

# STATE OF ALASKA

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES OFFICE OF THE COMMISSIONER

SEAN PARNELL, GOVERNOR

3132 CHANNEL DRIVE  
PO Box 112500  
JUNEAU, ALASKA 99811-2500  
FAX: (907) 586-8365  
PHONE: (907) 465-3900

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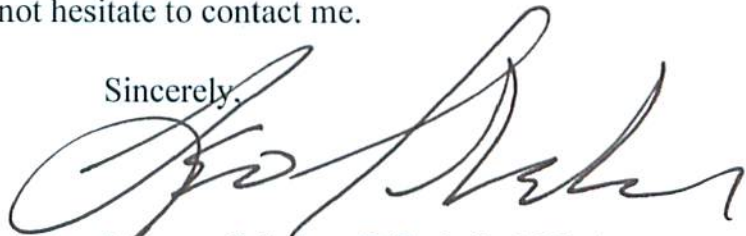
The Honorable Bert Stedman  
Alaska State Legislature  
State Capitol, Room 516  
Juneau AK 99801-1182

Dear Senator Stedman:

Enclosed are responses to questions asked during the Department of Transportation and Public Facilities presentation on the Ted Stevens Anchorage International Airport, last Wednesday, February 3, 2010.

If you have additional questions do not hesitate to contact me.

Sincerely,



Leo von Scheben, P.E., L.S., M.B.A.  
Commissioner

Enclosure

cc: Mary Siroky, Legislative Liaison, DOT&PF

**Senate Finance Committee**  
Meeting of 02/03/2010 Responses to Questions on the  
Alaska International Airports System (AIAS) and Anchorage International Airport (ANC)

Senator Hoffman: Airport serves all Alaska, not just Int'l cargo, there needs to be adequate concessions for regional passengers and better combi access (gate C-0 long walk).

*Responses*: ANC serves as an international cargo airport, passenger gateway to Alaska, and hub within the state. While recent terminal improvements focus largely on passengers in and out of the state, further improvements are being made to better serve Alaskan residents traveling to and from Anchorage. During the terminal project the boarding area for regional air carriers was upgraded. With screening checkpoints consolidated and relocated, we can now address more food service to the public and unscreened passengers. Food service is planned at the old screening location next to the exit. In addition, the airport plans to provide a financial incentive for a company to provide food service at the south end of the ticket counters accessible to regional passengers. Regional passengers are important customers and we fully plan to improve their travelling experience.

The unique "combi" aircraft operations here in Alaska, do not easily enable utilization of passenger loading bridges to the terminal structure. This was exacerbated by a lack of aircraft parking spaces during terminal construction. With construction complete, "combi" aircraft can park in the same spots as other aircraft. Since Alaska Airlines does not have dedicated "combi" parking spots, passengers will continue to ground load. We have spoken with Alaska Airlines and they don't know of other economical methods for this operation which is vital to the communities served. If better solutions become available ANC will partner with Alaska Airlines to improve this situation.

Senator Thomas: Concern on fuel production in State, and volume produced past few years.

*Response*: Each air carrier company procures fuel individually from a variety of suppliers through a bid and nomination process. The airport is not involved in that fuel procurement so it cannot track the supplier sources each business contracts with; however, the carriers have indicated that that only about 80% of the jet fuel currently utilized is produced in Alaska, the rest is imported.

Senator Ellis: Some bathroom stalls at ANC don't have coat hooks; and need more power outlets for people to use for personal devices

*Responses*: There are certain minimum standards that airports try to meet. Thank you for bringing to our attention that some restroom stalls are missing coat hooks. Our staff have surveyed each stall and are now in the process of replacing 14 found missing out of 150.

Unlike some airports which charge for wifi, ANC provides free wifi and use of electrical outlets. The use level has been higher than anticipated so we are researching options to provide and sign the availability of electrical outlets for passenger use.

Senator Hoffman: ANC Cab line is misplaced and causes problems; and why aren't bag carts free.

*Responses*: With the return of all domestic carriers to the South Terminal we are reviewing our landside operational procedures to ensure they are as intuitive and efficient as practical. Proper signage and improvements to existing shelter areas will hopefully resolve passenger issues with the location and function of the commercial vehicle pickup area.

Baggage carts are a needed service at airports. ANC has been unable to find an advertiser or other underwriter to allow free service (except in the area of deplaning international passengers). We will continue to look for ways to provide this and other services as inexpensively as practical while still balancing our costs and the need to optimize non-airline revenue.

Senator Huggins: North terminal parking needs improvements; and does AIAS subsidize fuel.

*Responses*: During the terminal construction and tourist season, traffic flow and parking at the North Terminal were less than ideal. With domestic carriers returning to the South Terminal, parking should now be better with plenty of availability.

The AIAS and airports do not subsidize fuel.

Senator Thomas for Senator Egan: Explain the investment revenue of the AIAS funds.

*Response*: The \$8.3 million of investment revenue comes primarily from unrestricted AIAS cash and investments under management of the Dept. of Revenue Treasury plus a relatively small amount of interest charged to customers for late payments. Average balance invested throughout the year was about \$132 million, with an average return of about 6.3%. These unrestricted funds invested are primarily derived from airport rates and fees and generally serve as the source of working capital and pay-as-you-go capital improvement projects.

Senator Thomas: Are Royalty oil costs a problem with fuel?

*Response*: The airport system is not qualified to speak to oil royalty issues.

Senator Huggins: Is it in the ANC strategic vision to move the airport to the Valley.

*Response*: The airlines, state and federal aviation administration (FAA) have invested greatly in existing infrastructure at ANC. Only a couple new airports were built in the US the last 30 years due to cost. In this economic environment it is unlikely airlines would support a new airport which they would have to pay for; however, a private developer could choose to do so.

Senator Olson: Stated users should pay for what they use; but is the airport trying to get more money from small operators (135) who don't have much impact on infrastructure needs?

*Response*: ANC serves major international and domestic air carriers, regional carriers, and small single pilot operators. Airport fees are also heavily regulated by the FAA. Airport fee structures must ensure those using airport services pay for those services; however, it is also important to ensure the airport is accessible to small operators who are essential in Alaska's aviation system as well. In the recent airport airline operating agreement (AOA) negotiations of the past year, an extra month was spent working out successful negotiation details that could and would enable small air carriers to benefit from lower rates similar to a signatory carrier.

The airport recently reviewed its land rent structure and has determined that due to the current economic situation, no changes to the current land rent will be implemented in 2010.