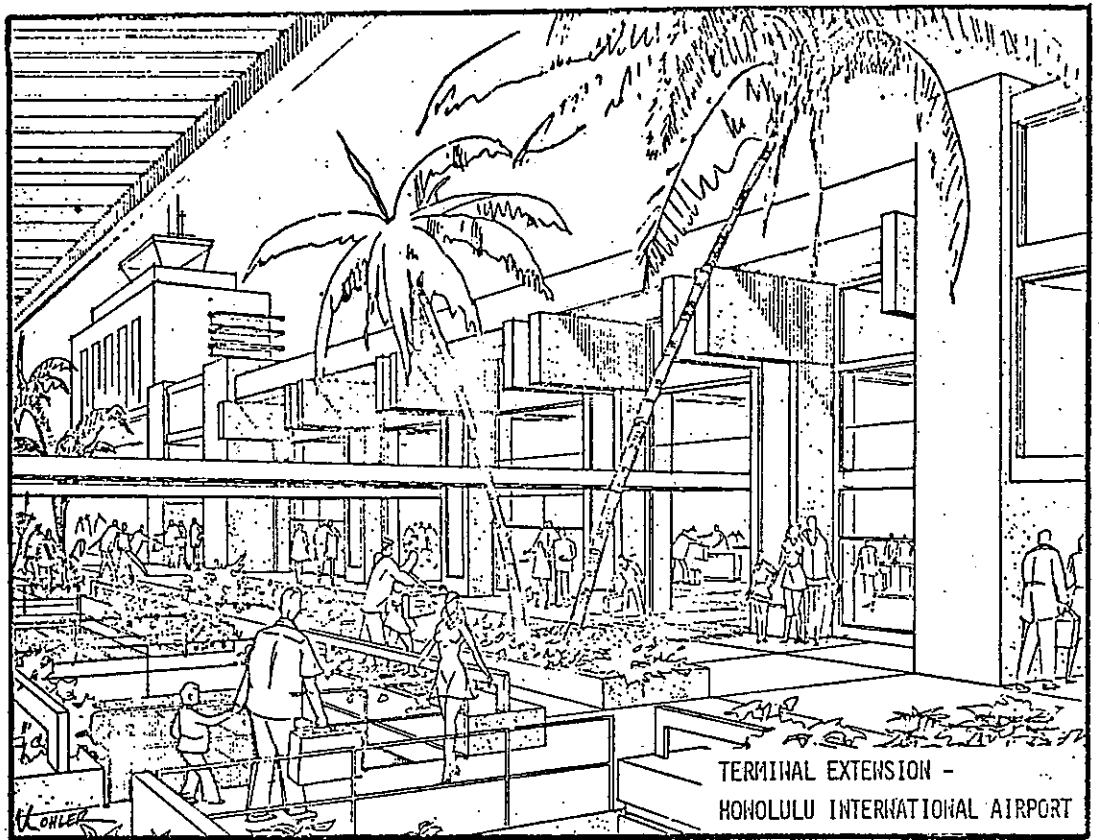
<u>Honolulu International Airport</u>	
Ewa Gates	3.7
Diamond Head Interim Gates	.5
Remodel Existing Ticket Lobbies	1.0
Ewa Extension to Main Terminal Building for Int'l. Arrivals	8.3
Baggage Claim under Existing Terminal Building	1.1
Aircraft Hardstands	1.2
Landscaping, Phase II	.6
Reef Runway	40.0
<u>General Lyman Field</u>	
New Terminal Facility	16.0
<u>Kahului Airport</u>	
Aircraft Apron Expansion	2.0
<u>Central Oahu Airport</u>	
Airfield/Terminal Facilities	2.0
<u>Windward Oahu Airport</u>	
Airfield/Terminal Facilities	.8



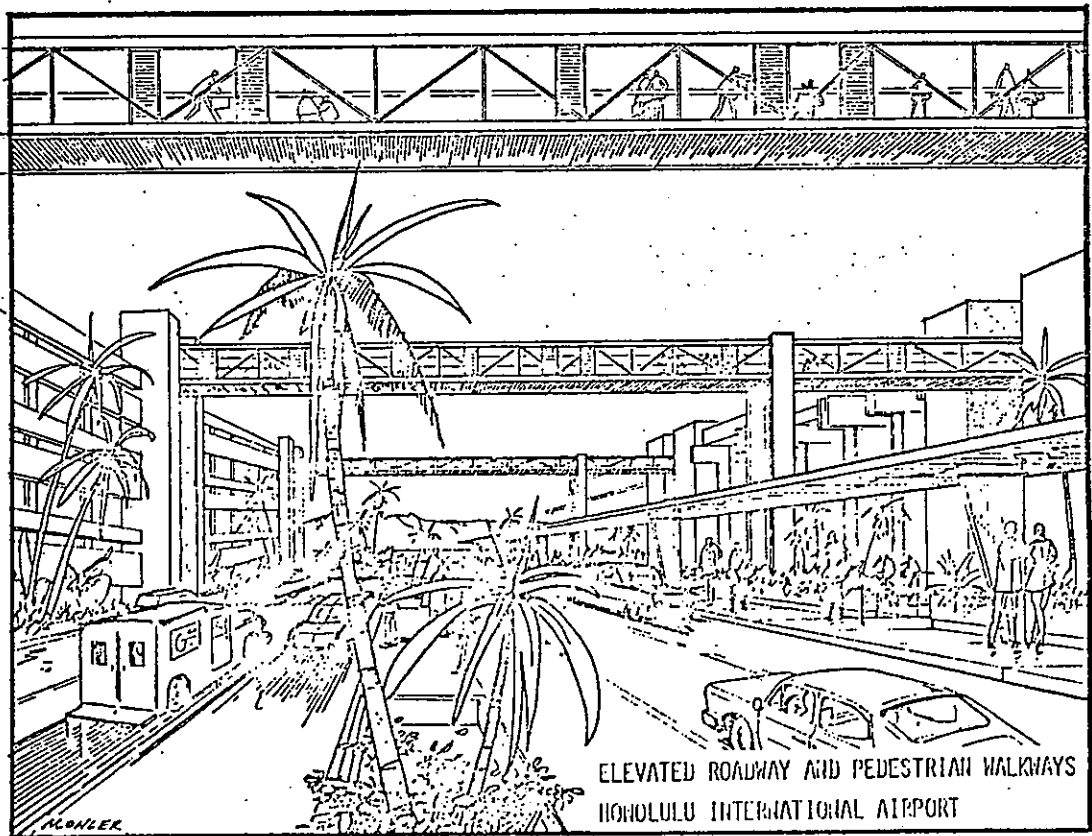
PARKING STRUCTURE -
HONOLULU INTERNATIONAL AIRPORT



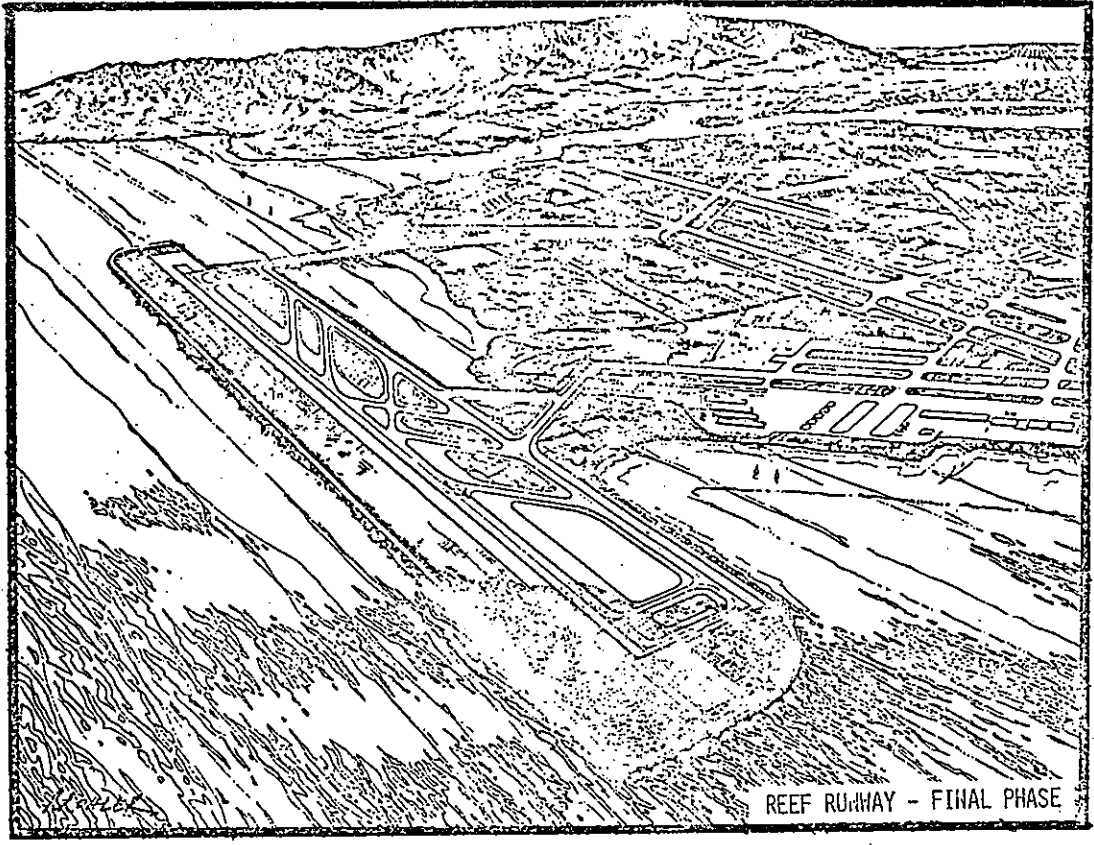
747 GATE BUILDING -
HONOLULU INTERNATIONAL AIRPORT



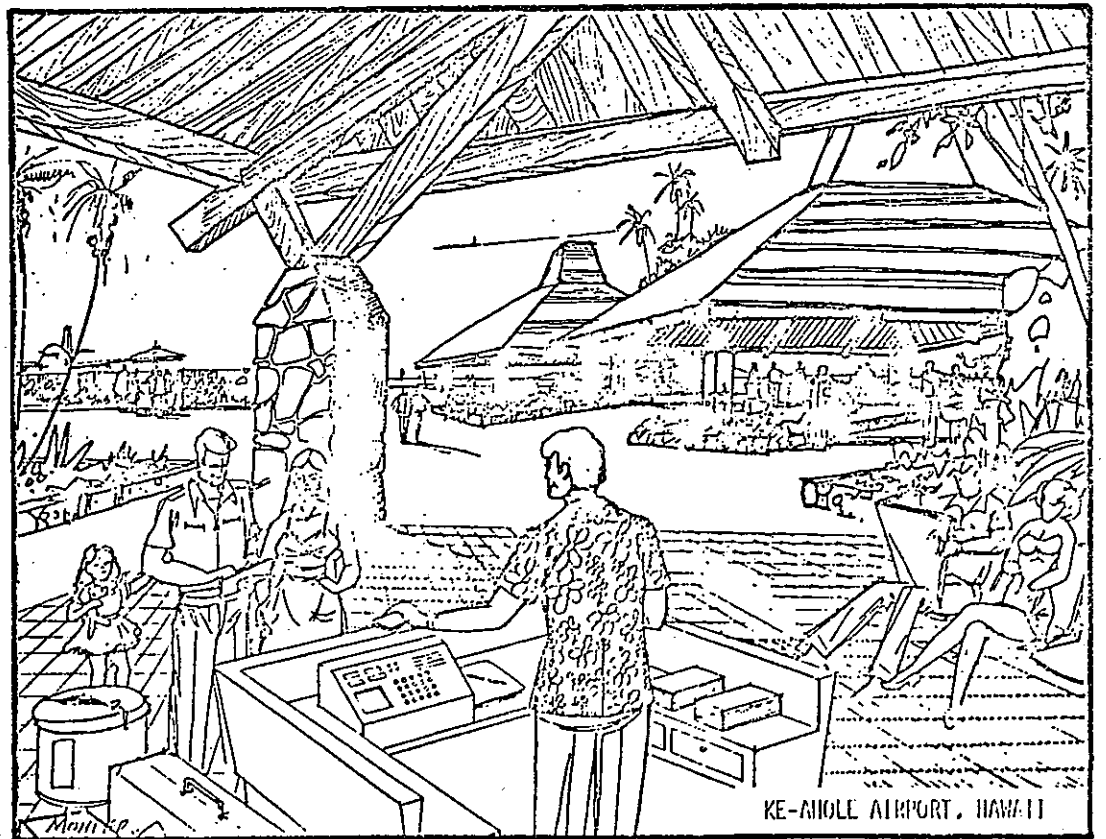
TERMINAL EXTENSION -
HONOLULU INTERNATIONAL AIRPORT



ELEVATED ROADWAY AND PEDESTRIAN WALKWAYS
HONOLULU INTERNATIONAL AIRPORT



REEF RUNWAY - FINAL PHASE



KE-MOLE AIRPORT, HAWAII

FINANCIAL OPERATION OF THE AIRPORTS SYSTEM

Historically the airports system of the State of Hawaii has been operated on a self-sustaining basis, that is the Department imposes such rates, rentals, fees and charges, or combination thereof, for the use and services of the airports system which, together with the proceeds of the aviation fuel tax, necessary to pay all expenses of the airports system, including 35 per cent coverage for the revenue bonds issued. The Department has always generated more than sufficient revenues to meet all of the financial requirements of the airports system and, by reason of its contractual agreements with the major airline users at Honolulu International Airport and its right to promulgate rules and regulations, the Department can continue to generate sufficient revenues to meet all of the requirements of the airports system. In addition, the Legislature has covenanted to continue to levy an aviation fuel tax at least sufficient, together with the other revenues of the airports system, to meet all of the covenants of the State of Hawaii Airports System Revenue Bonds.

Expenses include airports system operation and maintenance, departmental and divisional administration, State 5 per cent surcharge for central services, and debt service as authorized by the State Legislature. In addition, the bond covenant requires an annual deposit of at least \$600,000 to the Major Maintenance and Renewal Account until there shall be a credit to this account the sum of

\$2,400,000. Contribution of \$900,000 was made for fiscal 1971, \$300,000 from current revenues and the balance of \$600,000 from prior year earnings.

The major sources of revenues of the airports system are as follows.

Aviation Fuel Tax

The aviation fuel tax is a one cent per gallon tax imposed by the Legislature of Hawaii on aviation fuel (including all types of liquid aviation fuel).

The Director of Transportation, as long as sufficient revenues are generated from the Department's airport properties to meet all of the expenditures of the statewide system of airports, including complying with any rate covenant with the holders of the Bonds, may, in his discretion, grant a rebate not to exceed one-half cent per gallon, for aviation fuel taxes paid, to any person who has paid airport use charges during the fiscal year. Rebate to lessees for the fiscal year ended June 30, 1971 amounted to \$100,088.

Concession Fees

Concession fees are the rentals or fees imposed by the Department on concessions operated by private parties at the airports in the airports system. The rental or fee paid to the Department usually consist of a minimum monthly guarantee or percentage of the gross receipts, whichever is greater. At present, slightly more than 90 per cent of

the concession revenues are produced at Honolulu International Airport.

The Department is continuing its program to increase concession income, as is evidenced by the fact that concession revenues were the largest single item of revenue of the airports system in the fiscal year ended June 30, 1971, and by new concession contracts effective January 1, 1971, containing provisions for a minimum guarantee of approximately \$88,000,000 over the next ten years.

Aeronautical Rentals

Aeronautical rentals consist primarily of rentals payable by an airline for the exclusive use by such airline of space in terminal buildings, hangars and other buildings and land areas at an airport. Such rentals, which are payable at all airports in the system, are renegotiated at periodical intervals and are generally based on the fair market rental value of the space rented. The expansion of the terminals and land areas at various airports in the airports system will provide additional rental space, with a resulting increase in aeronautical rentals.

Investment Income

Investment income is derived from the investment of the proceeds of the Bonds and the investment of the moneys in the Airport Revenue Fund.

All such income is deposited in the Airport Revenue Fund, for use as are all other revenues of the airports system. For fiscal 1971, the interest on investments amounted to \$2,960,045.

Airport Use Charges and Landing Fees

The Airport Use Charge is the charge made for aircraft revenue flight landings at Honolulu International Airport, and the landing fee is the charge made for such landings at all the other airports in the airports system. Both the Airport Use Charge and the landing fee are based upon the weight of an aircraft and historically have always been at the same rate. The rate of the Airport Use Charge and the landing fee for interisland flights is nine per cent of the rate for an overseas flight.

Because of the policy of the Department to operate the airports system on a self-sustaining basis only, the rate of the Airport Use Charge and the landing fee, is fixed with reference to the total revenues required for the airports system.

As a result, the rate of the Airport Use Charge and landing fee varies from year to year. Rate for Fiscal Year 1970-1971 was initially fixed at 1.141 per 1,000 pounds. In May 1971, this rate was changed to \$.96 for all airlines, and \$.96 retroactively to March 1, 1971, for lessee airlines only; in the current fiscal year the rate is \$1.119 per 1,000 pounds for such flights. Commencing with fiscal 1971 the rate of the Airport Use Charge (and consequently of the landing fee) is initially fixed for the full fiscal year and then readjusted for the second half of the fiscal year in light of actual operating experience during the first four months of the fiscal year.

DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION
HIGHLIGHTS

	(THOUSANDS)		Change	
	June 30 1971	1970	Increase Amount	(Decrease) Percent
FINANCIAL OPERATIONS FOR THE YEAR:				
Operating revenues	\$ 20,780	\$ 14,304	\$ 6,476	45.27
Operating expenses	7,034	5,361	1,673	31.21
Excess operating revenues over operating expenses	<u>13,746</u>	<u>8,943</u>	<u>4,803</u>	53.71
Debt Service				
Revenue Bonds	8,476	4,813	3,663	76.11
Reimbursable G.O. Bonds	2,000	1,710	290	16.96
Major maintenance, renewal and replacement	<u>300</u>	<u>600</u>	<u>(300)</u>	(50.00)
	<u>10,776</u>	<u>7,123</u>	<u>3,653</u>	51.28
Excess revenues over expenses	<u>\$ 2,970</u>	<u>\$ 1,820</u>	<u>\$ 1,150</u>	63.19
AT THE YEAR END:				
Land	\$ 5,432	\$ 5,432	\$ ---	--
Buildings	46,215	42,087	4,128	9.81
Other assets	397,542	292,785	104,757	35.78
Bonds payable	183,489	126,674	56,815	44.85
Fund balances	62,432	46,180	16,252	35.19

DEPARTMENT OF TRANSPORTATION

AIRPORTS DIVISION

ALL FUNDS

Combined Balance Sheet - June 30, 1971

ASSETS

CASH:
 With Director of Finance, State of Hawaii
 With fiscal agents
 Time certificates of deposit
 SPECIAL CASH ACCOUNTS:
 Bond requirements (time certificates of deposit of \$17,499,360)
 Tenants' deposits (time certificates of deposit of \$75,000)
 RECEIVABLES:
 Accounts and notes, less estimated uncollectible accounts of \$174,198
 Interest
 Aviation fuel tax
 Recoverable costs from United States Government - Airport Aid
 DUE FROM OTHER FUNDS
 MATERIALS AND SUPPLIES, at cost
 LAND, at cost or at value assigned at date of grant
 BUILDINGS AND IMPROVEMENTS, at cost
 EQUIPMENT, at cost
 CONSTRUCTION IN PROGRESS, at cost
 AMOUNT AVAILABLE AND TO BE PROVIDED FOR RETIREMENT OF BONDS
 BONDS AUTHORIZED, UNISSUED
 DEPOSIT

	REVENUE FUND	AIRPORT REVENUE BOND FUNDS	GENERAL LONG-TERM DEBT	AVIATION PROPERTIES	CONCEALED
	\$ 2,204	\$ 1,498	\$ -	\$ -	\$ 3,702
	6,773	36,268	-	-	6,773
	5,900	-	-	-	42,168
	17,912	-	-	-	17,912
	151	-	-	-	151
	1,783	-	-	-	1,783
	1,425	-	-	-	1,425
	418	-	-	-	418
	243	-	-	-	243
	10,807	-	-	-	10,807
	82	-	-	-	82
	-	-	-	5,432	5,432
	-	-	-	46,215	46,215
	-	-	-	2,058	2,058
	-	-	-	114,925	114,925
	-	-	177,778	-	177,778
	-	17,316	-	-	17,316
	-	-	-	-	2
	<u>\$47,700</u>	<u>\$55,082</u>	<u>\$177,778</u>	<u>\$168,630</u>	<u>\$449,120</u>
	\$ 253	\$ 1,778	\$ -	\$ -	\$ 2,031
	69	1,779	-	-	1,848
	36	121	-	-	157
	28	-	-	-	28
	456	-	-	-	456
	1,326	-	-	-	1,326
	5,711	-	-	-	5,711
	45	-	-	-	45
	1,773	-	-	-	1,773
	151	-	-	-	151
	17,658	-	-	-	17,658
	1,102	8,063	-	-	9,165
	-	-	177,778	-	177,778
	-	-	-	168,630	168,630
	12,509	43,341	-	-	55,850
	6,583	-	-	-	6,583
	<u>\$47,700</u>	<u>\$55,082</u>	<u>\$177,778</u>	<u>\$168,630</u>	<u>\$449,120</u>

LIABILITIES, RESERVES AND FUND BALANCE

LIABILITIES:

Contracts payable
 Contracts payable - retained percentage
 Due to other funds
 Salaries and wages payable
 Accrued vacation
 Matured bonds payable
 Accrued interest payable
 Matured premium payable
 Due to Airport-Airline Lessees
 Tenants' deposits
 RESERVES:
 Bond requirements
 Encumbrances
 LONG-TERM DEBT:
 Bonds Payable
 INVESTMENT IN LAND AND FIXED ASSETS
 FUND BALANCE:
 Appropriated
 Unappropriated

