



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

April 11, 1991

910313-003

Kessler

Mr. Edward Y. Hirata
Director, Department of Transportation
State of Hawaii
869 Punchbowl Street
Honolulu, Hawaii 96813-5097

Dear Mr. Hirata:

Thank you for your letter submitting the State of Hawaii's determination of airport actual and projected capital and operating costs and revenues for fiscal years 1990 and 1991 in accordance with Section 511(g) of the Airport and Airway Improvement Act of 1982, as amended by Public Law 101-281 (henceforth referred to as the Act).

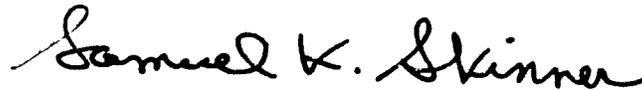
The Department has reviewed this submission and recent accounting reports of the State of Hawaii, Department of Transportation, Airport Division. As a result of our review, we have concluded that the accounting system and records of this organization fairly represent accounting operations of airport revenue and expenses and there is a relatively high assurance that the actual and projected numbers contained in your determination are sufficiently accurate and reliable to satisfy the conditions set forth in the legislation. Based on the above, I hereby approve the State of Hawaii determination. Since, however, the determination for fiscal year 1991 is based on projected rather than actual numbers, the State is requested to submit an updated accounting showing actual revenues and expenses at the end of this current fiscal year before drawing funds from the off-airport duty-free revenue account exceeding the \$166,919,433 generated in fiscal year 1990.

As you are aware, the Act authorizes the State of Hawaii to use revenues generated from the sale of duty-free merchandise at off-airport locations up to an aggregate amount not to exceed \$250 million in accordance with the certain conditions and limitations. One of these limitations requires that these revenues be used for construction or reconstruction of a highway on the Federal-aid system which will facilitate access to an airport and is located within 10 miles by road of such airport. In order to provide adequate assurance that this limitation is fully complied with, our approval is conditioned on the requirement that the State of Hawaii provide a certified report at the completion of each fiscal year (until all authorized funds are expended) documenting the amounts and specific projects toward which these funds were applied.

On the condition that the determination provided by the State is correct and accurate, that the limitations imposed by the Act are fully complied with, and the reports specified above are submitted as required, I find that, to the extent that Section 511(g) overrides the limitations on use of airport revenues contained in Section 511(a)(12) and grant assurance No. 25, the provisions of Section 511(g) shall hereby supersede those assurances contained in existing and future grant agreements regarding the use of such revenues.

All requested reports cited above shall be submitted to the Federal Aviation Administration's Honolulu Airports District Office.

Sincerely,

A handwritten signature in cursive script that reads "Samuel K. Skinner". The signature is written in dark ink and is positioned above the typed name.

Samuel K. Skinner