



U.S Department
of Transportation

**Federal Aviation
Administration**

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Mr. Ross M. Higashi
Deputy Director-Airports
State of Hawaii, Airports Division
400 Rodgers Blvd., Suite 700
Honolulu, Hawaii 96819-1880

Dear Mr. Higashi:

This letter is a follow-up to our recent conversations about the Dillingham Airfield (HDH) located in Mokuleia, Hawaii. The State of Hawaii Department of Transportation (HDOT) currently operates HDH pursuant to a lease agreement with the United States Army (Army) dated September 16, 2008. The initial term of the lease was 25 years, ending in September, 2033, however, the term of the lease was later changed to 5 year increments through a series of Supplemental Agreements. The term of Supplemental Agreement No. 4, dated April 23, 2019, ends on July 5, 2024. However, the lease provides that HDOT, as Lessee, may terminate the lease at any time with a 30-day notice. It is our understanding that HDOT is considering whether to exercise its option to terminate the lease prior to 2024.

The Federal Aviation Administration (FAA) provided Airport Improvement Program (AIP) funding in 2003 and 2005 to extend the taxiway at HDH. We made that investment expecting a minimum useful life of 20 years under the initial lease agreement that was set to expire in 2033. Therefore, the HDOT is obligated to ensure that those improvements and the airport is available for civilian use at least through 2025 in order to comply with its federal obligations. We strongly encourage HDOT and the Army to reach an agreement for the continued operation and civilian use of HDH.

HDH is an important asset to the National Airspace System. It serves General Aviation aeronautical activities including glider and ultralight aircraft operations as well as parachute jumping. These aeronautical activities are not currently conducted at any other airports on the Island of O'ahu. There are 47 civilian based aircraft and over 36,000 civilian aircraft operations annually at HDH. It is unclear at this time, if the Army would continue to allow civilian aeronautical activities at HDH if HDOT terminates its lease. If HDH does not remain open for these activities, HDOT must consider how these aeronautical activities will be accommodated within its airport system, consistent with its federal obligations. Grant Assurance 22, *Economic Nondiscrimination*, requires HDOT to "make the airport [or in this case its airport system] available...for public use...without unjust discrimination to all types, kinds, and classes of aeronautical activity..."

The current lease agreement provides for the “joint-use” of HDH and the airport is listed as a joint-use facility in FAA records. We understand that the Army currently owns the airport and uses HDH for training purposes. HDOT leases, maintains, and operates the entire airfield, including the runway and taxiway system. This is different from a typical joint-use operation. Normally, a joint-use airport is one at which an airport’s runway and taxiway system are owned, maintained and operated by the federal government and there is an agreement for the civilian use of certain airport facilities, including runway and taxiway systems. HDOT and the Army should consider a more traditional “joint-use” agreement wherein the Army is responsible for the maintenance and operation of the airfield and HDOT and its civilian sublessees operate the civilian facilities and have access and use of the federally owned and operated runway and taxiway system.

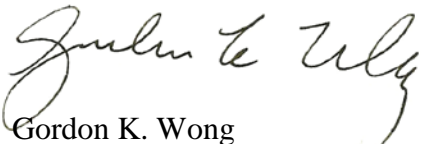
As an alternative, HDOT and the Army could consider the transfer of real property interest in HDH from the Federal government to HDOT for airport purposes. If real property interest was deeded to HDOT, the Army could reserve the right to use the airport for training and to reclaim the airport for National Emergency Use.

Any discussions between HDOT and the Army regarding the lease and operation of HDH should also address the maintenance and operation of the water well and associated water distribution system.

The FAA has two primary concerns about the water well and the associated water distribution system. First, the maintenance and operation of a water well and associated distribution system for off-airport users is not an appropriate use of airport revenue. This includes the use of airport revenue funded staffing and other resources. The water well is not directly and substantially related to air transportation and it does not meet the community use criteria set forth in the FAA’s *Policy and Procedures Concerning the Use of Airport Revenue*, (64 FR 7696, February 16, 1999). Any costs and liabilities associated with a water well and distribution system serving off airport customers must not be borne by airport users.

Second, any agreement between the Army and HDOT for the maintenance and operation of the water well and associated distribution system should be contained in a separate agreement from the overall airport maintenance and operation. Consideration should be given to engage the State Board of Water Supply or other similar entity to operate the well and distribution system. If the Army retains ownership of HDH, then the Army should contract directly with the Board of Water Supply. Similarly, if ownership of HDH is transferred to HDOT for airport purposes, then HDOT should also engage the State Board of Water Supply to operate and maintain the well and distribution system along with associated easements.

If you have any questions concerning this matter, please contact me at 808-312-6027.


Gordon K. Wong
Airports District Office Manager