

HAWAII AERONAUTICS COMMISSION
 SPECIAL MEETING with Users' Committee
 H.A.C. Board Room, Honolulu International Airport
 Friday, May 24, 1957

A special meeting of the Hawaii Aeronautics Commission, authorized by unanimous action of the Commission at its regular monthly meeting, May 18, 1957, to definitely establish the position of the Users' Committee with regard to the terminal planning, was called to order by Dr. Francis K. Sylva, Chairman, on Friday, May 24, 1957, at 1:35 p.m., in the Board Room of the Commission, Overseas Terminal Building, Honolulu International Airport.

A quorum of the Commission was in attendance. (See record of attendance).

Sylva: The purpose of this meeting is to attempt to clarify a situation, one that's been evident for some time, but recently has developed to a point where some members of this Commission have expressed themselves as gravely concerned with the matter of whether our schedule calls for too early completion of the airport project, whether we should construct only part of the facility, or whether we should prepare a new site area, etc., even consider moving this old structure to the other side of the field as suggested by one of the users. As you well know, there is only one airport site on this island. Civilian requirements, those of the Navy and the Air Force have had to be merged together in one general plan. We negotiated for some years and finally reached an agreement on a master plan for the field and the service and terminal areas which carries with it Air Force criteria. When it was signed, the Hawaii Aeronautics Commission passed a "point of no return." We were through with the makai side when we signed this document. Subsequent to that, the Legislature passed a joint resolution asking Congress to ratify and effectuate the exchange of land areas on a fee simple basis. From the beginning of this planning we have worked closely with the Users' Committee and the Technical Committee. In previous planning these same Committees operated. Most of the increased costs in terminal planning has come about from requests from these Committees. We have been under the impression that these Committees represented the respective companies. I think that the HAC has acted in good faith along those lines. We have had some "top notch" individuals working with us. We think they are "top notch" men. Mr. Vierra, the architect, can show where some of these increased costs have come about. I think the Commission started with a terminal that would cost about 4-1/2 million dollars on the estimate of the Public Works Department and has gradually climbed to 5 million and now to 6-1/2 million, principally through requests of the Users' Committee, which requests the Commission went along with because it felt that they were fair and good requests, and that it would be much better to construct a facility that was "adequate" than to find as other airports have found that on the very day that they opened for business the facility was too small. However, we are a little confused now. We've been accused of building an "extravagant facility" by Mr. Frank C. Judd of Northwest Airlines.

What we would like to know now is whether or not what we are planning is necessary, whether or not the Committees we've been working with all this time, and at the present time, are actually going to help develop this extravagance....what would happen to the HAC and the Users if we went along with this request and agreed that these existing facilities could satisfy your needs for many years to come. Mr. Martin, will you show us what would happen in such circumstances. (At this point the Chairman asked Mr. Martin, the Airport Manager, to illustrate the above statement on a map).

Martin: This orange here is the present terminal area. This is the present contour fence. We've plotted on this overlay plane positions, the size we would have to accommodate the 707's and the DC-8's. Based on the information we have received from manufacturers and also from advice from CAA, all we can get at the present terminal would be five spots. And to do that, we are out so far on the existing ramp that to get required clearances we'd have to close Runway 4 right. The CAA has further advised us that 4 right should not be closed until there is a suitable substitute runway to take care of our heavy traffic that is running about 20,000 operations a month. With these five spots, assuming that we could accomplish this, which doesn't appear that we could, two of these spots during daylight hours will be occupied by the

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local airlines, exactly where they operate now. Two of them, or at least one, would be more or less under control of government agencies for foreign arrivals. You would wind up with one, and at the very most two spots for unrestricted use for all domestic carriers that operate in Honolulu.

Sylva: In that case you have one more overlay.

Martin: The other presentation here tells us what would happen if we should decide or be forced to for some reason develop new terminal facilities on this side of the field. The orange is our current terminal area; the blue Keehi Lagoon; the white on the end here is under Navy control, leaving only this area showing yellow for terminal development. It is grossly inadequate. There are approximately eight acres in this strip; 16 acres in our present terminal.

Sylva: Well, that's the point we passed when we signed the Airport Complex Agreement. So, now we're back to five positions.

Martin: This first overlay was presented on the premise that the present facilities are adequate and if they are considered to be adequate, there would be no cause to move T.P.A. I want to point out that the net result there would be one or at the most two remaining overseas spots for all carriers coming through Honolulu.

Sylva: I wonder if Mr. Seely Hall--Seely, would you like to answer some questions? The questions are very simple. (Hall-United Air Lines).

Hall: I will answer the questions I have the answers for.

Sylva: Just answer the questions you have answers for. Your company is represented on the Technical Committee?

Hodgson: What company is that?

Seely Hall: United Air Lines.

Sylva: You are the head of all the building facilities. You are acquainted with the forecast that CAA made for us on the traffic potential.

Hall: Yes, I've heard about it but I can't recall the direct figure.

Sylva: You are acquainted with the designing that's been going on all through here. Does your company feel that this is an "extravagant or unnecessary design?"

Hall: I would like to go a little in detail.

Sylva: Go right ahead.

Hall: United Air Lines feels that we should have a new terminal area. I don't make that statement primarily because I don't know what size those circles are, whether they are 200 or 150 or what. Regardless of what they are, you should have a new terminal area--an area that can be developed in the future of whatever your requirements might be here in Honolulu. Also, we feel that you have an inadequate parking area, not enough space in this particular area to meet the new standards of what in our opinion, what the new jet service and increased service will bring here to the islands. Now to make it perfectly clear that from here on I am speaking for United Air Lines.

We feel that these islands do not have any particular gift, you might say, in the way of competition of tourist business. You are competing here and the competition is getting heavier every year--Caribbean, Mexico, Canada, Alaska, and whatever you may have. You have a wonderful climate and wonderful opportunity to maintain and grow. If you're going to handle more tourists, you're going to have more transportation by air. Competition by air will be greater. This puts the airlines in a position to do things that they don't choose to do from a competitive standpoint. So, when you try to hold those standards to compete with others throughout the world, we feel that the standard should be a little better than what it is in this building. We do not feel that you should go overboard in

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spending money. Speaking from United Air Lines' standpoint, if you want a new building and we move into it with new facilities and give you our requirements, we expect to pay more than we are paying in this building; it's going to cost a little more money, but it should be a reasonable amount. We do not want to go up four or five times, but we have no objection to going up a reasonable amount, which I think, I watched what's going on, I think that these plans and I've kept pretty close to it, the existing plans lend themselves to building what your requirement might be needed for say 1965 and the expansion to the present building which was proposed with the type of construction. It costs more money to operate here, as far as United Air Lines is concerned, in Honolulu than any place we operate. WE WOULD LIKE TO GO ON RECORD FOR A NEW TERMINAL BUILDING and our requirements will be approximately 8,000 square feet. WE AGREE TO A POINT TO WHERE WE THINK THE EXISTING DRAWINGS ARE ALL RIGHT. You can live with them. You'll never get a set--one that everyone will agree to. I don't think that will happen. We feel that we can get along with it but the only thing we would like to know at this time, Mr. Chairman, is if you are around to a position to where you can tell us what the different space is going to cost, what your operating cost is going to be, what you have come up with a square foot in the building, just using the building only, nothing else. We'd like to go downtown here and move in a store. I have seen the Lockheed Report. I like Lockheed too, and the thing I don't like is where they say "they believe that you should charge \$3.75 a square foot" but I'd like it to come up to a point where you would come up with the cost to say that "this is what it should be, "x" number of dollars." I can see where they might pick a widespread cost, where you have heat, cooling, etc., and come up with \$3.75. We pay that much for utility costs, heating costs, in other parts where the costs are high and that's the only thing that I just don't like about that report. I think that before the airlines will go along with what they believe you will have to show a reasonable cost and we'd like very much to sit down and discuss the cost fee.

- Sylva: Then I take it that your airlines is not opposed to the terminal as planned by HAC working with your Technical Committee.
- Hall: No, the only thing that we would want to be sure of is the cost of construction.
- Sylva: I can assure you that these rules and regulations require a public hearing and approval by the Governor before they can be put into effect. By the time we can get actual cost figures, we'll be down to where you'll get what you just asked for. I'd like to ask you about when you expect to be operating your DC-8's in Hawaii, as to the date you'll operate them here. Approximately?
- Hall: That will have to be approximate. We expect to get a DC-8 approximately in the mid part of 1959. The shakedown on these airplanes will be on the mainland.
- Sylva: End part of 1959 or the beginning of 1960. Well, that's about your date. Do you think that you could operate that new plane if we aren't moved into the new facility at that time?
- Hall: As far as the airport is concerned?
- Sylva: No, I'm not talking about the airport.
- Hall: Yes, I think that you could stagger on. But, when you've planned to have an airplane that could haul probably over 80% or 70% load factor, you'd need at least twice the number of people you have. Now, you can come in here, you can see much more than I can; I'm only here three or four times a year. In peak periods here this place is very, very crowded. There's no place to sit down, there's no proper eating or toilet facilities; there's such things as that. In my opinion, United Air Lines probably won't be cutting off any airplanes but probably will be maintaining the same number of schedules, but will have twice the number of people in it; so, when you visualize the peak down here, why this thing is going to be loaded.
- Furtado: Do you feel that presently there is a problem in this existing building of lack of counter space, lack of ramp, etc., existing today?

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- Hall: Well, I think there are one or two. I think that in Honolulu, as I visualize it, if you have a different type of a facility, you can have concessions here and you can dress this thing up to where those concessions would bring you money and wouldn't cost you money. They would bring it in. I think that such a facility should be in Honolulu.
- Pietsch: Mr. Chairman (asking Hall) I would like to know if you feel that this Commission consulted your company in the planning of this new terminal and whether you have had adequate opportunity to talk with the architect and with the Commission.
- Hall: Yes, I've been aware of this.
- Pietsch: But you didn't feel that we were going ahead without consulting you.
- Hall: No.
- Duponte: Mr. Chairman, I would like to ask Mr. Hall a question. Do you feel that our present plan is an "extravagant plan?" Have you had an opportunity to look at the latest plan of the terminal? Do you feel that they're extravagant?
- Hall: No. Take your master plan: let me put it this way; I think it will be all right up to 1965, at least it is my understanding.
- Sylva: You are talking about extensions and everything. I think the conversations between the Technical Committee and the Users' and the HAC Terminal Committee brought out many times that we did not contemplate building these extensions at the present time. The first phase will not include the whole construction; we will only build what we need. We will come into additional plane positions later as they are required. I think you know what we mean.
- Hodgson: Mr. Hall, do you feel that three plane positions as shown on this diagram for the overseas airlines will be sufficient when you get your new jet planes--with each company taking a turn?
- Hall: No, I do not think so. It seems as though you should ask your local airlines that question. It seems to me that if we both have to operate out of the same terminal, it would be awful tight.
- Sylva: Any other questions, if not, I would like to ask my friend, Bill Mullahey (PAA) the same questions. Bill, your company has been represented on this Technical Committee, hasn't it from the beginning? Do you want to come up here so you won't have to talk so loud? Do you feel that this terminal facility as planned by the architect and HAC working with the Technical Committee is "extravagant and unnecessary?"
- Mullahey: At this time on this side.
- Sylva: Why did you come up with this opinion after your own representative sat in all the way through and made these requests which raised the cost from 60 to 70 per cent? All the time you were making this increased cost, your own representative, Mr. Eldridge, was part of this Committee.
- Mullahey: I don't think that I can answer your question with a yes or no. But I would like to say this. We have been operating on this field since the war which is over ten years now. In fact, we managed the airport itself for a substantial time until after the military returned it to civil use. And during that entire period of 10 or 11 years, we have made repeated studies both ourselves as an airlines and in conjunction with other airlines and many of the agents of your Commission, throughout the several years, in an effort to progressively improve. During the entire 10 or 11 years we have repeatedly asked if we might not negotiate a lease for the facilities we occupy the same as any other airport or any orderly business anywhere else in the country, and, for various reasons, good or bad, no lease has been negotiated for the facilities we occupy except on a 30-day permit. Your files should contain several requests for lease agreements that we've asked for over the years from our lawyers and various executives of our company.
- Sylva: I'm sure we will admit that you've asked for leases over a period of time and the answer for that is your requests have been turned down for

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reasons which you know very well. The Commission each time advised you that it did not care to enter into any leases connected with the present premises, in view of the fact that the new terminal would be built on the other side of the field. Such leases could only operate to the disadvantage of the Commission. We say we didn't grant them; we admit that; let's go on from here.

Mullahey: Yes, and I think that our request actuated this decision to go on the other side of the field; to the "point of no return."

Sylva: We still have time to go on the other side of the field. Half of the Commissioners wanted to go and I myself wanted to stay here.

Mullahey: I don't propose to argue.

Sylva: That's besides the point. Well, that's not the question you were asked.

Mullahey: The point that I think is important is--we are in an air transportation business and we're required to have some orderly fiscal plan. Our costs in this particular station have been higher than in any other place along the line as brought out by Mr. Hall's statement and it appears that we are perspectivevely facing several-fold increase. I don't know how many, and we have not been told how much; but we cannot regard that situation with equanimity for the simple reason that the cost will have to be borne somehow, and somehow will probably be reflected in an increased fare. As a company very interested in the development of this territory and the tourist business, we look with considerable alarm at the prospect of any increase in fare. In fact, we have pioneered reductions progressively in the last 15 or 20 years. We don't think that an increase in fare would do the tourist business any good. We don't think that this community as far as boarding passengers is concerned can support an increased fare and yet that is what we fear is in prospect if this rather "extravagant and lavish" terminal facility is constructed.

Sylva: Let me ask you one question right here, Mr. Mullahey. You talk about the "lavish" terminal. I am sure, and I want the record to show, that the plans for this terminal have not progressed to a point where any such remark is justified because all you have right now are the preliminary plans. There's no gingerbread, there's no details to show that this is going to be a "lavish" terminal. So, it appears to me that you are a little ahead of the game; we haven't progressed that far and yet you call this lavish. All we have is a preliminary set-up that has come about by requests for expansion. The latest request, and the one we finally stopped concurring with your Committee, is one that added a 20-foot expansion behind the baggage check-in, a further increase of 20 feet making 40 feet altogether so that it raised the cost of that building very considerably. These are all on the flat preliminary plans. There is no such thing as a plan existing at this point that is lavish. The architect has not decided whether he would build all concrete, wooden roofs, steel, etc., those things haven't come into the picture yet. So, I think you should get busy to help us keep the cost down and say, "Don't use this 'cause it costs too much," and "This is less expensive"; but you can't base any "lavish" description on it because we haven't proceeded that far. If it's too big, well that's one thing.

Mullahey: Well it's too big then.

Sylva: Well it's too big then.

Mullahey: Would you not mind entering into the business of dialectics because that is not the germane point.

Sylva: The germane point is that you haven't answered the question that was asked you. Is your airline opposed to the planning that HAC and the Technical Committee worked up? Your answer is yes.

Mullahey: In the size.

Sylva: PAA is opposed to the size.

Hodgson: PAA is opposed?

Mullahey: To the size and the cost.

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Sylva: Just exactly what are you opposed to? What details? We don't intend to build this whole terminal at one time. We are only going to construct as much as is needed by you people yourselves.

Mullahey: Will you enter into a lease then to that effect?

Sylva: We will enter into a lease with everybody as soon as this thing is firmed up.

Mullahey: That's what we would like to have.

Sylva: And we will know how long a lease we can give you as soon as this bill in the Legislature becomes law and is approved by Congress which must amend the Organic Act of the Territory of Hawaii to permit leases, the kind of leases that you want. (HAC not now empowered to grant long leases.)

Mullahey: May I make a statement without interruption?

Sylva: Go ahead.

Mullahey: The continuity would make more sense.

Sylva: You're making statements and I'm making corrections. Would you mind answering a few more questions before we proceed and at the end you can make the statements?

Mullahey: Can I proceed?

Sylva: Proceed on what?

Mullahey: Can I tell you what my company's position will be?

Sylva: We will give you that opportunity as soon as you get through answering the questions if you want to. No objections to that.

Mullahey: I want to make a statement for my company.

Sylva: I haven't asked you to do that. I want to ask you the same questions that I asked Seely Hall.

Mullahey: As you remember, he departed from them and made a statement.

Sylva: Well go ahead and depart. Go ahead. No objection.

Hodgson: As long as it has something to do with the airport.

Sylva: That's right.

Mullahey: Well, I am sorry for the seemingly needless speech

Sylva: No apology needed. I'm just trying to keep this thing on the road.

Mullahey: But I didn't come here

Sylva: Don't apologize.

Mullahey: Nevertheless, I am going to apologize.

Sylva: You don't have to apologize.

Mullahey: My company has been operating in this territory for a long time and as far as our interest and concern in this community--it is unquestioned. We do not think that the total costs which are being discussed here in the neighborhood of 17 million dollars or when the bonds are paid out in the neighborhood of 31 million dollars is a prudent or modest expenditure for the terminal facilities in this community and the prospective volume it is going to handle. We feel that the total costs must be considered. By total cost I do not exclude landing fees or fuel tax. And it doesn't really matter to our company operating through here whether you calculate the amount of money to be paid into the Commission proper on the basis of square footage in the building--All costs must be considered by us in

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attempting to find out what the unit charges will be in transitting this airport. And that's the simple situation as we see it. We recognize that the physical limitations that exist in this particular airport are self-evident. You have said you have to go to the other side of the airport and that we participate in that same condition and that we'd abide by them. Will you discuss a lease with us which will be inclusive of total cost, if so, we will sit down with you any time and will go ahead with plans for a terminal facility for the other side of the airport.

Sylva: Are you asking me a question?

Mullahey: Well, I'm asking a question of the Commission.

Sylva: I think that I already explained the lease situation. At the present time leases are for a too short a period in view of the investments that you must make. The Legislature passed a bill requesting that the Organic Act be amended to extend leases up to 65 years. After that is effected it seems that that would be the time to talk about leases. We can't lease to you now anyway.

Edwards: We have your lease proposal which the Commission voted not to enter into because of the reasons already given. I do not think that that one element would deter the conclusion of a fixed lease like that.

Pietsch: Mr. Chairman, did you say at one time that they had a lease drawn up and they refused to sign it?

Sylva: Under protest.

Pietsch: I have been sitting on this thing for some nine years, ever since we first started out. At one time both Doc Sylva and I did not want to move from here because of the cost, didn't want to condemn land, etc., until this army exchange thing came up. But I remember, Bill, sitting with you down at the Outrigger Club and that for an hour you were convincing me how we should not build the terminal here that we should build on the other side.

Mullahey: Not me.

Pietsch: That was over 5 years ago.

Mullahey: Dr. Sylva will bear out the fact that I have never been in favor of it.

Hodgson: Have you refused to sign your lease form that other operators sign?

Mullahey: You do not have a standard lease form that I know of. You have a space agreement.

Hodgson: You want special treatment in other words, over and above what the others have?

Mullahey: I am afraid that that is not so. We just want to know what the total costs are.

Hodgson: Where'd you get the figure of 31 million for the cost of the new terminal building?

Mullahey: It's in the Lockheed Financial Report.

Hodgson: Certainly. That is the interest. You were quoted also in the papers as saying that this development costs 75 million to the people of the Territory and made this statement also before some committee in the Legislature.

Sylva: That's right:

Hodgson: You were there Doctor?

Sylva: That's right.

Mullahey: I didn't say that.

Sylva: Oh yes you did.

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Mullahey: No.

Edwards: Just a minute, before we leave this point. I attended only one session of the Legislature at which HAC matters were discussed and which you (Mullahey) appeared one evening before the House and you indulged in some pretty caustic remarks based on what you referred to as "thumbnail arithmetic" in which, as I recall it, some other airlines people who were present disclaimed having the same kind of "thumbnails" as you had; apparently because they not only didn't back it up, but they backed away from your arithmetic pretty fast. Because I attended only that one session I can recall fairly accurately some of your statements. And you developed the cost of this thing far beyond 40 million dollars before you left that evening. You took it beyond that, and by inference, to an astronomic figure.

Mullahey: 31 million, that is correct.

Edwards: Now you say 31 million.

Mullahey: I don't say that, the report says that (Lockheed).

Edwards: You are quoting the report as being an authority on the thing and that was the figure that you handed out throughout this testimony. It was stated that evening

Mullahey: But no, this is your own report.

Edwards: You say that you had no opportunity to participate in any of the planning, that you have not been consulted, that this thing was far beyond your present needs and it was a pretty "flossy" deal as far as you were concerned. I think that what you had to say that night is probably one of the prime reasons that this meeting is being held today--to try and clear the records to know what is the attitude of the responsible people in the air carrier business. You criticized the Commission for making provisions to handle your new aircraft in a satisfactory manner, and, believe me, that's our only interest, to meet your requirements and those of the traveling public. At the very time that you with some pride point to the amount of money which you, as an airline, are spending money for new facilities to handle people. I submit that if you want to put this thing on an economy basis, you probably could haul people cheaper for some years to come on your DC-7's and your existing aircraft. That is not long-range planning as you evidently view it within your own company, and yet you are criticizing that very type of thinking on the part of the Commission whose only interest is to serve the airlines and the public.

Hodgson: As a member of the Technical Committee, you corroborated with the HAC in planning this terminal which you now say is "extravagant and lavish." Would you just take item by item? What items are "extravagant and lavish?"

Mullahey: You're asking quite a great deal to cover in a few minutes.

Hodgson: You can take all the time you want. The Technical Committee has been working on it. The representative from your company.

Pietsch: First he told us it was too big.

Hodgson: Go on, Mr. Mullahey, tell us item for item; give us the items where this is "lavish and extravagant."

Mullahey: Well, in the first place, this type of a structure, this type of a layout, is not one that is sufficiently flexible to be useful and practical in view of the rapid development of the art of aviation. At this time nobody knows what will be required by way of a terminal in about 10, 12 or maybe 15 years from now. We do know it will be different. Therefore, the structures themselves should not be too substantial, to use a synonym, it should be modest, built in such a fashion

Hodgson: You mean temporary.

Mullahey: so that it could be moved or re-disposed. That is the first point. The second point is that a master plan for this community, as far as

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this airport is concerned, should probably receive maximum flexibility and the word identifies an emulating condition. It should be maximum flexibility by the use in what we call a unit terminal plan instead of a one single terminal plan.

The next point is that recognizing there are some governmental clearance requirements and governmental agency requirements, those requirements not directly concerned with the clearing and entry of the passengers, should be paid for in the square footage manner, the same way and manner as some others pay.

Sylva: You mean that the Government should pay for it?

Edwards: Who are there here on the airport to serve these government agencies to which you refer?

Mullahey: Public and the U. S. Not the airlines.

Edwards: and CAA?

Mullahey: CAA doesn't require clearances or entry.

Edwards: But they require space; they are government agencies.

Mullahey: Not directly connected with entering and clearances of aircraft. That's beside the point. I'd like to make a few other remarks. The upper end of this lagoon will not be required for a seadrome and there is no reason why it shouldn't be filled and I recognize that there may be some difficulty. I see no reason why it shouldn't be filled and let out for limited industrial use to offset the cost of acquisition of land over in the Damon Tract area. Plus the fact that the park which is a concern of this district could better be located further out toward fresher, open waters, instead of back in here.

Hodgson: I think that this extravagance you speak about is the cost.

Mullahey: Cost, cost, cost.

Hodgson: Who do you think would get the money if it was sold for industrial purposes?

Mullahey: It could be used for land exchange.

Sylva: The Land Department would get it.

Mullahey: The Commissioner of Public Lands could tell us where it could be moved.

Hodgson: The Commissioner of Public Lands would get the money. This has nothing to do with the planning of the building, the going into the lagoon.

Mullahey: It has to do with cost of the facility which is our major concern.

Sylva: Bill, when do you expect to be operating these big jets in here, the 707's?

Mullahey: About the same time as Mr. Hall here.

Sylva: Mr. Hall doesn't come until the end of 1959? You don't think that you'll be here in 1959 operating jets?

Mullahey: I don't know.

Edwards: What would your attitude be if the HAC does not make provisions to handle jets until late 1959 or 1960? If we are simply put in a position of telling you, "Sorry, we are not equipped to handle your jets in here." Would that be an acceptable proposition to you?

Mullahey: Of course not. I have already said in an earlier statement that the present facility is overcrowded.

Edwards: What do you think will happen if we're still here and one airline operator wants to swing one of these blow torches around out here amongst

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these other aircraft on this parking area, etc. Totally unacceptable to all other users and impossible to operate practically, isn't it?

Mullahey: Well, impossible is not the word because he can go out to the end of the runway to start his engine. I don't propose it, but I'm just saying it.

Hodgson: Then I take it that it would be satisfactory to Pan American to move the present terminal and other facilities, hangars, etc., to the other side of the field and that would be perfectly agreeable to you?

Mullahey: As for location, yes, we need more space.

Hodgson: Everything, without change.

Mullahey: This building?

Hodgson: Yes, move it on to site we were thinking of for a new terminal building.

Mullahey: Something I have not considered but I would like to lay this on the table. Mr. Kaiser has offered to construct terminal facilities here using that big dome, a structural kind of thing, for a fraction of your present estimated cost.

Hodgson: We could put up a quonset hut.

Mullahey: He said that he could make a study and make a cost estimate if you ask him to--if you are interested.

Sylva: You mean that you would be agreeable to something like that, Bill?

Mullahey: I haven't seen it.

Sylva: You mean that this territory does not have a desire to have a proper terminal, one that we could be proud of? We have to go into some kind of dome like that? Let's not be ridiculous.

Furtado: Mr. Chairman (to Mullahey) your airline has always paid your rent and your bills under protest. Why was that?

Hodgson: You still owe about \$24,000.

Mullahey: Because of a stupid error that was made many years ago in calculation.

Sylva: Whose error? HAC's? I think it was an error made by previous individuals forgetting to adjust your rates in accordance with the rates of the other users. That's what it was, wasn't it? The other users have been paying this adjusted rate but you refused to pay it just because they forgot to notify you.

Mullahey: I think our lawyers will answer that.

Sylva: Those are the facts.

Hodgson: There's still \$24,000.

Pietsch: That just brings out the fact that the only thing that you are really afraid of is the fact that you're going to pay too much to operate out here.

Mullahey: Right, correct.

Pietsch: How little?

Mullahey: Thank you for

Pietsch: Boil that down. However, you still need so much space.

Mullahey: But we can't afford so much space if it's going to cost too many dollars.

Pietsch: What do you do when you want to buy a new airplane? It costs so much

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money. You've got to buy a new airplane. You buy it as cheap as you can, and we're going to build this terminal as cheap as we can. We need your help to build it as cheap as we can.

Mullahey: If we are able to sign up with you some semblance of a lease agreement that would "hue" out the dimensions of the price and the space, we would feel secure in proceeding on that.

Pietsch: But of course you can't. You are not going to pledge yourself until you know how much it's going to cost, and you don't know how much it's going to cost until you know what you are going to build, and we are still planning what we are going to build.

Mullahey: Well, there are several studies

Pietsch: Yes, that's right.

Mullahey: Well, that's all we've got.

Pietsch: That's all we've got too.

Mullahey: We in our minds lump together the total cost--space rentals, landing fees and fuel tax.

Pietsch: We do too.

Mullahey: That's all money.

Pietsch: We have no argument on that score. But here we were going along, maybe you weren't but I was, going along the premises that we were all working together, you are one of our major users. I happened to be away when this legislature thing came up, and here we find that someone whom we thought we were cooperating with and who was coming to every meeting and ostensibly agreeing and helping to develop a plan, did a direct "about face."

Mullahey: There's a big difference, if I might tell you how it came about. There is a big difference between a technician who works with clothes and baggage and making errors and the man who pays the money, the man who determines policy; and Mr. Murray, our new vice president, spent several hours with Dr. Sylva several weeks ago and he thoroughly discussed that with him, how that came about. Technicians can be prone to make prior requests which are nice but are not necessary. We kept saying all the time, and Dr. Sylva will bear me out, I have repeatedly asked for a price. I have repeatedly had it put on record that we should have an agreement of lease. You don't sell a house or a building without first having some information?

Pietsch: No, I don't, unless I can go into the property. If we get the money and then build the building, the building might not suit you at all.

Mullahey: Within certain areas.

Pietsch: You got an estimate.

Mullahey: That's not what we want. We want to narrow it down to "not a blue sky open end"--if the landing fee opportunity is left open and the gasoline tax is left open, yes.

Furtado: Supposing that it is as proposed in that Lockheed Report, is that an open end to you?

Mullahey: Well, as Mr. Hall mentioned, it was only their opinion, which is not binding on you apparently.

Furtado: No, of course not.

Edwards: You keep referring to costs and from the way you mention them I take it that you have in mind a definite figure that you spend so much money for the privilege of doing business on this airport through these facilities. I think if we knew how much you're talking about maybe we would then be able to come back one of these days and tell you for that much money we can give you that much space and no more. Now if you have

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reached that point I think that it would be very helpful to us if you could give us that.

Mullahey: I would like to give you a tentative estimate and I'd like Mr. Hall to confirm it. I'd like the other airport people to confirm it. I am thinking in the area of from two to three-fold of what we pay now, total.

Edwards: What do you pay now?

Mullahey: Well, we pay upwards of half a million dollars a year in aviation fuel taxes or more. We pay for landing fees which is not a great amount of money; we pay for space rentals, which is not a great amount of money.

Edwards: And you would expect that the increased amount of money which you suggest be about two or three-fold more than you presently pay would buy you the right to a greater amount of space and a greater number of flights, a greater amount of fuel, and so on. In other words, are you talking about the same cost per passenger or something of that sort per landing or take-off? But we don't build space on the basis of the number of passengers that you're going to handle as far as the space you exclusively use. We are not trying to tell you how much space you should have. I note that you are about the largest downstairs here; you have the most counter space of anyone. In fact more than twice as much, I believe, than anyone else down there.

Mullahey: I am aware of that. We have about half of the total operations going out of this terminal.

Edwards: We're not trying to tell you how much space you should have but neither can you expand the thing for more space without it costing you more money.

Mullahey: Maybe Mr. Vierra could tell us what the layout will be in 1965.

Edwards: We would project your space requirements for you if you could tell us how much space you have to have. You're going to have to do your own guessing as to how much space you're going to need in this building for the next ten years.

Mullahey: I think we've done that, on a questionnaire, but always with the qualification as to how much it is going to cost. That is, if a certain type of space is going to cost \$2.00 a square foot we might leave a number of activities out here at \$2.00 a square foot. But, if the space will cost \$4.00 a square foot, it would be better to move those activities into town where it would cost 2 or 3 dollars.

Pietsch: We don't want to build space here that you can put some place else. I know I for one don't want to build restaurants or any other facilities that is not going to pay for itself. All you fellows have to pay for the stuff you're using. What I think is, if those people on the Technical Committee have been just grabbing at all they can get thinking that they are going to get it free, then you'd better put another man on that committee and let us really know how much space you're going to need.

Hodgson: Mr. Mullahey, when you were appearing before the Legislative Committee, were you speaking for the Users' Association?

Mullahey: No, I was speaking for myself as an individual who was invited up there by the (Tourist) Committee.

Pietsch: You spoke for Pan Am didn't you?

Mullahey: No, I was invited by the Speaker of the House. I was invited as a tourist expert.

Hodgson: Did anybody speak for Pan American there?

Sylva: We are not talking about that meeting, we are talking about the meeting that had to do with these bills, the fuel tax definition bill. I understand that you appeared at that meeting too.

Mullahey: No, I didn't.

Sylva: Well your agent did represent you.

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Mullahey: No. I was in Australia.

Sylva: You appeared when you showed Jet Fuel Consumption?

Mullahey: I did not.

Sylva: Well, your man did, D. Trehitt.

Mullahey: I think that you'd better differentiate between him and myself. I did not.

Sylva: As a user? But you did appear before the House Committee?

Mullahey: House and Senate.

Hodgson: You were speaking then for Pan American not the Airport Users' Committee?

Mullahey: I was not speaking for the Airport Users' Association.

Sylva: I'd like to know just what the other users think, whether they would be satisfied if this building were not constructed?

Hodgson: I'd like to ask one more question. If we proceed to move to the other site, the other side of the field, I understand that would be perfectly agreeable to Pan American.

Mullahey: I didn't say that.

Hodgson: Or if we put an aluminum dome up?

Mullahey: You're putting words in my mouth, no, I'm sorry.

Hodgson: You didn't suggest that?

Mullahey: No.

Hodgson: You said that we should proceed no further with the jet airport. Come 1959 there are no facilities for jet planes, will your company be blaming this Commission?

Mullahey: No use speculating on something that isn't going to happen.

Hodgson: That's apparently what you'd like to have happen.

Sylva: Somebody went down and had the fuel tax effective date put over to July 1, 1959.

Mullahey: And I went to the Governor and attempted to get it vetoed.

Sylva: The veto would put it right back where we were before.

Pietsch: We thought that we were building an airport that all the users wanted and needed. But you are the only one so far that has admitted that you didn't know what we were talking about.

Mullahey: You mean the Terminal Committee.

Pietsch: Yes.

Mullahey: Costs too much money.

Pietsch: We don't need that much space, you never said that.

Mullahey: The cost estimates must have been predicated on some type of construction and the engineer must have calculated some type of material to build this certainly.

Pietsch: Obviously a multi-story building must be built out of concrete. And obviously the Hawaiian roofs are not built out of concrete. It's only the offices and the central building.

Sylva: I have a Technical Committee report here that recommends several changes, all of which result in added expense. In this report it requests that

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only concrete be used in ramp areas and other such areas.

Hodgson: Who recommended that?

Sylva: That is the Technical Committee's recommendation, dated September 5, 1956. And at that meeting Messrs. Eldridge, Rolph, Canadian Pacific, TPA, Qantas, Japan Airlines, Transocean, Northwest, United Airlines. Mr. Mullahey was there.

Hodgson: Oh he was.

Sylva: Yes.

Mullahey: Just a minute Dr. Sylva, was that the meeting held in Mr. Vierra's Office? The only Technical Committee that I attended as you will recall, I don't know whether the minutes were worded in that fashion, if you will recall, I asked at that time how much it was going to cost.

Sylva: These minutes were written up by you, not by us.

Mullahey: No, not by me.

Sylva: Well these aren't HAC minutes. They are signed by Mr. Wallace of the Honolulu New Terminal Technical Committee.

Mullahey: I don't know anything about it.

Sylva: You don't know anything about it?

Mullahey: That was a matter of looking at an array of plans around three sides of a room.

Hodgson: Mr. Vierra, were there any requests made at that meeting to change the building that would be more costly?

Vierra: Yes, there was one bay added.

Hodgson: Did Mr. Mullahey object to that on the grounds that it would be more costly?

Vierra: There was no objection.

Sylva: It was a meeting at the Reef Hotel and in the minutes of this committee they made 13 recommendations and nearly all of them cost money. "Move the building away from the taxiway." This costs a lot of money. Move it farther back in the Damon Tract and it added over a million dollars to our expense.

Mullahey: This is all very interesting.

Sylva: And worse than that, listen to No. 3 please, no number 4.

It was suggested that the proposed building of both the arrivals and departure buildings be constructed in the initial phase recommended by this committee, because of the cost of paving.

Pietsch: The big thing was that you also gave people the idea that you were not being consulted--neither you, nor your company, or any of the airlines.

Mullahey: We still maintain that.

Hodgson: It was in the newspaper.

Pietsch: You do maintain it?

Hodgson: Despite the fact that you were on the Technical Committee representing Pan American on the Technical Committee, where all these recommendations for changes, most of which were adopted, and thank heavens not all of them were adopted, you claim that Pan American was never consulted?

Mullahey: I have said repeatedly that I attended one meeting and that the technical man was there and he was not qualified and you're putting words in my mouth. Let's stop all this recrimination, and where do we go from here?

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Sylva: You can go right on from there because you did ask for more space. In fact your people asked for the re-arrangement of the overseas and foreign arrivals area.

Mullahey: Talk to somebody else for awhile. Sorry.

Pietsch: I was under the impression that you folks had assigned someone to this Technical Committee to work with it and evidently you did and it was the wrong man or something. From now on, can't we get together on something and agree on it?

Mullahey: Well, that is what I would like to suggest, get a price so that we can take a look at the cost so that we will know how much we are going to build.

Pietsch: It's just like the cart before the horse. You've got to tell us how much room you want. If you need a 12-bedroom house, you can't build a one-bedroom house.

Mullahey: Cost.

Sylva: Well, it's here too. If we go along with item No. 4 here, we're going to build all the things at one time. Your cost is going up. It's going to cost more money.

Hodgson: Is that a recommendation of the Technical Committee?

Sylva: It certainly is.

Hodgson: Well, Mr. Mullahey stated that this type of structure is not sufficiently flexible. Would it be more flexible if you built the whole thing at once?

Sylva: I don't think that's a correct statement. We have only one big structure and the rest is low cost construction. I would like to ask Mr. Taylor (Northwest Airlines). Do you agree with this? I suppose that you have a copy of the Northwest letter here? You don't want to commit yourself.

Taylor: I do, Mr. Chairman. My position right now is one of no comment. If you will excuse me Mr. Chairman, however, in view of the letter, I will say in consideration of comments made here now my company will be advised.

Sylva: I would like to ask you if you know Mr. Judd? The vice president and engineer of this company?

Taylor: Yes.

Sylva: Mr. Chambers was here on many occasions on this Technical Committee and yet we have a wire from Mr. Chambers who said that he wasn't consulted at all. You're not aware of that?

Taylor: I am aware of it.

Sylva: You expect to have jets here at this airport in the near future?

Taylor: Yes.

Sylva: Could you operate your jets here for many years to come? This location?

Taylor: I am afraid not.

Sylva: Do you think we can get an answer from Mr. Judd on some of these questions we've been asking?

Taylor: Yes.

Sylva: Thank you very much. Any other users who expect to have jets here such as 707 and DC-8 within a reasonable time? How about Qantas?

Wetherell: We expect to have jets here about the middle of 1959. We have one 707 for delivery starting from the middle of 1959. I can't tell at this

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time whether they'll put them on this run.

Sylva: Your firm also contemplates buying other types of aircraft?

Wetherell: We are a foreign airline, from your point of view, and we think it impertinent to criticize your Commission which is not our function. I have attended some of these meetings of the Technical Committee assisting in what the traffic pattern should be. We are always afraid of costs.

Sylva: You estimate that you'll be here sometime in late 1959?

Wetherell: Delivery of aircraft commences in the middle part of 1959.

Hodgson: Do you feel that you have been consulted over the planning of this terminal building?

Wetherell: Yes, in planning of the new airport in various states. But we have never been told how much the rent would be.

Sylva: I am sure that you haven't been discriminated against because nobody has been told.

Wetherell: We still don't know how much the space will cost us.

Sylva: I think you are acquainted with this report (Lockheed). There's a recommendation in there that advises this Commission to develop non-aeronautical revenue as soon as possible so that in the next eight or ten years about 40 per cent of the revenue will be from that source. It is also implied that probably we ought to raise other charges so that the fuel tax can be reduced at an earlier date. TPA and Hawaiian Airlines, I realize could operate in a very moderate size terminal. This big facility is hardly necessary for their operations. However, they are still concerned with the cost the same as everyone else.

Benz(TPA): Mr. Chairman, just to clear up any doubt in the mind of Commission members, TPA plays a very small part in the entire thing. The inter-island site of the Terminal meets the needs we can foresee. We don't know the costs but we have had representation on that committee (Technical) and have been kept informed.

Sylva: You've been kept informed of the planning?

Benz: We've been kept informed. Some suggestions we have made have not been accepted, possibly for reasons of cost but we have no qualm, and as I said, we are a very small cog in this whole thing.

Hodgson: Is the inter-island part in this new terminal "extravagant and lavish?"

Benz: No sir.

Hodgson: Do you feel that the inter-island part in the new terminal would be satisfactory so far as your company is concerned?

Benz: As far as we can foresee now. I'd like to make the same points as some of the other airlines have made. As the members of this Commission know very well, we are vitally concerned with cost. But we anticipate that as soon as you have the costs ready, you will let us know so that we may review our space requirements that we have estimated so far in the light of the cost estimates that you can submit to us.

Pietsch: Mr. Chairman, I will have to excuse myself, but first I'd like to ask if there is any other user here that felt he wasn't consulted enough? That there should be more chance for the airlines to tell us what they want? We know that PAA feels that way and we will do all we can to rectify that. I wanted to know before I left whether anyone here had that same feeling.

Hodgson: I wonder if we could hear from Hawaiian Airlines?

Sylva: Hawaiian Airlines?

Tobin: Dr., Jack Tobin, speaking for Hawaiian Airlines.

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Sylva: Do you feel that you have been neglected and have not been consulted about the planning and all this?

Tobin: We've had Mr. Faris, our representative on the Technical Committee. He is a policy-making department head, and, while we have had some honest disagreements on plans by and large, most of the things that were desirable in the inter-island part of the terminal phase, the Commission and the Commission's architect have agreed to. Our situation here is rather unique. We are working in the market of inter-island air carriers which is increasing something less than 4% increase a year. We feel that it is vitally important cost-wise to absorb the cost for certain basic aircraft and that from the standpoint of terminal design Mr. Faris and I are quite pleased with it in its present phase. There are still some changes in ramp areas that we would like to discuss with the Commission, but other than that we are completely satisfied. We under no circumstances would like to be quoted on the desirability or lack of desirability of the present plans for the major overseas terminal building because we have not studied those plans in great detail and are not qualified. We are not as qualified or expert as the actual carriers who are using them.

Sylva: With regard to your own area and facility, would you say that they were "extravagant?"

Tobin: No, but I will say this, that there are some points of disagreement with the Commission. The structure is a very, very modest one and is exactly the type of structure we would like to see, simple in design. I have no opinion on the overseas terminal.

Sylva: Any other questions? I take it that all of you other users who are here are representing some airline. In answer to Mr. Pietsch's questions, do you think that you have been adequately consulted in the progress of this planning?

Hodgson: We should give each representative a chance.

Sylva: Cooper here? Cooper not here. Mr. Fujiki?

Fujiki: Mr. Cooper, JAL, is our representative on the Technical Committee. He is not here but is in Japan. I can't answer questions for him while he is away.

Hodgson: Who is the speaker?

Sylva: Mr. Fujiki, he is a salesman. Mr. Cooper is the head of the airlines, and he's presently in Japan.

Sylva: Mr. Cole here? Douglas Cole?

Byrne: I'm Byrne of Transocean.

Sylva: Mr. Byrne (Transocean).

Byrne: We are low frequency operators and consequently are a small part of the operation of the terminal. We are also concerned with the cost. I believe if given the space requirements of what we would like to have subject to what that space would cost in the final analysis. As a matter of clarification, having sat in on several of the meetings with the Technical Committee, a number of recommendations for increased space and other alterations to the building were costs not primarily by the airlines by themselves but by the requirements of governmental agencies which in turn affected the planning by the Technical Committee.

Hodgson: Do you feel that the building as planned in the new terminal is satisfactory?

Byrne: Yes, as far as we are concerned it is satisfactory. Yes. Our space estimates are what we would like to have, subject to what the revenues are going to be in the final analysis.

Sylva: Did I leave anybody out? Canadian Pacific? Mr. Pierce?

Hodgson: Who represented this Users' Association at the Legislature?

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Sylva: I think that at the beginning of the session--I might be wrong in this--there was one set-up that was changed during the course of the session. I believe that Mr. Mullahey was chairman at first, weren't you?

Mullahey: Not chairman, I believe that Mr. Trehitt was. Mr. McGuire from United Air Lines and Mr. Fujiki of Japan Air Lines, in certain phases.

Hodgson: They were representing the Users?

Mullahey: Yes, the Association.

Sylva: Any further questions?

Mullahey: May I point out something?

Sylva: Yes, sure.

Mullahey: I think that everybody you questioned has brought out the point that they are very definitely qualifying their space requirements and total requirements on cost.

Sylva: I am quite sure that we recognize that.

Mullahey: And that's the only point that I have made.

Hodgson: You blasted it as "not flexible", "unsatisfactory", "it's lavish", "extravagant", "does not afford maximum flexibility." All sorts of points.

Mullahey: I made those points in response to my opinion on the terminal planning. It all comes back to cost.

Sylva: I don't think we've gone around in circles. We don't know how much the cost is going to be. All we have are estimates from the Public Works Department--nothing else. I feel that some of the estimates are too high, that they will come down when we come to actual costs.

Hodgson: It all goes back to the same argument, Mr. Chairman, about the chicken and the egg. Which is first?

Sylva: What Mr. Mullahey wants is a lease now. Mr. Mullahey wants to know how much now. There is a difference of opinion. We would like to wait until plans reach the final stage. How much glass you're going to put in, what kind of roof, etc., could make a great difference in costs.

Mullahey: I believe that 99% of the leases could be negotiated without any cost at all. You just drop in your square footage.

Sylva: At this time, Mr. Mullahey, this Commission doesn't want to tie up itself to long leases. What good is a lease if you don't put everything in it.

Hodgson: There are more people involved in this than the airlines alone. Number one, the traveling public.

Mullahey: Whom we serve.

Hodgson: You are not the traveling public. Number two, the tourist industry of this territory.

Mullahey: Which we have majorly developed.

Sylva: You developed? Some of the others had something to do with it. Some of them got here a long time ago, Bill.

Hodgson: And Number three, there are the airlines themselves which are one-third. The one-third do not govern over the other two-thirds.

Mullahey: I don't agree with you.

Hodgson: I don't believe that you would agree with me.

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Mullahey: No, because we serve the public. We must survive on the service we give to the public. Not you. You don't preserve any good here that we are not more aware of than you are. You do not develop the tourist industry here more than we do.

Hodgson: More than Matson?

Mullahey: We do more than Matson and I can prove it.

Sylva: I don't think Matson will like that.

Mullahey: Over the period of the entire past. The arithmetic is there.

Sylva: Actually the government has been helping you to do all of this, haven't they? You can't do it all by yourself.

Mullahey: Well, we're concerned about the cost of tickets. If you can tell us how much more money it's going to cost.

Sylva: You read the report and it says that it's going to be less by and by when you get these big planes going. You probably will be operating for much less money.

Mullahey: If! if! if!

I think that you're going to have to come up with some sort of an instrument, whether you call it a lease or not, but some sort of preliminary document that will give us some areas of cost where we can do our budgeting.

Sylva: We have to keep in mind also that we have other airports on the other islands, not just one airport, we operate an airport system. Any further questions?

Hall: Mr. Chairman, I would like to make a statement on the part of United Air Lines. At the present time we have somewhere in the neighborhood of about 4300 square feet in this building, covered area. We need approximately 8,000, approximately double. At the present time that space is costing us an average of \$1.76 per square foot. We are willing and we would like to see this thing get to a point where we can go ahead. I think the thing is reaching a point where you can go ahead and build this facility and United Air Lines would like to see it and so would some of the other airlines. If you go ahead on the basis of what the airlines are going to require especially on what United Air Lines will require, I think that will probably be a little bit over twice the amount which we now pay in this terminal, that is, per square foot. We would also be willing or also be paying for twice the amount per square footage, which I want the record to show that we are willing to do. We need the space. Now, we would like to see this thing, and this thing is no different than anywhere else on the mainland where you get Technical Committees together. They dream this and they dream that. You have planners. Mr. Wallace, the chairman of that Technical Committee is a member of United Air Lines and is head of planning. They get together and they plan and they dream, and we want them to because there are a lot of new things that we would like to see. That doesn't mean one bit until you get all the costs together and you have Mr. Vierra work out the square footage cost, and then you arrive at what this thing is going to cost. That is the time I think, and I think that we're awfully close to that point, and I'm sure all the airlines feel the same way, to know what this is going to cost for the airlines operation in that building. We are willing to sit down and negotiate for the terminal building only. We would like to talk about the terminal building as one item. The gas tax, landing fees are very definitely a part of your cost. But I don't think that you can sit down and discuss that beyond what's happened around here the past few months. We would like very much to sit in on that when the time comes. I would like to see this new terminal building go ahead.

Sylva: I would like Mr. Vierra to follow through with what you've said. I'm sure that we're getting pretty close to the time where we can sit down and talk figures with you. It is not the intention of this Commission to go ahead without consulting your technical men. With the experience we've had now, I think that we're going to insist that you talk for your company, you be authorized to do so, otherwise, we will not have any

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Technical Committee meetings. And also everything that happens from now on be in writing. You will be required to sign the minutes and other papers having to do with changes and costs so that we know where the responsibilities are going to be.

Vierra: I would like to explain a few of the comments that were made here today. I have made four trips to the mainland, and on each trip it was primarily to see what faults there are in terminals so that we can come up with a plan to eliminate faults and keep costs down. We have given just as much consideration and much thought to passengers as we have to the airlines. The fastest possible way--fastest type of transportation--transfer point between the airport point to other types of transportation. We should have just as much thought to transportation on the ground as to airplanes. Point of flexibility - 100% flexible. Much cheaper type of structure--cheapest type that building laws and fire marshall will approve for this type of use. Point of satellite terminals. (Explanation about the Washington Airport). Meeting friends at one airlines and they are coming in at another terminal on the same field. No way of knowing unless you have a good memory, etc. (Blue Area on map on board). August 6, 1956, I felt that it was ample and sufficient for Honolulu. The airlines, Technical Committee, wanted me to do some revising of the office set up. Tentative approval of this area as o.k. Airlines could not change their office procedure and voted to increase the ticketing lobby. February 15, another meeting, the whole red area (pointing to map) represents the addition that the airlines have asked for.

Edwards: What's the cost of the changes?

Vierra: 77% increase. Two floors cost of two stories, 41,500 square feet.

Hodgson: 77% increase in the cost of the terminal by reason of one request.

Vierra: I don't think that the wrong request was made, and I don't think that the Commission thinks so either. It is a good request.

Sylva: How much did that cost, for the 41,500 square feet?

Vierra: Roughly \$832,000, not only floor space, but second level roadway, stairs, etc.

Hodgson: Just for one change.

Vierra: It came in two installments, November 1956 and February 1957. Then there are the foreign arrivals area again. I didn't bring the map, but anyway to speed up processing of passengers, etc., anyway, that change was increased 18% or \$222,000.

Hall: Increased about how many square feet?

Vierra: From 64,700 up to 76,500, roughly 18%. Inter-island has increased about \$120,000 that came about because we are trying to get a good ramp arrangement and we changed from a circular to a square which is to show that we are doing everything we can. We don't want to offend anybody, and we, that is the engineer and myself, are trying to do everything in our power. My doors to the office are always wide open to you fellows at the airlines. Fellows have come in on Saturdays and from the mainland and Sundays and all. We have a crew in the office working overtime.

Hodgson: Mr. Vierra, does this whole terminal building have to be constructed at one time?

Vierra: No, and I think that's one of the nice things about it. Our foreign arrivals is such that we could knock out practically 50%.

Hodgson: Mr. Mullahey made a point that it should be made a unit terminal plan. Is it or is it not a unit terminal plan?

Vierra: This is a unit terminal plan in the sense that we have arrivals coming in, departures going out, foreign arrivals coming in, and inter-island. Each part could be made smaller.

Hodgson: You have left enough there if additions have to be made.

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Vierra: This is such a flexible plan that it could be either big or small, and you can keep adding to it as the years go on and if there is demand for additional space.

Mullahey: Not exactly a unit terminal.

Vierra: If we think of unit as in terms of airlines. Unit in terms of transportation where you have arrivals coming in and departures going out.

Mullahey: Functional.

Hodgson: (Talking to Vierra) Do you think that it is extravagant?

Vierra: I can't think of any other way where we could get that much terminal building and at the same time good construction.

Edwards: There are some men in the back of the room that haven't been heard.

Sylva: Gentlemen, do you wish to be heard?

Walton: Those men are from Shell Oil Company.

Sylva: No further questions?

MEETING ADJOURNED at 3:40 p.m.

Special Meeting, May 24, 1957---22

ATTENDANCE:

Hawaii Aeronautics Commission

Present: Dr. Francis K. Sylva, Chairman
 Mr. Dorsey W. Edwards, Vice Chairman (Kauai)
 Mr. David Furtado, Vice Secretary (Hawaii)
 Mr. George Kobayashi, Member
 Mr. Joseph V. Hodgson, Member
 Mr. Lionel V. Duponte, Member (Maui)
 Mr. Charles J. Pietsch, Jr., Member

Absent: Mr. Ralph C. Honda, Secretary (On the Mainland)

In attendance: Mr. R. M. Walton, Acting Director, HAC
 Mr. W. T. Waterhouse, Murrayair, Ltd.
 Mr. J. R. Hinton, Jr., Shell Oil Co. - N. Y.
 Mr. Harold K. Graham, Shell Oil Co.
 Mr. J. S. Morse, Shell Oil Co.
 Mr. R. J. Wilson, Shell Oil Co.
 Mr. J. M. Longinotti, Shell Oil Co.
 Mr. Ted Vierra, Architect
 Mr. Ken Wetherell, Qantas Empire Airways
 Mr. Jack Tobin, Hawaiian Airlines, Ltd.
 Mr. D. Benz, Aloha Airlines
 Mr. Dick Faris, Hawaiian Airlines, Ltd.
 Mr. Francis Hirakawa, Honolulu Advertiser
 Mr. Tim Ho, Department of Public Works
 Mr. R. M. Conley, Pan American World Airways
 Mr. W. G. Carson, United Air Lines
 Mr. S. V. Hall, United Air Lines
 Mr. V. B. Paulsen, United Air Lines
 Mr. F. A. Taylor, Northwest Airlines
 Mr. W. J. Mullahey, Pan American World Airways
 Mr. Don Horio, Honolulu Star-Bulletin
 Mr. Bill Bachran, Pan American World Airways
 Mr. Kazuyoshi Akita, Deputy Attorney General
 Mr. William Rolph, Pan American World Airways
 Mr. Mark E. Martin, HAC
 Mr. Akira Fujiki, Japan Air Lines
 Mr. O. Byrne, Transocean Air Lines

Respectfully submitted,

David Furtado

David Furtado, Vice Secretary