

HAWAII AERONAUTICS COMMISSION
 Regular Monthly Meeting
 Saturday, February 25, 1956

The regular monthly meeting of the Hawaii Aeronautics Commission was called to order by Dr. Francis K. Sylva, Chairman, on Saturday, February 25, 1956, at 10:10 a.m., in the Board Room of the Commission, Overseas Terminal Building, Honolulu International Airport.

All members of the Commission were in attendance. (See Record of Attendance.)

GENERAL

MINUTES OF JANUARY 21, 1956 MEETING: The Secretary called attention to the item captioned, "Hana Airport - Extension of Runway", and moved that the following be added to the record of action taken: "...and authorize the Maui Commissioner and staff to consummate negotiations." The Minutes were approved as amended.

MARCH MEETING OF HAC: Commissioner Edwards said that there are several matters which should be looked into on Kauai, such as land transfers and additional work to be done, and in order that the Commission have first-hand information on these problems, he moved, and it was seconded by Mr. Pietsch and unanimously

VOTED: that the next regular meeting of the HAC be held at Lihue, Kauai, on March 24th.

Mr. Wheeler expressed the feeling that those matters pertaining to Honolulu International Airport should be considered at a special meeting to be held in Honolulu, rather than at the March meeting on Kauai. The Chairman pointed out that the appointment of a committee to handle such matters would be taken up by the Commission shortly.

HIRING OF FULL-TIME LEGAL COUNSEL: The Chairman advised that the Director has requested authorization to confer with the Attorney General for the purpose of engaging the services of a full-time legal counsel, in order to handle the heavy load of legal matters arising in connection with new terminal activities going on at the present time.

The Director stated that this would entail counsel's working at the airport, and pointed out that this has been a common practice where heavy loads are indicated in certain departments, such as the Highway Department, Department of Public Works and the Harbor Board.

Mr. Kobayashi moved, and it was seconded by Mr. Edwards and unanimously

VOTED: that the Director be authorized to confer with the Attorney General in pursuit of this matter, in order to secure full-time legal counsel at the earliest possible date.

MAUI

KAHULUI AIRPORT:

REQUEST FROM MAUI COUNTY BOARD OF SUPERVISORS FOR 2 QUONSET HUTS: Commissioner Wirtz stated it was his understanding that the quonset huts requested by the County of Maui were the subject of negotiations presently pending with the Navy in connection with improvements to remain at Kahului Airport. In view of this, and the fact that the territory does not have title to Kahului Airport, Mr. Wirtz moved, and it was seconded by Mr. Wheeler and unanimously

VOTED: that the Director be authorized and directed to notify the Board of Supervisors for the County of Maui that the HAC cannot comply with their request, for the above reason.

HONOLULU

TERMINAL PLANNING AND COORDINATING COMMITTEE: The Chairman advised that it was the general feeling of the Commission that a planning and coordinating committee should be appointed to meet from time to time and work with the DPW, Airport Engineer, Architect, and staff to assist in the formulation of new terminal plans, to avoid holding too many Commission meetings, and also to be able to keep the

Minutes, February 25, 1956

Commission better informed on current developments. He added that the Commission is aware that they are working on a tight schedule and it is felt that such a committee can save the Commission considerable time in ultimate approval of plans.

Mr. Honda made a motion, seconded by Mr. Pietsch and it was unanimously

VOTED: that the Chairman appoint a Terminal Planning and Coordinating Committee.

The Chairman appointed the Oahu members of the Commission to serve on the committee.

Mr. Wheeler suggested that the staff let neighbor-island members know whenever meetings are to be held in order that they may attend if they are to be in Honolulu at that time.

The Chairman advised that when the Committee has something to act upon, a special meeting of the Commission will be called for this purpose.

NAF AREA - DEMOLITION OF BUILDINGS, CONFIRMATION OF ACTION: On motion by Mr. Wheeler, seconded by Mr. Pietsch, it was unanimously

VOTED: to confirm action taken by Oahu Members on January 30th, changing the date for discontinuation of operations in the area to March 31 (for month-to-month tenancies).

ALTERATIONS TO FOREIGN ARRIVAL AREA: The Director said that in order to improve the functional aspect of this facility, it would be necessary to install louvers and exhaust fans in the two quonsets, and provide convenient low tables in the waiting areas, for a total cost of \$1,030.

It was moved by Mr. Wheeler, seconded by Mr. Honda and unanimously

VOTED: that a sum of \$1,030 be appropriated to make needed improvements to the Foreign Arrival area.

COIN-OPERATED LOCKERS: Mr. Honda made a motion, which was seconded by Mr. Kobayashi and it was unanimously

VOTED: to authorize the purchase of an additional four stacks (28 openings) of coin-operated lockers, for a sum of \$2,350.

ACQUISITION OF LAND PARCELS FROM DAMON ESTATE: The Chairman advised that in conjunction with the proposed construction of new terminal facilities at Honolulu International Airport, it will be necessary that the north boundary of Navy Area 5 be straightened, cutting through Damon Estate property at both ends - with a total of 3.22 acres of land to be severed. He pointed out that it would be in order for the Commission to take action authorizing condemnation of these parcels.

Mr. Honda made a motion, seconded by Mr. Wheeler, and it was unanimously

VOTED: that the Commission proceed with condemnation of these two parcels of land, in view of the necessity and requirement.

AIRPORT EXPANSION PLANS AS THEY AFFECT PARKS BOARD LANDS: In view of its relation to the function of the Terminal Planning-Coordinating Committee, the matter was referred to that committee.

ESTABLISHMENT OF BUDGET LIMITS FOR NEW TERMINAL AND GROUND FACILITIES DEVELOPMENTS: Referred to Terminal Planning and Coordinating Committee.

Minutes, February 25, 1956

ESTABLISHMENT OF ADDITIONAL POSITIONS - 3 ELECTRICIANS SR-13: The

Director reported that in view of the fact that quarters on the airport will not be available to the staff for standby duty watch it will be necessary to establish three additional electricians positions, in order to maintain the efficiency of the airport.

Action was first taken to refer the matter to the Terminal Planning and Coordinating Committee; however, this action was rescinded in view of the urgency of assuring proper electrical coverage at the airport at all times. The Director pointed out that the electrician presently living on the field will be moving shortly, and the Assistant Airport Manager whose specialty is electrical work and who also resides on the field at present, has tendered his resignation, effective the end of the month. The primary reason for this, he added, was the loss of housing accommodations.

Commissioner Edwards inquired as to whether or not the possibility of contracting for these services had been looked into. The Director advised that it had but that the airport could not depend on secondary service and that because of the safety factor, such services should always be on hand. He said also that an outside electrician would have to be furnished with the Navy's lay-out map and as-built plans; whereas, the HAC's present electrical staff grew up with the system.

Mr. Wheeler moved, and it was seconded by Mr. Pietsch and unanimously

VOTED: to approve the establishment of three additional positions - Electricians SR-13.

RELOCATION OF HANGAR 30 TO HONOLULU FROM PUUNENE AIRPORT: The Director advised that there have been three applicants for additional hangar space at Honolulu Airport (HAL, TOA and Hawaiian Airmotive), all of whom feel they could utilize Hangar 30 if it were moved to Honolulu.

Mr. Wirtz made a motion, which was seconded by Mr. Kobayashi and unanimously

VOTED: that the Commission appropriate a sum of \$75,000 for possible relocation of the hangar from Puunene to Honolulu Airport, and that the matter be referred to the Terminal Planning and Coordinating Committee for a determination as to necessity and a decision as to site for installation; also, that if the relocation of the hangar is determined to be necessary and a site has been selected, that the Director be authorized to call for bids.

PERIMETER FENCING: Referred to the Terminal Planning and Coordinating Committee.

HAWAIIAN AIRLINES RATE ADJUSTMENT: At Mr. Wheeler's inquiry, the Director explained that the matter had not been placed on the agenda at HAL's request. He added that the matter was referred to the Attorney General's office and a reply has not yet been received.

ANDREW FLYING SERVICE - TRANSOCEAN AIR LINES, REQUEST TO SUBLEASE SPACE:

The Chairman reported that a request had been received from Transocean Air Lines for temporary occupancy of a portion of that hangar on the airport occupied by Andrew Flying Service. Reference was also made to Andrew Flying Service's letter of February 15th, requesting permission to sublease a portion of their hangar to Transocean Air Lines.

Minutes, February 25, 1956

Mr. Andrew said that they would like to lease some space in the hangar he occupies to TOA. He advised that this would allow them to get financial help in lieu of the preferential rate enjoyed in the past -- and if this were approved, they wouldn't need the preferential rate.

Mr. Douglas Cole of Transocean Air Lines outlined their plans for the near future. He advised that for the past 5 or 6 years TOA has been in the business of overhauling various component parts and aircraft for the Air Force, and recently was the successful bidder for the overhauling of HANG aircraft located at Hickam Field. He continued, that it has been TOA's desire to establish a base of operations at Honolulu Airport. In this connection, when this particular bid came up TOA applied to the Commission for hangar space and was informed there was no space available. With this information TOA looked into the possibility of obtaining space from existing tenants on the airport, and made arrangements with Andrew Flying Service for part of their space for this operation. Mr. Cole further explained that TOA expects the contract with the Air Force (Hickam) to be completed in 6 to 8 months.

Mr. Honda commented that, in accordance with information received, AFS would be renting out 90% of their space.

Mr. Andrew said that this was not so, but that he desired to lease out that portion of his facility AFS does not need for its operation, and as much of the outside area as is not needed.

Mr. Cole stated that TOA expects to establish an overhauling base at Honolulu for a number of years to come and that they expect to procure the majority of their personnel from the islands. In this connection, they applied to the HAC for the moving of the hangar at Puunene Airport. He said they would like to consolidate their operations with the overhaul operation. Mr. Cole stressed the point that use of a portion of AFS's area is an interim measure to accomplish the Hickam contract.

Mr. Wheeler pointed out that he felt favorable towards the idea of giving permission to sublease the area for a definite period of time, but not for anything that would be permanent. He stated also that the Commission's space permit provides that a tenant must have written approval of the HAC before any space can be sublet. He added, however, that it appeared that AFS has an old permit not requiring such action, and expressed the opinion that the permit should be rewritten under the new form that would in the future require prior written approval before any such lease may be entered into.

The Director explained that when the Commission bought Andrew Flying Service's improvements from AFS, the first negotiation was on a lease basis. The lease was drawn up, but AFS chose not to enter into a lease because of the insurance values imposed in the lease as a condition. They took the position that the insurance values required were excessive. They were then presented with a space permit, which also included a condition therein for insurance coverage for those buildings, and in view of that condition, the space permit was not signed by AFS. In the meantime, the HAC procured the insurance, which is being paid by AFS on a pro-rata basis. Consequently, AFS is a tenant at will.

Mr. Furtado expressed the opinion that the Commission would be aiding and subsidizing unfair competition on the airport by permitting free enterprise by AFS, in view of the fact that another fixed base operator on the airport is paying the going rental rate.

Mr. Edwards said that the Commission recognizes the importance to the territory in having fixed base operators on the airport. He expressed his own regard for AFS and TOA's operations but indicated

Minutes, February 25, 1956

that he failed to see the justice to the Commission in an appeal for a reduced rental rate followed by a request to enter into competition with other operators on the field on the basis of part-time rental rates at half-rate and part time at full-rate. He added that space occupancy at half-rate had been granted in the past in order to keep air taxis operating. He said that if other operators need space, it would be much better to cancel out or reduce the area AFS is using for that which he could pay full-rate on a full-time basis.

Mr. Pietsch agreed that the best thing for AFS to do would be to give up the space they do not need and that the Commission lease it to TOA at the rate it should be. He indicated, however, that he could see no objection to keeping the remaining area to be used by AFS at the air taxi rate.

Mr. Douglas Cole introduced Mr. Douglass Johnson, Vice President of sales for TOA, who came to Honolulu to sign the contract with the Air Force for the work to be accomplished as previously indicated. Mr. Johnson said that the rate situation has become bound up in this problem, so that it seemed to be one and the same. He said that TOA is interested in securing space in which to do a job that has to be done for the National Guard, contracted through the Air Force. He pointed out that the National Guard is anxious for the work to be done, and stressed the importance of getting the job underway. Mr. Johnson also emphasized the fact that TOA is willing to pay the rent paid by anyone else on the airport for such facilities.

In further discussion, inquiry was made as to whether or not TOA's job for the National Guard could be done at Puunene Airport in the hangar available there. Mr. Johnson pointed out that it would not be economical to do so.

Mr. Andrew explained that the rate he proposed to TOA would just about pay for their rental. He said that AFS would pay for the hangar at the going rate. Mr. Andrew said also that he had been worried about the continuation of the preferential rental rate and so had started trying to find some way to get the necessary financial assistance needed. He said that he would not like to lose AFS's facilities, and pointed out that it would be difficult to determine how much space AFS and TOA would need separately. It was pointed out that AFS had intended to reserve the right to use what portion of the facilities they needed; also, that AFS and TOA had agreed to share certain of the facilities.

Mr. Samuel Wilburn of Hawaiian Airmotive pointed out that HAM requested additional space some time ago and had been advised that none was available. He said that they would be opposed to another operator coming in and getting the space they need; that if space is available, they would like to negotiate for it also.

Hawaiian Airmotive's original proposal for fixed base operations on the airport and subsequent developments in this regard were discussed.

The Chairman inquired whether or not there was any other place where TOA's operation could be housed. The Director advised that the large nose dock could be temporarily modified if that would serve the purpose.

Mr. Johnson of TOA stated that their need is immediate.

Mr. Wheeler made a MOTION, seconded by Mr. Honda, to authorize the Director to lease to TOA such area now occupied but not needed by AFS; such lease not to extend beyond October 1, 1956. The MOTION was withdrawn in view of the Director's comment to the effect that property to be used is composed of ground, buildings, utilities and other improvements owned in title by AFS.

Minutes, February 25, 1956

Mr. Wheeler then made a MOTION, which was seconded by Mr. Honda, that the Commission authorize AFS to enter into a sublease with TOA for the purpose of this particular contract; such lease not to extend beyond 1 October 1956.

Motion Failed

Affirmative Votes: Messrs. Wheeler and Honda

Negative Votes: Messrs. Wirtz, Pietsch, Furtado, Edwards, Hodgson, Kobayashi

Mr. Wheeler expressed the feeling that the voting had been unfortunate because a contract is ready to be undertaken and there appeared to be no reason for the negative vote other than protection of another fixed base operator.

Mr. Hodgson pointed out that if certain excess space is being held by AFS it should be surrendered to the Commission and then leased to TOA or whoever needs it.

After further discussion, Mr. Wheeler made a motion which was seconded by Mr. Honda and it was unanimously

VOTED: that the Commission enter into a rental agreement to extend to 1 October 1956 on the area now enjoyed by AFS; the rental to be to AFS and TOA as joint tenants and to be at the going rate.

Mr. Edwards pointed out that it should be understood that the agreement terminates on October 1, 1956. He said the HAC would be making a mistake in leaving the impression with AFS or anyone else that the HAC would revert to previous arrangements.

Mr. Wheeler said also that the prior interest of Hawaiian Airmotive in that area should be recognized, if it becomes available for lease.

PREFERENTIAL RENTAL RATE - AIR TAXI OPERATORS: The Director stated that if it is the pleasure of the Commission to continue the preferential rate it is the recommendation of the staff that the rate be determined on a revenue landing basis and not on the facilities rental structure, since it is not a realistic relationship in determining the need for assistance. The Director said the staff would recommend complete forgiveness on revenue landings only as they relate to air taxi operations.

Mr. O. V. Andrew said that that would give very little help. He asked that the 1955 rate be extended over to March 1, 1956.

Mr. Edwards said that if the Commission at this time takes action on preferential rates which result in the payment of higher facilities rates from January to the present time, it would in effect be levying a retroactive rate structure; therefore it would seem appropriate, in line with Mr. Andrew's request, that the Commission set new rates to apply from March 1st rather than go back to January 1st.

Mr. Wirtz moved, and it was seconded by Mr. Edwards and unanimously

VOTED: to accept the recommendation of the staff, effective March 1, 1956, for full forgiveness of landing fees on air taxi operations; and that full rates apply to ground rental and facilities.

QANTAS - REPLACEMENT FOR MR. MATT LURIE: It was pointed out that Mr. Matt Lurie, Local Representative for Qantas, would soon be leaving the Territory. Mr. Lurie introduced his successor, Mr. K. Wetherall, and thanked the Commission and its staff for their past assistance and wished them success in the future airport planning.

THE MEETING WAS ADJOURNED AT 11:32 a.m.

Minutes, February 25, 1956

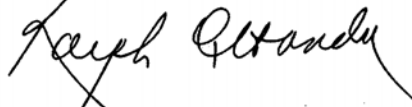
ATTENDANCE RECORD:

Hawaii Aeronautics Commission

Present: Dr. F. K. Sylva, Chairman
 Mr. D. W. Edwards, Vice Chairman (Kauai)
 Mr. R. C. Honda, Secretary
 Mr. C. J. Pietsch, Jr., Member
 Mr. J. V. Hodgson, Member
 Mr. R. H. Wheeler, Member
 Mr. George Kobayashi, Member
 Mr. David Furtado, Member (Hawaii)
 Mr. Cable A. Wirtz, Member (Maui)

In Attendance: Mr. R. M. Lee, Director, HAC
 Mr. J. E. Batchelder, Asst. Director, HAC
 Mr. James A. O'Brien, HAC
 Miss Terry Alauzet, Star-Bulletin
 Mr. K. Wetherall, Qantas
 Mr. Matt Lurie, Qantas
 Mr. Douglas T. Cole, Transocean Air Lines
 Mr. Douglass F. Johnson, " " "
 Mr. H. D. Smith, Shell Oil Co.
 Mr. Jay G. Williams, Shell Oil Co.
 Mr. J. V. Dolan, CAA
 Mr. O. V. Andrew, TPA & AFS
 Mr. W. F. McGuire, UAL
 Mr. Lee Maice, HHA
 Mr. V. Thomas Rice, Chamber of Commerce
 Mr. Sam Wilburn, Hawaiian Airmotive
 Mr. C. N. McIntosh, Hawaiian Airmotive
 Mr. T. A. Vierra, Architect

Respectfully submitted,



Ralph C. Honda, Secretary