



MARCH 19, 2025

Senate Finance Subcommittee

Alaska International Airport System (AIAS) Statewide Aviation

Alaska Department of Transportation & Public Facilities

Angie Spear, C.M., Director, AIAS

Troy LaRue, C.M., Division Operations Manager, Statewide Aviation

Dom Pannone, Director, Program Management & Administration



WHAT IS THE AIAS?



Ted Stevens Anchorage International Airport

- Major international cargo hub
- 4th busiest cargo airport in the world



Fairbanks International Airport

- Passenger hub and reliever cargo airport
- Critical facility for the Northern Region



Lake Hood Seaplane Base

- Seaplanes and Regional Air Carriers
- Busiest seaplane base in the world



AIAS AIRLINE BUSINESS PARTNERSHIP

Existing 10-year Operating Agreement and Passenger Terminal Lease (OAPTL)

- July 1, 2023 – June 30, 2033
- 33 Signatory Carriers share financial responsibility with AIAS
- Capital and operating input, discounted fees
- Organized Airlines Airport Affairs Committee (AAAC)

Bonds issued through State Bond Committee

- \$1 billion issued, \$279.7 million outstanding

Moody's Credit Rating: Aa3 stable



FINANCES

Refunded Series 2016 A&B Bonds with Department of Revenue

- \$8.9 million (6.5%) in Net Present Value Savings
- \$23 million maintained annual debt service thru 2036

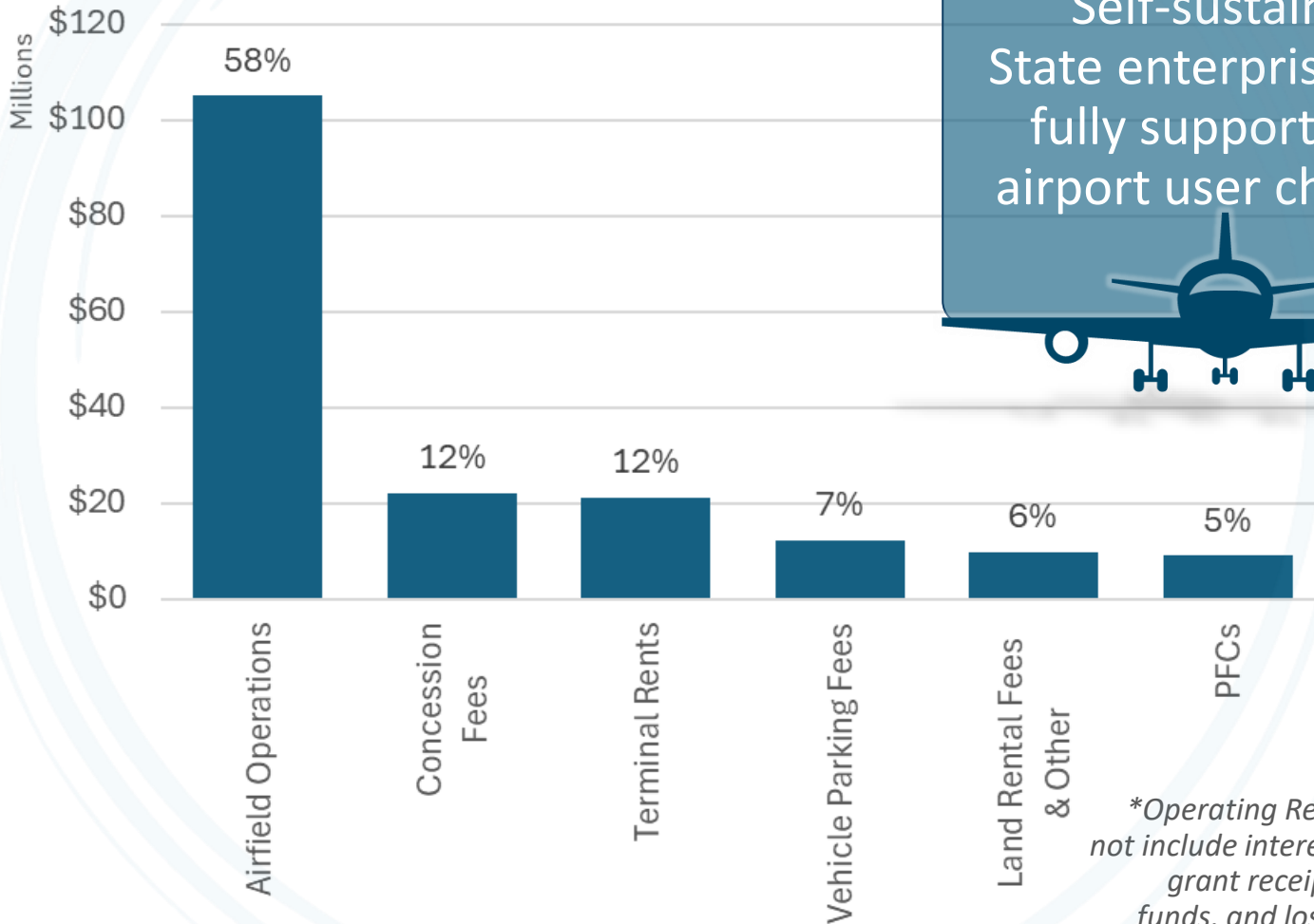
Processed remaining Pandemic Relief Funds

- \$104 million since 2020



OPERATING REVENUES AND PASSENGER FACILITY CHARGES (PFCs)

Alaska International Airport System
FY2024 Operating Revenues and Passenger Facility Charges
\$180 Million (Unaudited)



Self-sustaining State enterprise fund, fully supported by airport user charges.

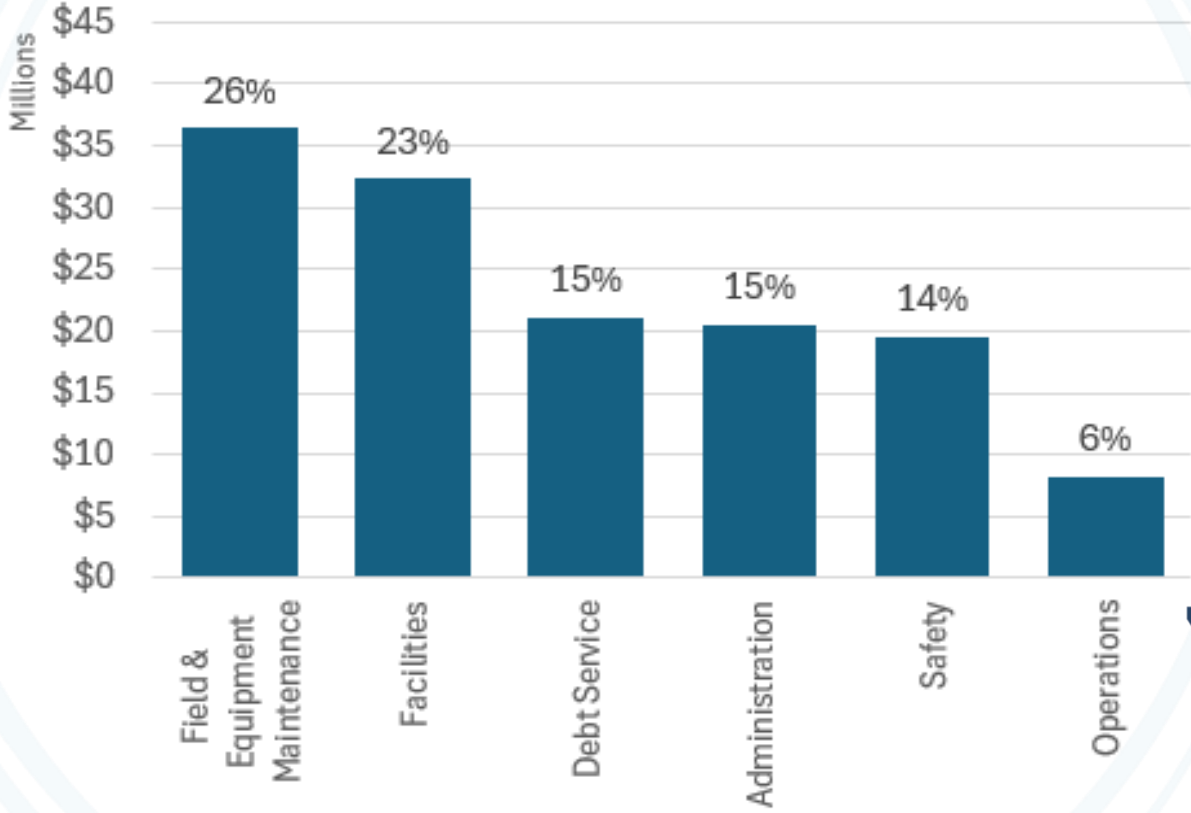


**Operating Revenues and PFCs do not include interest revenues, capital grant receipts, Pandemic Relief funds, and losses on investments.*



OPERATING EXPENSES AND DEBT SERVICE

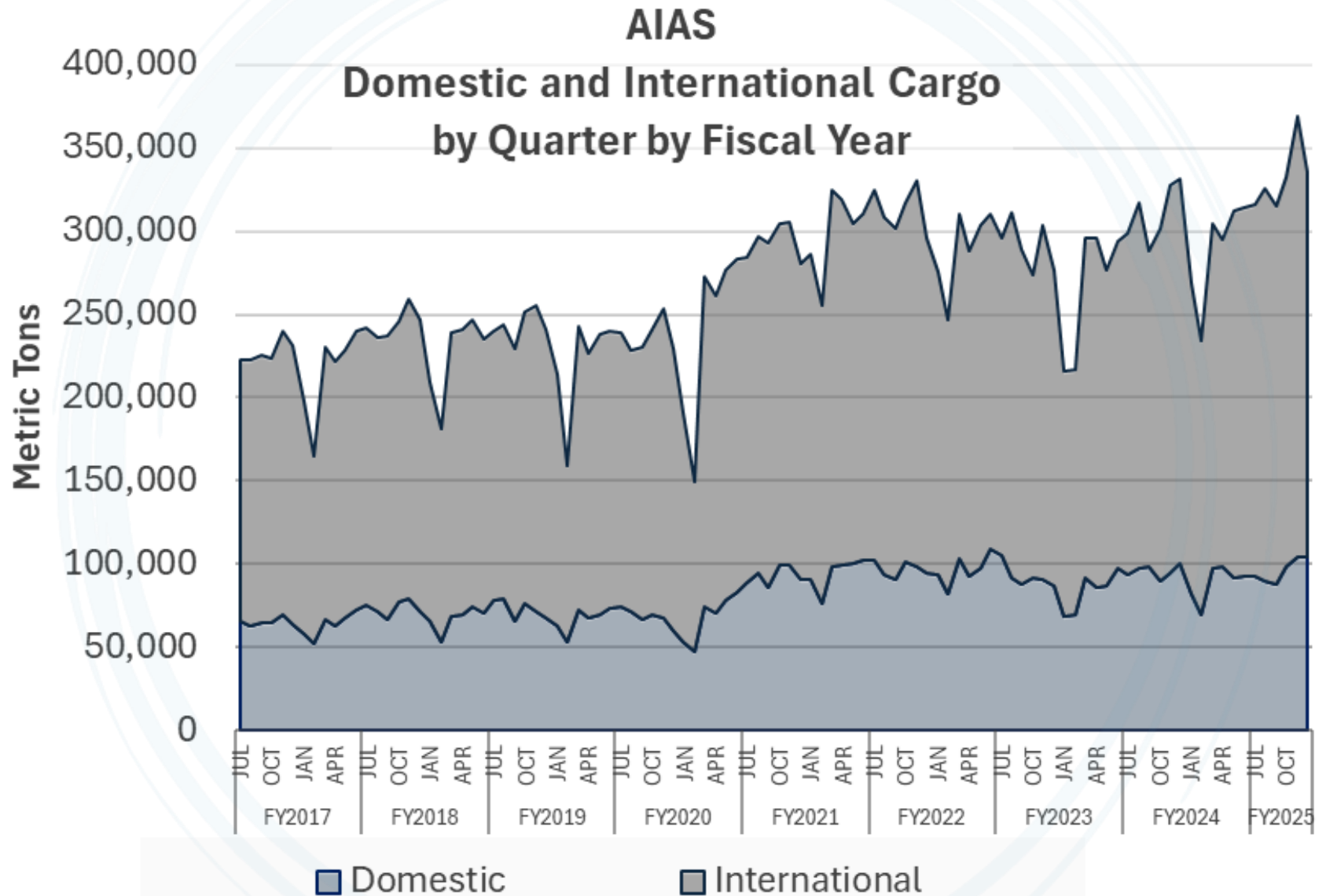
Alaska International Airport System
FY2024 Operating Expenses and Debt Service
\$138 Million (Unaudited)



*Expenses do not include rates & fees-funded capital costs or depreciation.



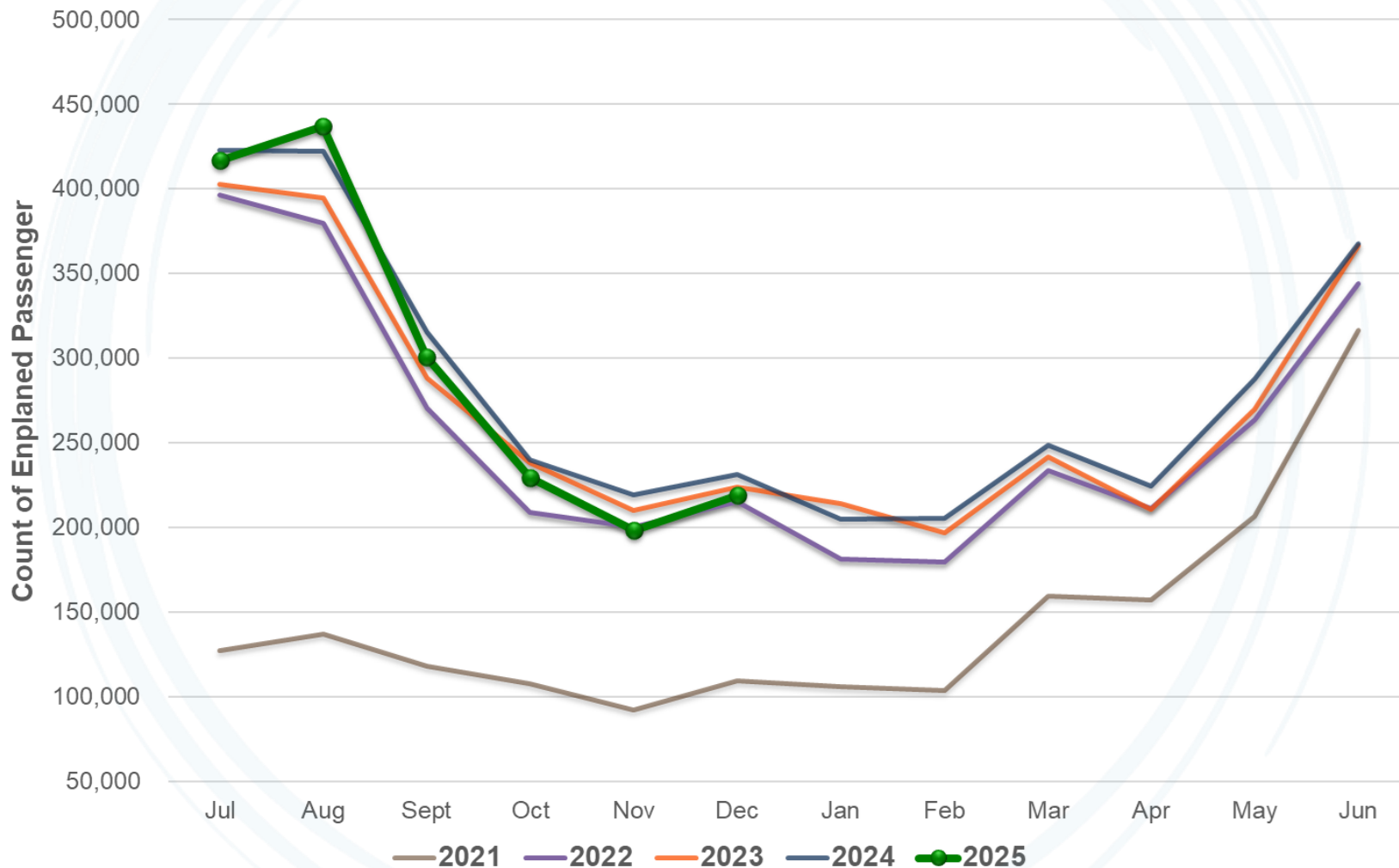
DOMESTIC AND INTERNATIONAL CARGO ACTIVITY



MONTHLY PASSENGER ACTIVITY



AIAS
FY2021 - FY2025
Monthly Enplaned Passengers
As of December 31, 2024



OPERATING BUDGET

| International Airports | FY2026 |
|------------------------|--------------------|
| Federal | \$1,008.4 |
| Other | \$126,011.3 |
| Total | \$127,019.7 |

| FY2026 Budget Changes | Airport Revenue | Perm. Pos. | Temp Pos. |
|---|------------------|------------|-----------|
| Salary Adjustments (Part of the Adjusted Base) | \$3,117.2 | | |
| FY2026 Salary, Health Insurance, and Retirement Increases | \$3,117.2 | | |
| Net Zero Transfers Within Components (Part of the Adjusted Base) | \$4,167.4 | 28 | 1 |
| Transfer from Fairbanks Airport Administration to Align Authority with Anticipated Expenditures | \$20.0 | 0 | 0 |
| Transfer Positions from Multiple Components for Streamlined Alaska International Airport Operations | \$4,147.4 | 28 | 1 |

\$ in thousands, Governor's Amended (2-19-2025)



CAPITAL FUNDING

Federal Aviation Grant Programs (in Millions)

FFY2024

| | Discretionary** | Entitlements** | Supplemental | BIL/IIJA | TOTAL |
|-----|-----------------|----------------|--------------|----------|--------|
| ANC | \$27.9 | \$16.3 | \$0.0 | \$14.5 | \$58.7 |
| FAI | \$0.0 | \$3.1 | \$0.0 | \$2.5 | \$7.6 |

FFY2025 (anticipated)

| | Discretionary** | Entitlements** | Supplemental | BIL/IIJA | TOTAL |
|-----|-----------------|----------------|--------------|----------|--------|
| ANC | \$23.4 | \$20.2 | \$6.6* | \$20.7 | \$71.0 |
| FAI | \$0.4 | \$3.8 | \$0.0 | \$4.0 | \$8.2 |

*Refers to two (2) projects selected for funding under the 2023 Supplemental Discretionary Notice of Funding Opportunity and 2024 Resilient Infrastructure Discretionary Notice of Funding Opportunity.

** Airport Improvement Program (AIP) funding sources.



CAPITAL FUNDING

2024 Funded Capital Projects

- Runway 7R/25L Repairs
- North Terminal Northside Aprons and Taxilane Reconstruction
- Taxiway R and Taxilane U Improvements and Reconstruction
- Aircraft Rescue and Fire Fighting (ARFF) Trucks 3,000 gallons (2)
- FAA FAR Part 150 Noise Study
- Water Main Improvements
- Passenger Boarding Bridge Replacement (1)
- FAI Runway 2L/20R Lighting Rehabilitation
- FAI Passenger Boarding Bridge Gate 3 Replacement

2025 Anticipated Funded Capital Projects

- Taxiway E and M Improvements
- RON 12-14 Rehabilitation
- Airport Sustainability Plan
- Passenger Boarding Bridge Replacements (5)
- Kilo Tug Road Improvements
- Kulis Ramp Repairs
- Landing Helicopter Dock (LHD) Aircraft and Lakeshore Drive Rehabilitation
- North Terminal Combined Heat and Power Project
- Air Traffic Control Tower Replacement Parking
- FAI Terminal North Apron Improvements
- FAI Noise Exposure Map Update

**This list is not all inclusive, but representative of the more significant and/or higher cost projects*



WINTER STORM EFFICIENCY STUDY

It's Not Just About Snow...



WINTER ICE STORM
¼ - 0.3 inches of freezing rain

| | |
|-----------------------------|------------|
| December 4-6, 2024 | \$776.0* |
| January 6-7, 2025 | \$968.0* |
| Winter Season Costs To Date | \$4,000.0* |



WINTER RAINSTORM
0.14 inches of rain

| | |
|---------------------|----------------------|
| January 24-26, 2025 | \$279.9* |
| Winter Year | Number of Diversions |
| 2024 | 60 |
| 2025 (to date) | 28 |

(*in thousands)

Background

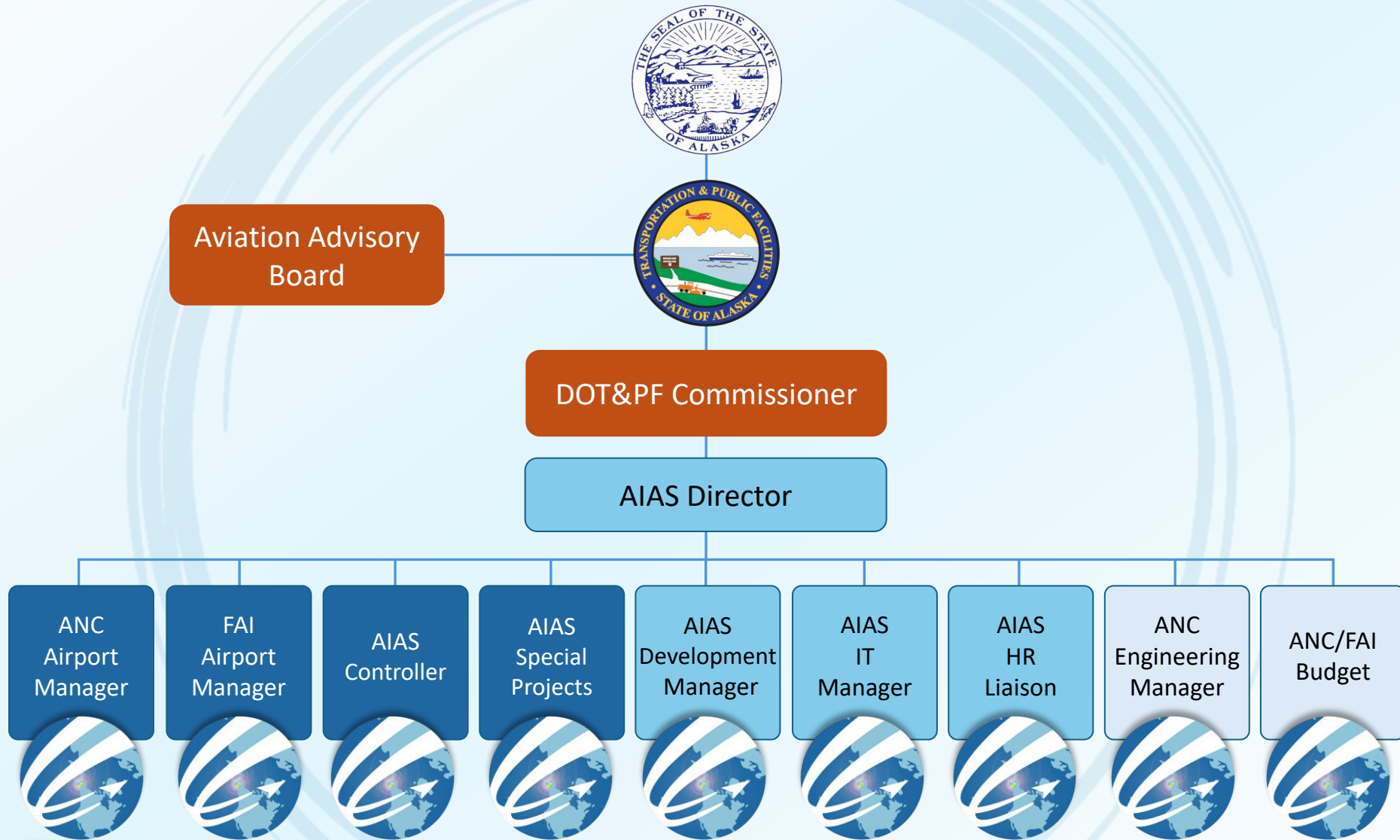
- Severe weather events can create challenges for ANC and FAI
 - Delays on the ground
 - Diversions to other airports

Purpose

- Analyze current processes, inventory, staffing levels
- Confirm what is working
- Recommendations for improvements



PROPOSED AIAS REORGANIZATION



AIAS PROPOSED REORGANIZATION



Create a Planning & Development Team

- Unified Vision
 - Enhance collaboration for innovation
 - Shared best practices
- Focused alignment of strategic goals and development objectives
 - Land Development, Concessions
 - Regional, domestic and international air service development
 - Federal Grant Opportunities
- Facilitating alignment and continuity in the communication of internal and external capabilities

AIAS PROPOSED REORGANIZATION

Establish a Technology and Innovation Team

- Ensure technology continuity and system modernization
- Enhance cyber-security and operational resilience
- Drive digital transformation for efficiency and innovation
- Elevate passenger experience through advanced IT solutions
- Support airlines and stakeholder with tailored IT services



AIR SERVICE DEVELOPMENT GROWTH

Passenger Service – New Routes and Expansion of Existing

- United Airlines: Washington D.C., Denver, Chicago
- Alaska Airlines: New York City, San Diego, Portland, Detroit, Sacramento
- Delta Airlines: Detroit, Los Angeles, Atlanta, Salt Lake City
- Condor Airlines extended operations
- Air Canada increased weekly service

Cargo – New Carriers

- MAS Airlines
- Central Airlines of China
- ASL Air Cargo
- Awesome Cargo Airlines
- Aerologic Air Cargo
- CMA CGM Air Cargo



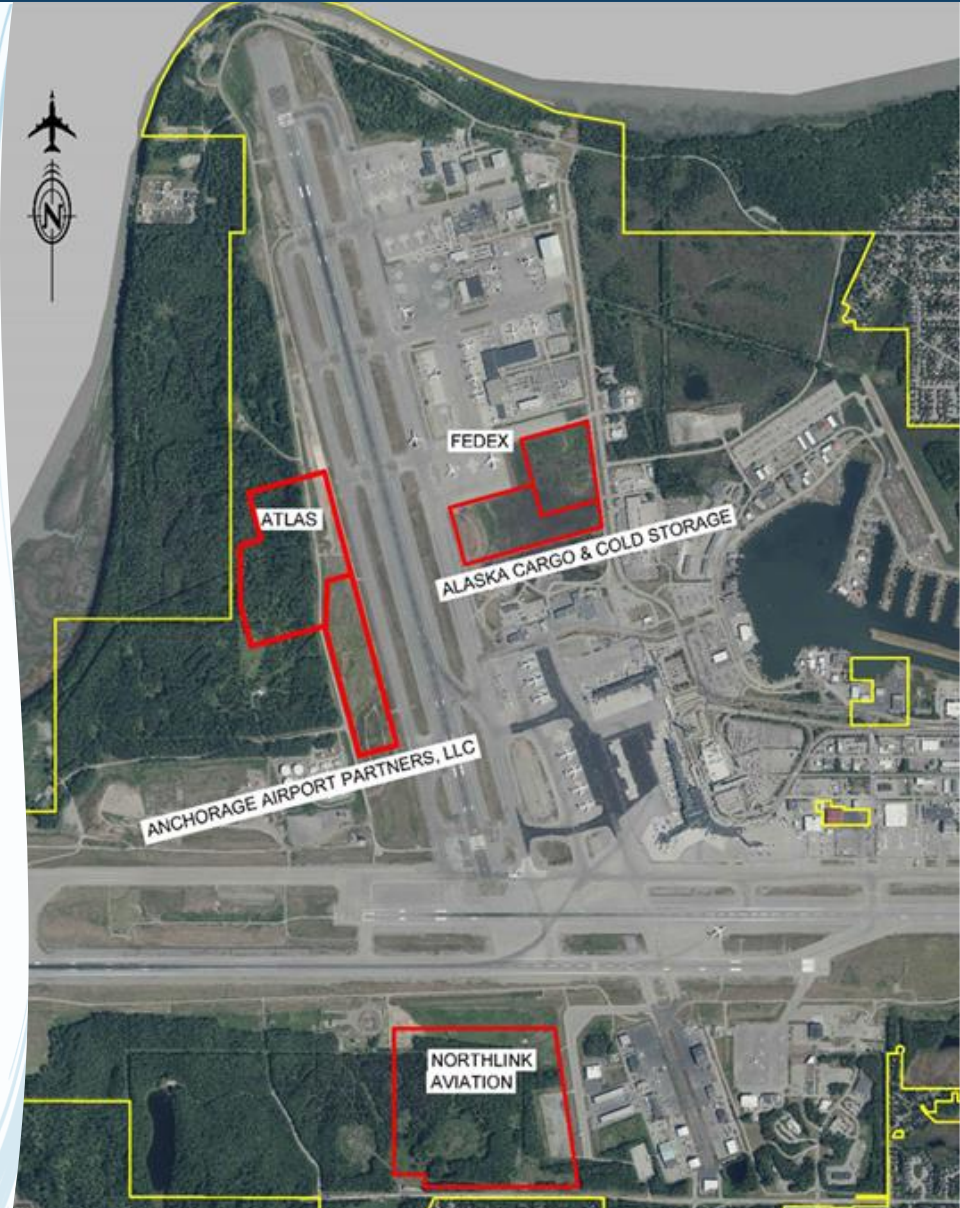
DEVELOPMENT & GROWTH



- FedEX Domestic Sorting Facility
- NorthLink Aviation
- Anchorage Airport Partners, LLC
- Alaska Cargo and Cold Storage
- Atlas Air (*pending*)



- Bureau of Land Management & Department of Natural Resources Firefighting Complex
- Vehicle Parking Expansion and Improvement Project



INNOVATION AND SUSTAINABILITY



- Part 150 Noise Compatibility Study
- Heat & Power CoGen Production
- ALCS Resilience and Reliability

- Sustainable Aviation Fuel
- Solar Energy Initiative



- PFAS* FAA Pilot Study Report
- Boston Dynamics "Aurora" Autonomous Technology for Wildlife Mitigation



*PFAS: per- and polyfluoroalkyl substances



BUILDING STRONGER PARTNERSHIPS AND COMMUNITIES

- Drug Enforcement Programs
- Children's Play Area
- Art Contests, Holiday Programs
- Hidden Disability Program
- Blue Lightning Initiative
- Traveler Surveys
- Job Fairs



STATEWIDE AVIATION ORGANIZATION / LEADERSHIP



**Department of Transportation
and Public Facilities**

Commissioner

Deputy Commissioner



**Alaska International
Airport System**



Statewide Aviation

**Ted Stevens Anchorage
International Airport**

**Fairbanks
International Airport**

**235 Rural
Airports**



STATEWIDE AVIATION

Division Responsibilities

- Airport Capital Improvement Program (ACIP)
- Alaska Aviation System Plan (AASP)
- Aviation Policy Planning & FAA Reauthorization Coordination
- Airport GIS
- PFAS
- Rural Airport Safety & Security
- Remote Sensing Lab (RSL)
- Technology & Innovation
- Statewide Airport Leasing



STATEWIDE AVIATION



EXPENSES & REVENUES

Maintenance and Operations Airport Expenses and Leasing Revenues for FY2024

| Statewide Rural Airports FY2024 | Maintenance, Operations, Facility Expenses | Leasing Revenue | Revenue Less Expenses |
|--------------------------------------|--|-------------------|-----------------------|
| Subtotal: Central Region (CR) | \$ 9,514.8 | \$ 1,739.0 | \$ (7,139.5) |
| Northern Region (NR) | \$ 22,738.6 | \$ 3,803.0 | \$ (18,935.6) |
| Southcoast Region (SR) | \$ 16,441.6 | \$ 1,243.7 | \$ (15,197.9) |
| Grand Total | \$ 48,694.9 | \$ 6,785.7 | \$ (41,273.0) |

* Ketchikan Airport is leased in its entirety to the Ketchikan Gateway Borough who retain all revenues generated and pay most of the Maintenance & Operations costs.

| FY2024 Other Rural Airport Revenues | |
|---|-------------------|
| 320N - Work/Office Administ-NonPar | \$ 47.3 |
| 321N - Security & Arff-NonPar | \$ 55.9 |
| AAHC - Airport After Hours Call-out | \$ 362.2 |
| BADG - Badge Fees | \$ 70.1 |
| FING - finger printing | \$ 10.5 |
| LAND - Landing Fees | \$ 92.8 |
| PARK - Barnacle Parking Enforcement Sitka | \$ 17.0 |
| OTHER - Other Revenue Transactions | \$ 2,049.2 |
| Total | \$ 2,705.0 |



See attachments for breakout by airport

\$ in thousands



FY2026 BUDGET HIGHLIGHTS: RURAL AVIATION



Sunny day at Hughes Airport along the Koyokuk River, June 2024
By Henry Cole, Alaska DOT&PF

Key Issues Ahead

- Project Cost Escalation
- Airport Lighting Systems
- Airport Weather Observation Systems (AWOS)
- Federal Aviation Administration (FAA) Reauthorization
- Employee Housing
- Increasing Cost of Rural Airport Maintenance Contracts
- Civil Rights and FAA Findings
- Gustavus Airport Security
- PFAS Transition
- Parking at Airports

| FY2026 Requests | OTHER | UGF | Grand Total |
|---|----------------|----------------|--------------------|
| Increments to Base Budget | \$430.0 | \$558.3 | \$988.3 |
| Airport Stormwater Pollution Prevention Plans Tracker Annual Subscription Fee | \$160.0 | | \$160.0 |
| Akutan Airport Employee Lodging | | \$72.0 | \$72.0 |
| Alaska Aviation System Plan: Letters of Correction Database | \$50.0 | | \$50.0 |
| Capital Improvement and Maintenance Program (CIMP) Inspection Program | \$100.0 | | \$100.0 |
| Kotzebue Airport Employee Housing and Travel | | \$111.6 | \$111.6 |
| Rural Airport Maintenance Contractor Increases | | \$374.7 | \$374.7 |
| Rural Airport Receipts to Support After-Hour Call Out | \$120.0 | | \$120.0 |
| Increments, One Time Items | \$160.0 | | \$160.0 |
| Abandoned Buildings on Lease Lots | \$160.0 | | \$160.0 |
| Rural Aviation Requests Total | \$590.0 | \$558.3 | \$1,148.3 |

\$ in thousands, Governor's Amended (2-19-2025)



ABANDONED BUILDINGS ON LEASE LOTS

Kodiak



St. George



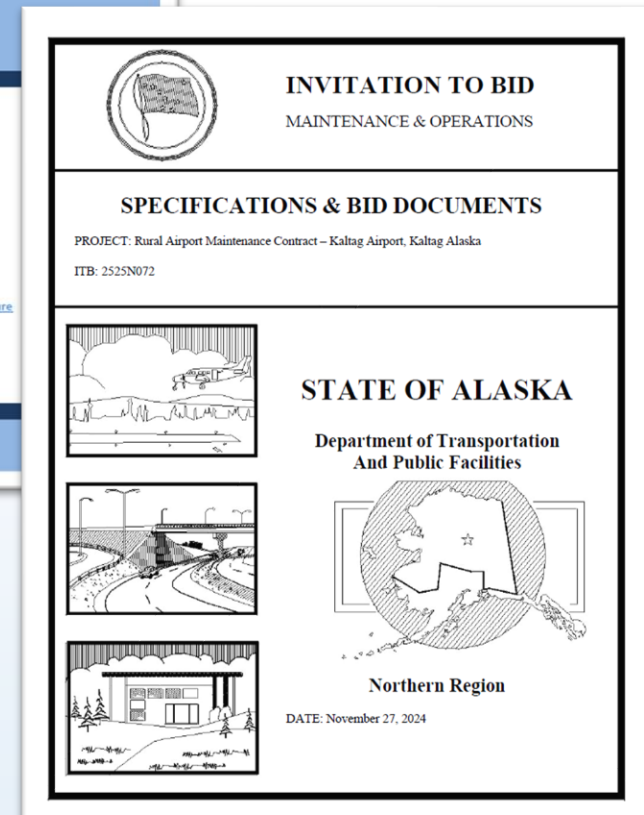
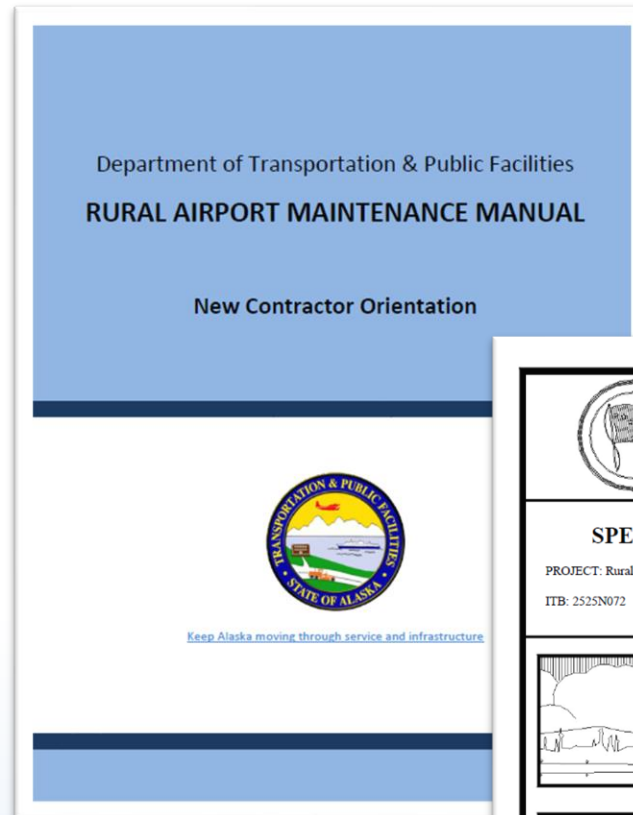
Cold Bay



RURAL AIRPORT MAINTENANCE (RAM) CONTRACTS

\$ in thousands

- **FY2024 - 129 Airports with Maintenance Contracts**
- FY2024 Average Annual Contract Amount \$35.4 (with a Median value of \$32.6)
- Contracts are competitively bid and awarded on low-cost basis
- Over 90 locations had a single bidder
- Over half of RAM contract airports serve communities with a history of subsistence

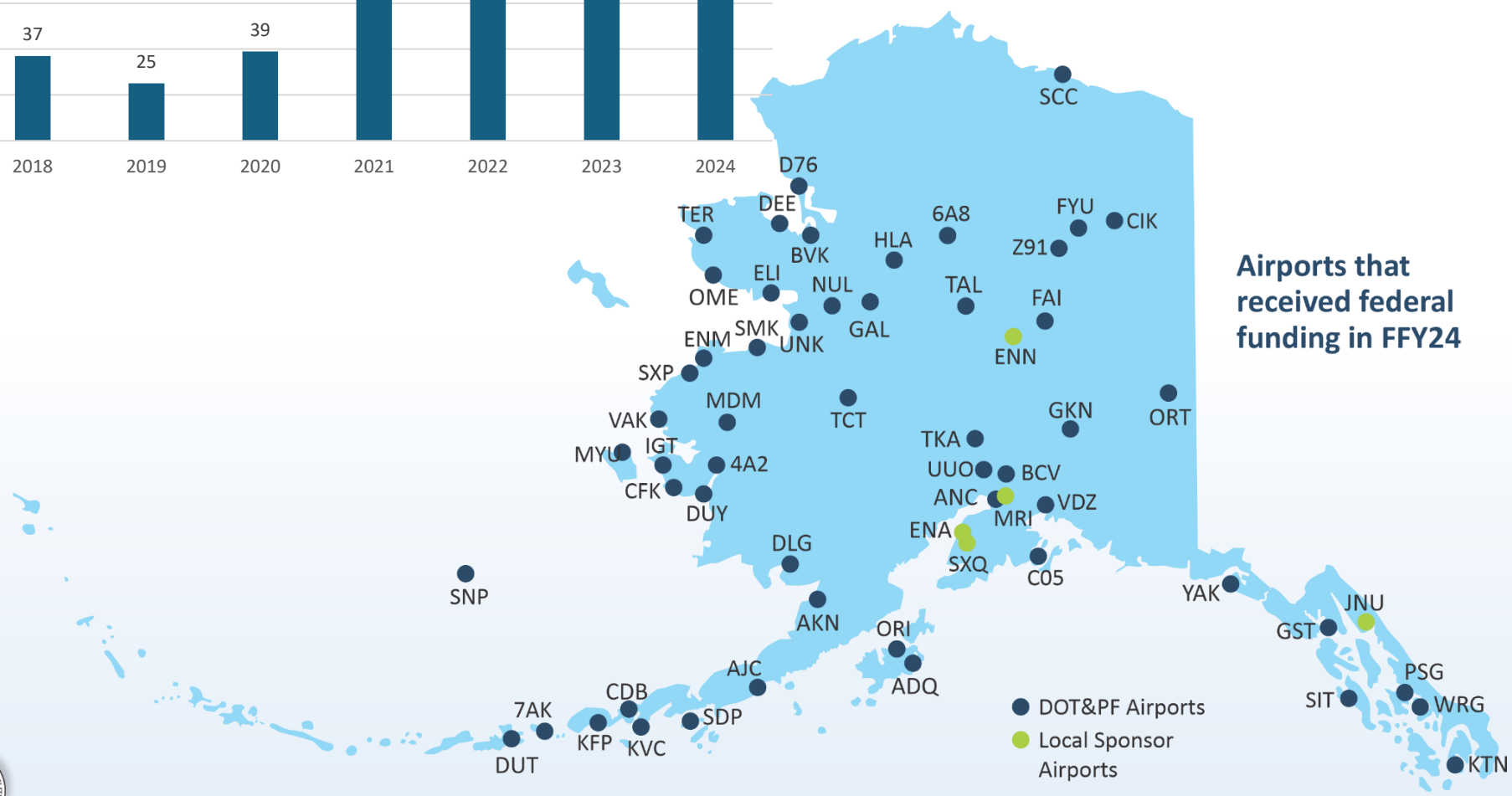
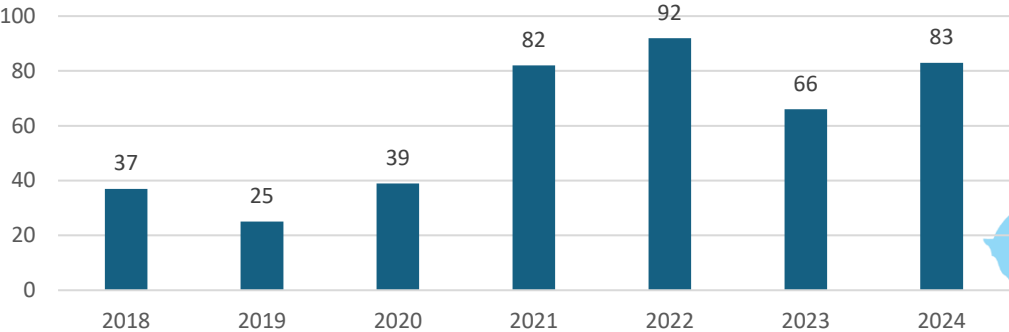


See attachment for list of contractor costs



FFY2024 AIRPORT GRANT PROGRAM

Airport Improvement Program (AIP) Number of Executed Grants per Year



AIRPORT IMPROVEMENT PROGRAM (AIP) AND BIPARTISAN INFRASTRUCTURE LAW (BIL) FUNDING

Federal Capital Funding

- FFY2020 AIP = \$198.9M
- FFY2021 AIP = \$184.2M
- FFY2022 AIP = \$236.4M (BIL = \$19.6M) TOTAL= \$256M
- FFY2023 AIP = \$172.9M (BIL = \$56.4M) TOTAL= \$229M
- FFY2024 AIP = \$163.6M (BIL = \$81.2M) TOTAL= \$244.8M

Rural Airport System State Match

- Generally, 6.25% of Project Eligible Costs
- FFY2025 & FFY2026 Are At 5% Ratio
- Essential Air Service (EAS) Airports Remain At 5% Match of Project Eligible Costs



AIRPORT IMPROVEMENT PROGRAM (AIP) AND BIPARTISAN INFRASTRUCTURE LAW (BIL) FUNDING: FFY2024

AIP Program
\$211.0M

- Rural Airport System = \$163.6M
- Alaska International Airport System = \$47.4M

BIL (Stimulus)
\$98.0M

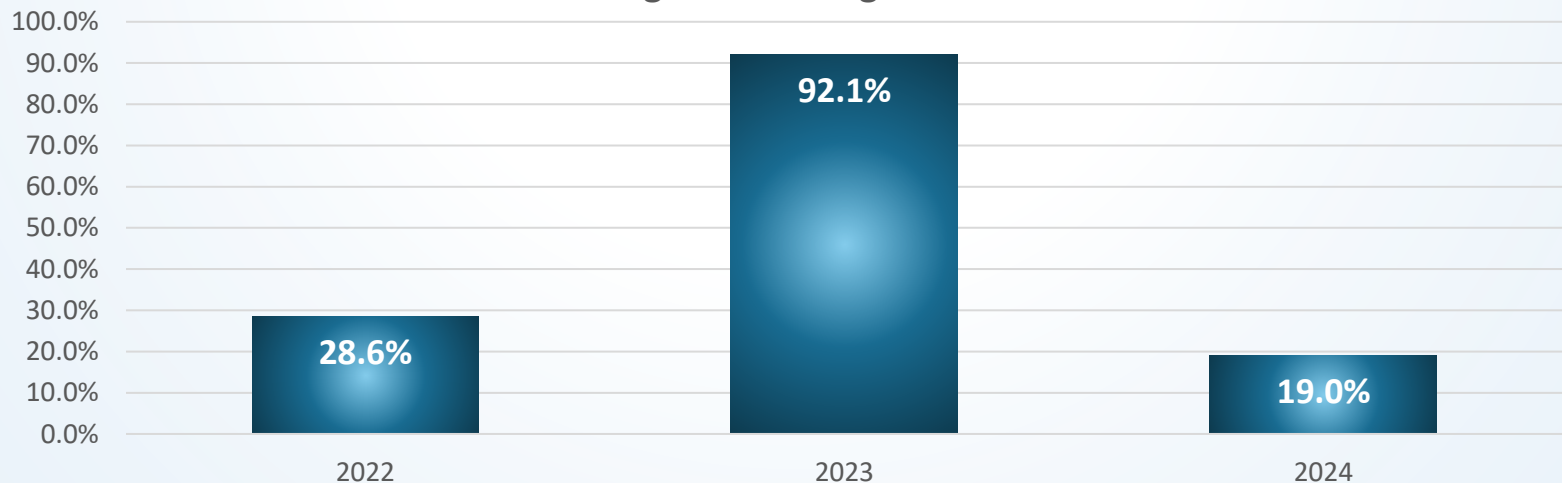
- Rural Airport System = \$81.2 M
- Alaska International Airport System = \$16.8M



PROJECT DELIVERY: INFLATION IMPACTS

| Project | Final Engineers Estimate | Low Bidder | Cost Increase (%) |
|------------------------------------|--------------------------|---------------------|-------------------|
| St Mary's Airport Improvements | \$42,391,172 (2022) | \$53,579,008 (2022) | 26.39% |
| Marshall Airport Improvements | \$16,629,995 (2023) | \$25,681,624 (2023) | 54.43% |
| Deadhorse Airport Improvements | \$34,068,884 (2024) | \$44,664,163 (2024) | 31.10% |
| Chalkyitsik Airport Improvements | \$10,757,806 (2023) | \$22,925,420 (2023) | 113.10% |
| Little Diomed Helipad Improvements | \$6,133,556 (2023) | \$32,755,477 (2023) | 434.04% |

**Airport Projects Advertised FFY22-24:
Average % Over Engineers Estimate**



CAPITAL MAINTENANCE NEEDS

- Estimated cost of all equipment currently needed = \$67M
 - FFY24: ~\$15M in equipment, ~\$5M in surface maintenance
 - FFY25: ~\$20M in equipment, ~\$4M in surface maintenance
- Challenges: long lead time, Buy American waivers
- Upcoming surface maintenance projects: Big Lake, Chignik, Elim, Fort Yukon, Golovin, Igiugig, Karluk, Kiana, Kobuk, Nelson Lagoon, Pedro Bay, Savoonga, Shungnak, Wales, White Mountain

RURAL AIRPORT SYSTEM PLANNING

Ongoing:

- Deadhorse/Barrow Master Plans
- King Salmon Airport Master Plan
- Denali Area Airports Planning Study (DAAPS)
- Interior Alaska Transportation Plan (IATPS)
- Alaska Aviation System Plan Phase III (AASP)

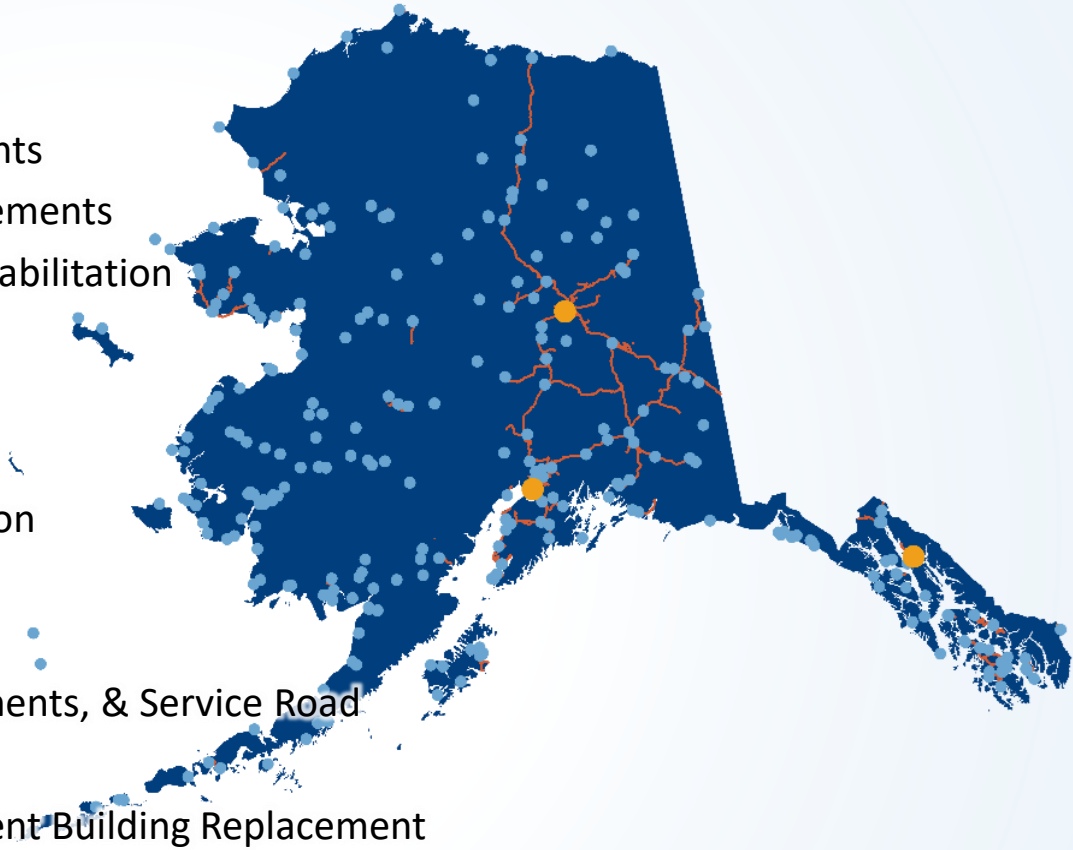
Upcoming:

- Yakutat Airport Master Plan (FFY25)
- Airport Pavement Management Plan (FFY25)
- Alaska Aviation System Plan Phase IV (FFY26)
- Scammon Bay Airport Relocation Reconnaissance Study (Phase II)
- Napakiak Feasibility Study (Phase I)
- Homer Airport Master Plan Update
- Regional area transportation plans, including Southeast Transportation Plan (FFY25) and the Prince William Sound Transportation Plan (FFY26)



UPCOMING RURAL AIRPORT PROJECTS

- Ketchikan Terminal Expansion
- Buckland Airport Improvements
- Kotzebue Crosswind Runway Improvements
- Deering Airport and Access Road Improvements
- Unalaska Apron & Taxiway Pavement Rehabilitation
- Takotna Airport Improvements
- Kwigillingok Airport Improvements
- Nunam Iqua Airport Improvements
- Murphy's Pullout Seaplane Basin Expansion
- Talkeetna Airport Lighting Improvements
- Haines Repaving, Drainage, and Lighting
- Bethel Taxiway, Apron, Fencing Improvements, & Service Road
- Kokhanok Resurfacing and Fencing
- Mountain Village Snow Removal Equipment Building Replacement
- Seward Snow Removal Equipment Building and Sand Storage Building
- Seward Airport Improvements
- Noatak Airport Relocation
- Tununak Airport Rehabilitation
- Ketchikan Seaplane Ramp Relocation and Floats Removal

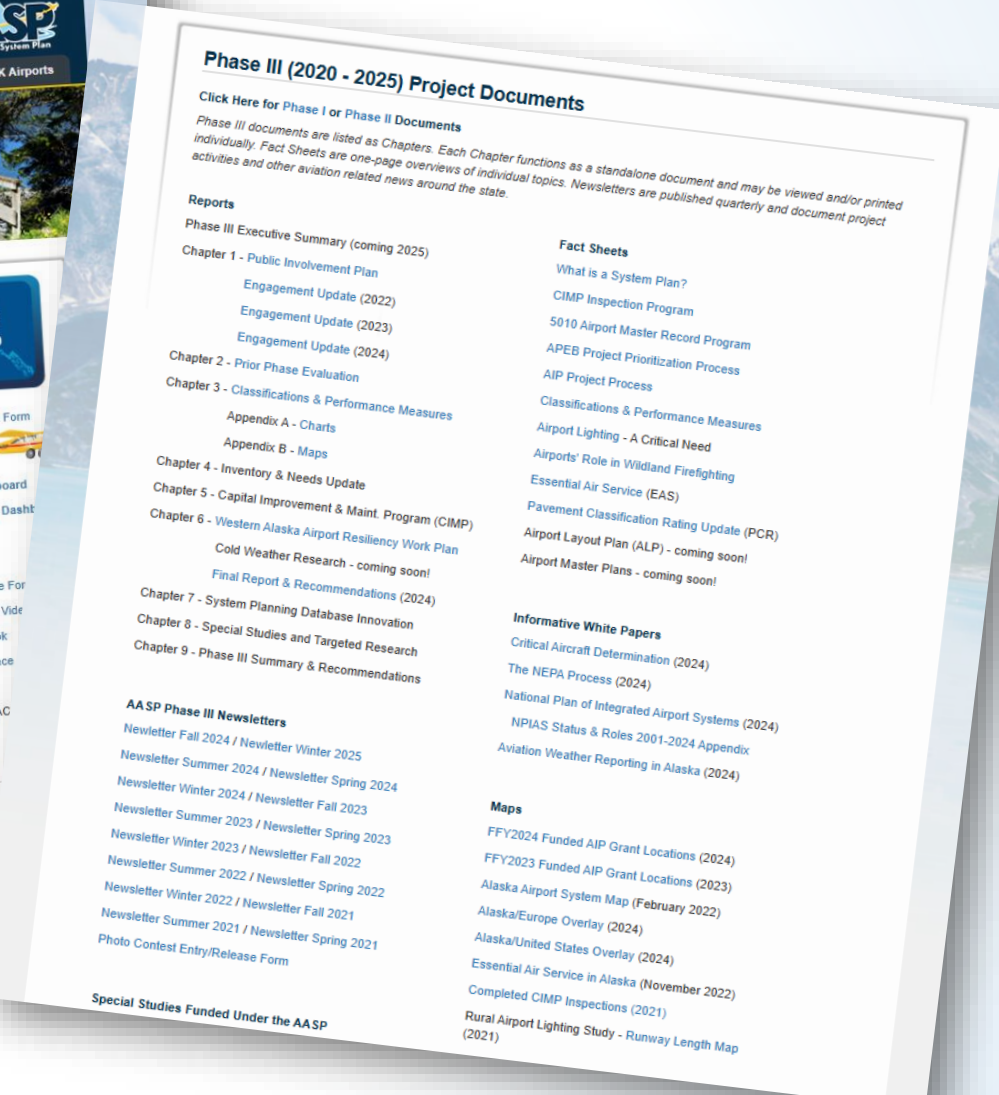
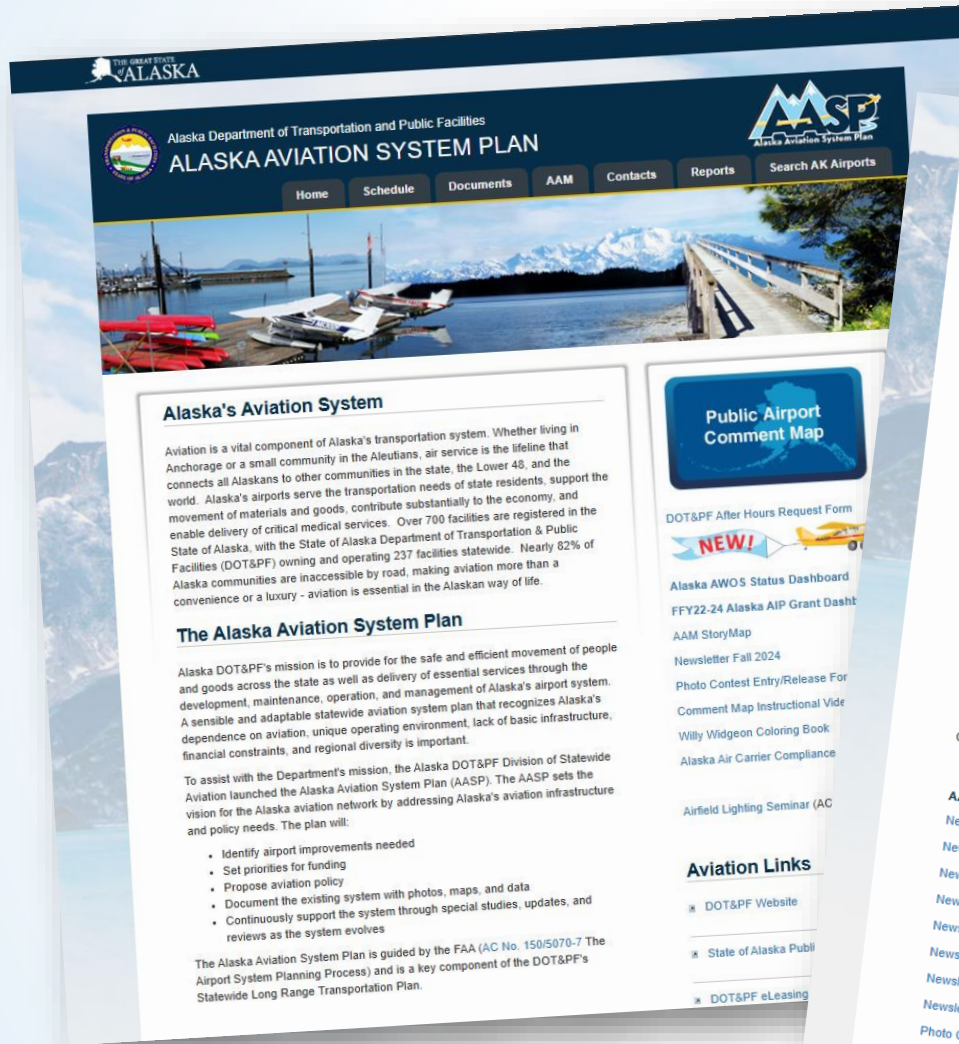


AIRPORT GIS AND INNOVATION

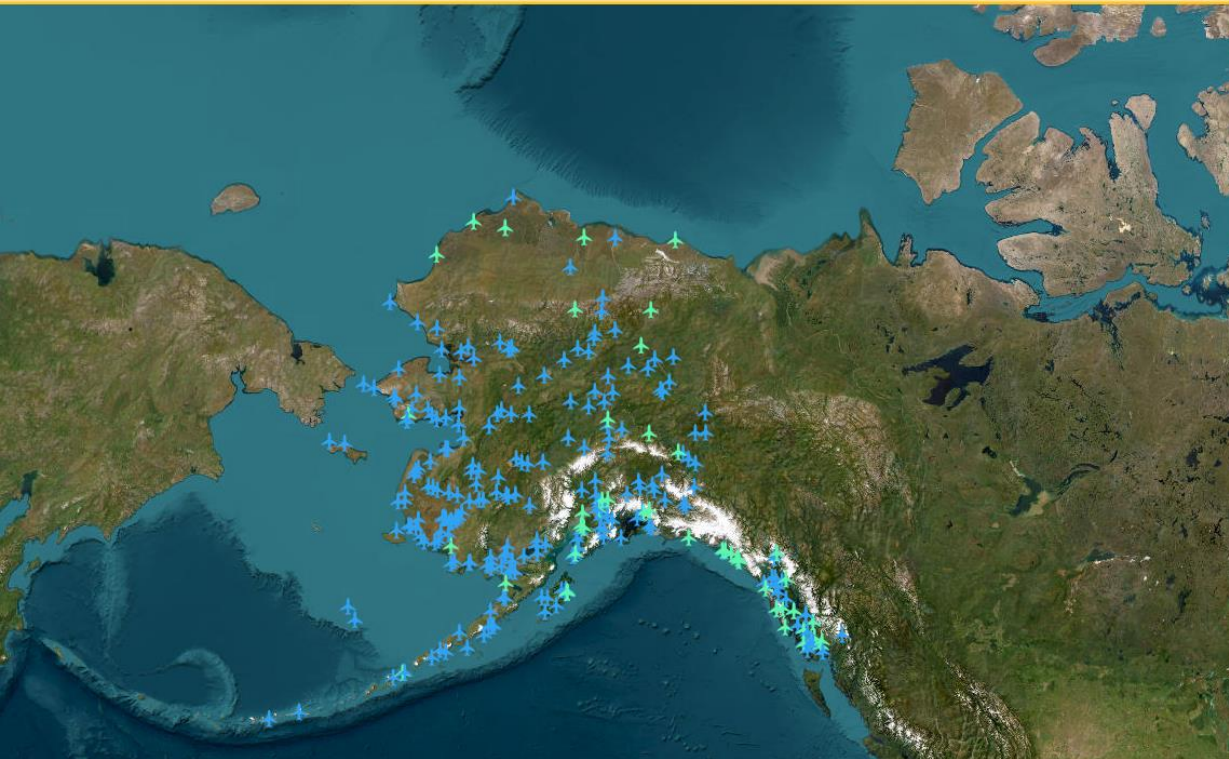
- **AWOS Dashboard**
 - Monitoring current AWOS (Automated Weather Observation System) / ASOS (Automated Surface Observing System) outages and issues
- **Statewide Imagery Database**
 - All airport data post construction found in one easily accessible and transparent location
- **Daily Inspection APP**
 - Part 139 Airfield Inspection application for Daily Inspection
- **Digital Upgrades**
 - Upgrading and improving digital infostructure and function in our rural airports
- **AIP Grants Dashboard**
 - Grant information by year
- **Starlink**
- **AASP**
 - Airport comment map, CIMP (Capital Improvement and Maintenance Program) inspections, Airport Map search, public transparency



Visit our website at AlaskaASP.com



COMMENT MAP



Add Airport Comment

Search by Airport Name, FAA Identifier or ICAO

Alaska Public Use Airports

-  Alaska DOT&PF Controlled
-  Other Government

1 of 26

Planning/Leasing

| | |
|--|----------------------------------|
| Comment Date | August 7, 2023 |
| Airport Name | Petersburg Lloyd R Roundtree SPB |
| FAA Identifier | 63A |
| General/Community Comment Details | |
| General/Community Info Comment Type | |
| Maintenance/Operations Comment Details | |
| Maintenance/Operations Comment Type | |
| NAVAIDS Comment Details | |
| NAVAIDS Comment Type | |
| NAVAIDS Response Request | |

AIRPORT ENVIRONMENT



Challenges

- Warming climate impacting Coastal erosion, precipitation patterns, airport surface stability
- Increase in freezing rain and ice events
- Equipment utilization is more complicated
- Higher aircraft performance requirements

Solutions

- Chemical and Deicing Programs
- Weather prediction and Road Weather Stations (RWS) utilization
- Surface stabilization solutions

AIRPORT WORKFORCE

Challenges

- Attracting equipment operators, mechanics, and electricians
- Airport training needs
- Increased airline operational hours (24/7 and/or Overtime Needed)
- Recruiting engineers for aviation project delivery

Solutions

- Broad recruitment efforts
- Flexible work schedule options (1x1, 2x2)
- Contracting for services



REMOTE AIRPORT LIGHTING



Challenges

- Aging lighting systems that are extremely expensive To maintain and replace
- Harsh Arctic climate
- Damage and vandalism

Solutions

- Eight airport lighting replacement projects
- Electrical training for current staff
- Cost effective emergency lighting systems
- Training, public outreach, and communication efforts

EMERGENCY LIGHTING SYSTEM

Costs

- Cost of old system in 2007: \$74,000 (\$112,000 today)
- New system: \$40,000 per set, excluding shipping costs
- A full set of 36 lights will cover a 3,600' runway when placed at the maximum interval of 200' between lights

New system Features

- High/Medium/Low intensity, Flashing, Dusk-til-dawn, Infrared (IR)
- 15-year lifespan
- Lightweight

Current Plan

- Purchase 1-2 sets per year to replace aged out systems
- Lights sets will be in cases and built-out trailers for easy mobility and deployment
- Sets of lights will be staged at strategic hubs for deployment when needed



Unmanned Aircraft Systems (UAS) and Advanced Air Mobility (AAM)



STRENGTHENING, MOBILITY, AND REVOLUTIONIZING TRANSPORTATION (SMART) GRANT: STAGE ONE AND TWO AWARDS

Alaska Rural Remote Operations Workplan (ARROW) Scalable Operations with Advanced Remote Technologies (SOAR)

Alaska Rural Remote Operations Workplan – Stage 1

Project Delivery: 18 Months

State Match: \$0

Award: \$1,944,563

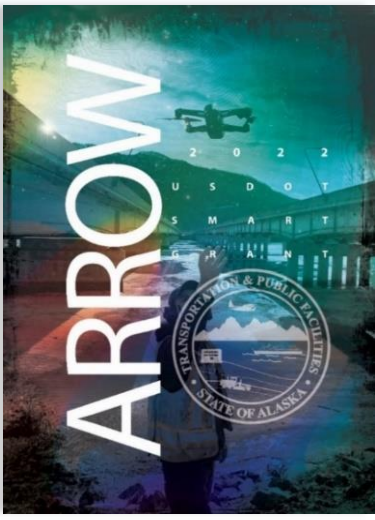
Scalable Operations with Advanced Remote Technologies – Stage 2

Project Delivery: 36 Months

State Match: \$0

Award: \$12,435,301

Project Summary: Leveraging advanced UAS and drone dock technologies to enhance infrastructure inspections, disaster response, and Beyond Visual Line of Sight (BVLOS) operations, addressing safety, resiliency, and accessibility in remote communities. The initiative supports Rural Alaska by partnering with Alaska Native and Rural Villages to gather situational awareness data on snow, ice, and trails while creating scalable, sustainable models for nationwide deployment.



THANK YOU

Angie Spear, C.M., Director, AIAS

Troy LaRue, C.M., Division Operations Manager, Statewide Aviation

Dom Pannone, Director, Program Management & Administration

Alaska Department of Transportation & Public Facilities

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