



Alaska Department of Transportation & Public Facilities

Aviation Overview for Alaska Legislature

Deputy Commissioner John Binder

February 3, 2015



Mission Statements

DOT&PF

“Keep Alaska moving through service and infrastructure”

Alaska International Airports System (AIAS)

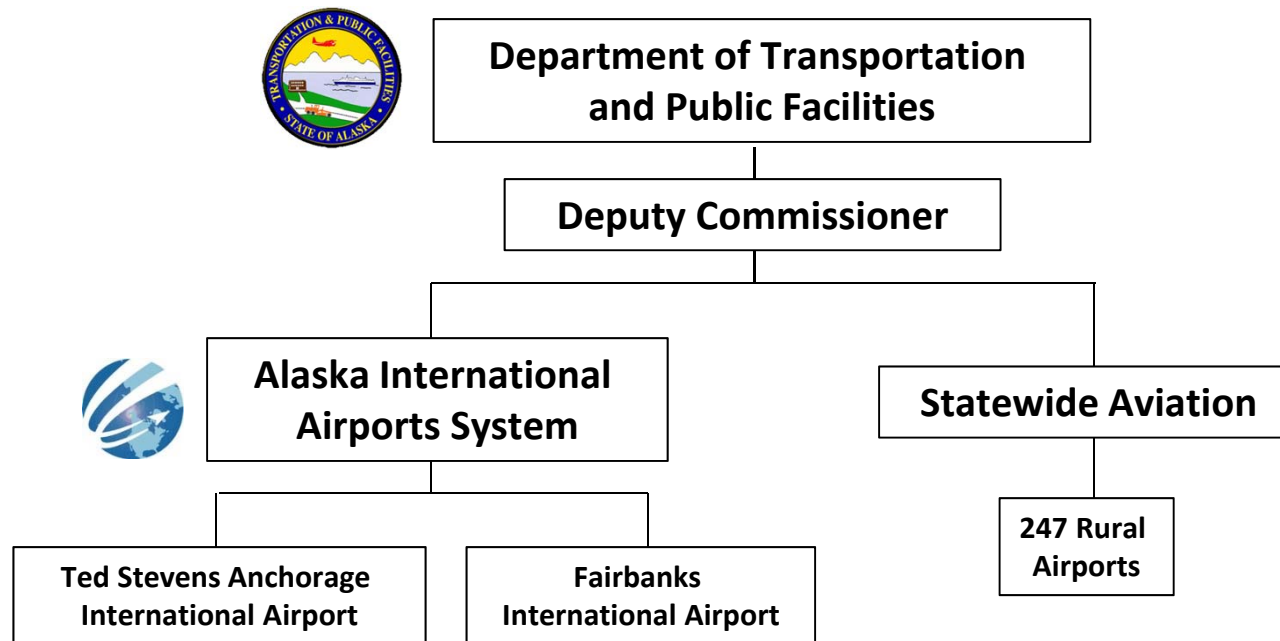
“To keep Alaska flying and thriving”

Statewide Aviation (SWA)

“To sustain and improve the quality of life throughout Alaska”



Organization/Leadership





AIAS Structure

Created over 50 years ago by Ch88 SLA 1961 -
(AS 37.15.410-550)



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Alaska
International Airport
System
"AeroNexus"®

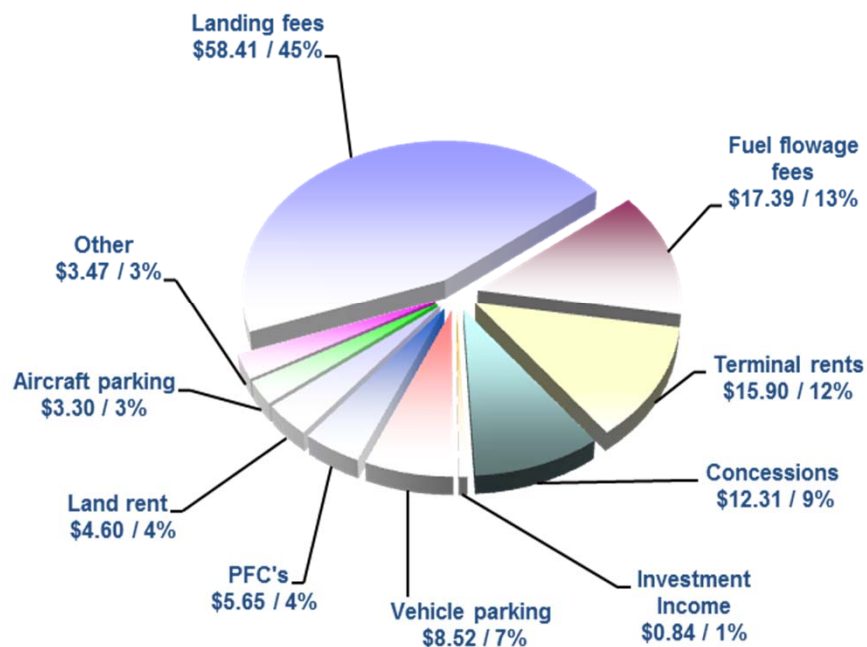


Fairbanks
International Airport
"AeroNexus"®



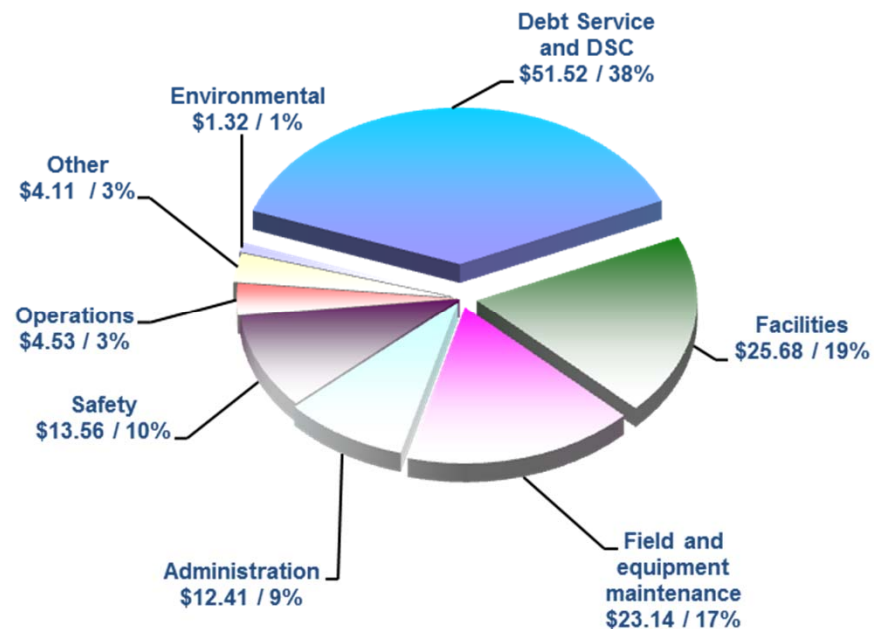
Annual Revenues and Operations, Maintenance and Debt Costs - Funded from Customer Charges -

**AIAS FY2014 Revenue
Sources (Millions)**



\$130.4M in Operating/Other Revenues

**AIAS FY2014 Annual Costs
and DSC (Millions)**

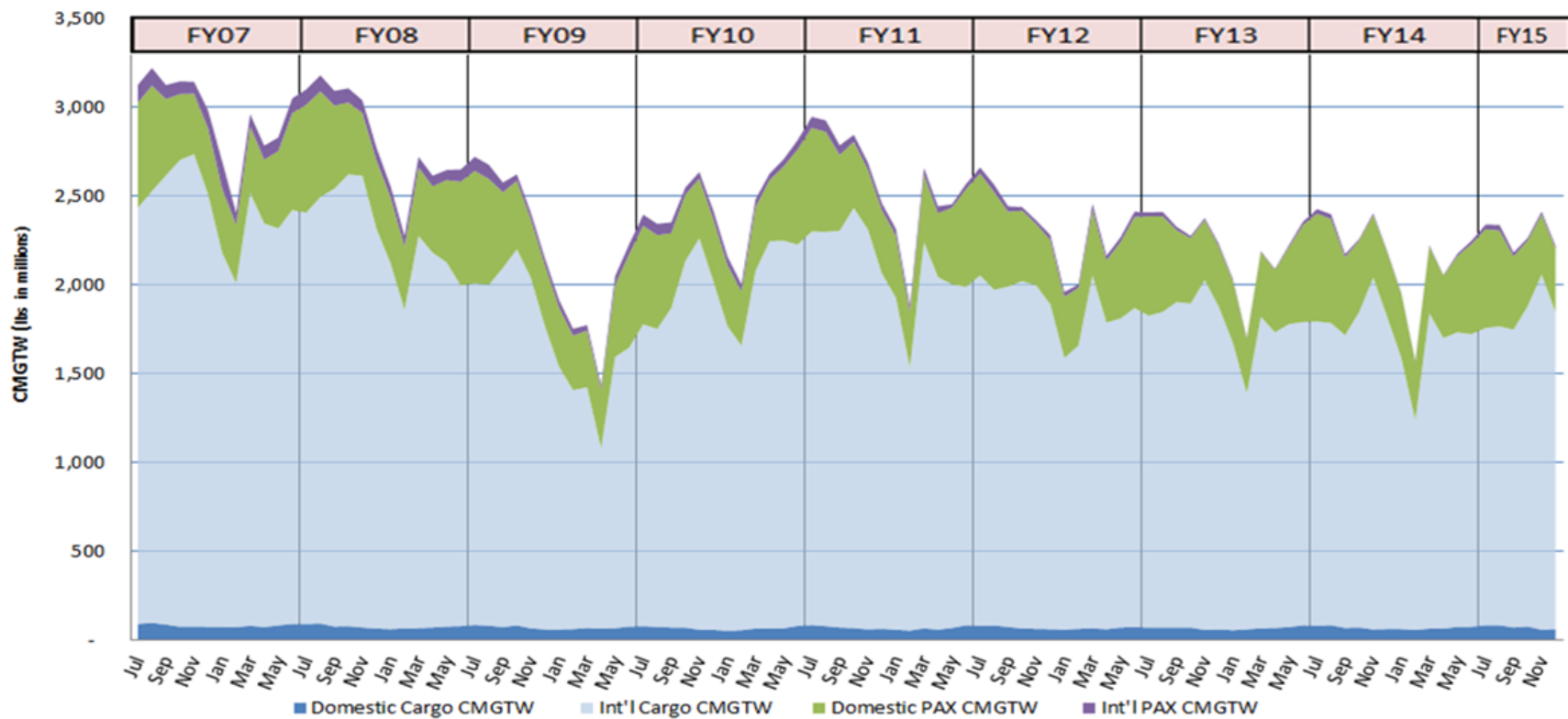


**Costs are covered by adjustments to
rates and fees – self sustaining system**



Cargo Activity

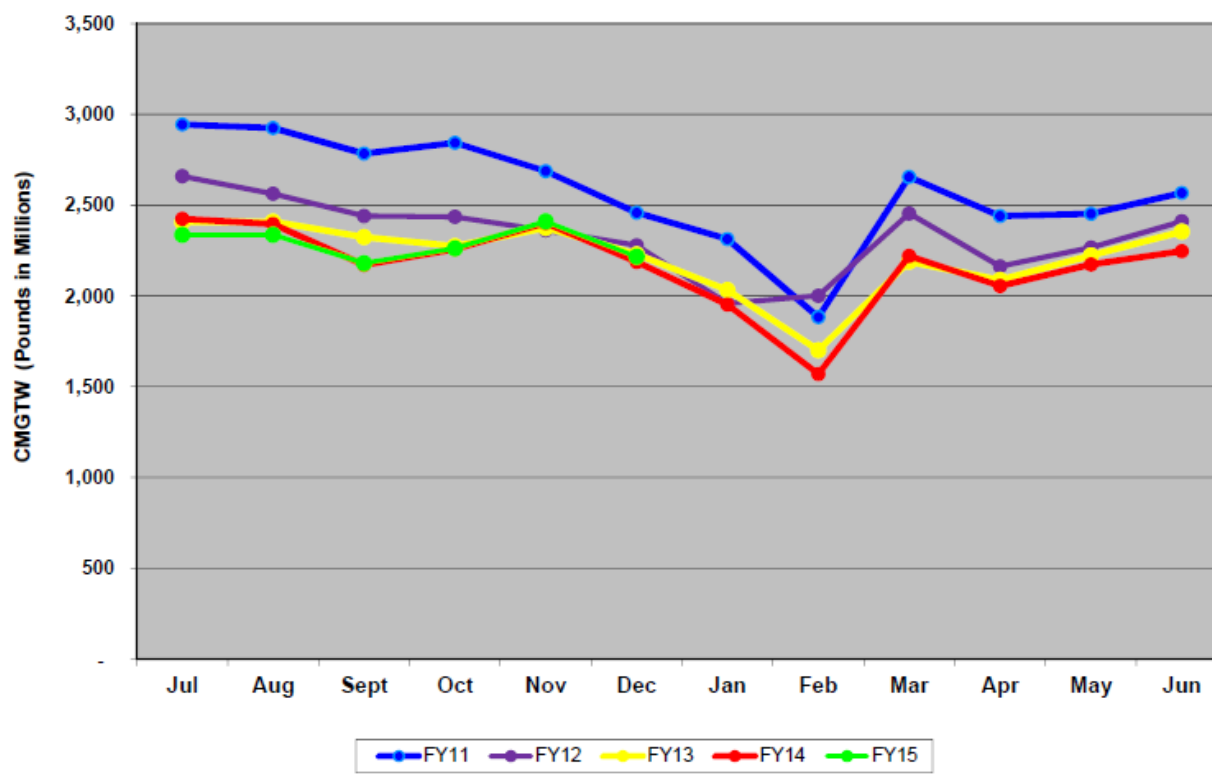
AIAS
Monthly Cargo & PAX CMGTW
 - Domestic & Int'l -
 FY07 - FY15 ytd (Dec)





Primary Revenue Driver - Airfield Activity (CMGTW): -2% FY14 /-4% FY15 ytd

AIAS
FY11- FY15 YTD
Monthly Reported Combined Cargo - Pax CMGTW
As of December 31, 2014

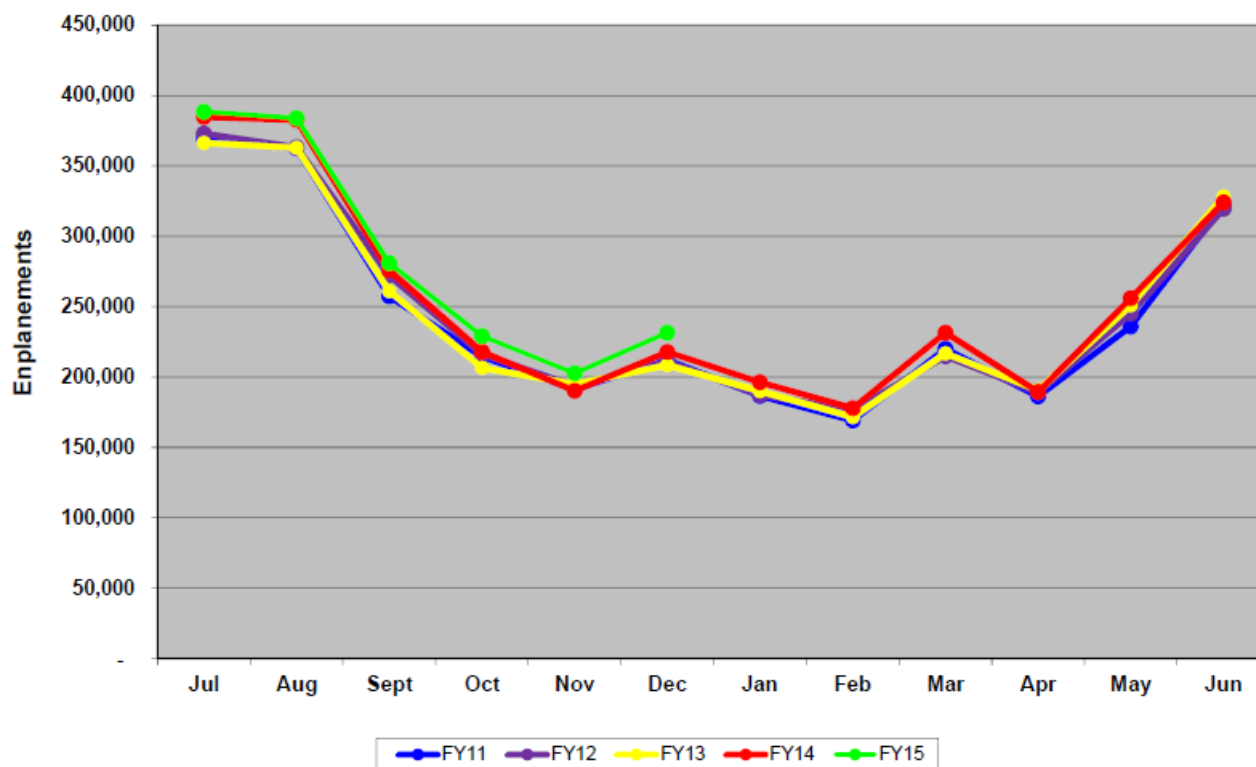




Passenger Activity

Up 3% FY14 / Up 1% FY15 ytd

AIAS
FY11 - FY15 YTD
Monthly Enplanements
As of December 31, 2014





Operating Agreement with Carriers

- **Ten-year Operating Agreement established July 1, 2013**
 - 30 Airlines are Signatory
 - Signatory Carriers
 - Share financial risk in exchange for capital and operating input
 - Discounted fees
- **Signatory Carriers organize and engage AIAS as Airline Airport Affairs Committee (AAAC)**
 - Co-chairs are representatives from UPS and Alaska Airlines
- **AIAS has authority to issue revenue bonds**



Strategic Planning & Marketing

- **System planning/responses to previous management reviews**
 - Strategic Plan (2015)
 - Business Plan (2014-15)
 - Marketing Plans / System Branding (Ongoing)
- **Proactive communications**
 - Work with sister State agencies; Convention and Visitors Bureaus and Economic Development Corporations to strategize opportunities
 - Attend passenger and cargo conferences to promote AIAS
 - Pursue Asian carriers



Master Plans

- **AIAS Strategic Plan (DOWL/HNTB Team)**
 - Completed Dec 2014; scenarios, capacity and forecasts
 - Report located at <http://dot.alaska.gov/aias/news>
- **FAI Master Plan(RS&H Team)**
 - Completed Dec 2014
 - Report located at <http://pdcprojects.info/FAIMasterPlan>
- **ANC Master Plan (RS&H Team)**
 - Completed Dec 2014
 - Report located at <http://www.ancmasterplan.com>



Statewide Aviation



Rural System Scope and Scale

- 247 DOT&PF owned/operated airports & seaplane bases
- 172 gravel & 47 paved airports; 27 Sea Plane Bases & 1 heliport
- 19 Part 139 certificated airports
- Primary access for 82% of Alaskan communities off the contiguous road system
- Rural System is not self sustaining; primarily funded by GF, some revenue via leases



Major Rural System AIP Construction Projects Expected to be Funded in FFY'15 & '16

Runway Safety Areas

- Adak (No AIP Funding will be Used)

Pavement Rehab

- Bethel
- Gulkana
- Haines
- Shishmaref
- Talkeetna
- Wrangell
- Yakutat

Rural Access

- Ambler
- Cold Bay
- Coldfoot
- Cordova
- Hooper Bay
- Kotzebue
- Kwigillingok
- Pilot Station

Buildings

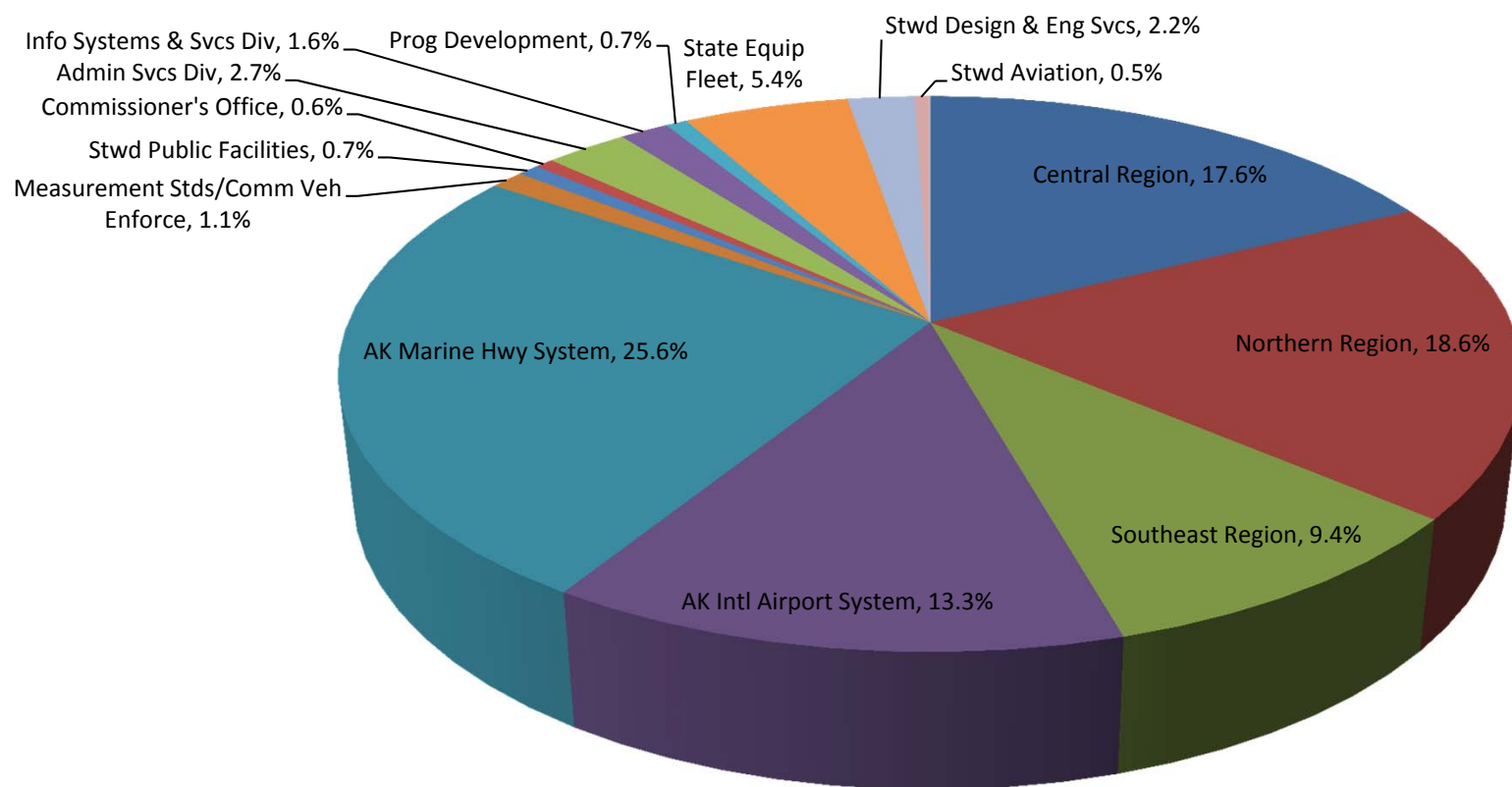
- Barrow
- Bethel
- Cold Bay
- Deadhorse
- Ketchikan
- King Salmon
- Togiak
- Unalaska

- **Alaska Airport Needs Directory published**

<http://dot.alaska.gov/airport-portal-newsres.shtml>



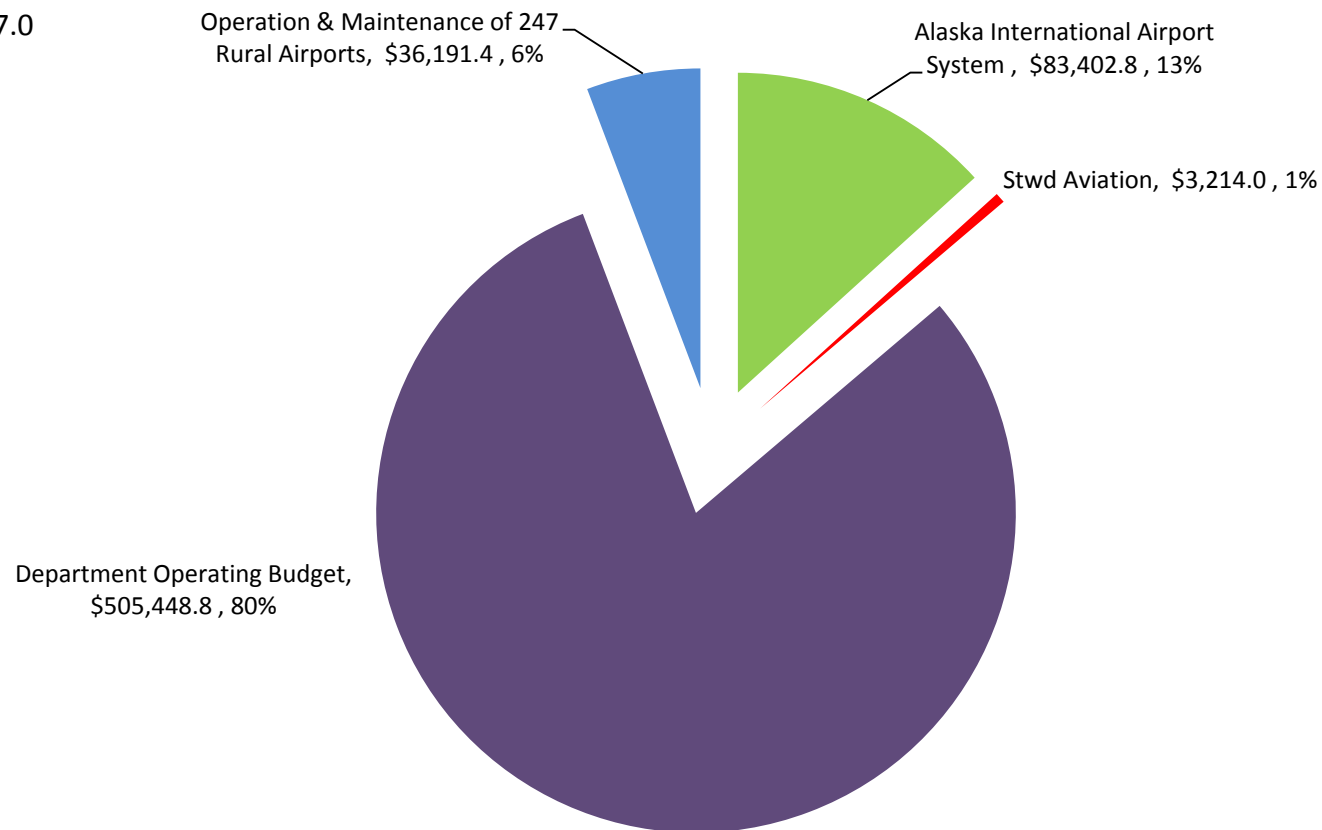
FY2016 Governor's Endorsed Budget Functional Breakdown





FY2016 Governor's Endorsed Budget Department Breakout

Total: \$628,257.0





Airport Improvement Program (AIP)

FAA airport capital improvement project funding program (~\$176.2M)

- **Cargo Entitlement (\$15.1M)**
 - Earned by airports with more than 100 million pounds landed weight
- **Primary Passenger Entitlement (\$31.2M)**
 - Earned by airports with more than 10,000 passengers (enplanements)
- **Non-Primary Passenger Entitlement (\$7.6M)**
 - Earned by airports with less than 10,000 passengers annually
- **State Apportionment (\$20.5M)**
 - An area/pop. formula used after cargo/passenger entitlements calculated
- **Alaska Supplemental (\$21.3M total less Muni Sponsors = \$16.7M)**
 - Legislative amount based on 1980 amounts
- **Discretionary (\$85.1)**
 - What remains – divided among 50 states



AIP Funding FFY'12 to '14 (\$M)

Funding Type	FFY'12	FFY'13	FFY'14
Total AIP \$ -- (AIAS + Rural)	\$201.8	\$ 187.3	\$ 180.7
AIAS Total Passenger & Cargo Entitlements	\$ 23.5	\$ 22.3	\$ 22.3
Rural Total State Apportionment & AK Supplemental (includes funding allocated to Local Sponsors)	\$ 41.5	\$ 42.2	\$ 41.8
Rural Primary Passenger Entitlement	\$ 25.9	\$ 28.0	\$ 23.9
Rural Non-Primary Entitlements	\$ 17.1	\$ 7.5	\$ 7.6
Discretionary Funding (AIAS + Rural)	\$ 93.8	\$ 87.3	\$ 85.1



Airport Project Evaluation Board (APEB)

Board Members

- Deputy Commissioner, Regional Directors, Maintenance & Operations Chief, Director of Program Development

Project Evaluation Boarding Process

- Needs list development – conducted by regional planners
- Project nominations to the board
- Project scoring – criterion for airports (16) / buildings (8)
- Regular review

Spending Plan Development



Aviation Challenges--Future

- **Evolving federal agency relationships**
 - Increasing regulatory pressure (FAA, TSA, EPA)
 - Lessening awareness of, and appreciation for, Alaska realities not present in lower 48
 - FAA AIP funding uncertainty
- **Increasing cost of winter maintenance chemicals**
 - Federal ban on a common chemical used at large airports
 - Approved chemical almost twice as expensive



Thank you!

Questions?