

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

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**1998 U.S. - JAPAN COMBINATION SERVICE ) Docket OST-98-3419**  
**PROCEEDING )**  
\_\_\_\_\_) )

**ANSWER OF THE STATE OF HAWAII  
TO MOTION AND AMENDED MOTION  
OF HAWAIIAN AIRLINES, INC.**

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February 27, 1998

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TO MOTION AND AMENDED MOTION  
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The State of Hawaii (the "State") hereby submits this Answer to the Motion of Hawaiian Airlines, Inc. ("Hawaiian") filed on February 20, 1998 and amended on February 23, 1998. Hawaiian has asked the Department to establish a minimum of seven frequencies to be available for allocation to the fifth-designated U.S. carrier. Moreover, as Hawaii's amended Motion correctly states, because US Airways has withdrawn from the case, the award of the fifth designation is uncontested. Accordingly, the State of Hawaii urges the Department to issue immediately a Final Order selecting Hawaiian as the fifth-designated U.S. carrier for service commencing in the year 2000 and allocating Hawaiian seven frequencies to operate its proposed services.

Hawaiian would introduce new daily nonstop service between Maui, one of Hawaii's premier resort locations, and Tokyo, Japan's largest city. It is axiomatic that the introduction of convenient new nonstop service substantially stimulates demand.

**Answer of the State of Hawaii**  
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Hawaiian's services would significantly increase the number of Tokyo visitors traveling to Maui, thereby providing important economic benefits to the State. However, the State is concerned that if Hawaiian were awarded less than its requested number of seven frequencies, the public benefits of its proposal would be unnecessarily diminished.

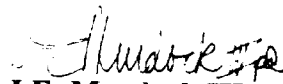
With seven frequencies, Hawaiian would be able to offer a full pattern of daily service. If Hawaiian were only allowed to offer service three or four days a week, its services may be less appealing to busy Tokyo residents, who may be trying to work a quick getaway into a hectic schedule. Daily service is vastly preferable, and with 90 frequencies available, there is every reason for the Department to accommodate Hawaiian's modest request.

Moreover, the award of seven frequencies to Hawaiian, the only small-carrier applicant in this proceeding, would be consistent with the Secretary's statutory obligation to consider "encouraging entry into air transportation markets by new and existing air carriers and the continued strengthening of small air carriers to ensure a more effective and competitive airline industry." 49 U.S.C. § 40101(a)(13) (emphasis added).

Since there is only one applicant for the fifth designation (and there is no over-subscription for the fourth designation) no carrier selection proceedings are necessary for the Department to finalize an award to Hawaiian.

WHEREFORE, the State of Hawaii urges the Department to issue a Final Order designating Hawaiian Airlines, Inc. as the fifth-designated U.S. carrier and awarding Hawaiian seven frequencies to operate Maui-Tokyo service.

Respectfully submitted,



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