

Reggie Perry / Barber Point Aviation Services

I applaud Reggie Perry for his efforts at Kalaeloa Airport. He took on the DOT-A fuel facility and made the best of the state's first and only fuel concession lease.

Reggie prepared himself for developing and operating Barbers Point Aviation Services with a BS in Aeronautical Science from Embry-Riddle Aeronautical University. He previously flew locally as a pilot with Air Molokai, Scenic Air Tours, Polynesian Airways, Mahalo Airlines, Corporate Air, and Ryan International Airlines between 1993 and 2011. He also served in the Hawai'i Army National Guard to the rank of major from 1987 to 2013. Reggie certainly was qualified and equally motivated to take on the challenges. But the DOT-A challenges can be daunting.

Reggie's came to Kalaeloa at a time when there was very little business. His goal was to provide various services that would enhance general aviation growth. His efforts have indeed increased traffic, but it has not been easy. Reggie developed a transit military aircraft service business that did not exist before. All these efforts took a great deal of equipment and personnel that required a great financial commitment.

The original DOT-A fuel facility was to include both a Jet-A and an Avgas tank. The final bid package had just the avgas tank and the new DOT-A lease started on June 20, 2012. A 20,000 gal. Jet-A tank was constructed and became operational with an amendment to original lease on June 9, 2015. It took three years of the five-year lease to be able to store both aviation fuels.

I remember some believed that Kalaeloa's location was advantageous because it was close to the refineries and that certainly was not the case. Over the years the refinery business in Hawaii has continued to change but the Jet-A fuel terminal to fill your truck has always been at the DKY International Airport (Honolulu). Avgas shipments arrive by ISO tanks and the logistics to maintain proper inventory can be problematic.

As Reggie continues to try to grow his business, he needs to keep his eye on the fuel facility lease that comes up every five years. Not just a renewal, but back up for bid. This is where I have a problem with the DOT-A lease. Reggie came to the

airport when there was no business, he works hard every year to develop new business and has been successful at it.

As I stated earlier, I would prefer a long-term lease (30 yr.) and put my own fuel storage facility on it and when the time comes negotiate a renewal, but that was never available.

As Reggie prepares for the next Fuel Facility Lease opening, a new player arrives in town. Million Air is an FBO network providing aviation services.

The name Million Air has been around since 1984, but this is a new franchisee group that has taken ownership of 12 of the FBO's with new capital. Scott Freeman, CEO states; *"As an organization, we are always looking for underutilized airports across the country that would benefit from our involvement and private investment that would serve as a catalyst for increasing activity at these types of airports. We have had a successful track record of accomplishing these goals at other airports where we currently operate. We have long had (Kalaeloa) on our list of potential growth locations, and after some due diligence, we felt it was a project worth pursuing."*

The DOT-A liked the above statement and said, "How can we help?" Million Air got a long-term lease for a fuel facility which was completed in record time. They are positioned to construct a new hangar and terminal in the coming months.

I have always agreed that competition is mandated at our state airports and in the past have fought the DOT-A to ensure it exists. I look at Million Air's entry to Kalaeloa and have issue with the DOT-A. Long term fuel facility leases were not available in the past. What changed?

How does Barbers Point Aviation Services move forward with their business when the State of Hawaii has held them to a five-year start again program? Million Air could bid on the fuel facility at the next opening, but you don't invest millions of dollars on a five-year start again program. You get a long-term lease where you can secure financing for optimum cash flow.

Million Air should be able to come to Hawaii and do business. We have told the state in the past that they are terrible at promoting new businesses coming to Hawaii, but it shouldn't be at the expense of those that are already here.

Now one was interested in Kalaeloa until Barbers Point Aviation Services fought over the past ten years to bring in the business. Now Million Air with their *“involvement and private investment will be the catalyst for increasing activity”* get the key to the airport. The key that has been misplaced for years.

I have been in the aviation industry for over 50 years. When I went to work for Chris Hemmeter in 1985, I switched hats from the maintenance guy to the FBO guy. I have been involved with the movements of private jets at all airports in Hawaii for nearly 35 years. Kalaeloa Airport will see private /corporate jets. Primarily if the principals are staying at the Ko Olina Resort. The travel time to Waikiki and fuel pricing will be considered when making that choice.

Signature Flight Support and now Atlantic Aviation (Air Service Hawaii) have locations on all major islands and will offer that continuity, preferred location, and fuel pricing.

Million Air is primarily after the military contract, which they can bid directly now that they have a new fuel facility on a long-term lease and not one of those five-year start again programs. The military business may increase but it would regardless of who has the contract. Well, who knows, Million Air may need a lifeline... maybe phone a friend.

DOT-A ... WTF?

Just some thoughts from Tom Anusewicz