



# **Airports & Aviation Current Challenges and Needs**

**Legislative Update  
House Transportation Committee  
October 1, 2009**

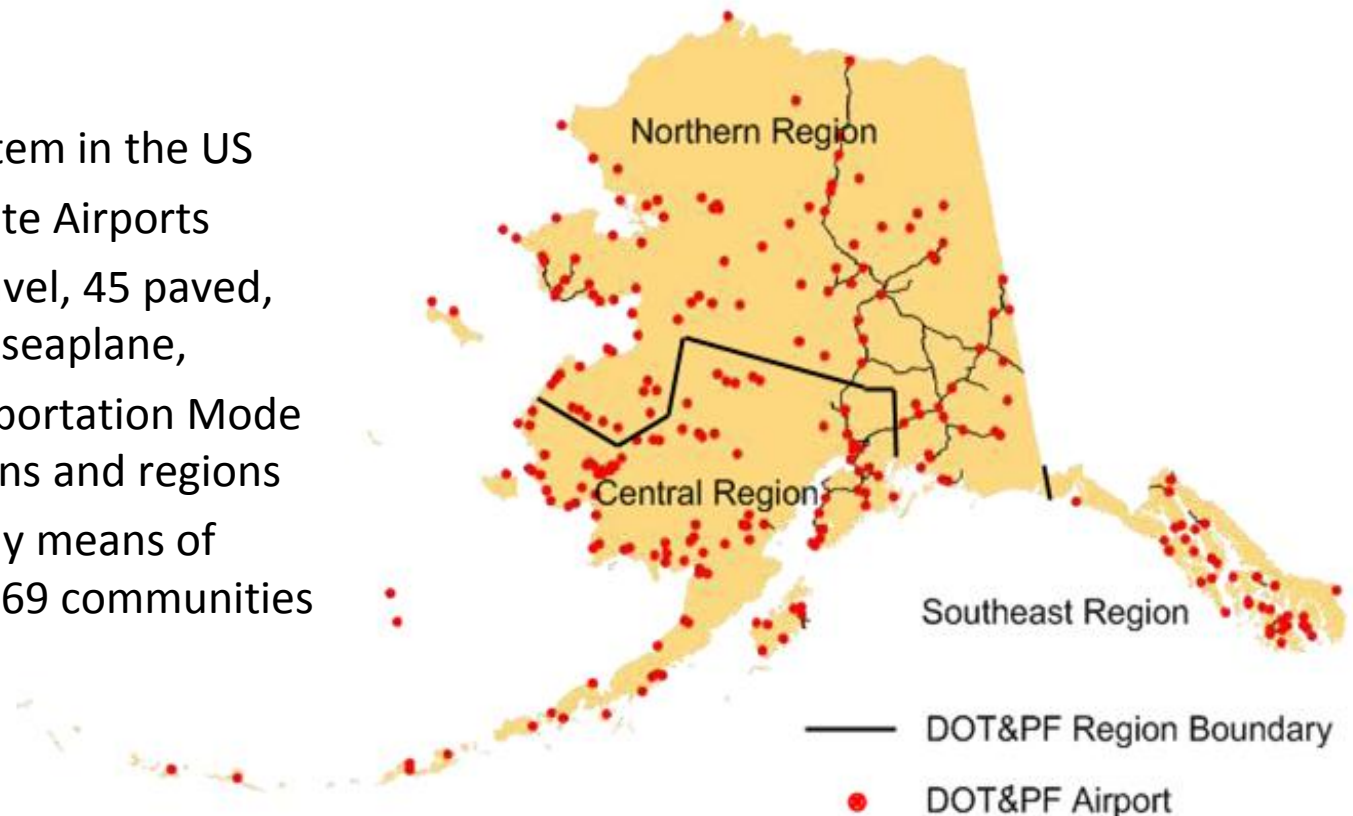
**Alaska Dept. of Transportation  
Christine Klein, AAE  
Deputy Commissioner**



# Alaska's Airports & Aviation

## Strengths:

- Largest System in the US
  - 258 State Airports
  - 173 gravel, 45 paved, and 37 seaplane,
- Main Transportation Mode for all citizens and regions
- Airports only means of access for 169 communities



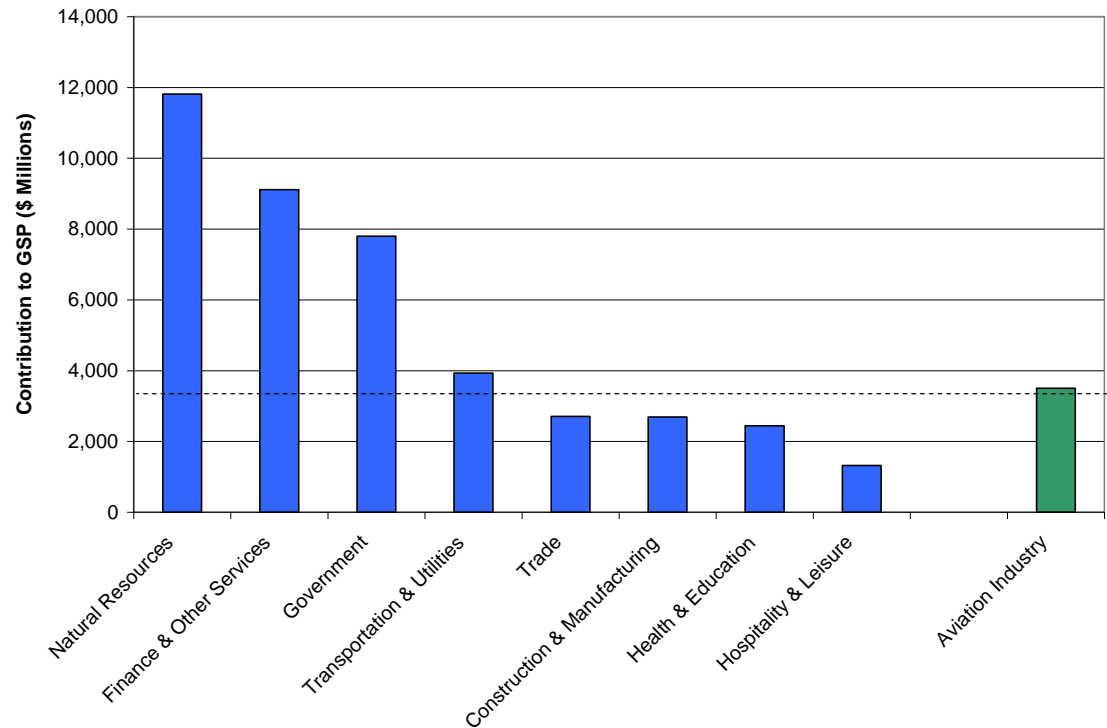


# Aviation Industry

## Economic Contribution to Alaska

### Strengths:

- 47,000 Aviation jobs statewide in both rural and urban areas
- 5<sup>th</sup> Largest Provider of Alaska's Gross State Product
- Contributes >\$3.5B to \$44B Economy

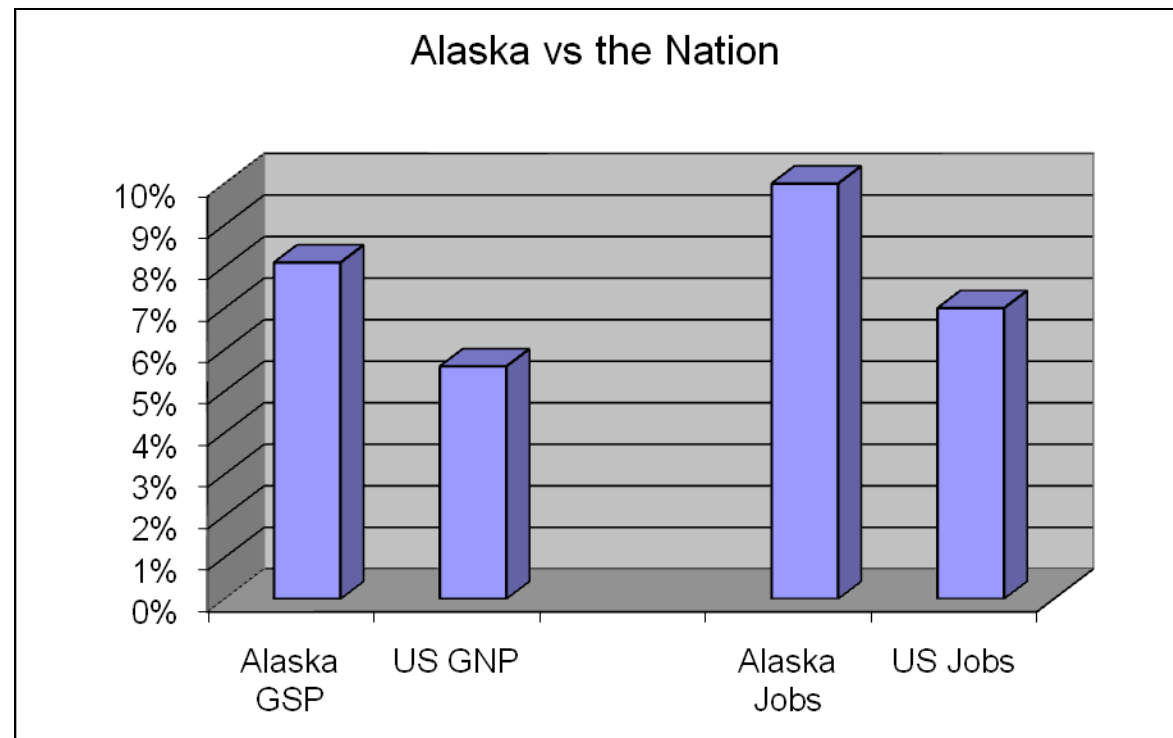




## Jobs & Economic Comparison

### Strengths:

- Aviation is more important economically to Alaska, than it is to the rest of the Nation
- Alaska's GSP due to aviation is >40% higher than the National average



*"The aviation industry is larger than the trade, construction and manufacturing, health and education, and hospitality and leisure sectors". Economic Contribution of the Aviation Community to Alaska's Economy, March 2009.*





## Issues & Challenges

### Small Population:

- Alaska's "Tiny Airports provide BIG Services"
- Access to Communities is NOT well understood
- Large Costs for Small Community Populations
- How Much is too Much? A Difficult Policy Issue
- National Perception



Ouzinkie Airport



## Challenges: Unfunded Mandates

- **Federal Regulations**
  - FAA (operating)
  - TSA (security)
  - EPA (environmental)
    - Stormwater & Deicing
    - Wetlands
    - NEPA - EIS
- **Escalating Costs**
  - Remote Locations
  - Materials & Projects



**Bethel Airport**



## Challenges: Limited Source of Funds

- **Capital Projects**
  - Federal Earmarks
  - Federal Airport Improvement Program (AIP)
    - Funding based on federal funding formula's for practically all statewide airport capital improvements in recent years >95%.
    - AIP funds come with stringent grant assurance requirements
    - FAA Reauthorization Issues
  - General Fund Appropriations
    - Airport Deferred Maintenance and Life Safety projects





## Challenges: FY'11 Forward

- **Less AIP Future Funds for Alaska**
  - FY'09-10 total of \$180 Million in Federal Funds
    - Rural Airports 81%
    - International Airports 19%
- **Increasing Safety & Security Regulations**
  - Expanding to air cargo security, general aviation...
- **Operating Cost Increases**
  - State Funding and Sustainability of Alaska's essential aviation transportation system







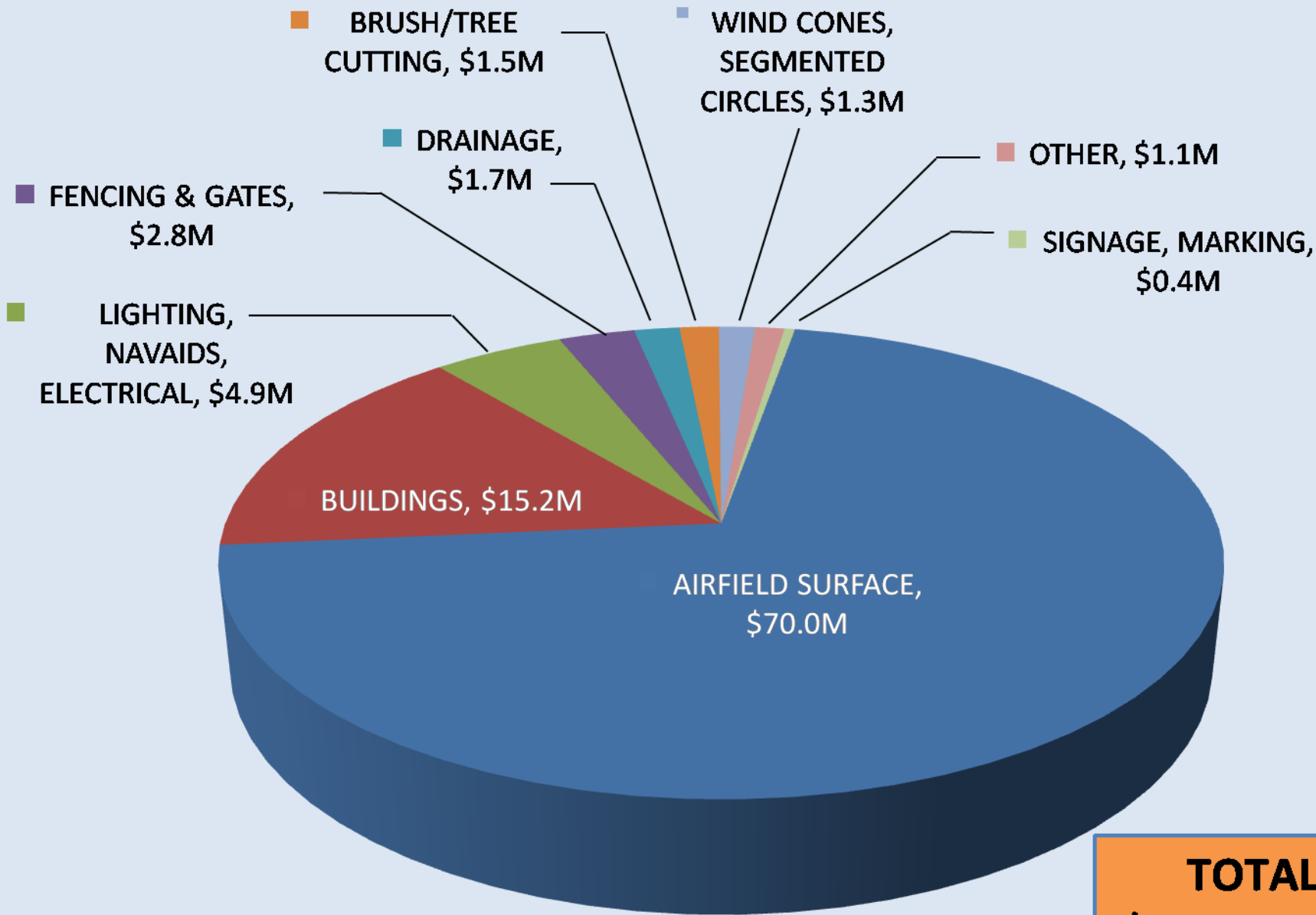
## Challenges: Maintenance & Operations

- **Demands Growing Faster than Airport Funds**
  - Airport Hours of use
  - Larger Faster Aircraft
  - Better Runway Surfaces
  - More Operational Costs
- **Airport Operating Funds**
  - State General Funds used for (rural airports)
  - Airport Leasing Revenues



**Soft runway surface at South Naknek Airport**

# Needs: Airport Deferred Maintenance



**TOTAL =  
\$98.9 MILLION**



## Needs: Airport Capital Funding

| <u>Needs</u>               | <u>Primary Airports</u>     | <u>Non-Primary Airports</u> |
|----------------------------|-----------------------------|-----------------------------|
| <b>Runway Improvements</b> | \$497,551,000               | \$880,319,000               |
| <b>Buildings</b>           | \$50,882,000                | \$45,491,000                |
| <b>Equipment</b>           | <u>\$6,704,000</u>          | <u>\$8,846,000</u>          |
| <b>Funds Needed</b>        | <b>\$555,137,000</b>        | <b>+ \$934,656,000</b>      |
|                            | <b>Total Rural Airports</b> | <b>\$1,490,000,000</b>      |



## Needs: Rural Workforce & Training



**Yuut Yaqungviat Flight School Students**

- Future: Local Skilled Workforce
- M&O: Rural Airport Maintenance Contracts
  - Airport Equipment
  - Technical Airport Training
- Airport Aviation Apprenticeship Program





## Recap & Looking to Our Future ...

1. **New Funding Model to Operate and Maintain Rural Airports Statewide**
  - Cost: \$30M yr/256 airports
  - Airport Revenue: \$3.9M yr
2. Trained Workforce
3. Airport Operating Hours
4. A State Funded Transportation Fund for Alaska's Access Needs Including Airport's
  - Less reliance on Federal \$\$
  - Faster Project Completion
  - Fewer Requirements
  - Less Costly



**Thank you  
House Transportation!**

**Christine Klein, AAE  
Deputy Commissioner, Airports  
Alaska Dept. of Transportation & Public Facilities**