



Alaska Department of Transportation & Public Facilities

Senate Finance Transportation Subcommittee Aviation Overview

John Binder, Deputy Commissioner

March 4, 2020

Our mission is to **Keep Alaska Moving** through service and infrastructure.



Mission Statements

DOT&PF

“Keep Alaska moving through service and infrastructure”

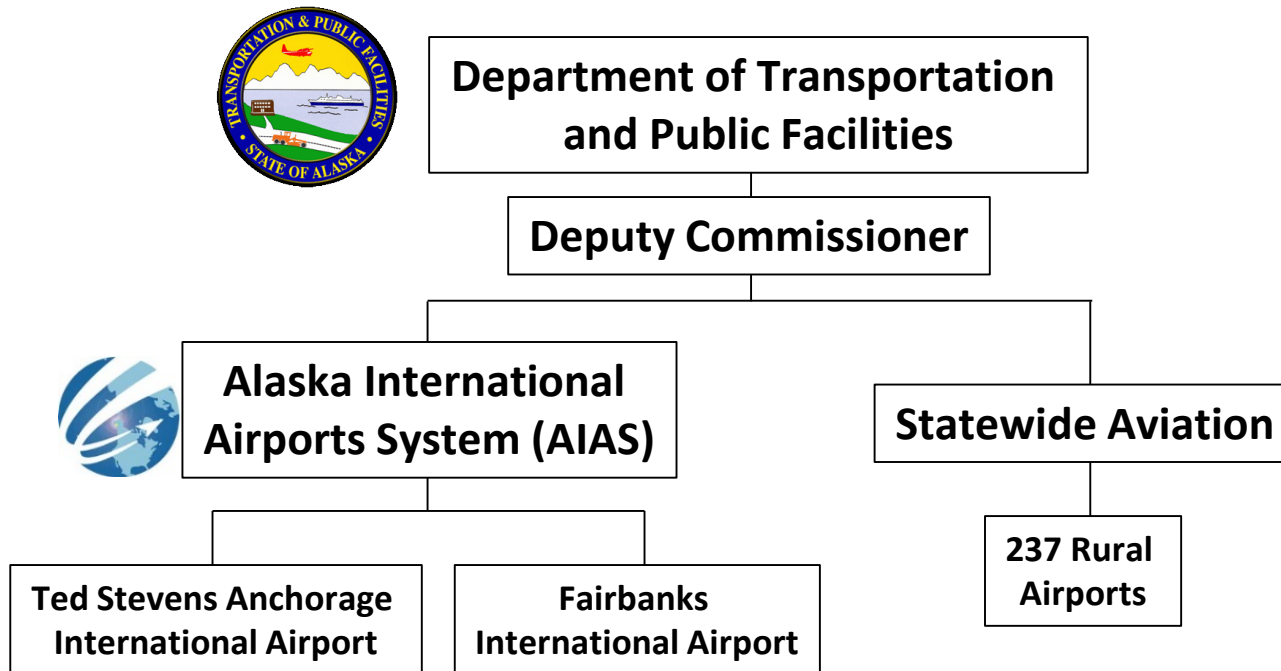
Alaska International Airports System (AIAS)

“To keep Alaska flying and thriving”

Statewide Aviation (SWA)

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

Organization/Leadership



AIAS Structure

Created over 50 years ago by Ch 88 SLA 1961 -
(AS 37.15.410-550)



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Alaska
International Airport
System
"AeroNexus"®



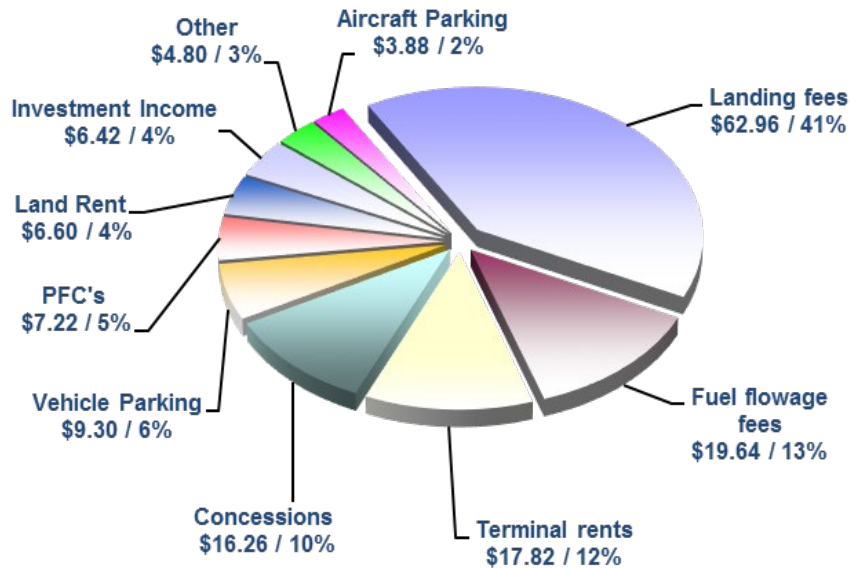
Operating Agreement with Carriers

- **Ten-year Operating Agreement commenced July 1, 2013**
 - **31 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**

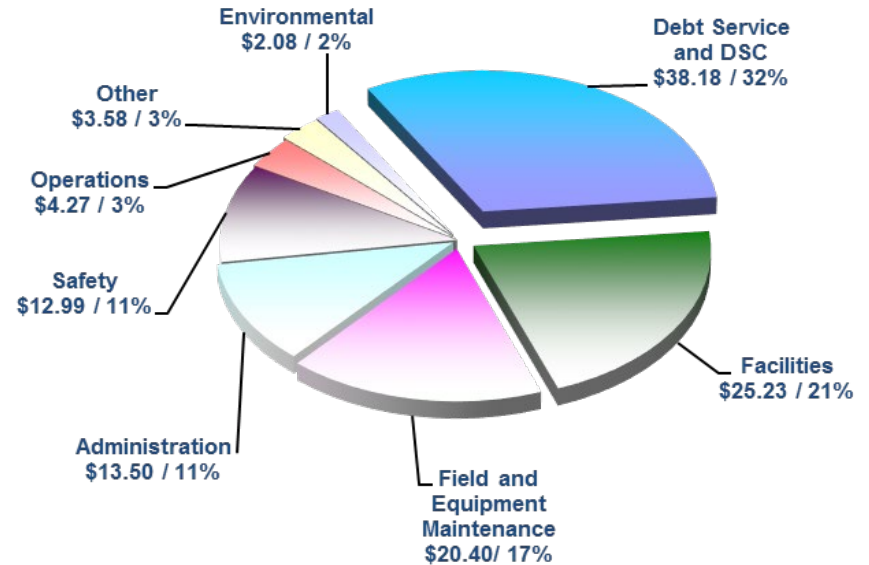
Annual Operating Revenues and Operations, Maintenance and Debt Costs

- Funded through Customer Charges -

AIAS FY2019 Revenue Sources*
(\$154.90 Million)



AIAS FY2019 Annual Operating Costs and DSC**
(\$120.23 Million)



* Revenues from Airline & Tenant Customers

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

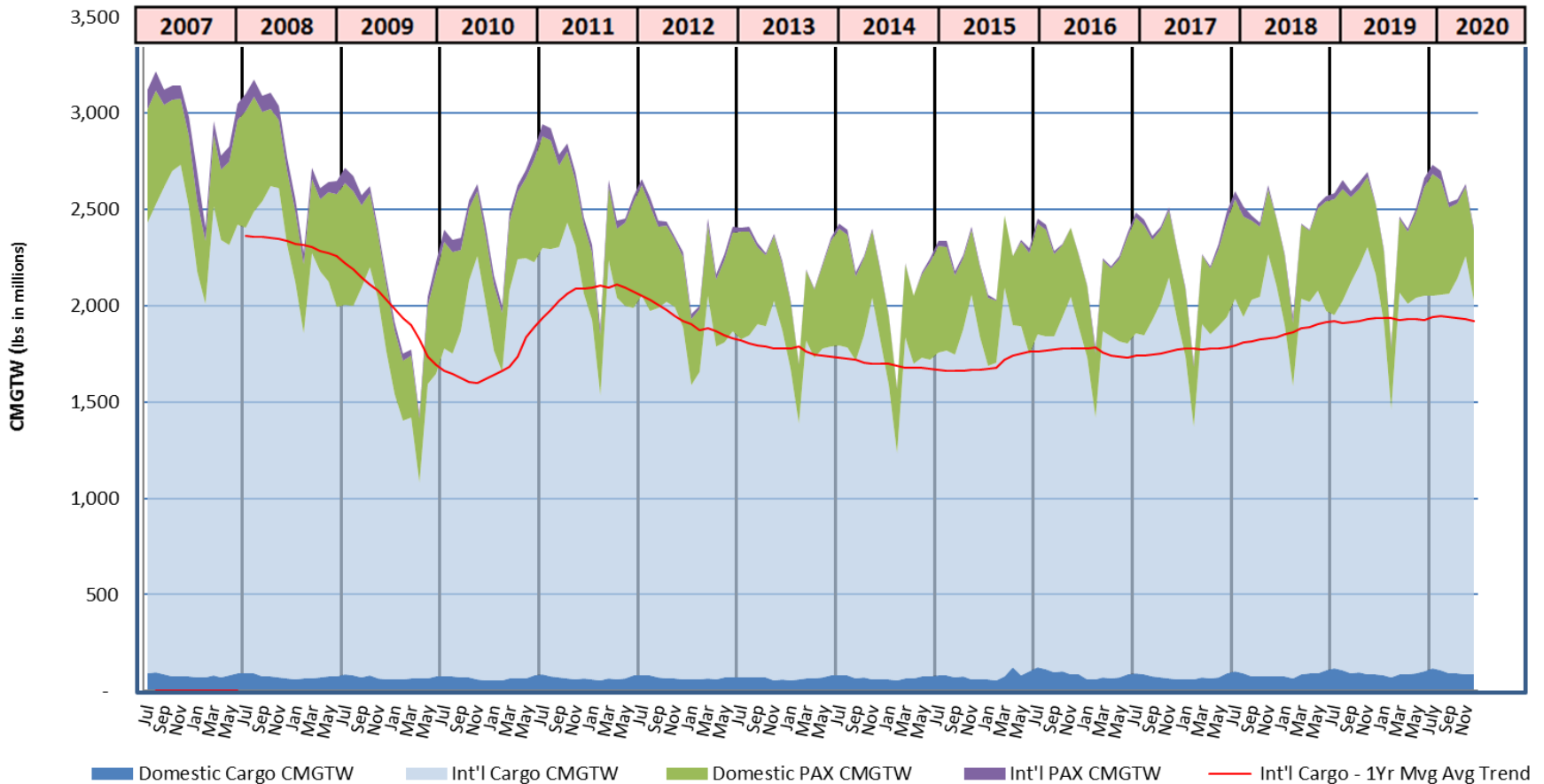
Cargo/Pax Activity

AIAS

Monthly Cargo & PAX CMGTW

- Domestic & Int'l -

FY07 - FY20 ytd (Dec '19)

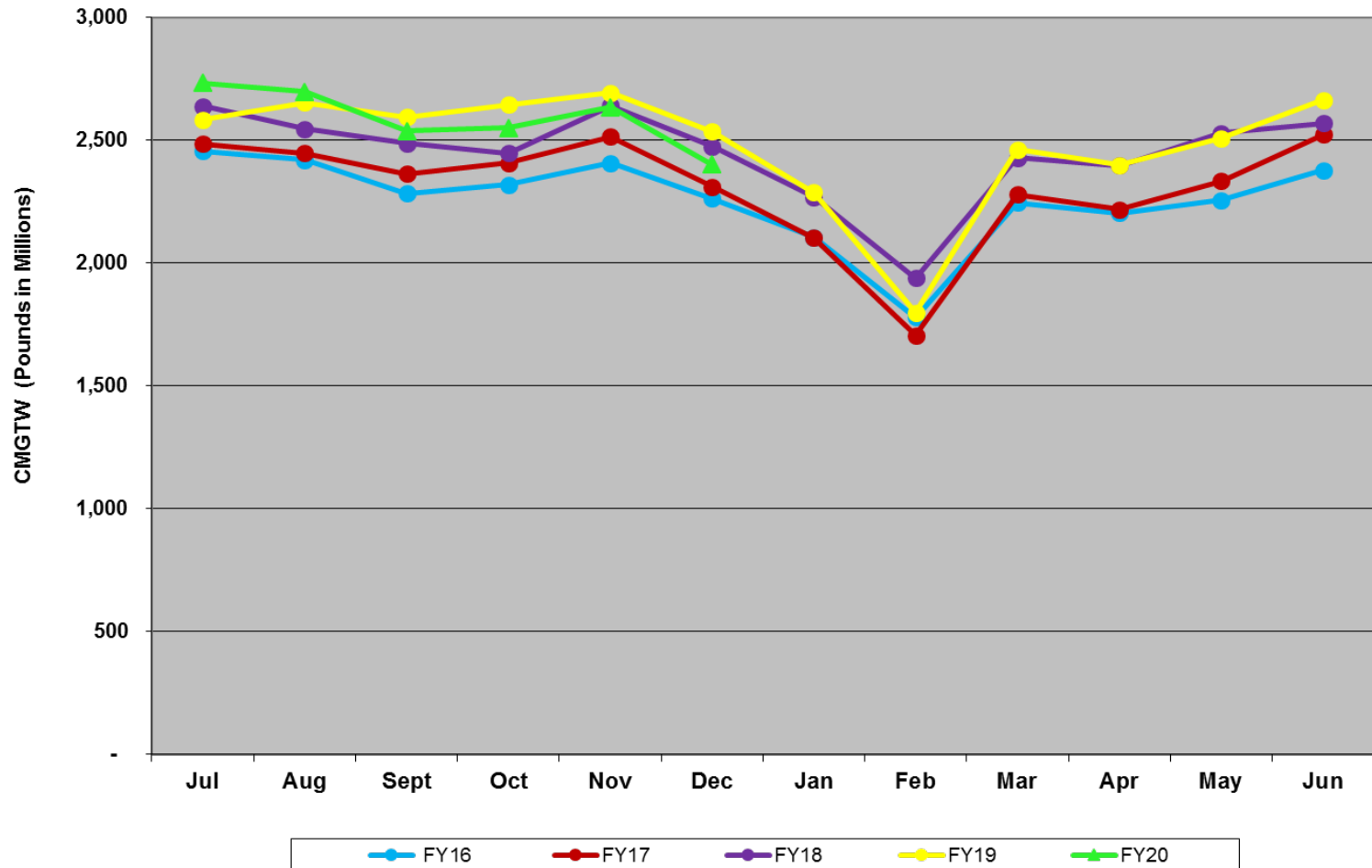


Primary Revenue Driver - Airfield Activity (CMGTW): Up 1.6% FY2019 / Down 0.9% FY2020 ytd



AIAS
FY16 - FY20 YTD
Monthly Reported Combined Cargo - Pax CMGTW *
As of December 31, 2019

* Certified Max Gross
Take-off Weight

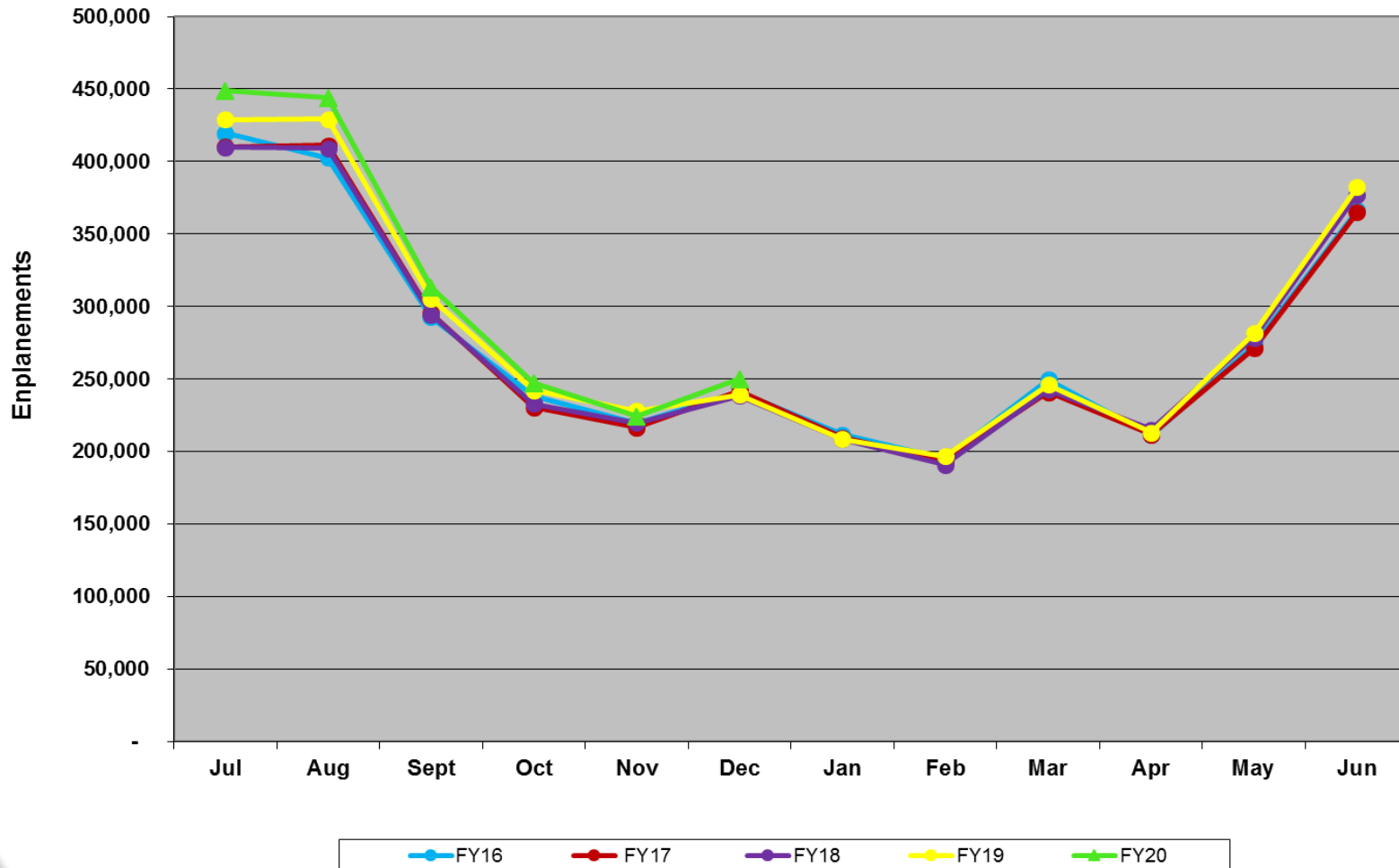


Passenger Activity

Up 2.6% FY2019 / Up 2.9% FY2020 ytd



AIAS
FY16 - FY20 YTD
Monthly Passenger Enplanements
As of December 31, 2019





Capital Funding

Airport Improvement Program (AIP)

FFY2019

	<u>Discretionary</u>	<u>Entitlements</u>	<u>Total</u>
ANC	\$24.1M	\$14.5M	\$38.6M
FAI	\$0.0M	\$2.9M	\$2.9M

Anticipated FFY2019

	<u>Discretionary</u>	<u>Entitlements</u>	<u>Total</u>
ANC	\$22.9M	\$15.0M	\$37.9M
FAI	\$4.9M	\$8.6M	\$13.5M

A collage of three images: a yellow crane on the left, a person in a hard hat and safety vest in the center, and a large orange truck on the right.

Economic Opportunities

- **Airport cargo and maintenance development**
- **Direct passenger service to/from Asia**
- **Seafood export to Asia**
- **Hotel on airport property (ANC)**
- **American Airlines inaugural service (FAI)**



Statewide Aviation



Rural System Scope and Scale

237 DOT&PF owned/operated airports & seaplane bases

173 gravel & 46 paved airports; 17 Seaplane Bases & 1 heliport

19 Part 139 certificated airports (jet hubs)

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



Rural System Budget

FY2019

- Operating Cost = \$35.8M UGF (+\$8.7M Federal funds)
- Revenue = \$6.6 M (Fuel Tax to GF = \$4.8M less \$100K shared with Local Sponsors)

System Sustainability

- Cost reductions/efficiencies
 - Sand/Chemical optimization
 - Maintenance conversion to federal program
- Cost recovery options
 - Fuel Tax
 - User/Registration Fee
 - Landing Fees

AIP Rural System Funding FFY2016 through FFY2019

Federal Capital Funding

- Rural System AIP annual average FFY2016 -18 = \$132.9M
- FFY2019 AIP = ~\$124.5M

Rural Airport System State Match Required

- Generally 6.25% of project eligible costs
- A few Essential Air Service airports in designated economically distressed communities qualify for a 5% match of project eligible costs
- Annual airport match ~\$12M

Major Rural System AIP Construction Projects Expected to be Funded in FFY2020 & 21

Pavement Rehab

- Utqiagvik
- Bethel
- Gustavus
- Kotzebue
- McGrath
- Nome

Rural Access

- Angoon
- Bettles
- Crooked Creek
- Deering
- Kaltag
- Kasigluk
- Kongiganak
- Newtok
- Point Hope
- Seward

Buildings

- Utqiagvik
- Cold Bay
- Napaskiak
- Seward

Alaska Airport Needs Directory: dot.alaska.gov/airport-portal-newsres.shtml



Aviation Challenges – Future

- **Fleet Changes**
 - International wide-body aircraft (B777, B747-8)
 - In-state changes (SAAB 2000, B737 freighter)
- **Climate Change**
 - Increasing number of freezing rain/ice events
 - Rural runway subsurface maintenance
 - Coastal erosion
- **Potential Legislative Changes**
 - Bypass mail
 - Essential Air Service

Airport Highlights - Akutan

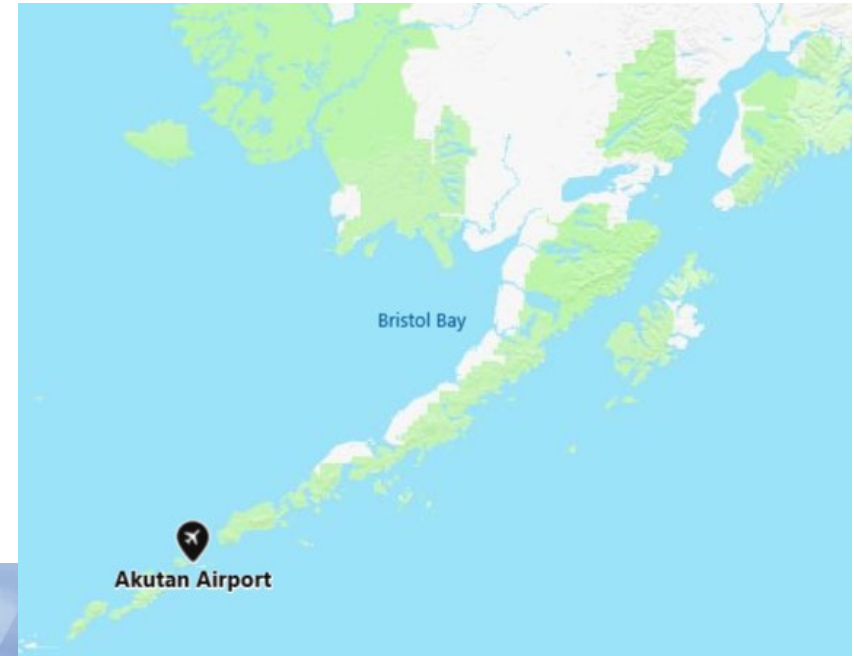
Off-road system airport

Runway 9/27: paved 4,500' x 75'

FY2019 enplanements: 2,352

FY2019 operational expenses: \$793,893

FY2019 revenue: \$0.00



**DOT Staffed (3 PCNs –
rotational schedule)**

Airport Highlights - Angoon

Off-road system airport

Seaplane base

CY2018 enplanements: 2,389

FY2019 operational expenses: \$2,933

FY2019 revenue: \$625



Airport Highlights - Klawock

Off-road system airport

Runway 2/20: paved 5,000' x 100'

CY2018 enplanements: 13,503

FY2019 operational expenses: \$124,764

FY2019 revenue: \$37,014



**Unattended airport –
maintained by DOT staff**

Rural Airport Maintenance Review

DOT&PF directed to review State-owned rural airports with goal of reducing financial obligation and/or liability.

- Options:**
- Transfer (t)
 - Maintenance change (m)
 - Close (c)
 - Long-term lease

Will include substantial public engagement to determine impacts prior to any changes being made.

Aleknagik (t)	Basin Creek (m)	Bettles SPB (m)	Excursion Inlet SPB (m)
Flat (m)	Funter Bay (m)	Goose Bay (m)	Kasilof (m)
Lawing (m)	Livengood (m)	Naknek (m)	Ninichik (m)
Ophir (m)	Portage Creek (m)	Quartz Creek (Cooper Landing) (m)	Quartz Creek (Kougarak) (m)
Sheep Mountain (m)	Ugashik (c)		

Coronavirus Activities / Precautions

Anchorage Int'l Airport:

- **Coordinated with Health and Social Services, the Centers for Disease Control and Prevention, and United States (US) Customs and Border Patrol to repatriate a flight of US citizens returning from Wuhan, China**
- **Aircraft/passenger operations occurred in the North Terminal (away from all other passenger activity)**
- **Area secured and sanitized with no other staff entry**
- **Area remains prepared for future flights but none currently planned**

International Cargo Flights/Crews:

- **Following federal guidelines/protocols to ensure safety**



Thank you!

Questions?