



Alaska Department of Transportation & Public Facilities

Alaska International Airport System House Finance Subcommittee

Deputy Commissioner John Binder

February 7, 2017

Keep Alaska Moving through service and infrastructure



Mission Statements

DOT&PF

“Keep Alaska moving through service and infrastructure”

Alaska International Airports System (AIAS)

“To keep Alaska flying and thriving”



Our People

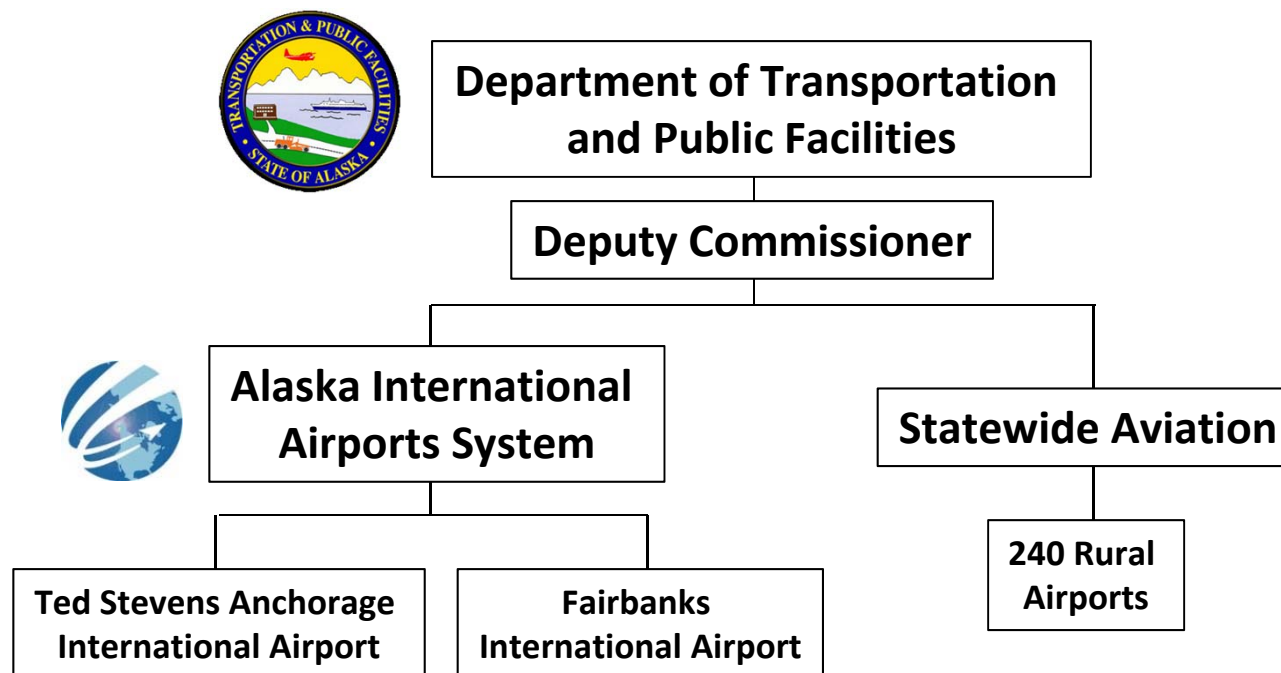
Alaskans Serving Alaskans

Jamie Brooks: Chief, Aviation Leasing, Anchorage Office

- Moved to Alaska in 1986 at the age of 9. She has lived in Eagle River, Soldotna, and Anchorage.
- Four years with DOT&PF
- Jamie has been married to her husband Marcus for 22 years and they have two children; Jayden (22) and Samantha (14).
- Hobbies: fishing, rafting, hiking, four-wheeling, snow machining, and photography.
- Jamie supervises the Aviation Leasing staff in the Anchorage office which is responsible for managing contracts, agreements and land at 108 rural state-owned airports. Management of the airports provides opportunities for Alaskans to use public airport land for both pleasure and business.



Organization/Leadership





AIAS Structure

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



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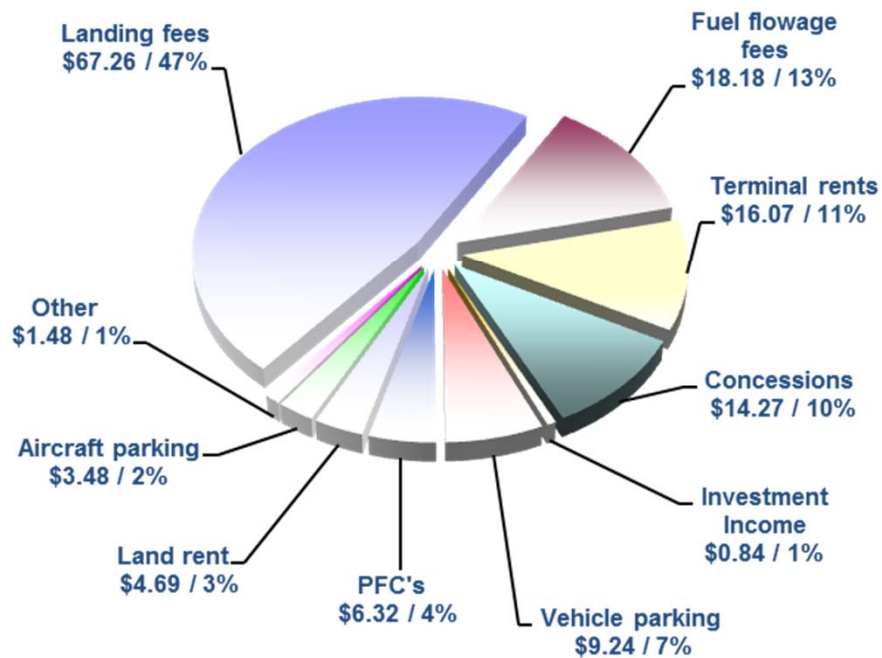
Operating Agreement with Carriers

- **Ten-year Operating Agreement commenced July 1, 2013**
 - **29 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**

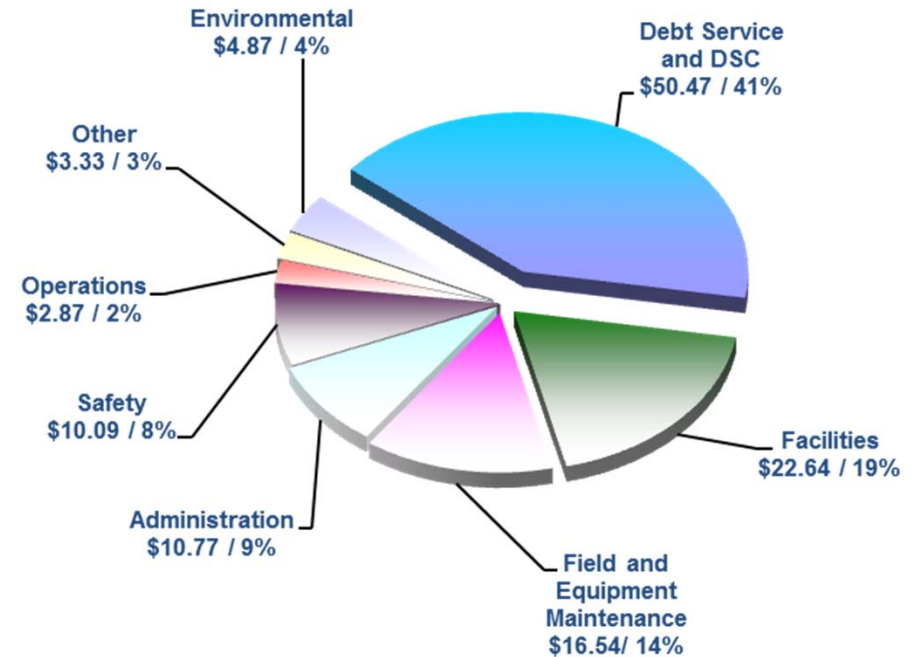
Annual Operating Revenues and Operations, Maintenance and Debt Costs

- Funded from Customer Charges -

AIAS FY2016 Revenue Sources*
(\$141.9 Million)



AIAS FY2016 Annual Operating Costs and DSC**
(\$121.6 Million)



* Revenues from Airline & Tenant Customers

** Expense does not include rates & fees funded capital costs
Unaudited



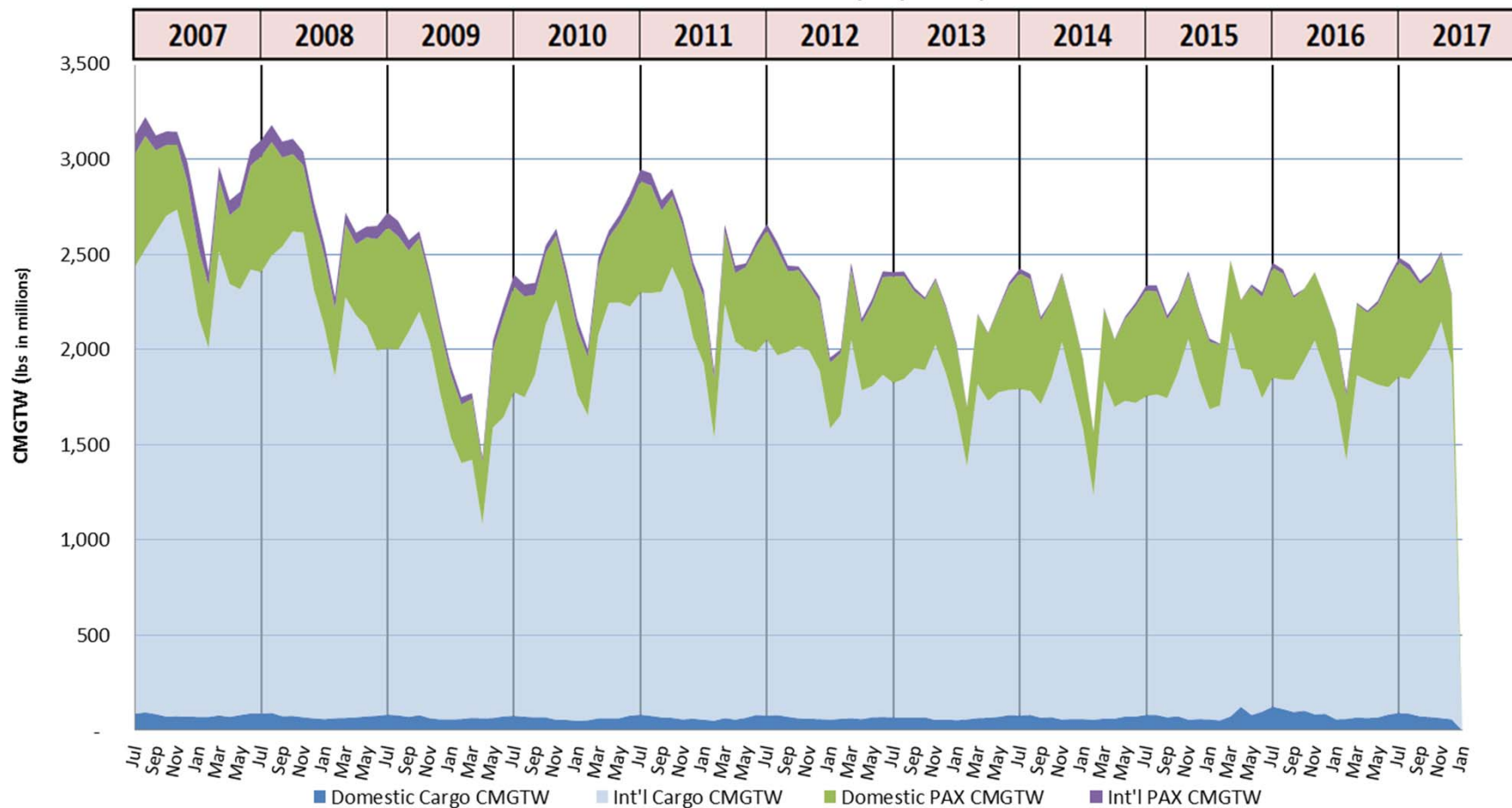
Cargo/Pax Activity

AIAS

Monthly Cargo & PAX CMGTW

- Domestic & Int'l -

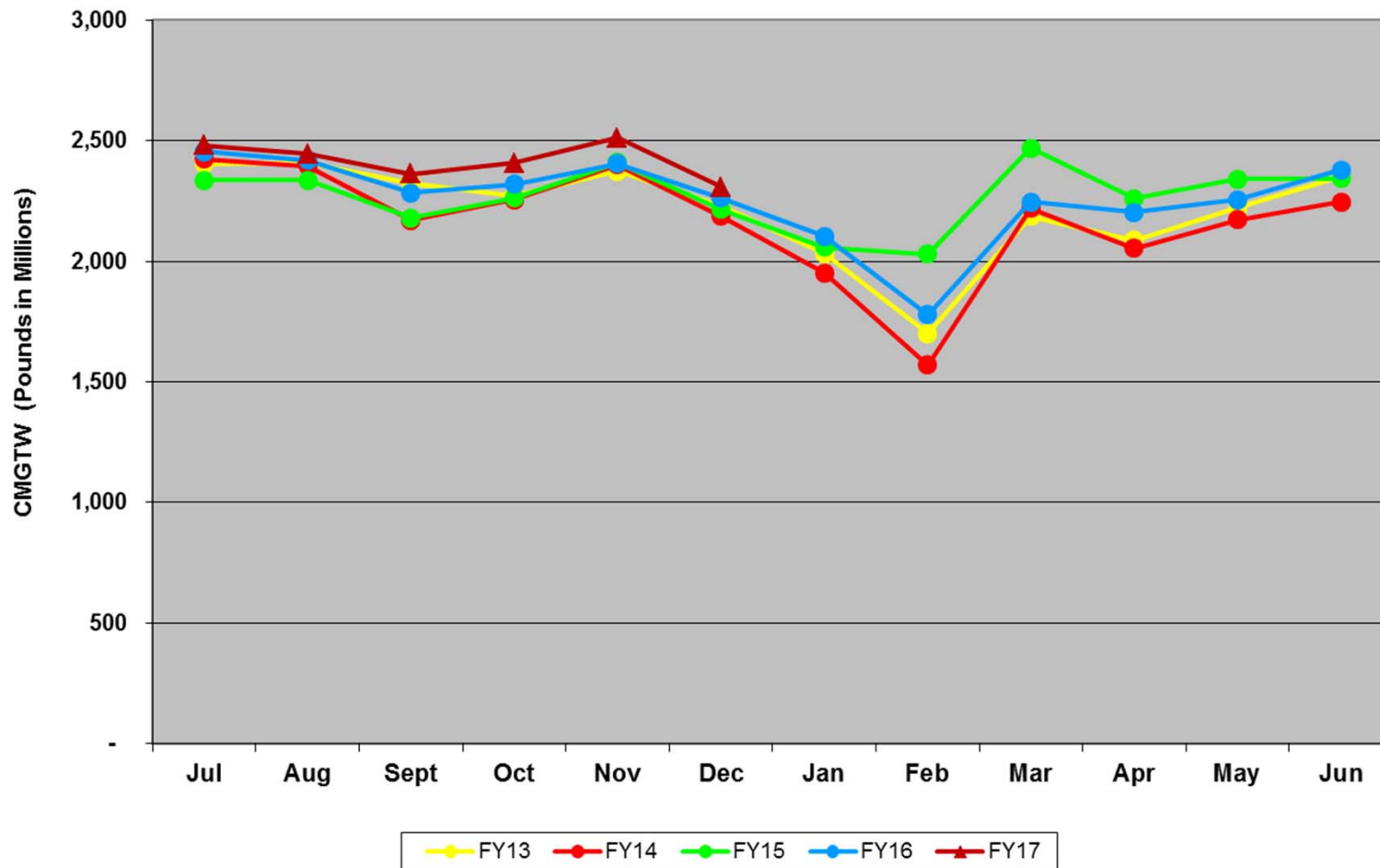
FY07 - FY17 ytd (Dec 16)



Primary Revenue Driver - Airfield Activity (CMGTW): Down 0.5% FY16 / Up 2.6% FY17 ytd



AIAS
FY13- FY17 YTD
Monthly Reported Combined Cargo - Pax CMGTW
As of December 31, 2016

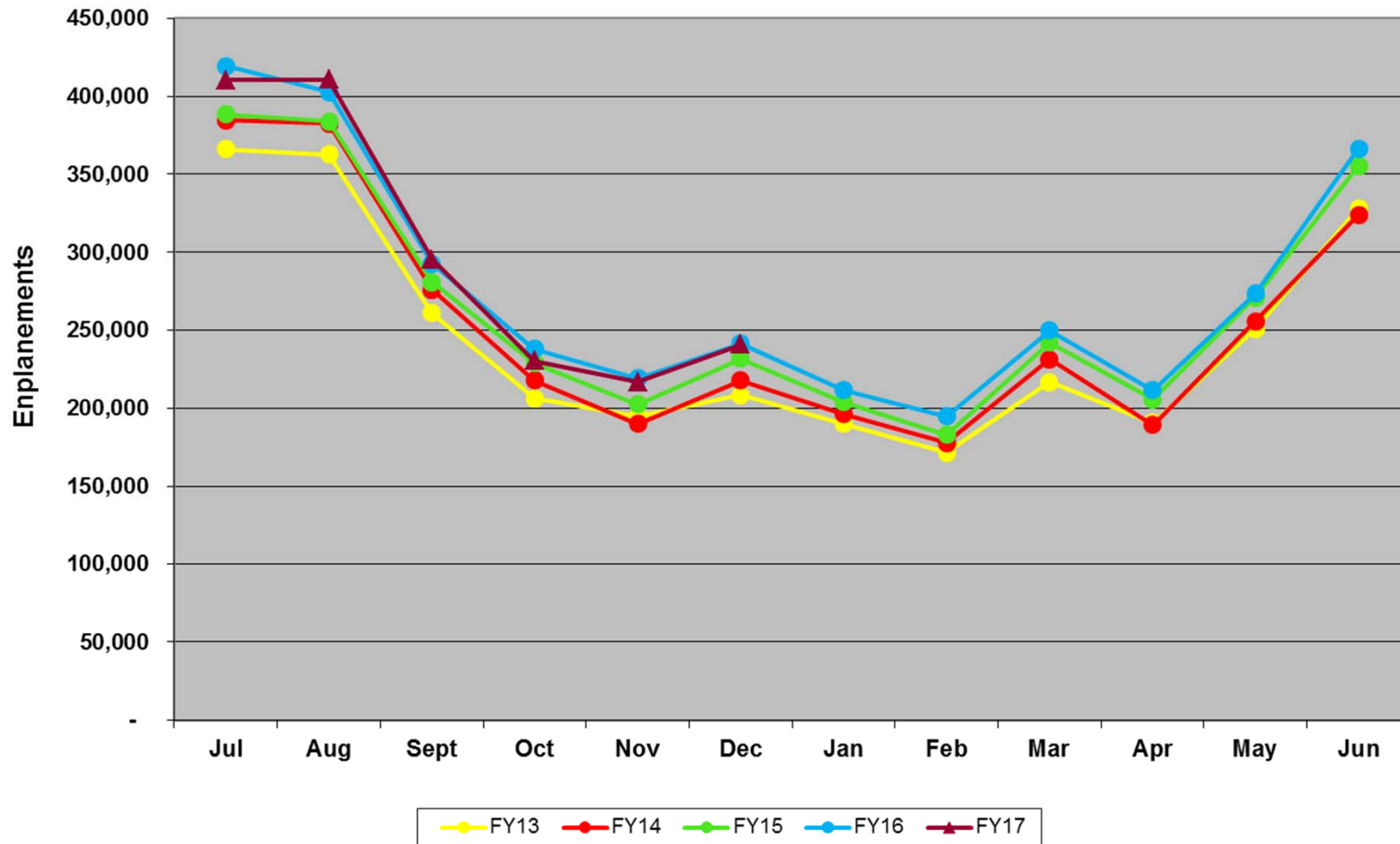


Passenger Activity

Up 4.5% FY16 / Down 0.5% FY17 ytd



AIAS
FY13 - FY17 YTD
Monthly Enplanements
As of December 31, 2016





Strategic Planning / Engagement

- **System planning/responses to previous Management reviews**
 - Strategic Plan (2017)
 - Business Plan (2016-17)
 - 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 market & air carriers

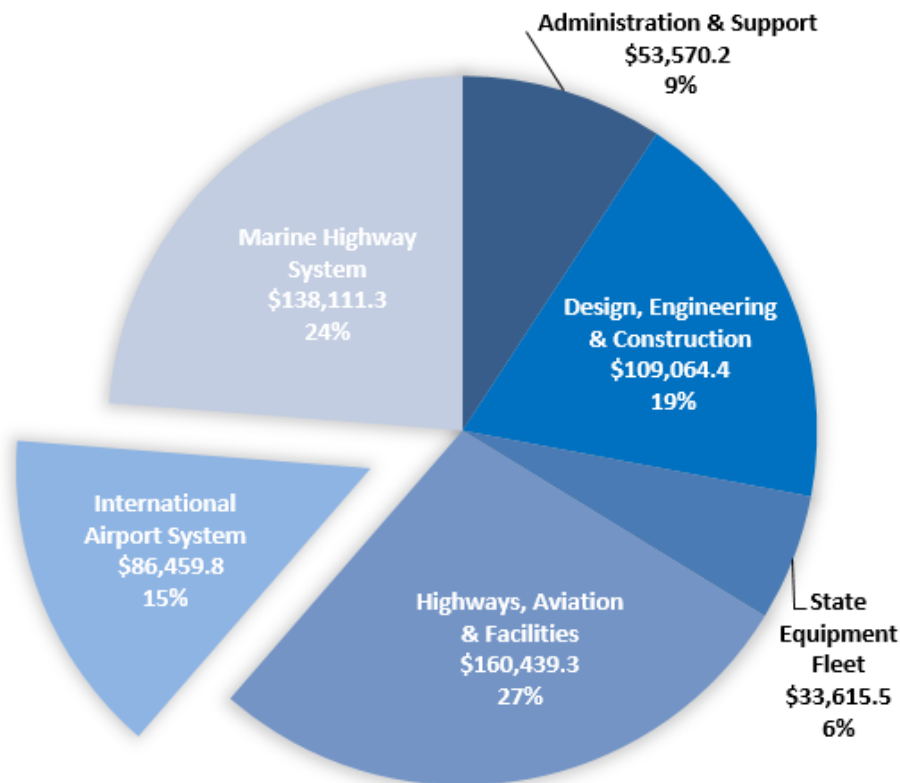


Master Plans

- **AIAS Strategic Plan (AIAS Team)**
 - Progress on Results Based Alignment, data management & reporting, business development
 - Annual review completed Jan 2017
 - 2016 Plan located at <http://dot.alaska.gov/aias/news>
- **Lake Hood Master Plan (DOWL Team)**
 - Public comment period for draft plan completed Jan 16, 2017
 - Final plan early spring 2017
 - Draft report located at <http://www.lhdmasterplan.com>

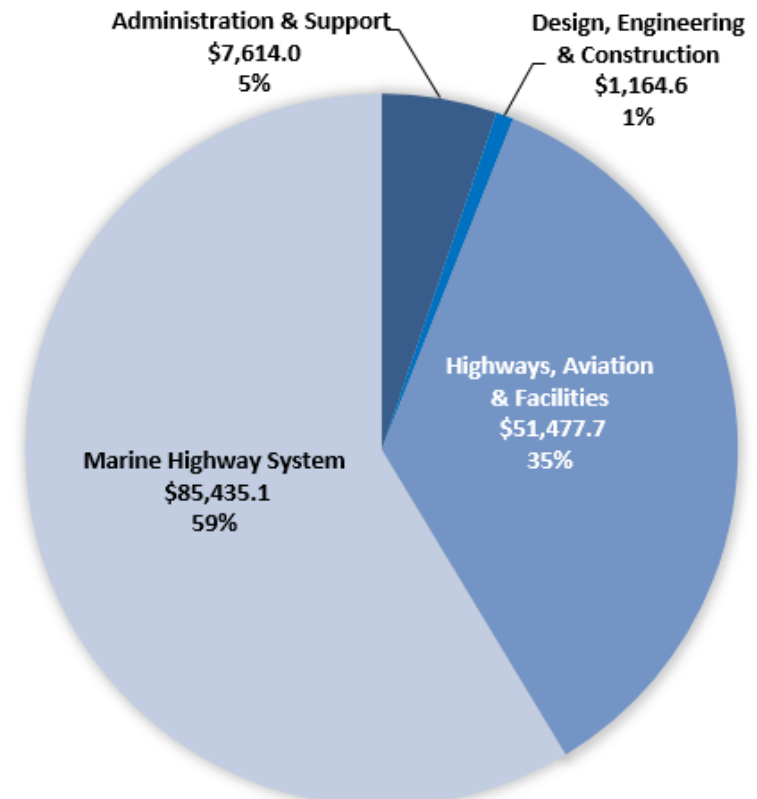
FY2018 DOT&PF Results Delivery Units (RDU)

All Funds



Total: \$581,260.5

Unrestricted General Funds

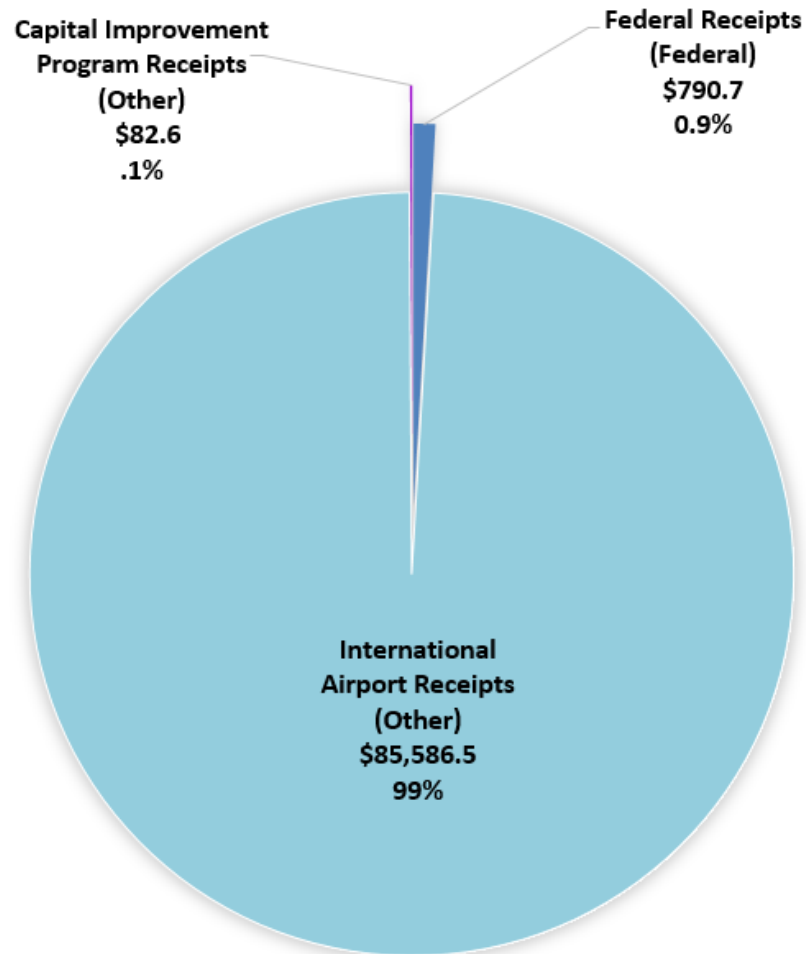


Total: \$145,691.4

The International Airport System is not funded with any unrestricted general funds

FY2018 Governor's Proposed International Airport System RDU All Fund Sources

All Funds



Total: \$86,459.8



International Airport System RDU

RDU	Component	Funding (in thousands)	# of PFT/PPT/ NP Positions	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
International Airports System	International Airport System Components	\$86,459.8: \$790.7 Fed: \$85,669.1 Other	468		99.0%	Critical	Effective	No	Yes	Yes- AS 02, 18, 37, 44



FY2018 Governor's Proposed Operating Budget Increment Request

Total Increment Request: \$2,590.8 Intl Airport Receipt Authority

- **International Airport System increases for maintenance and security contracts, deicing chemicals, wildlife mitigation, safety supplies, feasibility study (OTI) and records management**



Aviation Challenges – Future

- **Fleet Changes**
 - International wide-body aircraft
 - In-state changes (SAAB 2000, 737 freighter, Q-400)
- **Climate Change**
 - Increasing number of freezing rain/ice events
 - Runway subsurface maintenance
 - Coastal erosion
- **Ever-increasing federal compliance requirements**
 - Access controls/ID management
 - Obstruction criteria
 - Friction requirements
 - National Environmental Policy Act determination requirements for non-Airport Improvement Program development



Thank you

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Questions?