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Pressure grows for fees agreement

❑ The state DOT given more leverage in talks with airlines

By Ben DiPietro
Associated Press

HONOLULU — The state is stepping up pressure to get an agreement with airline carriers over airport user fees after two years of unsuccessful negotiations.

The House Transportation Committee approved a bill yesterday to give the state Department of Transportation more leverage in negotiating with the airlines.

Also, U.S. Transportation Secretary Federico Pena is getting involved in talks between the state and the airlines over user fees at the state's airports, especially Honolulu International Airport, the nation's third largest entry point for foreigners.

The state's one-year interim fee agreement with the airlines expires June 30.

The state wants to charge airlines fees and rates that pay for 38 percent of the state's airport expenses, Gov. John Waihee said yesterday at a news conference following his return from Washington. The current interim deal charges airlines slightly less than that.

Under the worst-case scenario, the state may not be able to pay off its revenue bonds for existing airport construction projects if a new deal isn't reached, Waihee said.

"We cannot settle for less than our bills," the governor said. "We can't settle for less than what we have to pay out."

The federal government wants to avoid the long legal fights other airports have had when fee negotiations with the airlines failed, and Waihee said Pena's early involvement in the process can help. Long legal disputes have been waged in Los Angeles and Michigan over airport user fees.

Hawaii will be the first state to take advantage of Pena's offer to mediate the negotiations.

Waihee called the airport fee question a national problem, and said any problems with revenue bonds issued to Hawaii will impact other airports across the nation.

Waihee doubts the airlines will sign another 30-year agreement like the one that expired before last year's interim deal was signed. The 30-year deal allowed airlines to pay almost nothing compared to fees paid to other major airports, Waihee said.

The state would like a multi-year deal, since it uses the money to pay off revenue bonds used to build airport projects and a long-term deal offers more stability to the state and bondholders, Waihee said.

John Thatcher, executive director of the Airlines Committee of Hawaii — the organization that is negotiating the fees for the major airlines — said fee talks with the state are continuing.

The state's 38 percent figure surprised Thatcher, who said the committee didn't know the state was talking about a fixed percentage of costs.

In the bill approved by the Transportation Committee, the state transportation director could recommend fees if agreements can't be reached during negotiations between the department and the airlines.

All fees would be subject to the review and approval of the Legislature.

The committee amended the version of the bill approved by the Senate to say the department couldn't set rates without first holding public hearings. The department must submit its fee schedule to lawmakers before the start of the 1995 legislative session.

Other amendments say the bill must be in accordance with federal law and can't jeopardize matching federal funds for projects.

"The bill is designed to get the department and airlines talking about the issue, and sets up a mechanism to allow the Legislature to set the rates if the two sides can't agree, committee chairman Paul Oshiro said.

The committee also passed bills giving lawmakers approval over passenger fee charges the state wants to levy to help pay for airport facilities, and allowing Mahalo Airlines to operate turnaround flights in the state.

Mahalo's operating application was under consideration by the federal government when a federal law grandfathered in existing carriers Aloha and Hawaiian airlines.

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