

JOSH GREEN, M.D.
GOVERNOR



EDWIN H. SNIFFEN
DIRECTOR

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ROSS M. HIGASHI

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

Board of Land and
Natural Resources
State of Hawai'i
Honolulu, Hawai'i

ISSUANCE OF A REVOCABLE PERMIT FOR A PREFERENTIAL HOLD ROOM
LOCATED AT GATE E6, CENTRAL CONCOURSE OF TERMINAL 2
SOUTHWEST AIRLINES CO.
DANIEL K. INOUE INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-003: 050 (PORTION)

O'AHU

APPLICANT:

Southwest Airlines Co. (Southwest Airlines), whose business address is 2702 Love Field Drive, Dallas, Texas 75235.

LEGAL REFERENCE:

Section 171-55, Hawai'i Revised Statutes (HRS).

LOCATION AND TAX MAP KEY:

A portion of the Daniel K. Inouye International Airport (Airport), Island of Oahu, State of Hawai'i, identified by Tax Map Key: 1st Division, 1-1-003: 050 (portion).

AREA:

Preferential Hold Room located at Gate E6, Central Concourse of Terminal 2, containing an average area of approximately 4,215 square feet, as described on the attached State of Hawai'i, Department of Transportation, Airports Division (DOTA) letter dated December 1, 2022 (DEP-A 22.0099), labeled Exhibit A.

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: Industrial (I-2)

ITEM M-3

LAND TITLE STATUS:

Non-Ceded - Section 5(a) lands of the Hawai'i Admission Act
DHHL 30% entitlement lands pursuant to Hawai'i Admission Act YES ___ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, dated
June 8, 1983, setting aside 3,152.177 acres designated as the Airport under the control
and management of the DOTA for Airport Purposes.

CHARACTER OF USE:

Preferential Hold Room use of Gate E6 per the First Amended Lease Extension
Agreement of the Airport-Airline Lease.

COMMENCEMENT DATE:

Upon execution of the revocable permit.

MONTHLY RENTAL:

\$34,447.09 (based on a rate of \$98.07 per square foot, per annum, as determined from the
Airports Division Signatory Rates and Charges, Hawai'i Airports System, effective
July 1, 2022.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO ___
Registered business name confirmed:	YES <u>X</u>	NO ___
Good standing confirmed:	YES <u>X</u>	NO ___

CHAPER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The environmental impacts of the proposed action to the subject land area are covered by
the Honolulu International airport Master Plan Update and Noise Compatibility Program
Environmental Assessment (EA), State Project No. AO1011-033. The EA is a joint State
and Federal document, dated September 1989 and published in the October 23, 1989
issue of the OEQC Bulletin. Accordingly, relevant mitigation from the EA and DOTA
environmental best management practice will address minimal impacts from this action.

BLNR – ISSUANCE OF A REVOCABLE PERMIT FOR A PREFERENTIAL HOLD ROOM
LOCATED AT GATE E6, CENTRAL CONCOURSE OF TERMINAL 2,
SOUTHWEST AIRLINES CO., DANIEL K. INOUE INTERNATIONAL AIRPORT
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REMARKS:

In accordance with Section 171-55, HRS, relating to Permits, the Department of Transportation proposes to issue a month-to-month revocable permit to Southwest Airlines for a Preferential Hold Room located at Gate E6, Central Concourse of Terminal 2 at the Airport.

RECOMMENDATION:

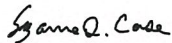
Based on this submittal, testimony and facts presented, the Department of Transportation recommends the Board finds that approving the issuance of a month-to-month Revocable Permit to Southwest Airlines, including its conditions and rent, will serve the best interests of the State.

Respectfully submitted,



EDWIN H. SNIFFEN
Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson
Board of Land and Natural Resources

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION
400 RODGERS BOULEVARD, SUITE 700
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EDWIN H. SNIFFEN
IN REPLY REFER TO:

DEP-A 22.0099

December 1, 2022

VIA EMAIL: david.sellers@wnco.com

Mr. David Sellers
Southwest Airlines
P. O. Box 36611
Dallas, Texas 75235-1611

Dear Mr. Sellers:

Subject: Preferential Holdrooms/Gates for January to June 2023

The First Amended Lease Extension Agreement provides airlines the opportunity to qualify for the preferential lease of holdrooms/gates if they are able to complete a minimum of six daily turns per holdroom/gate. Due to the pandemic and its adverse impacts to air travel, preferential leasing was suspended for fiscal years 2021 and 2022.

With the demand for air travel quickly rebounding, preferential lease of holdrooms/gates was reinstated for the first half of fiscal year 2023, and will continue for the second half of fiscal year 2023. Qualification criteria is as follows.

1. Minimum of six daily turns on a single gate at HNL, OGG, KOA, LIH and ITO, or;
2. Minimum of five daily turns on a single gate but less than six (applicable only to HNL), and the total number of seats is greater than six times the average seats per turn for all scheduled commercial flights at HNL, based upon the projected flight schedules for the first month of the qualifying period.

For January 2023, the average number of seats per turn for all scheduled commercial flights at HNL equals 393. Accordingly, to qualify under this criterion, an airline must be able to accommodate five or five and one-half daily turns with greater than 2,358 seats on a single gate.

In accordance with the above, and the Preferential Holdroom Lease Policies agreed to in 2013 between the State of Hawaii, Department of Transportation, Airports Division (DOT-A) and the Airlines Committee of Hawaii, three airlines requested preferential holdrooms/gates for January to June 2023 as follows.

Exhibit A

Daniel K. Inouye International Airport

- Alaska Airlines – Two preferential holdrooms/gates
- Hawaiian Airlines – Thirteen preferential holdrooms/gates
- Southwest Airlines – Six preferential holdrooms/gates

Kahului Airport

- Alaska Airlines – One preferential holdroom/gate
- Hawaiian Airlines – Seven preferential holdrooms/gates
- Southwest Airlines – Three preferential holdrooms/gates

Ellison Onizuka Kona International Airport at Keahole

- Alaska Airlines – One preferential holdroom/gate
- Hawaiian Airlines – Three preferential holdrooms/gates
- Southwest Airlines – One preferential holdroom/gate

Lihue Airport

- Hawaiian Airlines – Three preferential holdrooms/gates
- Southwest Airlines – One preferential holdroom/gate

Hilo International Airport

- Hawaiian Airlines – Two preferential holdrooms/gates

Based upon a review of the aggregate flight schedules at the respective airports and the most efficient utilization of gates, the following preferential holdroom/gate requests are approved effective January 1, 2023 to June 30, 2023, based upon the conditions outlined below.

Daniel K. Inouye International Airport

- Alaska Airlines – Preferential lease of two holdrooms/gates (E2 and E4)
- Hawaiian Airlines – Preferential lease of 13 holdrooms/gates (A13, A14, A15, A16, A17, A18, A19, A20, B1, B2, B3, B4 and B5)
- Southwest Airlines – Preferential lease of six holdrooms/gates (E1, E3, E5, E6, E7 and E9)

Exhibit A

Kahului Airport

- Alaska Airlines – Preferential lease of one holdroom/gate (13)
- Hawaiian Airlines – Preferential lease of six holdrooms/gates (17, 19, 21, 23, 27 and 29)
- Southwest Airlines – Preferential lease of three holdrooms/gates (5, 9 and 11; changing to 3, 9 and 11 due to construction)

Ellison Onizuka Kona International Airport at Keahole

- Alaska Airlines – Preferential lease of one holdroom/gate (7)
- Hawaiian Airlines – Preferential lease of two holdrooms/gates (9 and 10, which includes gates 10A, 10B and 10C)
- Southwest Airlines – Preferential lease of one holdroom/gate (5, which includes gates 4 and 6)

Lihue Airport

- Hawaiian Airlines – Preferential lease of three holdrooms/gates (3, 4 and 5)
- Southwest Airlines – Preferential lease of one holdroom/gate (7)

Hilo International Airport

- Hawaiian Airlines – Preferential lease of two holdrooms/gates (6 and 7)

The airlines that are granted preferential holdrooms/gates must understand that the DOT-A has the discretion to gate other airline flights on preferential holdrooms/gates if doing so results in the most efficient utilization of all gates. Failure to accommodate other airline flights on preferential holdrooms/gates as directed by the DOT-A will result in the immediate loss of one or more preferential holdrooms/gates. Further, the DOT-A has the authority to reduce the number of, or eliminate, preferential leasing of holdrooms/gates at any time.

All flights by airlines without preferential holdrooms/gates that are directed by the DOT-A to utilize another airlines' preferential gate will be assessed the applicable joint use holdroom charge by the DOT-A, similar to their other flights that operated on a common use gate.

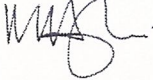
Exhibit A

Mr. David Sellers
December 1, 2022
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The DOT-A appreciates your continued support and cooperation. If you have any questions, please contact me at (808) 838-8602.

Sincerely,



ROSS M. HIGASHI
Deputy Director - Airports

c: Jade Butay, Director (DOT)
Davis Yogi, Acting ADM (AIR-O)
Marvin Moniz, ADM (AIR-M)
Chauncey Wong Yuen, ADM (AIR-H)
Craig Davis, ADM (AIR-K)
Steven Santiago, ADM (AIR-HL)
Hawaii Airline Liaison Office