

# Continental to expand operations in Islands

Advertiser Staff and Wire Services

Continental Airlines will greatly expand its presence and importance to Hawaii over the next year with building of a wide-body jet maintenance facility and the addition of a fifth daily flight to the state.

The carrier, along with Gov. Ben Cayetano, announced its intentions yesterday and said it would be instituting an aviation scholarship program with the University of Hawaii.

The state beat out Guam and Saipan for the maintenance facility by offering incentives, including a \$1.2 million general excise tax break. The 112,000-square-foot hangar will service 747 and DC-10 aircraft and employ about 110 technicians and mechanics who will have salaries averaging between \$50,000 and \$55,000.

"Without the economic incentives provided by the state of Hawaii, this facility would not have been economically feasible," said Jeff Misner, Continental's vice president-treasury operations.

Cayetano praised Continental's decision to locate here and said it will be a boost to the state's economy. "This is a new industry for Hawaii that no other airline has in the Pacific Basin," he said.

The construction of the hangar at the Honolulu International Airport, adjacent to Continental's Chelsea In-flight Catering Kitchen on Lagoon Drive, is expected to create about 400 jobs.

Continental officials say groundbreaking could take place in 60 to 90 days and the facility could be operational by next spring.

Also at the news conference, Continental announced it would introduce a new daily DC-10 nonstop Honolulu-Houston flight, starting Aug. 1. The introductory round-trip fare will be \$498.

Also announced was Continental's plan for a scholarship program for local residents at the University of Hawaii's 2-year-old Aviation Training School at the airport.

*The Associated Press contributed to this report.*