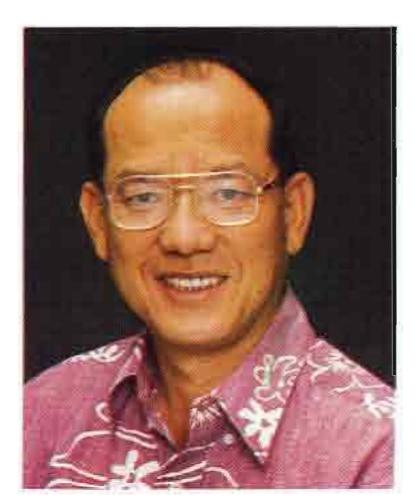




The Honorable John Waihee Governor, State of Hawaii



Edward Y. Hirata, Director State Department of Transportation

am pleased to submit the Department of Transportation's annual report for the fiscal year ending June 30, 1990.

The fourth year of our administration has been one filled with accomplishments which have provided transportation facilities that will serve us well as we move into the new decade.

The people who make up the Department have worked together to make innovative and meaningful strides toward meeting our Department's three goals. First, we're committed to promoting economic development by improving our airports, harbors and highways to meet the growing demands being placed on them. Our second goal is to reduce traffic congestion and our third goal is to keep the public informed about what our Department is doing.

We are working to meet the increasing demands on our airports, harbors and highways by continuing to build new facilities while maintaining and improving those in existence. H-3 Freeway is scheduled to be completed in December 1994, at a total cost of \$1 billion, making it the state's single largest construction project ever. It's a very ambitious project that will significantly relieve traffic congestion for our windward residents and will relieve traffic congestion on both the Pali and Likelike Highways.

In an effort to reduce traffic congestion on Kalanianaole Highway, we began contraflow operations in January during the afternoon rush hour. Our morning rush hour contraflow has been in operation for a number of years. The contraflow lane has reduced the afternoon commute for our Aina Haina, Niu Valley and Hawaii Kai residents by 15 to 20 minutes.

ll systems are go with improvements at both Honolulu International Airport and Kahului Airport. Work on the new Interisland Terminal at Honolulu International Airport is moving ahead. The design of the new International Terminal Building, the automated people mover system, and the development of the South Ramp is also on schedule. In April 1990, the Department opened the Aloha Lounge in the Overseas Terminal, where foreign passengers may relax while waiting for Immigration and Customs processing. Work on Kahului Aiport's New Terminal Building will be completed in October 1990 and includes new buildings and facilities designed to add to the comfort, safety and convenience of our residents and visitors.

More accomplishments are visible in our newest harbor at Barbers Point which became operational on May 31, 1990 with the completion of a

Letter from the Director

Work on the new Interstate Route H-3 Freeway surged ahead during FY 90. A milestone was reached when the Trans-Koolau Exploratory Tunnel was completed on December 20, 1989. We have nearly \$368 million worth of construction underway now, including the relocation of the Animal Quarantine Station in Halawa, the Halawa Quarry Viaduct, the Haiku Valley Bridges, the Windward Viaduct, Hospital Rock Tunnel and Windward Highway.

The entire 16-mile-long

1600-foot pier and a 30 acre cargo handling area. Future improvements for Barbers Point Harbor are being planned as part of the 2010 Master Plan.

The 1990 Legislature passed, and Governor Waihee signed into law, a bill which prohibits the operation of commercial thrill craft, high speed boating and parasailing along Maui's west and south shores from December 15 to May 15 each year. The same activities will be banned from Kaneohe Bay and Maunalua Bay on weekends and state and federal holidays. The new law controls the use of Hawaii's coastal waters for the safety of the general public and endangered species. It provides designated areas for the operation of commercial and recreational activities including boating, swimming, thrill craft, parasailing, water skiing, fishing and diving.

In an effort to remedy the shortage of boat moorings statewide, we are preparing a request for proposals for the private development of a 200-slip marina and boat repair yard in the Keehi Lagoon Recreation Plan. As part of the triangle development in Keehi Lagoon, the Department is depending on private developers to provide about 1,000 additional small boat moorings.

Our Telework Center, located in Mililani Technology Park, opened on July 14, 1989. Seventeen people, seven from the state and ten private sector employees are participating in this project. They are proving that you can work in an office outside of downtown Honolulu and still get your work done and transmitted to your downtown main office. Teleworking is a transportation demand-reduc-

ing measure. It uses communications to attack traffic congestion by moving work and information along electronic highways, instead of people on our roads and freeways. Teleworking can produce significant social, economic and environmental benefits by reducing commuting costs, air pollution, fuel consumption and driving stress associated with commuting to and from work.

To let the public know about our activities, we held 41 public informational meetings and hearings during FY 90. We conducted 21 ceremonies during FY 90.

For the third consecutive year, we conducted the "Beat the School Jam" program with the City and County of Honolulu Department of Transportation Services and other public and private agencies to provide a smooth transition from summer traffic to school traffic. Through radio ads, flyers, posters and bumper stickers we informed the public about alternative ways to reduce the number of cars on our highways. We encouraged them to carpool, stagger work hours, adjust their travel times or ride the bus. We also stationed tow trucks at strategic locations to get stalled and accidentinvolved cars out of the way as soon as possible.

To get drunk drivers off our highways, we were successful in getting the 1990 state legislature to pass the driver license revocation law, which was signed into law by Governor Waihee. It will go into effect on July 1, 1991. Motorists caught driving while intoxicated will face having their license revoked. This law should reduce the number of drunk drivers and traffic fatalities on our highways.

Another law which we introduced implements the Commercial Driver's Licensing Program. The program implements the Federal law which limits commercial drivers to one license, coupled with a nationwide information network which allows all states to keep track of the status of these licenses. We're working with the University of Hawaii Community Colleges to help Hawaii's 20,000 to 26,000 commercial vehicle drivers, including all bus drivers, pass the new tests.

We will continue with our commitment to investigate all possible ways to reduce traffic congestion. Our approach continues to be a pro-active one where we tackle problems head-on, identify solutions and implement them as soon as possible. As we enter the new decade, our goal is to provide the people of Hawaii with the finest airports, harbors and highways.

Sincerely,

Edward Y. Hirata

Director of Transportation

Muart 10

Construction was underway for the new Terminal Building at Kahului Airport.



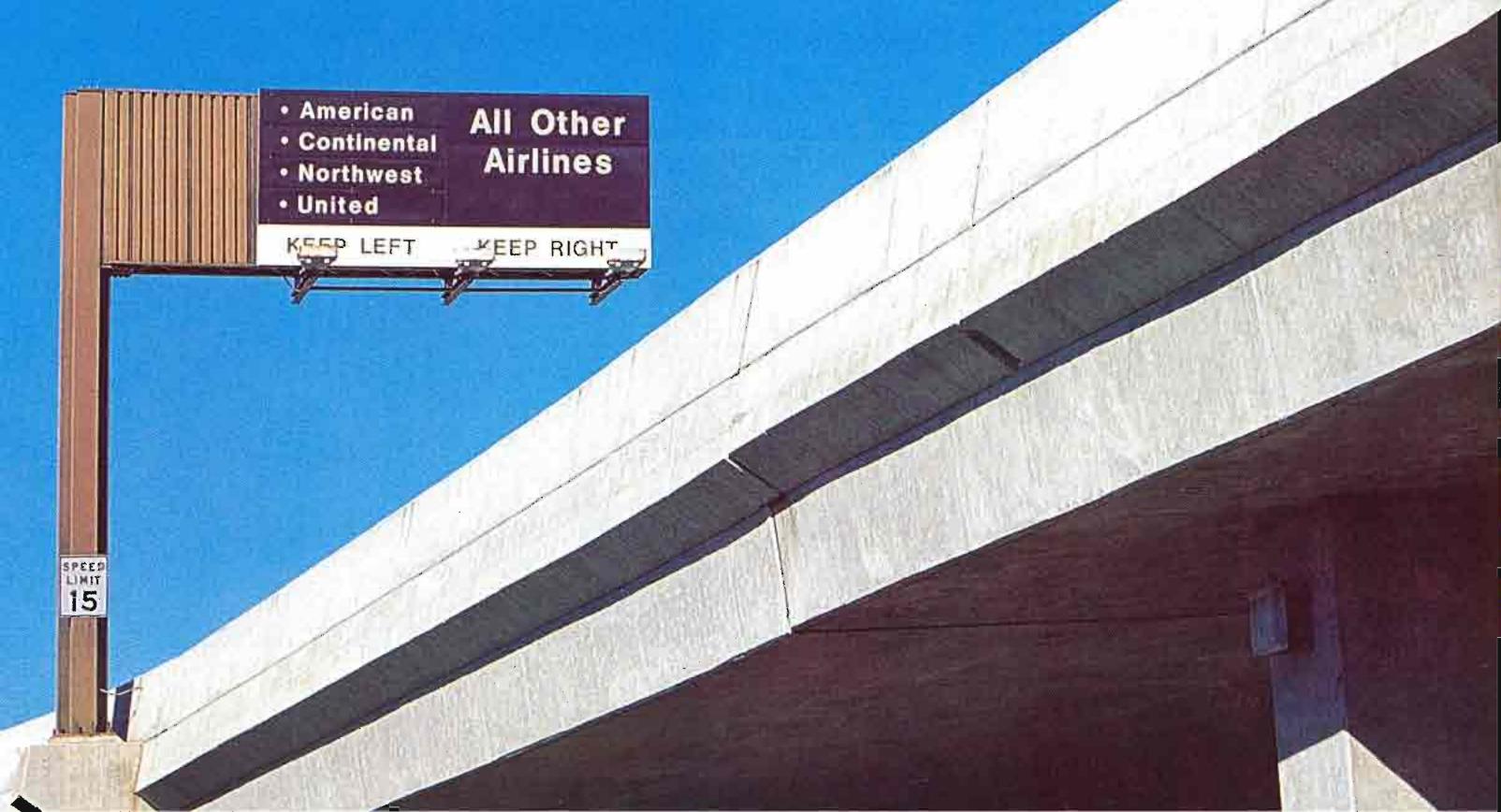


Grawad was broken for the 5,000 square foot Elisan S. Onizuka Space Center at Knahole Airport on the Big Island.



Mustration of the new terminal planned for Kvahole Aexport.

Construction on Kahidan Airport runway safety area is scheduled to be completed in December 1990.



be seen at our airports as we continue to renovate and construct new airport facilities to meet the ever-increasing demands of Hawaii's interisland, domestic and international travelers.

On Oahu, the Department of Transportation owns and operates Honolulu International Airport, the 10th busiest airport in the United States; Dillingham Airfield for small airplanes and gliders; and leases the small airstrip at Ford Island. The Ala Wai Heliport, previously run by the Department, was closed on May 23, 1990 in response to growing public concern over safety and noise from increasing operations at the heliport.

The Airports Division Maui District manages Kahului, Hana, Lanai, Molokai, and Kalaupapa airports.

On the Big Island, the Airports Division operates Hilo International Airport, Keahole, Waimea-Kohala and Upolu Airports.

On Kauai, one commercial airport at Lihue and one general aviation airport at Port Allen are managed by the Airports Division.

For the FY ending June 30, 1990, passenger traffic at all state airports totalled 35,356,122, which is 4.2 percent greater than the previous year.

awaii's major
airports—Honolulu
International Airport,
Kahului Airport, Keahole
Airport, Hilo International
Airport and Lihue Airport—
all experienced increases in
passenger traffic.

With interisland, domestic and international passenger traffic continuing its upward climb, the Department continued its efforts to upgrade and renovate its airports statewide to better accommodate and

serve the public.

Passenger traffic at Honolulu International Airport totalled 23,049,029 in FY 90, a 3.2 percent increase over the previous fiscal year.

In FY 90, the Department completed improvements to the Ewa Ticket Lobby in Honolulu International Airport's Overseas Terminal.

The asbestos ceiling in the Ewa Ticket Lobby was removed and a new drop ceiling was added, including modern lighting, public address, fire alarm and access control systems.

Work has progressed on construction of the new Interisland Terminal Complex, the design of the International Terminal Building and the automated people mover system, and the development of the South Ramp.

On November 22, 1989, the Department held a groundbreaking ceremony for the new Interisland Terminal Complex. The multi-story terminal will have baggage claim and ground transportation facilities on the ground level, and airline ticket lobbies and gates on the second level similar to the Overseas Terminal. The new people mover will be on the third level. Four floors of parking for 2,000 cars will top off the new interisland facility.

At the site of the new Interisland Terminal Complex, the Department completed construction of a temporary ramp leading from the ground level, up to the departure level of the Overseas Terminal. The old ramp was demolished to make way for the construction of new roadways leading to the new Interisland Terminal Complex.

Foundation and utility work for the Interisland Terminal's Central Building is underway and should be completed in October 1990. Work on the Central Building itself is expected to begin the following month and be completed in August 1992.

Interim modifications were made to the Aloha Airlines area which created new holdrooms, gates, an outdoor restaurant and a VIP lounge area to better accommodate travelers during construction of the new Interisland Terminal.

he Department also started work on a new aircraft parking apron which is being added in front of the Hawaiian Airlines terminal.

Site preparations were completed for a new Interisland Cargo Facility. The project included the construction of access roads, underground utilities and water lines for the future facility.

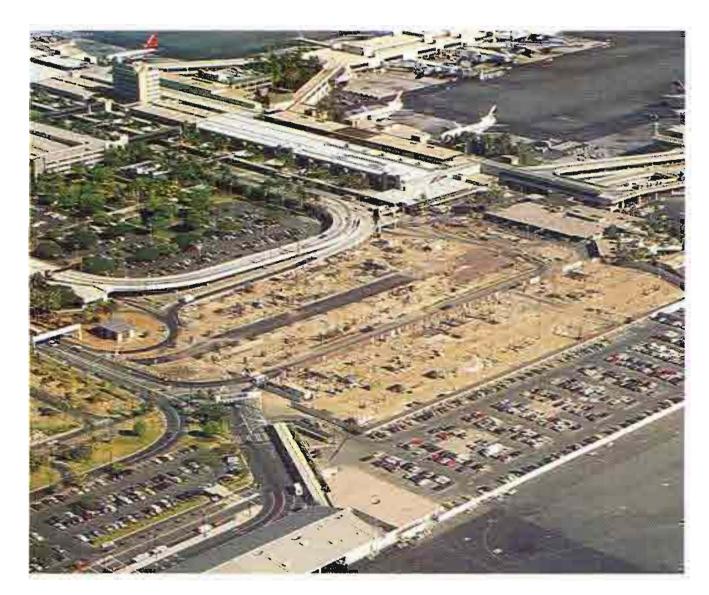
While design work continued on the new International Terminal Building, the Department proceeded with interim improvements to better accommodate passengers in the present International Arrival Building.

In April 1990, the Department opened the Aloha

Airports

Lounge, which gives arriving foreign passengers a comfortable place to relax while waiting to enter Immigration and Customs processing. The lounge, which can hold up to three flights of passengers at a time, offers waiting passengers restrooms, telephones, ample seating, free fruit juice and videos.

On March 15, 1990, the Department held a dedica-





Top: Foundation
work was underway
for the Interisland
Terminal's Central
Building at Honolulu
International Airport
and is slated for
completion in October
1990.

Owen Miyamoto, Airports Division, was named Manager of the Year for 1989 by Director Edward Hirata. tion ceremony for a new 16-acre cargo facility on the South Ramp. The new facility has been divided into four lease lots on which tenants build their own cargo facilities. Fronting the facility is a new aircraft parking apron which can hold four 747 jumbo jet aircraft. United Parcel Service and Federal Express are the two main tenants at the new facility.

Also on the South Ramp, the Department is constructing a firefighter training facility, which will include a 150-foot burn pit, fuel storage tank, observation and control tower, storage building, and a pier and boat house for the crash fire rescue boat.

Work to improve the flight information display system is also underway. The existing

hardware and software of the system is being modified, and additional monitors and baggage claim boards are being installed.

ment has started installing a non-potable water distribution system to irrigate landscaping throughout Honolulu International Airport.

In FY 90, passenger traffic at Kahului Airport, the second busiest airport in the state, totalled 4,876,272, a 7.1 percent increase over FY 89.

Work on the New Terminal Building at Kahului Airport is nearing completion. The passenger terminal facility will include new ticketing and central buildings, holdrooms, gates with loading bridges and new facilities for ground transportation services. Operations are expected to start at the New Terminal Building on October 18, 1990.

As a safety improvement, the Department is constructing a 500,000 square foot Runway Safety Area (RSA), with a 2,000 square foot blast pad at the south end of Runway 2-20. Also included in the project are the construction of a box culvert and channel to handle flood water from Kalialinui Gulch, and an emergency roadway around the RSA to reconnect Haleakala Highway.

In a related Kalialinui Gulch improvement project, a box culvert extending from the RSA to the Keolani Place Bridge and a concrete channel are being constructed to handle storm runoff and eliminate flooding within airport property.

Roadway improvements around the perimeter of Kahului Airport are also underway. The existing 3-lane stretch of Hana Highway between Dairy road and Haleakala Highway is being widened to four lanes to ease traffic congestion that occurs during the morning and afternoon peaks. Widening should be completed by April 1991.

The development of Kahului Airport and surrounding roadways has stimulated public interest on the impact of these changes on Maui. The Department has actively addressed these concerns through public information meetings, and is preparing an environmental impact statement to determine the impact of the airport's expansion on Maui.

Passenger traffic at Lihue Airport totalled 2,862,823 for a 2.4 percent increase over the previous fiscal year.

Work to extend Runway 3-21 to 6,500 feet, and to widen it to 150 feet has started. New emergency roads to give crash fire vehicles improved access and a training exercise fire pit are also being constructed. The project is scheduled for completion in November 1991.

Interim helicopter facilities to serve helicopter operations until a permanent inland heliport is built are being developed. The facilities will include three take-off and landing pads, 20 parking pads, taxiway, fueling facilities and vehicular parking. Helicopter operations will be relocated to the interim facility to ease congestion and provide room for a new taxiway at Lihue Airport.

on a new 30,000 square foot cargo building and a 4,000 square foot Commuter Terminal, including aprons and taxiways for the two facilities. Work on the facilities is scheduled for completion in March 1991.

The Department has also started construction on a new command center required by

the Federal Aviation Administration, and miscellaneous work to improve the safety, operation and control of Lihue Airport's Terminal.

In FY 90, passenger traffic at Keahole Airport totalled 2,160,072, an increase of 8.9 percent over the previous year. Passenger traffic at Hilo International Airport totalled 1,405,736, a 12.3 percent increase over FY 89.

ork continued on the Astronaut Elison S. Onizuka Space Center at Keahole Airport. The 5,000 square foot building, located between the Aloha and Hawaiian Airlines Terminals will house aerospace displays highlighting America's manned and unmanned journeys into space. Construction of the building is scheduled for completion in December 1990, with construction of the displays to follow.

The Department completed a Noise Exposure Map (NEM) for Kahului Airport and is in the process of developing NEMs for Lihue, Lanai, Molokai, Kalaupapa and Hilo International airports. The maps describe levels of disturbance by aircraft noise on areas adjacent to airports.

In addition to the noise studies, the Airports Division continues its efforts to update the Statewide Airport System Plan which forecasts passenger and cargo movements throughout the state.

In May, the Department's new Tour Aircraft Operator Permit Rules went into effect. All tour aircraft operating out of state airports are required to obtain permits. In applying for the permit, operators are required to submit maps of the routes, and frequencies and altitudes that their companies fly.

While the State cannot reg-

ulate air routes, the Department is working with representatives from the community and the helicopter industry to develop guidelines for tour aircraft operations that will be beneficial to both the aircraft operators and the impacted communities.

Realizing the economic benefits of opening new air routes to Japan, the State, led by Governor John Waihee and the Department, was successful in having bilateral talks between the U.S. and Japan reconvened in 1988.

The Department has represented the State in the U.S.-Japan Service Case and the U.S. Gateway Proceedings in which Hawaii has been recommended for routes involving Japan gateway cities.

Final approval of the routes is expected in October 1990. Each route that is added is worth over \$300 million to the state's economy per year.

In addition to the Japan routes, current efforts have been successful at increasing air service at Honolulu International Airport.

Carriers that have increased air service in Hawaii include: Malaysia Air, with service from Kuala Lumpur; American Airlines, with service to Australia; Northwest and American Airlines, with service to Seoul; and Japan Air System and All Nippon Airways, with service from Japan.

Carriers that have increased their frequency of air service in Hawaii are Japan Air System and Continental, Korean, Hawaiian, Northwest and United Airlines.

In FY 90, Congress passed an amendment to section

511(a)(12) of the U.S. Airport and Airway Improvement Act of 1982, which allows the State of Hawaii to spend up to \$250 million of duty-free revenues to build and improve state highways around state airports.

Hawaii becomes the first state to be exempted from the federal law requiring all airport revenues to be spent only on airport improvements.

The amendment permits the transfer of duty-free revenues to be used on highway projects within 10 miles of a state airport. However, duty-free revenues can only be transferred after the revenues generated exceed 150 percent of the projected airport capital and operating costs for a given year.

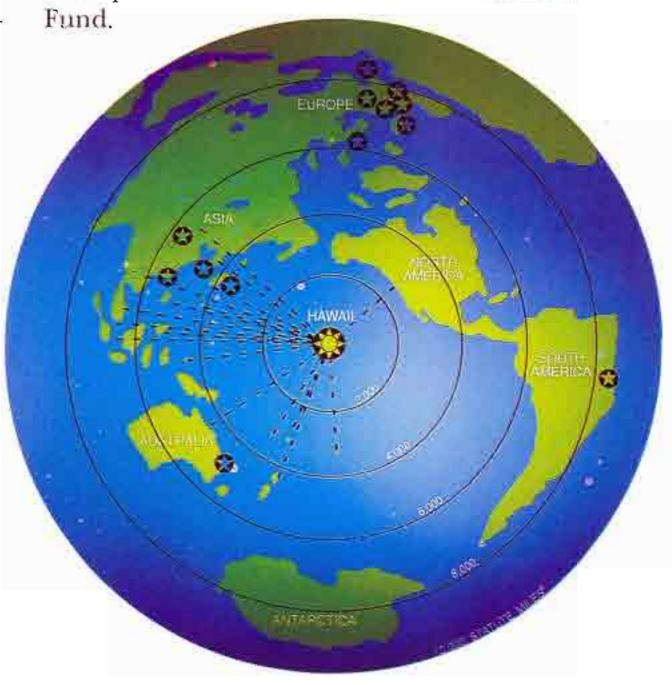
Revenues generated are transferred to a Transportation Use Special Fund, established by Act 309 of the 1989 Legislature and amended by Act 149 of the 1990 Legislature.

By the end of FY 90, \$166,919,433 had been transferred to the Transportation Use Special

Legend:

Additional Air Routes Needed

Existing International Routes
to Hawaii



The Department of Transportation

The Department of Transportation was formed shortly after Hawaii became a state in 1959. Since that time, the DOT has grown. Today, the Department's Airports, Harbors and Highways Divisions are supported by nine Departmental staff offices. These offices include Statewide Transportation Planning, Hazardous Materials, Public Affairs, Visitor Information, PPB Management and Analytical, Personnel, Business Management, Computer Systems and Services and Property Management.

Funding

The DOT is required by law to generate its own monies to fund its programs and projects. Independent special funds were established for each of the three division's major programs. Each fund is expected to generate enough revenues to pay for its program's operating and

Dan Kochi, First
Deputy Director
From left:
Ronald Hirano,
Second Deputy Director
Jeanne Schultz,
Second Deputy Director
Calvin Tsuda,
Second Deputy Director



maintenance costs and contribute a fee to the State General Fund for central services. This fee is set at 5 percent of each special fund's gross revenues minus debt service.

These special funds must also provide a higher level of cash financing in the Capital Improvement Program to ease the burden on debt service. Because the Capital Improvement Program is a large one, the DOT continues to rely on reimbursable General Obligation Bonds and federal aid to help fund programs and projects. The special funds are as follows:

Highway Fund

The State Highway Fund was established under Section 248-8 HRS, as amended. The principal sources of revenue are an 11 cent per gallon fuel tax, a 1/2 cent per pound weight tax and a 4 percent general excise tax levied on the sale of motor vehicle fuel.

Act 239-85 which authorizes the transfer of excise tax on fuel from the General Fund to the Highway Special Fund, will expire on June 30, 1991.

Boating Special Fund

The Boating Special Fund was established in accordance with Section 266-19 and 277-20 HRS, as amended. Moor-

ing fees, residence service charges, commercial user fees and the fuel tax make up 90 percent of the Boating Special Fund. General Funds are used for the construction of breakwaters, navigational aids and dredging of major channels and turning basins for small boat harbors.

Special Funds cover the costs of berthing facilities, such as roadways, parking lots and utilities.

Airport Revenue Fund

The Airport Revenue Fund was created under Section 261-5, HRS. The aviation fuel tax, landing fees, airport use charges, concession fees and investment income are the primary revenue sources. Other revenue sources include rentals and miscellaneous earnings.

Harbor Special Fund

The Harbor Speical Fund was established under Section 266-19, HRS. Revenues for the Fund come from the fees and charges for the use of the commerical harbor facilities and services. Earnings from wharfage, dockage, demurage and the rental of land and wharf space constitute the majority of the revenues with the remaining amount generated from various service charges, permits and licenses.





Airports Division Statements of Revenues, Expenses and Changes in Retained Earnings

Years ended June 30	1990	1989
Operating Revenues:		
Concession fees	\$243,604,343	\$213,728,500
Aeronautical rentals	9,896,660	10,720,892
Aviation fuel tax	7,321,351	7,381,683
Airport use charge and landing fee	7,128,854	6,804,772
Nonaeronautical rentals	3,528,534	3,183,124
Miscellaneous	3,479,088	3,717,313
Total operating revenues	\$274,958,830	\$245,536,284
Operating expenses other than depreciation	76,708,102	74,901,196
Operating income before depreciation	\$198,250,728	\$170,635,088
Depreciation	22,656,875	20,682,319
Operating Income	175,593,853	149,952,769
Nonoperating revenues (expenses):		
Interest income –		
Certificates of deposit and U.S.		
Government Securities	36,337,854	26,074,235
Investment in financing leases	491,291	675,049
Interest expense –		
Revenue bonds:		
Airports system	(23,424,688)	(22,860,171)
Special facility	(491,291)	(675,049)
General obligation bonds	(860,230)	(1,072,458)
Other, net	44,481	62,033
	12,097,417	2,203,639
Net Income	187,691,270	152,156,408
Add depreciation expense transferred to		
contributed capital – Federal Government grants		
Increase in retained earnings	191,900,021	156,160,194
Retained earnings at beginning of year	461,185,871	305,025,677
Retained earnings at end of year	\$635,085,892	\$461,185,871

Projects Completed & In Progress Fiscal Year 1989-90

Project	Started	Completed	Cost	Description
Honolulu International Airport Ground Level Roadways and Foundations, Unit II	5/89	11/89	\$835,000	Construct steel up-ramp to overseas terminal
Honolulu International Airport	9/88	12/89	\$3.2M	Public address system for airport
Honolulu International Airport	5/87	5/90	\$3.2M	Install fire alarm system at overseas terminal
Honolulu International Airport South Ramp Air Cargo Facility	4/89	9/90	\$8.5M	Construction of aircraft cargo facilities
Honolulu International Airport Baggage Claim	5/88	9/90	\$16.7M	Modernize baggage claim area
Honolulu International Airport Energy Monitoring & Control	3/86	10/90	\$2.4M	Phase I
Honolulu International Airport Energy Monitoring & Control	12/88	12/90	\$4.2M	Phase II
Honolulu International Airport Security System	10/88	12/90	\$7M	New system
Honolulu International Airport Signage & Graphics	10/88	9/89	\$1.8	Phase II, Main Terminal Roadway
Honolulu International Airport Concession, Phase III	5/89	3/90	\$9.7M	Renovate concessions in central waiting lobby
Honolulu International Airport Aloha Airlines Interim Project	3/89	5/90	\$669,000	New waiting room space
Honolulu International Airport Ewa Ticket Lobby	10/87	6/90	\$11M	Ewa lobby, mall and curbside improvements
Honolulu International Airport International Arrivals Building	7/89	12/90	\$2.1M	Phase IV-C, modification to processing facilities
Honolulu International Airport Ground Level Roadways	10/89	12/90	\$13.1M	Phase II Roadways, util. connections & foundation
Honolulu International Airport Interisland Cargo Facilities	11/89	12/90	\$1.1M	Phase I
Honolulu International Airport Interisland Airfield Aprons	12/89	12/90	\$3M	Phase III, New aircraft apron
Honolulu International Airport Flight Information Display System	12/89	12/90	\$1.3M	Phase IIA, Installation of new system
Honolulu International Airport International Arrivals Building	1/90	12/90	\$3.5M	Phase IV-B, Modifications to processing facilities
Honolulu International Airport South Ramp ARFF Station 2	3/90	2/91	\$2.5M	Rapid launch boat rescue facility
Honolulu International Airport Non-Potable Water System	3/90	12/90	\$380,000	Installation
Dillingham Airfield Fueling System	9/88	8/89	\$377,000	Installation of underground tank & dispenser
Kahului Airport Loading Bridges, Phase I	2/89	9/90	\$2.7M	Installation of aircraft loading bridges
Kahului Airport New Terminal Building, Phase I	7/88	9/90	\$46.5M	Construction of passenger terminal facility
Kahului Airport Runway Safety Area	7/89	12/90	\$12M	Construction of runway safety area
Kahului Airport Security Access Control System	2/90	10/90	\$1.3M	New system
Kahului Airport Kalialinui Gulch Improvements	2/90	2/91	\$11.4M	Box channel from safety area to Keolani Bridge
Kahului Airport Flight Information Display System	2/90	12/90	\$619,000	System for new terminal
Kahului Airport Aircraft Guidance System	6/90	12/90	\$244,000	Installation of system
Hana Highway Improvements	6/90	4/91	\$7.7M	Widen to four-lane divided highway
Lihue Airport Interim Helicopter Facilities	8/89	6/90	\$3M	Interim Helicopter parking apron
Lihue Airport	1/90	11/90	\$2M	Improvements to new terminal
Lihue Airport Apron/Commuter Building & Cargo Facility	2/90	3/91	\$14M	New terminal and cargo building facilities
Lihue Airport Runway 3-21	5/90	11/91	\$21.3M	Improvements
Keahole Airport South Ramp	8/88	8/90	\$6.1M	South Ramp & U-Drive lease lots
Keahole Airport Onizuka Memorial	1/90	12/90	\$1.3M	Construction of memorial museum
Keahole Airport Signage & Graphics	5/90	11/90	\$262,000	Installation
Kewalo Basin	3/89	8/89	\$450,000	Repaired electrical system
Honolulu Harbor, Ft. Armstrong	6/90	10/90	\$85,000	Repainted container freight shed
Honolulu Harbor, Plaza Bridge	10/89	4/90	\$160,000	Repaired steelwork and repainted
Honolulu Harbor, Passenger Terminal	2/89	10/89	\$415,000	Replaced escalator
Honolulu Harbor, Piers 8-11	6/89	8/89	\$67,000	Resurfaced pier apron
Honolulu Harbor, Piers 9-11 Shed	12/89	6/90	\$450,000	Reroofed pier sheds
Honolulu Harbor, Piers 13-14	12/88	7/89	\$495,000	Modified pier face and fender system
Honolulu Harbor, Piers 24-27	9/89	5/90	\$57,000	Repaired fender system
Honolulu Harbor, Piers 24-25	8/89	3/90	\$285,000	Repaired pier substructure
			<u> </u>	