



HOUSE OF REPRESENTATIVES

STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

April 22, 1997

BY FACSIMILE

Rodney E. Slater
The Secretary
The Department of Transportation
400 Seventh Street S.W.
Washington, D.C. 20590

Re: Inspector General Report No. R9-FA-6-015 re Audit of
Airport Improvement Program Grants to the Hawaii
Department of Transportation.

Dear Secretary Slater:

I am a member of the Hawaii State House of Representatives and serve as Chair of the House Committee on Hawaiian Affairs. The jurisdiction of that committee encompasses the Office of Hawaiian Affairs ("OHA"), a state constitution-created entity serving native Hawaiians.

Our state constitution and statutes allocate to OHA certain revenues from certain public lands transferred to the state by the federal government at statehood. Under those provisions, the state government has paid to OHA a portion of revenues resulting from airport operations.

In the above report, however, your department's Inspector General opined that those payments constituted impermissible revenue diversion. I understand that the Federal Aviation Administration's response, indicating agreement or disagreement with the Inspector General, is imminent.

As a direct result of the pendency of this matter and other controversies relating to the public land trust revenues, the state legislature is deeply engaged in deliberations on a highly complex bill which seeks to resolve all controversies and mitigate state liability. That bill is currently before a House-Senate conference committee; I co-chair the House conferees.

The 1997 legislative session is scheduled to adjourn sine die next Tuesday, April 29th. All conference committees must complete their deliberations and file their reports, if at all, this Friday, April 25th. As a practical matter, substantive discussions and agreement must be completed this Thursday, April 24th.

The FAA's position on the Inspector General's opinion is of crucial importance to my conference committee's ongoing deliberations, and would materially affect the realistic options available to the committee. In plain terms, it is difficult to fashion an appropriate remedy without a full understanding of the scope and consequences of the problem.

The purpose of this letter is to request your department's immediate assistance in accelerating the FAA's public issuance of its response. If a full response is not possible within my committee's allotted deliberations timeframe, even a bifurcated or advance oral response on the specific issue whether the FAA agrees that the state's payments to OHA are impermissible would be of material import.

Thank you very much in advance for your assistance. Should you or any member of your department have questions, please do not hesitate to call. I also respectfully request a copy by facsimile of any FAA response immediately upon issuance.

With aloha,

Ed Case

Ed Case
Representative, 23rd District
Manoa/University/Wilder

cc:

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