

HAWAII AERONAUTICS COMMISSION
 Regular Monthly Meeting
 Saturday, August 24, 1957

The regular monthly meeting of the Hawaii Aeronautics Commission was called to order by Dr. Francis K. Sylva, Chairman, on Saturday, August 24, 1957, at 10:05 a.m., in the Board Room of the Commission, Overseas Terminal Building, Honolulu International Airport.

In an informal ceremony prior to the Commission's regular meeting, the Director together with representatives of the Air Force and the Navy exchanged leases for 25 years for the lands to be acquired later, pending the final enactment of HR 8485, 8882 and 8900 now before Congress. The Director thanked Major General Sory Smith, who represented the Air Force and who was largely responsible for the promotion and expedition of the land exchange bill now before Congress, and Admiral N. K. Dietrich, Commandant of the 14th Naval District representing the Navy, for their fine cooperation and combined efforts of the two departments.

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

GENERAL

MINUTES OF JULY 27, 1957, AND MINUTES OF THE SPECIAL MEETING, MAY 24,

1957: Mr. Hodgson requested that the minutes of the July 27, 1957, meeting be corrected by deleting the first paragraph on page 5 and by inserting under the heading "Damon Tract" the following:

"(1) That the public necessity requires the condemnation for public use, namely, for Honolulu International Airport expansion, of the lands of the Damon Tract adjacent to the airport delineated on the Commission's map on this table (see attached map), (2) that the Territory proceed immediately with condemnation proceedings of the said land so needed, (3) that the Attorney General be requested to institute suit for such purpose."

There were no corrections to the May 24, 1957, Special Meeting. It was then moved by Mr. Hodgson, seconded by Mr. Bronte, and unanimously

VOTED: to approve the minutes of July 27, 1957, as corrected above, and to approve the minutes of the Special Meeting, May 24, 1957, as circulated.

DELINQUENT ACCOUNTS - T. H. BUDGET BUREAU, TRANS AIR HAWAII, LTD., HAWAIIAN SCHOOL OF AERONAUTICS AND MRS. M. G. WOOD, DBA HAWAIIAN SCHOOL OF AERONAUTICS: It was moved by Mr. Honda, seconded by Mr. Hodgson, and unanimously

VOTED: to accept the Director's recommendation to write-off the following uncollectible accounts as authorized by the Office of the Attorney General

Bureau of the Budget	\$ 2,791.97
Trans Air Hawaii, Ltd.	15,506.89
Hawaiian School of Aeronautics	6,628.57
Mrs. M. G. Wood, dba Hawaiian School of Aeronautics	104.19

RESOLUTION RE MAJOR GENERAL SORY SMITH: At the last regular meeting, July 27, 1957, the staff was directed to prepare an appropriate Resolution to Major General Sory Smith, United States Air Force, in appreciation for his splendid cooperation in helping the HAC with negotiations particularly with the Land Exchange Bill which is now before Congress. It was moved by Mr. Furtado, seconded by Mr. Honda, and unanimously

VOTED: to ratify the following resolution thanking Major General Sory Smith on the eve of his departure to his new command with the Fourth Air Force, with headquarters at Hamilton Air Force Base, California for his fine cooperation.

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R E S O L U T I O N

WHEREAS, Major General Sory Smith of the United States Air Force, was the past Commanding Officer of the Pacific Air Force, Hickam Field, Oahu, Territory of Hawaii; and

WHEREAS, during his period of command, the Hawaii Aeronautics Commission was in the midst of planning an expansion of the Honolulu International Airport because of the advent of jet commercial aviation; and

WHEREAS, the expansion program required the exchange of certain lands with the Armed Forces, the floating of revenue bonds, and the obtaining of much technical data on aviation, among other things; and

WHEREAS, General Smith has given his untiring assistance to the Hawaii Aeronautics Commission in planning for the airport expansion by his wise advice and counsel from his rich store of knowledge and experience in the field of aviation, by his cooperation in negotiating for the exchange of certain lands between the Armed Forces and the Territory, and by his wholehearted assistance in enlisting the aid of the Armed Forces staff in the City of Washington, District of Columbia, and thereby bring nearer to a final conclusion an act of Congress authorizing the floating of revenue bonds to finance the airport expansion; and

WHEREAS, he has now left the Territory of Hawaii and is assigned to the continental United States;

NOW THEREFORE, BE IT RESOLVED THAT the members and staff of the Hawaii Aeronautics Commission join with the people of Hawaii, in extending our respect and esteem for him as a public-spirited citizen, a credit to the United States Armed Forces, a loyal friend, and a champion of aviation in this pioneering period of jet aviation airports.

BE IT FURTHER RESOLVED by the Hawaii Aeronautics Commission that this resolution be made a matter of record, and that a duly authenticated copy be forwarded to General Smith and his staff.

HONOLULU

REPORT BY DEPUTY ATTORNEY GENERAL RE WASHINGTON, D. C. TRIP: The Chairman called upon the Deputy Attorney General to make a report concerning his recent trip to Washington, D. C. Mr. Robert K. Fukuda, Deputy Attorney General, stated that the purpose of his trip to Washington from July 21, to August 4, 1957, inclusive, was to meet with Delegate John A. Burns to plan a course of action to be taken in expediting the passage by Congress of three bills passed by the 29th Legislature of the Territory; namely, JR 17, JR 32 and JR 40.

JR 17, he stated, requests Congress to enact legislation to authorize the necessary land exchanges for the new terminal project; JR 32 requests Congress to authorize the HAC to issue \$14,000,000 in revenue bonds; and JR 40 requests Congress to amend Section 73 (Q) of the Hawaii Organic Act to grant the HAC powers to lease lands under its jurisdiction for terms up to 65 years for aviation purposes. Upon arriving in San Francisco on July 21, he spent the morning in conference with R. H. Moulton and Company, bond brokers, and Mr. Herrington, bond attorney, discussing the form of the bond bill and different aspects of the bill. He then proceeded to Washington, D. C., on July 23, 1957, and went directly to the CAA Office where Mr. John V. Dolan of the Honolulu CAA Office had pre-arranged a meeting of representatives from the CAA, Navy, Army, Air Force and Delegate John A. Burns. All agencies were informed in detail of the master plan for the development of the Honolulu International Airport Complex and the object and purpose of each of the aforementioned bills.

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Mr. Fukuda stated that up to this time only one of the three bills had yet been introduced in Congress, namely, JR 40, which has been introduced by Delegate Burns on July 1, as HR 8485 of the 85th Congress, First Session. After a full and thorough discussion of the three bills with questions and answers by all, the representatives present promised their full cooperation and support of their respective agencies and no objections were stated to any of the bills by any of the representatives present.

He further stated that JR 32, the revenue bond bill, was introduced by Delegate Burns on July 24, as HR 8882 of the 85th Congress, First Session and JR 17, the Land Exchange Bill, was introduced by Delegate Burns on July 25, 1957, as HR 8900 of the 85th Congress, First Session.

In order to implement the master plan project in the interim pending the final enactment of HR 8485, 8882 and 8900, Mr. Fukuda stated that the HAC has been negotiating for a 25-year lease from the Navy and a similar 25-year lease from the Air Force of the lands to be acquired by the final land exchange. Mr. McKenzie Shannon of the Honolulu Navy Real Estate Office carried the proposed lease through the Navy Department and secured the final approval and execution of the lease while Mr. Fukuda was in Washington, D. C.

Mr. Fukuda reported that the Air Force lease as proposed and submitted to the HAC contained an undesirable clause in paragraph 8 thereof which required the HAC to insure the United States of America against all claims for damages or injuries arising from any source including governmental action. In the event of any major military plane disaster in the land area leased by the Air Force to the HAC, under these terms the HAC would be fully responsible and liable for all personal injuries and deaths caused by such a mishap. Mr. Fukuda was happy to report to the Commission that while in Washington he proceeded to negotiate with the Department of the Air Force and succeeded in having the condition modified by removing the liability of the Territory for injuries and damages caused by governmental action. As revised, the condition now requires the HAC to insure the United States only against injuries and damages caused by officers and agents of the HAC and all third parties upon the leased premises, but excluding injuries and damages caused by governmental action.

RESTAURANT CONCESSION, KAHULUI, AND LICENSE - SKYWAY LANAI, GENERAL LYMAN

FIELD: With regard to the above two matters concerning a restaurant concession at Kahului and the renewal of the license for Skyway Lanai at General Lyman Field, the Chairman stated that the Deputy Attorney General has not completed a uniform license for all concessionaires and asked that these two items be deferred pending the completion of the above. There being no objection the two items (Restaurant Concession - Kahului, and License, Skyway Lanai, General Lyman Field) were deferred.

HAWAII

KONA - REMOVAL OF WRECKED BUDD "CONESTOGA" AIRPLANE: The Chairman stated that the HAC has received a request to cut-up and remove the wrecked aircraft from the field at Kona Airport at no expense to the HAC. Mr. Furtado stated that because the aircraft was already on the Island of Hawaii some of the scrap dealers there could probably present a better offer to HAC and made a motion which was seconded by Mr. Bronte, and unanimously

VOTED: to defer the matter until the next regular meeting.

MACKENZIE TRAVEL ORGANIZATION REQUEST FOR GROUND TRANSPORTATION LICENSE:

Mr. Furtado stated that Mackenzie Travel Organization has requested permission to operate a "tour" service on airports on the Island of Hawaii. In view of the fact that this company is presently operating and providing similar services on Oahu, Maui and Kauai, it was moved by Mr. Furtado, seconded by Mr. Edwards, and unanimously

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VOTED: to grant the request of Mackenzie Travel Organization and to approve the application for a "tour" license to operate on the Island of Hawaii.

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LICENSE - HAWAIIAN AIRMOTIVE, LIMITED: The Chairman explained the proposed Hawaiian Airmotive's license has been submitted to the Commission in its final form. It was moved by Mr. Edwards, seconded by Mr. Honda, and unanimously

VOTED: to approve the form of the license as contained in the document and to authorize the staff to execute this agreement with Hawaiian Airmotive, Limited.

PROPOSAL OF MURRAYAIR TO PURCHASE HANGAR #4: The Director stated that Murrayair has made a verbal offer to buy Hangar #4 (which reverted to the Territory under the license agreement between the HAC and Murrayair which expired on July 31, 1957) for the sum of \$5,500, in accordance with the salvage value of a re-appraisal on the subject building.

It was moved by Mr. Duponte, seconded by Mr. Hodgson, and

VOTED: to reject the offer of Murrayair to purchase Hangar #4, Honolulu International Airport, for the sum of \$5,500.

Affirmative votes: Messrs. Sylva, Honda, Duponte, Bronte, Hodgson, Edwards, Kobayashi.

Negative vote: Mr. Furtado.

Motion carried.

SEWAGE DISPOSAL SYSTEM, HONOLULU INTERNATIONAL AIRPORT: At the previous meeting the Commission voted to defer the above matter until the Deputy Attorney General and the staff could meet with the City and County Sewer Department and the Territory of Hawaii, Department of Public Works to discuss the matter further.

The staff met with the above-mentioned members and reported that the proposal outlined by the Department of Public Works in their letter no. 5.5258, dated July 16, 1957, is by far the most desirable plan and also the most economical for the Hawaii Aeronautics Commission. Subsequently, the Director had obtained consent by telephone from the Commissioners.

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

VOTED: to ratify the action taken on the proposal for a sewage disposal system at Honolulu International Airport as outlined in letter no. 5.5258 dated July 16, 1957, from the Department of Public Works and to notify the Department of Public Works to proceed accordingly with the engineering design.

HAWAII

TREE HAZARDS - GENERAL LYMAN FIELD: The Chairman explained that the staff has requested authorization to proceed with the removal of the tree hazards at General Lyman Field.

It was moved by Mr. Furtado, seconded by Mr. Duponte, and unanimously

VOTED: to authorize the staff to proceed with the negotiations for the removal of the tree hazards at General Lyman Field.

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VISITING BOND ANALYSTS AND INVESTORS: The Chairman stated that Mr. Ferris Moulton, of R. H. Moulton & Company who are the bond financial advisors to the HAC, is hosting a group of bond analysts and investors here in Honolulu under the sponsorship of the Territorial Highway Department. The Chairman stated that in this connection HAC will hold a meeting to brief this group on matters concerning the Territorial Airport System and has invited them for a conference at the Honolulu International Airport, on Tuesday, August 27, 1957, in the Board Room of the Commission, at 4 p.m. He extended the invitation to the rest of the members and urged them to attend.

The Chairman then introduced Mr. Ferris Moulton, Vice President of R. H. Moulton and Company, and asked Mr. Moulton to say a few words concerning the trip of the group.

Mr. Moulton stated that the trip was in connection with the sale of the second issue of the revenue bonds for the Highway Department of the Territory. He stated that it seemed that the underwriters of the first issue took a loss and was concerned about the second issue (which will be sold in September 1957), and that the trip was planned primarily to bring investors and underwriters to Hawaii to take a look at the financial situation. He stated that this group represents about the largest investors in various bond companies and approximately 80% are coming down here for the first time. He further stated that since HAC has to sell its revenue bonds within the near future and since these investors and analysts are going to be here he felt that this would be a splendid opportunity to meet with them. He thanked the HAC for its cooperation in helping to make this trip for them a success.

GENERAL

COMMENDATION OF MR. R. M. WALTON: The Chairman stated that the Commission composed a letter to the Assistant Director, Mr. R. M. Walton, commending him for the fine job of carrying the burden of the Commission while the HAC was without the services of a Director and asked the Secretary to read the letter and place it in the minutes of this meeting. The Secretary read the letter as follows:

"August 1, 1957

Mr. R. M. Walton
Assistant Director
Hawaii Aeronautics Commission
Honolulu International Airport
Honolulu 17, Hawaii

Dear Mr. Walton:

On behalf of the Hawaii Aeronautics Commission I wish to express our deep appreciation for your commendable accomplishments during your tenure of office as the Acting Director of the Hawaii Aeronautics Commission.

It is gratifying to know that you successfully carried the burden during one session of the Territorial Legislature. The major issues included the \$14,000,000 aviation revenue bond issue, the land exchange agreement and the lease amendment to the Hawaii Organic Act, all of which are now before Congress. Another important matter included the acquisition of the Damon Tract land area. All of these accomplishments have brought credit not only to yourself but also to the Commission and the Territory. In spite of the fact that you came to us entirely new and unfamiliar with the Commission's procedures and regulations you have loyally and efficiently carried out your job to our complete satisfaction.

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"Thank you for a job well done!

Sincerely yours,

/s/ Francis K. Sylva

Francis K. Sylva, Chairman
Hawaii Aeronautics Commission"

It was moved by Mr. Hodgson, seconded by Mr. Edwards, and unanimously

VOTED: to authorize the Secretary to sign the above letter, together with the Chairman, on behalf of the Commission and to deliver it to Mr. R. M. Walton.

HAWAIIAN AIRLINES COMMENTS RE KONA AIRPORT: The Chairman stated that the HAC received and acknowledged a letter dated August 20, 1957, from Mr. Arthur Lewis of Hawaiian Airlines concerning the Kona Airport and placed it on file.

HAWAII

KONA AIRPORT: The Chairman asked Mr. Lorrin P. Thurston, Publisher of the Honolulu Advertiser, if he wanted to say a few words concerning the Kona Airport situation.

Mr. Thurston stated it was his understanding that at the last HAC meeting the staff was instructed to supply the Attorney General with reasons why the new Kona Airport cannot be built. The Chairman elaborated by stating that the last Legislature appropriated \$265,000 for the relocation of the present Kona Airport. The Chairman stated that there were many factors to be considered: (1) how much the cost would be to construct the new Kona Airport (2) how much the land for the new airport will cost (3) how much the present airport land could be sold for (4) the CAA and their requirements.

Mr. Thurston inquired whether HAC were going to take definite steps in determining the cost in the form of an engineering study. The Chairman replied that since the Department of Public Works made the original study for the HAC, they probably would be asked to bring up to date the figures that were submitted a few years ago.

In reply to Mr. Thurston's question that would it not be advisable to locate the airport so that in the future the new type of planes, requiring longer runways, might be accommodated, Mr. Dolan replied that he could not conceive that the new airport would be an international airport since there is already one at Hilo which the CAA has a considerable investment in. It would, he stated, probably be a feederline or trunkline airport. According to his estimation, it would require only a 5,000 or 6,000 feet long runway which is the maximum for that location.

Mr. Edwards pointed out that any attempt to build a new airport at Kona would first of all require studies for probably a 12-month period to determine the velocity and direction of the prevailing winds and this would necessarily entail some delay. Also, he stated, CAA has indicated that it would be up to the Hawaii Aeronautics Commission to build the complete facility before any attempt can be made to give up the existing facility. He further stated that CAA had participated in the construction of the present terminal facilities, and the HAC in relocating would have to construct a new terminal completely and entirely without CAA's participation. We are not in disagreement with re-locating the airport at all, he further commented, but we must realize that any attempt to relocate the Kona Airport could not be completed short of some three or four years. He stated that everyone who

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has an interest in this matter should recognize that the action taken now can have far-reaching effects and that if any accident would result at the present Kona Airport due to lack of navigational aids, shortness of runways, etc., caused by the delay in correcting these conditions they should be prepared to accept some of the responsibilities.

Mr. Dolan stated that the installation of a VOR facility is not only necessary for the Kona Airport but also necessary for the island system. Because of the critical need and in the interest of safety, he felt that they would be required, under the Airport Act, to proceed with this project (the installation of a VOR facility). If that is done and when the agreement to give up the present airport is completed, the Territory would have to relocate the same facility at Territorial expense to the new airport.

Mr. Honda asked Mr. Thurston whether he could supply the Commission with information, either on a confidential or public basis, on the possibility of the sale of the Kona Airport--"will somebody buy and for how much?" Mr. Thurston replied that he felt that the land at Kona Airport can easily bring in 3-1/3 million dollars and that the new Kona Airport can be built at the net cost of not more than 2-1/4 million dollars, taking into consideration CAA's participation in any extension over and above the 3850 feet. In answer to Mr. Honda's question how he arrived at the 3-1/3 million, Mr. Thurston replied that he based this estimate on a selling price of 60 cents a square foot which is very conservative.

Mr. Don Hamilton, Attorney for Mr. Lorrin P. Thurston, suggested that it might be desirable since this matter is already in the hands of the Attorney General, for the Commission to authorize the formation of a group of interested responsible parties in the community to work with the Attorney General's Office in gathering material and data and in re-evaluating information as is available except that which is confidential, so that HAC may secure a greater cross-section of the community properly qualified to meet this suggestion so the net result might be more accurate in the Commission's final decision.

Mr. Edwards stated it would appear that this Commission had "sat and done nothing in relieving this very urgent problem." He stated that the Commission is trying to help Kona but is faced with obstacles which quite possibly can be overcome in time but will undoubtedly take time. Much of the thinking, he stated, has been geared to the possibility of relocating the new airport to another area which is practically adjacent to the existing one. But, if Kona, as a city, is built to the extent which is envisioned by some of the planners, it seems not unlikely that we would again be faced with the problem of relocating the new airport.

Mr. Thurston stated that the Bishop Estate hired professional talent to research every good, excellent, fair and poor hotel sites and locations. The only two that came up as being excellent are the airport area and one portion which Bishop Estate owns down the coast. He offered to submit this printed report to this Commission because an intensive study was made by trained people at private expense. Mr. Hodgson stated that Mr. Thurston's offer should be accepted and that it should be an interesting report in our solution of the problem concerned.

Mr. Thurston urged that it is time for factual data and that a survey should be made to determine the cost of relocating Kona Airport. Mr. Honda stated that at this time the Territorial Director of Planning has not released the funds to conduct such a survey. Mr. Thurston inquired whether the HAC could borrow on a "loan basis" some of the \$265,000 set aside for the relocation of Kona Airport to which the Chairman replied that the staff has been instructed to see if under Act 150 money can be used for an engineering survey.

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Mr. Dolan stated, in reply to Mr. Thurston's question, that normally weather observations are made in the location they are intended for and could not be made for a half a mile away as suggested.

Mr. Edwards suggested that if and when such a survey is made that we should not overlook the possibility of selecting several different possible locations to conduct the survey concurrently so that at the end of the period there will be sufficient data based on different locations.

When asked if CAA would participate in a survey, Mr. Dolan stated that they do not invest in any survey (that is the sponsor's responsibility) but they do participate financially in the project itself (the new airport).

Mr. Edwards reiterated that we should not overlook the assistance Mr. Thurston is offering in presenting facts to the Commission. We hope, he stated, that when Mr. Thurston leaves today he will proceed to gather facts as rapidly as they are available and he and the people from Kona who are interested feel free to submit to the Commission these facts in helping to compile the records on which the decision of this Commission must be based.

ADJOURNMENT: The meeting was adjourned at 11:30 a.m.

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ATTENDANCE:

Hawaii Aeronautics Commission

Present: Dr. Francis K. Sylva, Chairman
 Mr. Dorsey W. Edwards, Vice Chairman
 Mr. Ralph C. Honda, Secretary
 Mr. David Furbado, Vice Secretary
 Mr. George Kobayashi, Member
 Mr. Joseph V. Hodgson, Member
 Mr. Emory B. Bronte, Member
 Mr. Lionel V. Duponte, (Maui) Member

Absent: Mr. Charles J. Pietsch, Jr., Member (on the mainland)

In Attendance: Mr. A. P. Storrs, Director of Aeronautics
 Mr. R. M. Walton, Assistant Director
 Mr. John V. Dolan, Civil Aeronautics Administration
 Mr. Don Maier, Pan American World Airways
 Mr. Jack Schreiber, Honolulu Star-Bulletin
 Mr. Lorrin F. Thurston, Honolulu Advertiser
 Mr. Don C. Hamilton, Attorney for L. P. Thurston
 Mr. Lorrin P. Thurston, Kona Property Owner;
 Chairman, Hawaii Statehood Commission;
 Kona Civic Club; Kona Development Club
 Mr. Sam Frear, Honolulu Advertiser
 Mr. Ken Wetherell, Qantas Empire Airways
 Mr. Dick Faris, Hawaiian Airlines, Ltd.
 Mr. Roy J. Leffingwell, Honolulu Chamber of Commerce,
 Aeronautical Affairs Committee
 Mr. Lee Grubb, Hawaiian Airlines, Ltd.
 Mr. C. A. Bentley, Skyroom
 Mr. Art Carter, Airport Gift Shop
 Mr. R. K. Fukuda, Deputy Attorney General
 Mr. Mark E. Martin, HAC
 Mr. Jack C. Tobin, Hawaiian Airlines, Ltd.
 Mr. Brian Cooke, Hawaiian Airlines, Ltd.
 Mr. Walter Carson, United Air Lines
 Mr. Wallace Waterhouse, Murrayair, Ltd.
 Mr. Dave Benz, Trans-Pacific Airlines
 Mr. Frank Taylor, Northwest Airlines
 Mr. Ferris Moulton, R. H. Moulton & Co., San Francisco
 Mr. Bo Tong Wat, HAC
 Mr. Andrew Lee, Deputy Attorney General

Respectfully submitted,



Ralph C. Honda, Secretary

