

HAWAII AERONAUTICS COMMISSION
 Regular Monthly Meeting
 Monday, April 23, 1951

The regular monthly meeting of the Hawaii Aeronautics Commission was held in the Conference Room of the Commission, Overseas Terminal, Honolulu Airport, on Monday, April 23, 1951 at 1:30 p.m.

Present were: Dr. F. K. Sylva, Chairman
 Mr. C. J. Pietsch, Jr., Vice President
 Mr. R. A. Anderson, Member
 Mr. D. W. Edwards, Member (Kauai)
 Mr. H. W. Rice, Member (Maui)
 Dr. George J. Silva, Member (Hawaii)

Absent were: Mr. O. J. Burnett, Member
 Mr. R. C. Honda, Secretary (on mainland)
 Mr. Roy R. Bright, Member (on mainland)

Attending: Mr. Peyton Harrison, Director
 Mr. R. M. Lee, Adm. Asst., HAC
 Mr. C. E. Perin, Manager, Honolulu Airport
 Mr. W. S. Holloway, Safety Engr., HAC
 Mr. C. M. Kee, Consult. Engr., HAC
 Mr. Chas. Brenham, Prop. Adm., HAC
 Mr. Stephen Cooke, TAH
 Mr. Thomas Cooke, TAH
 Mr. Guy A. Murray, CAA
 Mr. Bryan Renwick, UAL
 Mr. & Mrs. Wood, HSA
 Mr. Edward A. Bolles, Realtor
 Mr. S. E. Johnson
 Mr. Lee Grubb, HAL
 Capt. Elliot, HAL
 Mr. Wong, Rep. Airport Businessmen's Assn.
 Mr. Thomas Cooper, Maui Waterworks Board

MINUTES: the Minutes of the regular meeting held March 19, 1951 were approved as circulated.

HONOLULU AIRPORT TERMINAL - FEDERAL AID: The Chairman read a wire received from Commissioners Honda and Bright stating that CAA recommended contacting Delegate Rarrington for an amendment to the House Bill allocating funds to CAA for federal aid for construction of new terminal at Honolulu Airport. It was discussed briefly.

Mr. Rice then moved to authorize the Director to contact CAA on the wire and follow through on it. Motion seconded by Mr. Pietsch and carried.

GAS TAX - T. H.: A letter to the Chairman from Mr. Stanley Kennedy, representing the Airport Users Committee, relative to House Bills 435 and 436 (reduction of the gas tax and proposal for the establishment of an aeronautical advisory council consisting of three members designated by the aeronautical industry) was presented and discussed at length.

Mr. Kennedy pointed out in his letter that a surplus of funds was being realized by the Commission because of the Korean Airlift and that, therefore, the present 4¢ gas tax should be maintained only until June 30, 1952 and should thereafter be reduced to 2¢. In this regard, it was the consensus of the Commission that there should be no cut in the tax at this time in view of the uncertainties of the airlift. It was pointed out also that the surplus would be used over a period of time to balance the good and bad years.

The Chairman explained the Commission's views to Mr. Bryan Renwick, representing the Airport Users Committee, and suggested to him that a committee representing the Commission meet with the Users Committee to discuss the matter.

Mr. Rice moved that the Chairman appoint two members to serve on a committee with himself to handle the matter. Motion seconded by Mr. Edwards and carried. The Chairman appointed Messrs. Rice and Pietsch. It was also decided that the meeting should be held Thursday morning, April 26.

TPA's FINANCIAL STATEMENT: Reporting on TPA's financial statement, Mr. Lee pointed out that they are \$152,954 in the red, owing the Commission \$41,074.98 accruing over the past 15 months - the last payment being made on 12-1-50 in the amount of \$2,655.72.

The Director was instructed to invite Mr. Ruddy Tongg, president of TPA, to appear before a closed session of the Commission.

POSITION OF ASSISTANT DIRECTOR AND ENGINEER: It was decided to hold up the filling of this position until the return of the two Commission members presently on the mainland.

UPOLU POINT: The Director reported that the resurfacing job on the runway at Upolu Point will commence June 1st. He said that he had been advised that this would be the best time to continue the work uninterrupted.

KONA AIRPORT: The Director reported that Kona Airport is ready for night operations, except for taxiway bulbs which have not yet arrived.

NAALEHU: The Director informed the Commission that CAA would make a check flight at Naalehu April 25th and present a report to the HAC.

UPOLU POINT: Mr. Grubb of Hawaiian Airlines said that Hawaiian would like to keep their quonset hut at Upolu for a freight terminal after they move into the new terminal, as long as it remained. He was told that the Director would handle the matter.

KAMUELA AIRPORT: Mr. Rice reported on a trip he, the Chairman and Director had made to Hawaii, and expressed the feeling that everything should be done to start immediately on the airport in view of the fact that more farms are anticipated there in the near future.

The Director read a letter from the Department of Public Works indicating that plans for the airport are being worked on.

Mr. Rice moved that the Superintendent of Public Works be requested to acquire the land necessary for the airport; seconded by Dr. George Silva and carried.

On inquiry from the Commission, Mr. Murray reported that the CAA cannot participate in any expense involved prior to signing of the Grant Agreement for any project with, however, the exception of engineering expenses.

MAUI WATERWORKS BOARD - Request for pipeline installations: The Director reported that a conference had been held with Senator Ansai and Mr. Fleming of the Maui Waterworks Board relative to the Waterworks Board's request for several miles of certain pipeline installations at Puunene Airport which are serving no particular purpose at the present time. Senator Ansai and Mr. Fleming asked if it would be possible for the waterworks system at Puunene to be turned over to the County of Maui. It was pointed out by the HAC that it would have to first get the approval of CAA. The Director stated that he had contacted local officials of CAA and they reported that this could be done with certain restrictions, the one important restriction being that any physical changes in the set-up would have to have CAA approval.

Mr. Cooper of the Maui Waterworks Board told the Commission that the Board wants to make a connection with the line at Kihei and would like to pull up some pipe line on the airport for that purpose.

In this connection, Mr. Rice pointed out that a decision should first be made as to disposition of certain land on the airport in order to definitely determine how the land will be utilized in the future. He presented a letter from Mr. Robert P. Bruce, Manager of the East Maui Irrigation Company, Ltd., pointing out that the Territory wishes to acquire approximately 21 acres of first class agricultural land from the HC&S Company, Ltd. for public purposes and requesting that similar agricultural land on the airport be in turn exchanged with HC&S.

Mr. Rice pointed out that if the pipe line were to be turned over to the Maui Waterworks Board, they should also take over the pumps and provide water for all users. The Director stated that that was just what the Maui Waterworks Board was willing to do and that they would have to assure the HAC that Hawaiian Airlines, TPA and a new control tower, if erected, would be supplied with water. Mr. Murray of CAA concurred in the Director's remark.

The Director was instructed to contact Mr. Bruce and go into the matter carefully and report back to the Commission. Motion by Mr. Rice, seconded by Mr. Pietsch and carried.

The Chairman told Mr. Cooper that it is the feeling of the Commission that it will go along with the Water Board's request and that the Director will follow through covering CAA and other matters involved.

LANAI AIRPORT: It was reported that improvements to Lanai Airport had been completed.

KAHULUI AIRPORT, BLDG. 509: The Director presented a request from the U. S. Coast Guard Auxiliary Flotilla 12 for the use of Building No. 509 at the former U. S. Naval Air Station at Kahului, for use of the Coast Guard Auxiliary as an operation center, rent free. Mr. Rice moved to grant the request; also to delineate an airplane parking area for the Coast Guard's benefit. Motion seconded by Mr. Pietsch and carried.

AIRPORT AT LAHAINA, MAUI: House Resolution No. 33 requesting the HAC to study and report to the House, as soon as possible, on the need for and the cost and feasibility of establishing an airport at Lahaina, Maui, was read.

Mr. Rice moved that the Director comply with the request contained in the resolution. Seconded by Mr. Edwards and carried.

RESTAURANT LEASE, LIHUE AIRPORT: The Director was authorized to execute the lease with the Lihue Airport restaurant concessionaire, Mrs. Madeleine Bourque, in conformity with the conditions under which it was advertised, on motion by Mr. Rice, seconded by Mr. Edwards and carried.

NOPAERO APARTMENTS: Mr. Edward A. Bolles, Realtor, representing Mr. S. E. Johnson, spoke to the Commission relative to Mr. Johnson's request for assignment of lease of Nopaero Apartments. Mr. Bolles asked whether or not the Commission would put the apartments in condition inasmuch as at the present time all revenue was being used for maintaining them. He said that it was a question of whether or not the HAC will do the outer maintenance and the lessee the inner maintenance.

Mr. Johnson outlined the improvements needed. In connection with terms of the lease, the Director pointed out that a standard lease form had been drawn up and was to be presented to the Commission.

Mr. Rice moved that the Director, Property Administrator and Real Estate Committee settle this matter with Mr. Johnson. Motion seconded by Mr. Pietsch and carried.

AIRPORT APARTMENTS: A request from Mr. Muesel Chun to purchase Mrs. Mary E. Y. Lee's interest in the Airport Apartments was referred to the Director, Property Administrator and Real Estate Committee for settlement on motion by Mr. Rice, seconded by Mr. Pietsch and carried.

LEASES - Scott Shoe Repair & Crossley Associates, Ltd.: The Director was authorized to draw up and execute leases with these two companies on motion by Mr. Edwards, seconded by Mr. Rice and carried.

PERMISSION TO SELL PACKAGED LIQUOR - MR. JOHN PEOPLES: The Director presented a request from Mr. John Peoples for permission to sell packaged liquor on the premises occupied by him (a grocery store) at Honolulu Airport.

Mr. Rice moved not to oppose the granting of a liquor license to Mr. Peoples if it is approved by the Liquor Commission. Seconded by Mr. Edwards and carried.

TURN-OVER OF MAINTENANCE OF HONOLULU AIRPORT POWER SYSTEM TO HECO: The Director recommended that the maintenance of the Honolulu Airport electrical system be turned over to Hawaiian Electric Company -- title to the system to remain with the Navy until such time as it is turned over to the Territory. Director's recommendation was approved on motion by Mr. Rice, seconded by Mr. Pietsch and carried.

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HONOLULU AIRPORT PERIMETER ROAD FENCING: The Director's recommendation to award the contract for airport fencing to Inter-Island Contracting Company, low bidder in the amount of \$20,267.50, was approved on motion by Mr. Pietsch, seconded by Mr. Edwards and carried.

WIDENING OF RUNWAY, HONOLULU AIRPORT-HICKAM AFB RWY 8: The Director explained that in order to get a 20-year lease on section of land approximately 638 feet in length being leased from the Air Force, in order to satisfy CAA's requirements, the Air Force requested that the HAC pave this portion. He reported that Colonel Falkner, Area Engineer, had suggested that the contractor who had been awarded the bid to do the Hickam job also do the Territory's portion and that the HAC reimburse the Engineers in advance in an amount of \$22,500. Inasmuch as this would prove a saving to the Territory (HAC estimated cost of paving to be \$60,000), legal approval of such action was obtained from the Attorney General and a check delivered to the Area Engineer.

The Director requested the Commission's confirmation of this action. Request approved on motion by Mr. Rice, seconded by Mr. Pietsch and carried.

THE PUBLIC MEETING WAS ADJOURNED AT 3:04 PM AND AN EXECUTIVE SESSION CALLED TO DISCUSS TPA'S ACCOUNT WITH MR. RUDDY TONGG, PRESIDENT:

TPA'S ACCOUNT: Mr. Tongg explained to the Commission that as a corporation TPA has endeavored to try to give a competitive service in the air transportation service but had run into many difficulties and as a result had incurred a great number of debts. He said that TPA's request for mail subsidy has been approved by the Civil Aeronautics Board and Budget Bureau and has gone to the President for his signature. Mr. Tongg pointed out that a tentative figure of approximately \$300,000 for the mail subsidy had been arrived at, and that when the subsidy is approved TPA may be able to get a loan with RFC or Bank of America which will be sufficient to cover the entire amount of their indebtedness; but if they are unable to make the loan, they will pay their current account with HAC and a portion of their past indebtedness each month until the account has been liquidated.

The provision for mail subsidies of 7% per annum on a company's investment was also discussed with Mr. Tongg. The matter was discussed further.

The Chairman thanked Mr. Tongg for appearing before the Commission and explaining his position.

ADJOURNMENT: The Meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Ralph C. Honda
Ralph C. Honda, Secretary