

HAWAII AERONAUTICS COMMISSION
 Minutes of Special Meeting
 Saturday, May 3, 1952

A special meeting of the Hawaii Aeronautics Commission was held in the Conference Room of the Commission on Saturday, May 3, 1952 at 10:25 a.m.

Present: Dr. F. K. Sylva, Chairman
 Mr. C. J. Pietsch, Jr., Vice Chairman
 Mr. R. C. Honda, Secretary
 Mr. T. W. Flynn, Member
 Mr. R. A. Anderson, Member
 Mr. H. W. Rice, Member (Maui)
 Mr. David Furtado, Member (Hawaii)
 Mr. E. W. Edwards, Member (Kauai)

Absent: Mr. O. J. Burnett (on mainland)

Attending:

Mr. Peyton Harrison
 Mr. Ford Studebaker, Hawaiian Airlines
 Mr. R. M. Lee, Admin. Asst., HAC
 Mr. W. S. Holloway, HAC
 Mr. Adolph Mendonca
 Mr. Spencer Weaver, Spencecliff Corp.
 Mr. Harold S. Furuya, Arpt. Recreation & Shopping Center
 Mr. Taro Suyenaga, Attorney for Mr. Furuya
 Mr. Edward Sylva, Attorney for Mr. Mendonca
 Mr. C. J. Brenham, Prop. Admin., HAC
 Mr. Twigg-Smith, Advertiser
 Miss T. Alauzet, Honolulu Star-Bulletin

The Chairman explained that this special meeting had been called at the request of the Maui Commissioner, Mr. H. W. Rice, to consider certain appropriations to complete work at the Kahului Airport so that the airport may be opened some time later in the month. He added that inasmuch as the HAC was in session, other items would also be considered.

KAHULUI AIRPORT: Mr. Rice presented a list of items for which appropriations are needed in order to get the airport underway.

In the ensuing discussion, it was pointed out that maintenance work done by the Commission's own force was charged against the maintenance account; whereas, when the force is used for a new project, an appropriation for such development must be first made by the Commission.

Mr. Honda moved to allocate \$9200, which includes \$1,000 for the painting of guide lines and installation of flood lights (on poles) in the airport car parking area (eliminating curbing and walkways requested by Mr. Rice); the \$8,200 for obstruction lighting, runway striping, numeral painting, repairs to existing pavement in terminal area and new section of entrance roadway. Motion seconded by Mr. Rice and carried unanimously.

The Chairman stated that the Commission's actions of the last meeting in regard to (1) Kahului refrigeration, and (2) Spencecliff Corporation's inter-island restaurant, were nullified due to lack of a majority vote (7 present - 3 ayes, 2 naves and 2 not voting).

KAHULUI REFRIGERATION: Mr. Rice reported that Mr. Bradley of the Navy, during inspection of equipment at Kahului Airport, had told him that the Navy would be willing to turn over compressors (for refrigeration purposes) to the HAC, a governmental agency, but would not consider turning them over to an airline.

Mr. Rice expressed the belief that terminal facilities should be furnished by the HAC. Mr. Furtado suggested that a definite policy be adopted by the Commission with regard to refrigeration facilities at all airports.

In the course of discussion Mr. Lee pointed out that Joint Resolution 13, Legislative Session of 1951, should be looked into further, in connection with this matter.

Mr. Sharpless expressed the opinion that equipment could be rented.

Mr. Studebaker stated that HAL feels that payment of rental on equipment is justified, as distinguished from land or building rental, and explained that this was the basis on which he had approached the Commission at its last meeting.

Mr. Pietsch pointed out that J. R. 13 had been passed in order to foster and promote air freight business and expressed the belief that the problem relative to refrigeration should be approached from this point of view.

Dr. Sylva asked Mr. Studebaker whether Hawaiian Airlines would be willing to rent refrigeration equipment from the HAC at airports other than Kahului. Mr. Studebaker replied that HAL would be willing to do so at airports where refrigeration is needed, if the HAC chose to put in the facilities for them.

Mr. Edwards said it would be better if the Commission would not enter refrigeration business in competition with private enterprise. He suggested that companies on Maui be approached regarding installing facilities near the airport to take care of these needs. Mr. Rice explained that although there are two such companies on Maui, the cost of transportation would run the cost of providing this service so high, it would not be worthwhile.

Mr. Studebaker stated that should the Commission agree to install the facilities needed and permit HAL to rent them, guaranteeing service to other airlines at a pro-rated cost, they would like a maximum amount of space for their own use, which they would not be obligated to lease to other airlines.

Mr. Rice then moved that the Commission go on record adopting a policy to furnish refrigeration facilities wherever is necessary, and where an air transportation company is willing to lease and amortize these facilities over a reasonable period of time. Motion seconded by Mr. Honda. Motion carried unanimously.

ALLOCATION, KAHULUI REEFERS: Mr. Rice moved that \$12,000 be allocated for the purpose of building 3 reefers at Kahului and that the service and equipment be leased to Hawaiian Airlines -- details to be left to the administrative staff. Motion seconded by Mr. Honda.

Mr. Studebaker said it was his understanding that HAL would pay all power bills and perform all routine maintenance, which would include routine checks and inspection by a refrigeration firm on Maui, and that though HAL would make minor replacements, all major replacements would be for the HAC's account.

Mr. Rice motion was carried unanimously.

KAHULUI OPENING: Mr. Rice said that he hoped to have Kahului in operation by the 27th of this month.

The Director reported that further delay may be caused by the fact that an assignment of frequency for the Kahului radiobeacon has not yet been made by FCC.

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INTER-ISLAND RESTAURANT: Mr. Taro Suyenaga, attorney for Mr. Harold S. Furuya, operating the Airport Recreation & Shopping Center, requested that he be heard regarding the closing of a lunch counter opened by his client in the NAF area, Honolulu Airport. Mr. Suyenaga outlined the background of Mr. Furuya's operations, pointing out that on February 26, 1951 a month to month agreement had been entered into between Mr. Furuya and the HAC for rental of an area to be utilized for fountain service, sales of fish and produce and recreation equipment. On the basis of this agreement Mr. Furuya had opened a lunch counter in March of this year which was open from 11:30 a.m. to 1:30 p.m. and grossed approximately \$25.00 a day. He said that in June of 1951 Mr. Furuya had requested a lease on the area being rented by him, but had been informed by the HAC that it was the policy of the Commission that all structures and land areas within the NAF property should not be leased but rented only on a month to month basis. Mr. Suyenaga continued that the closing down of this phase of Mr. Furuya's operation would create a hardship for his client. Mr. Suyenaga questioned the legality of the Commission's granting an exclusive food concession to Spencecliff Corporation. He presented a petition signed by 47 of Mr. Furuya's patrons, requesting that the lunch counter be kept in operation.

The terms and scope of Spencecliff Corporation's lease with the Commission were discussed at length.

In the course of discussion, Mr. Weaver stated that the term of 5 years originally granted him by the Commission was subsequently amended to a 3 year term with the option to renew each year thereafter. This he continued, was based on the assumption that a new HAL terminal would be built shortly.

Mr. Sharpless stated that in his study of the matter he came to the conclusion that there was no agreement with respect to any period of time beyond 5 years.

Mr. Flynn moved that the matter be deferred until the next meeting. Motion seconded by Mr. Rice. Motion carried.

In the following discussion Mr. Weaver pointed out that he had written a letter to the Commission on the 30th of April outlining his proposal for terms of a new lease and also regarding the expansion of the inter-island coffee shop, but had received no reply to date.

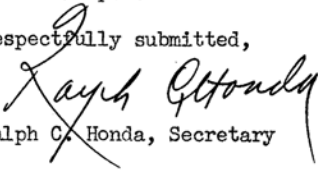
Mr. Flynn moved that the matter be deferred until the next meeting, at which time a report with recommendations be presented to the Commission; seconded by Mr. Rice and carried.

The Chairman instructed that a report with recommendations be presented at the next HAC meeting -- the report to include recommendations on Mr. Weaver's letter, the Attorney General's opinion, and background on the entire matter; also, a report and recommendations on Mr. Furuya's operation.

Mr. Sharpless suggested that the matter be referred to the Finance Committee in order to facilitate action. The Chairman directed that this be done. He then appointed Mr. Flynn a member of the Finance Committee to replace Mr. Bright.

ADJOURNMENT: The meeting was adjourned at 12:30 p.m.

Respectfully submitted,


Ralph C. Honda, Secretary