

Alaska Department of Transportation & Public Facilities

Aviation Overview - House Finance Subcommittee

John Binder, Deputy Commissioner

March 16, 2021

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



Mission Statements



Alaska DOT&PF

“Keep Alaska Moving through service and infrastructure”



Alaska International Airports System (AIAS)

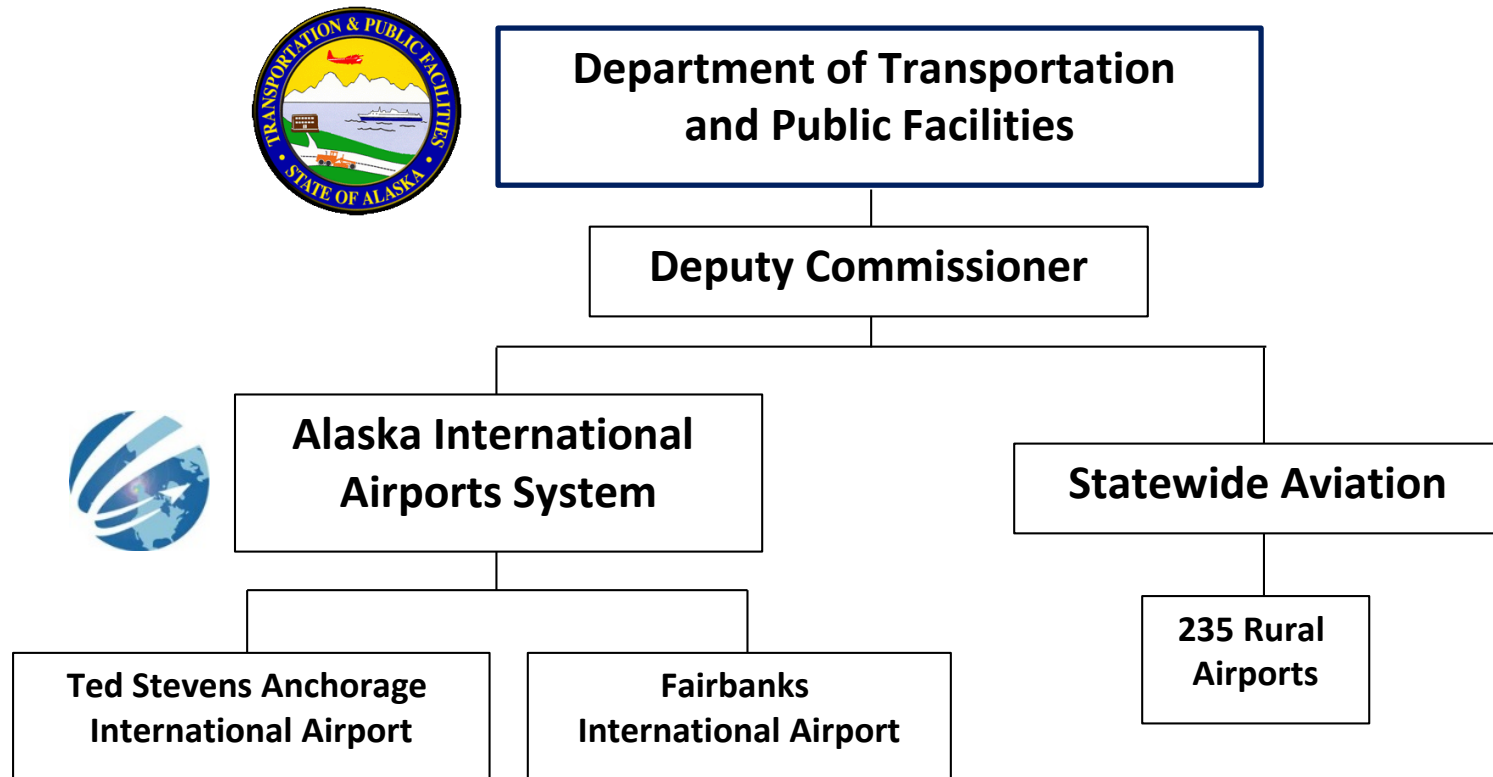
“To keep Alaska flying and thriving”



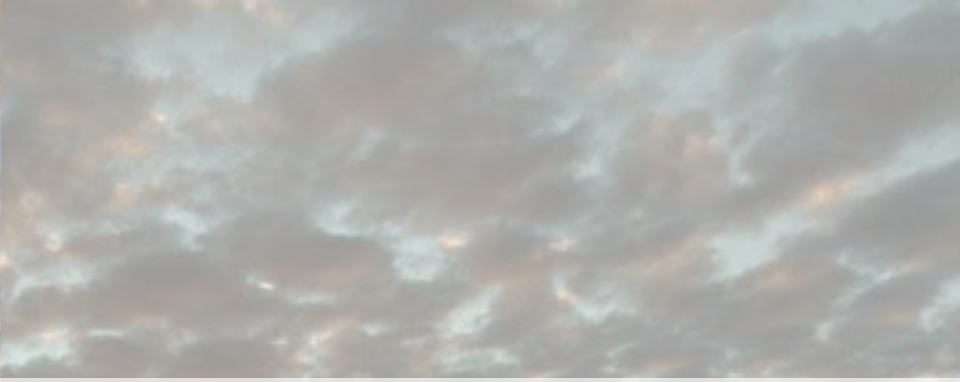
Statewide Aviation (SWA)

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

Organization/Leadership



Alaska International Airport System



Fairbanks International Airport



Ted Stevens Anchorage International Airport



AIAS Structure

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



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Operating Agreement with Carriers

10-year Operating Agreement July 1, 2013 – June 30, 2023

35 Signatory Carriers

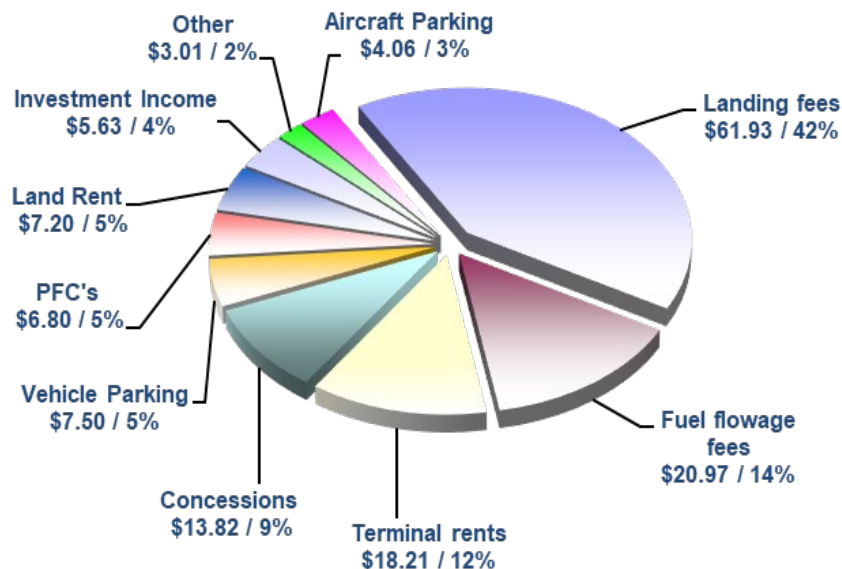
- Share financial risk in exchange for capital and operating input and discounted fees
- Signatory Carriers organize and engage AIAS as Airline Airport Affairs Committee (AAAC)
- Co-chairs are representatives from UPS and Alaska Airlines

AIAS issues general airport revenue bonds (GARBS) through State Bond Committee (\$990.6m issued since 1999 with \$333.4m outstanding at 6/30/20); *Fitch A+ / Moody's A1*

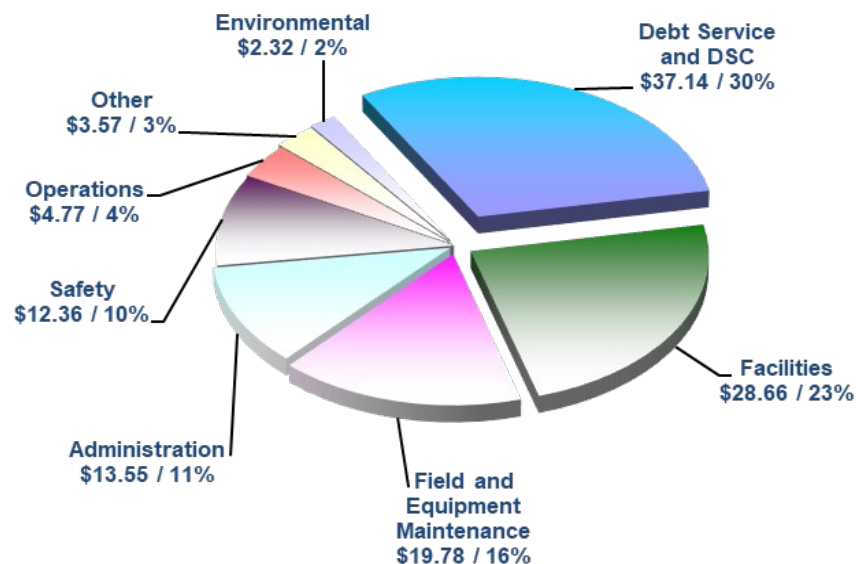
Annual Revenue and Operations, Maintenance and Debt Costs

- Funded through Customer Charges -

AIAS FY2020 Revenue Sources*
(\$149.13 Million)



AIAS FY2020 Annual Operating Costs and DS&C**
(\$122.15 Million)



* Operating, passenger facility charge, and interest revenues.

** Expense does not include rates & fees funded capital costs or depreciation.

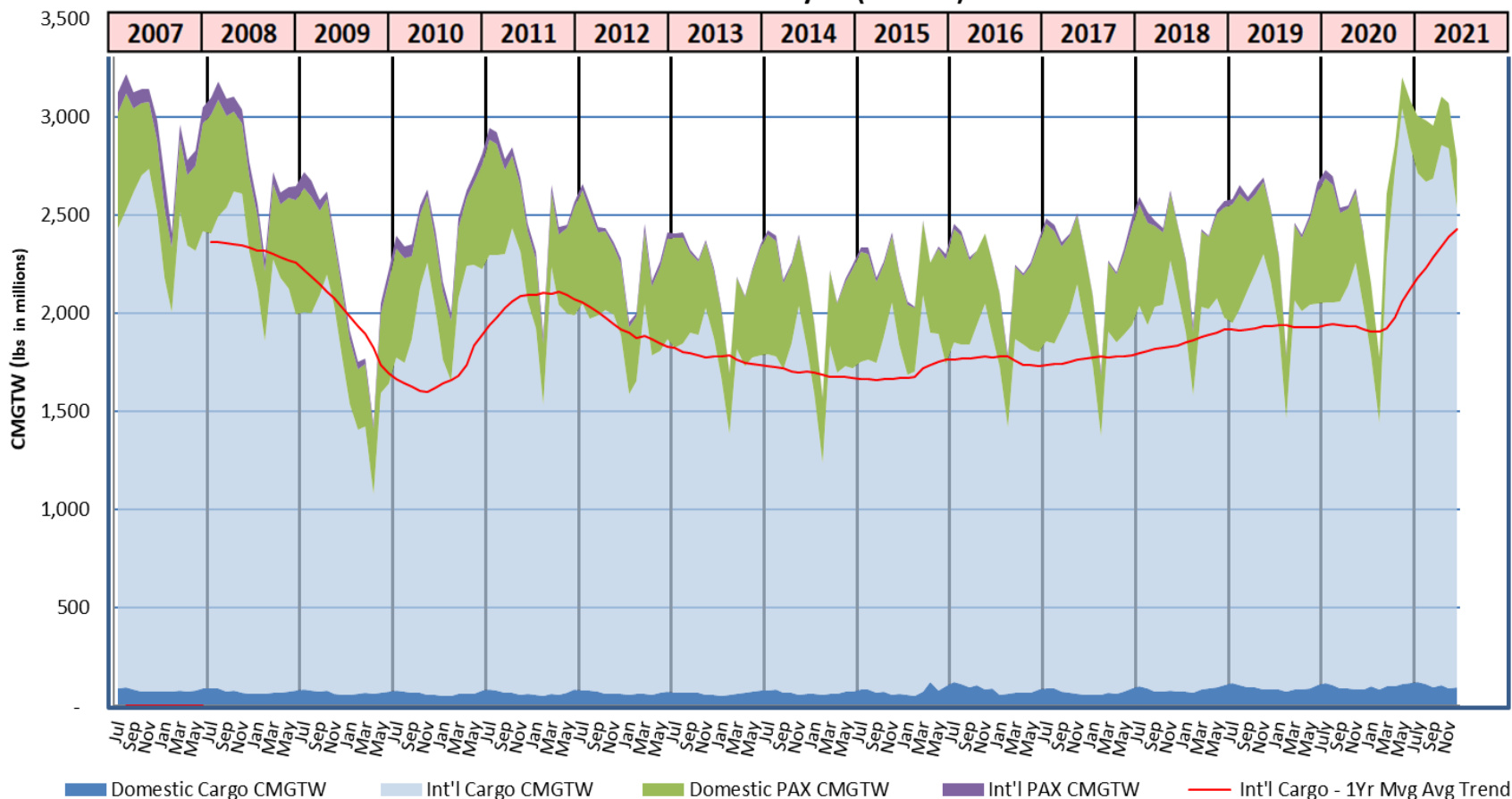
Cargo/Pax Activity

AIAS

Monthly Cargo & PAX CMGTW

- Domestic & Int'l -

FY07 - FY21 ytd (Dec '20)

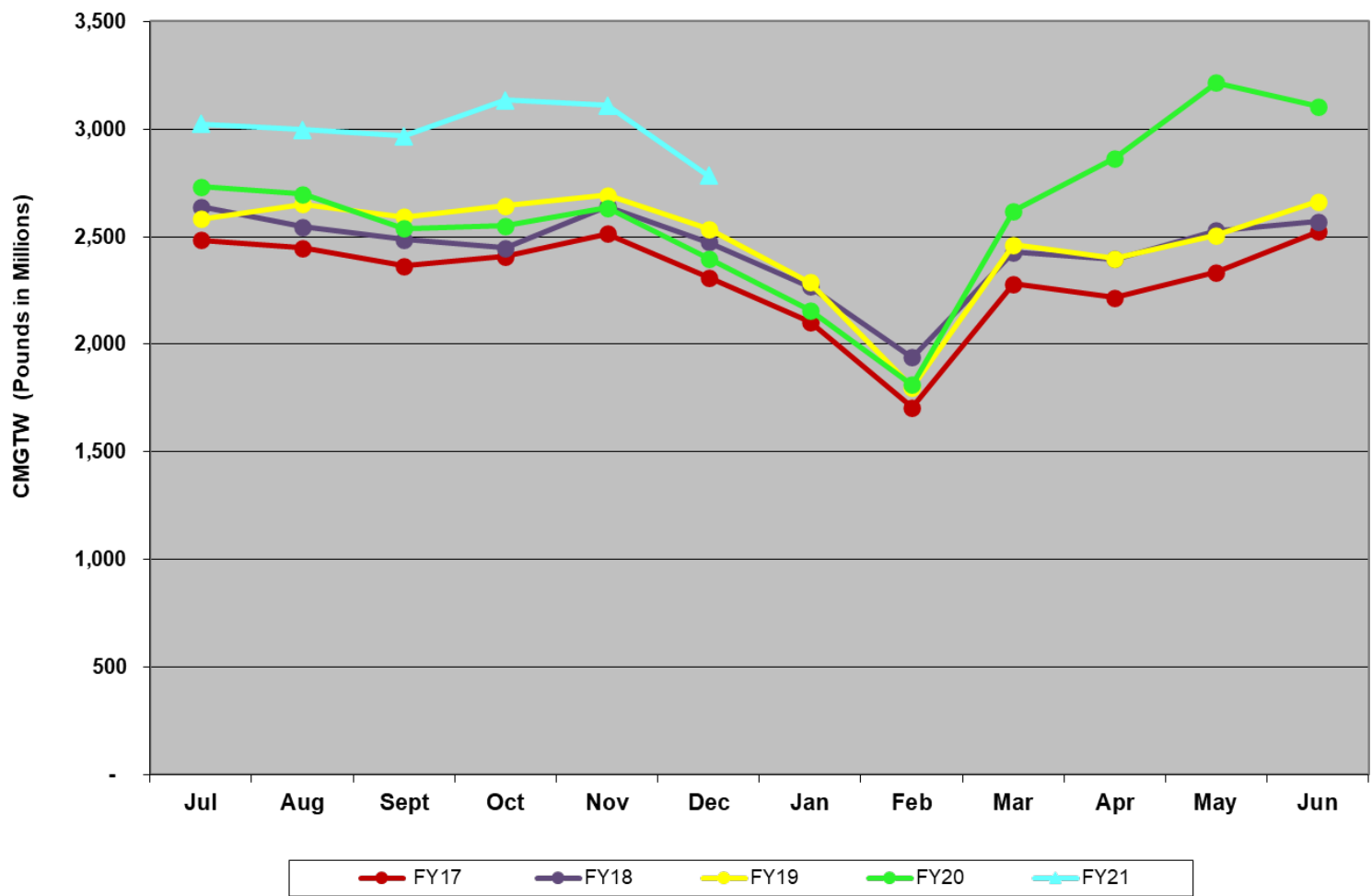


Primary Revenue Driver - Airfield Activity (CMGTW):

Up 5.0% FY20 / Up 15.8% FY21 YTD



AIAS
FY17 - FY21 YTD
Monthly Reported Combined Cargo - Pax CMGTW
As of December 31, 2020

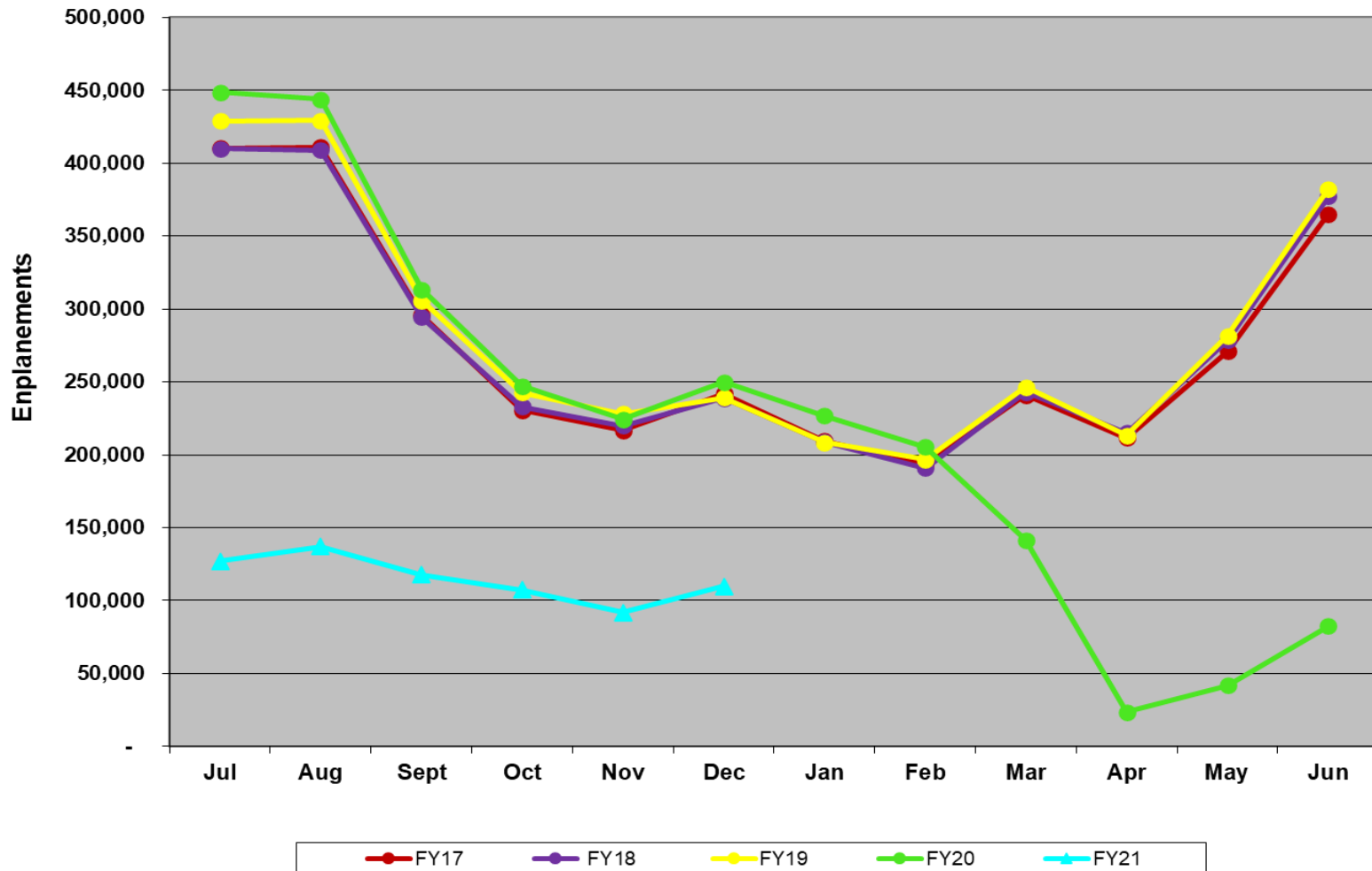


Passenger Activity

Down 22.2% FY20 / Down 64.2% FY21 YTD



AIAS
FY17 - FY21 YTD
Monthly Passenger Enplanements
As of December 31, 2020



Capital Funding

Airport Improvement Program (AIP)

FFY2020

	<u>Discretionary</u>	<u>Entitlements</u>	<u>CARES Act</u>	<u>Total</u>
ANC	\$0.4M	\$15.0M	\$2.2M	\$17.6M
FAI	\$3.7M	\$ 7.1M	\$0.7M	\$11.5M

Anticipated FFY2021

	<u>Discretionary</u>	<u>Entitlements</u>	<u>Supplemental</u>	<u>Total</u>
ANC	\$31.7M	\$16.4M	\$10.0M	\$37.9M
FAI	\$ 0.3M	\$ 1.0M	-	\$ 1.3M

Economic Opportunities



\$1B+ in private development



New passenger transfer rights



Seafood export to Asia



FAI recognized as UAS Hub for Alaska



Air service expansion

Statewide Aviation

Yakutat Airport on a snowy winter morning. By Anthony Latzel, Alaska DOT&PF



Rural System Scope and Scale

235 DOT&PF-owned and -operated airports & seaplane bases

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

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

21 Part 139 certificated airports (jet hubs)

Rural System Operating Budget

SFY 2020

- Operating Cost = \$40.7M (\$14.2M in FFY 2020 AIP federal funds)
 - A CARES Act grant for \$49.4M was received and applied to Rural Airport operational costs for FFY 2020 and beyond.
- Revenue = \$11.9M (\$6.9M Leasing + \$5.0M fuel taxes)
 - Fuel Tax to GF = \$5.1M less \$.1M 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 Capital Funding FFY 2016 through FFY 2020

Federal Capital Funding

- Rural System AIP annual average FFY 2016 - 2019 = \$132.9M
- FFY 2020 AIP = ~\$198.9M

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
- Most FFY 2020 project matches were 100% CARES Act funded

Major Rural System AIP Construction Projects Expected to be Funded in FFY 2021 & 2022

Pavement Rehab

- Bethel
- Homer
- Unalaska

Rural Access

- Angoon
- Bettles
- Brevig Mission

Rural Access

- Chevak
- Ekwok
- Kaltag
- Kongiganak
- Metlakatla
- New Stuyahok
- Newtok
- Noorvik
- Saint Mary's

Rural Access

- Seward
- Togiak

Buildings

- Cold Bay
- Cordova
- McGrath
- Napaskiak

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





Unmanned Aircraft Systems (UAS)



DOT&PF Unmanned Systems Coordinator, Ryan Marlow, assisting NOAA when a Gray Whale was stuck in the 20-Mile River. By Troy LaRue, Alaska DOT&PF

UAS in Alaska

\$22.5 Million Committed to date for CY 2021 for UAS Research and Development

- **Funding Sources**
 - Federal grants
 - Private investments
- **Partnerships**
 - ACUASI
 - DOT & PF
 - Local
 - Federal
 - Private Industry



ACUASI



UAS Benefits Alaskans



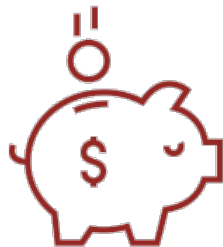
- **Jobs** – UAS operators, remote infrastructure development



- **Safety** – Fly cargo with UAS--not pilots, wildlife mitigation, search and rescue

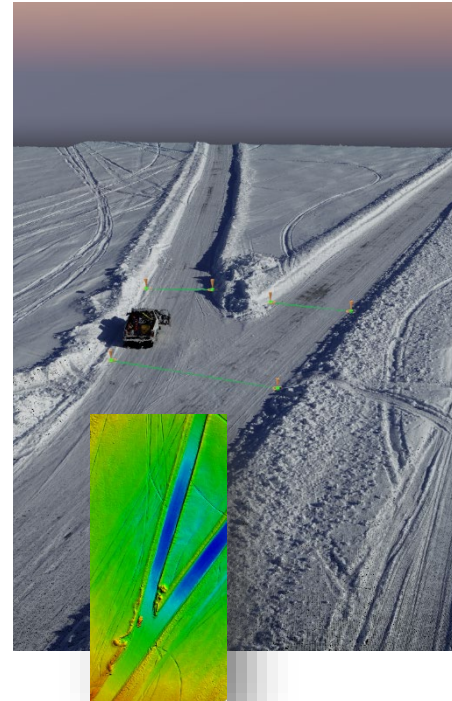
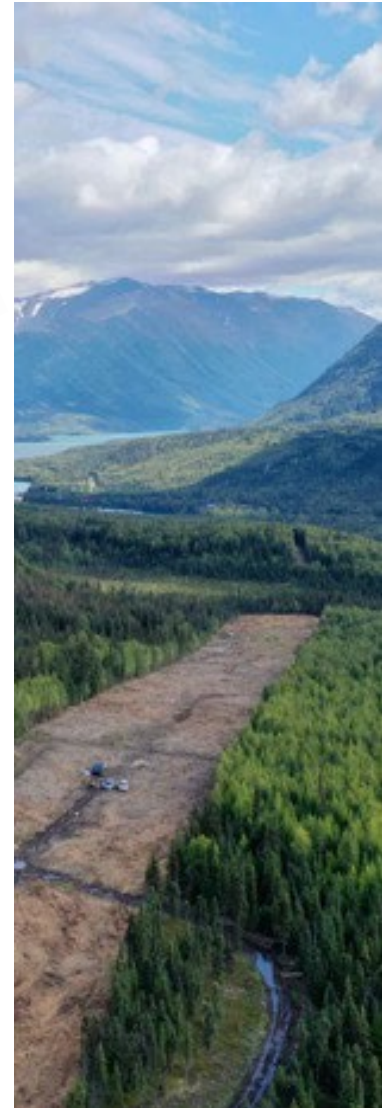
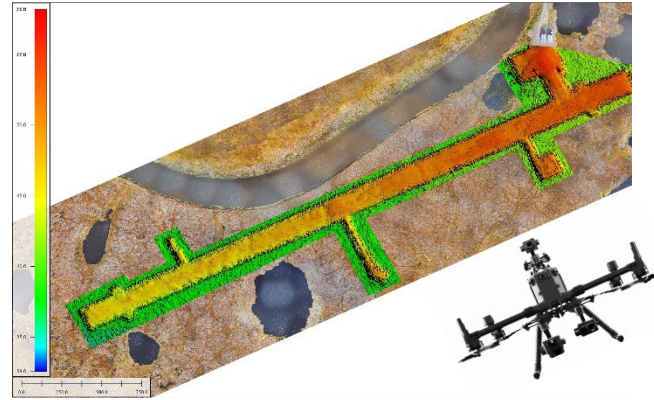


- **Reliable deliveries** – Able to launch and land in poor weather conditions

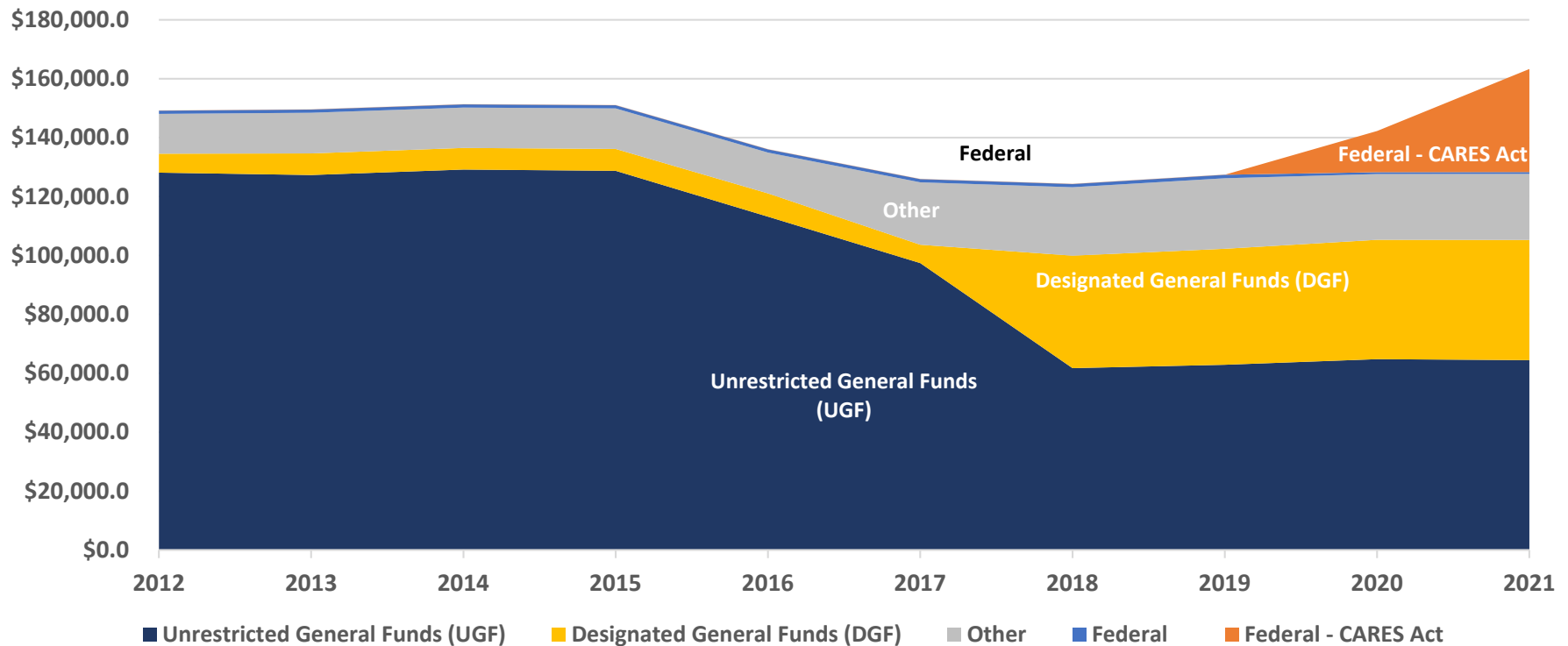


- **Cost savings** – UAS able to perform remote inspections, mapping, natural resources monitoring

UAS Applications NOW!



Regional Highways & Aviation



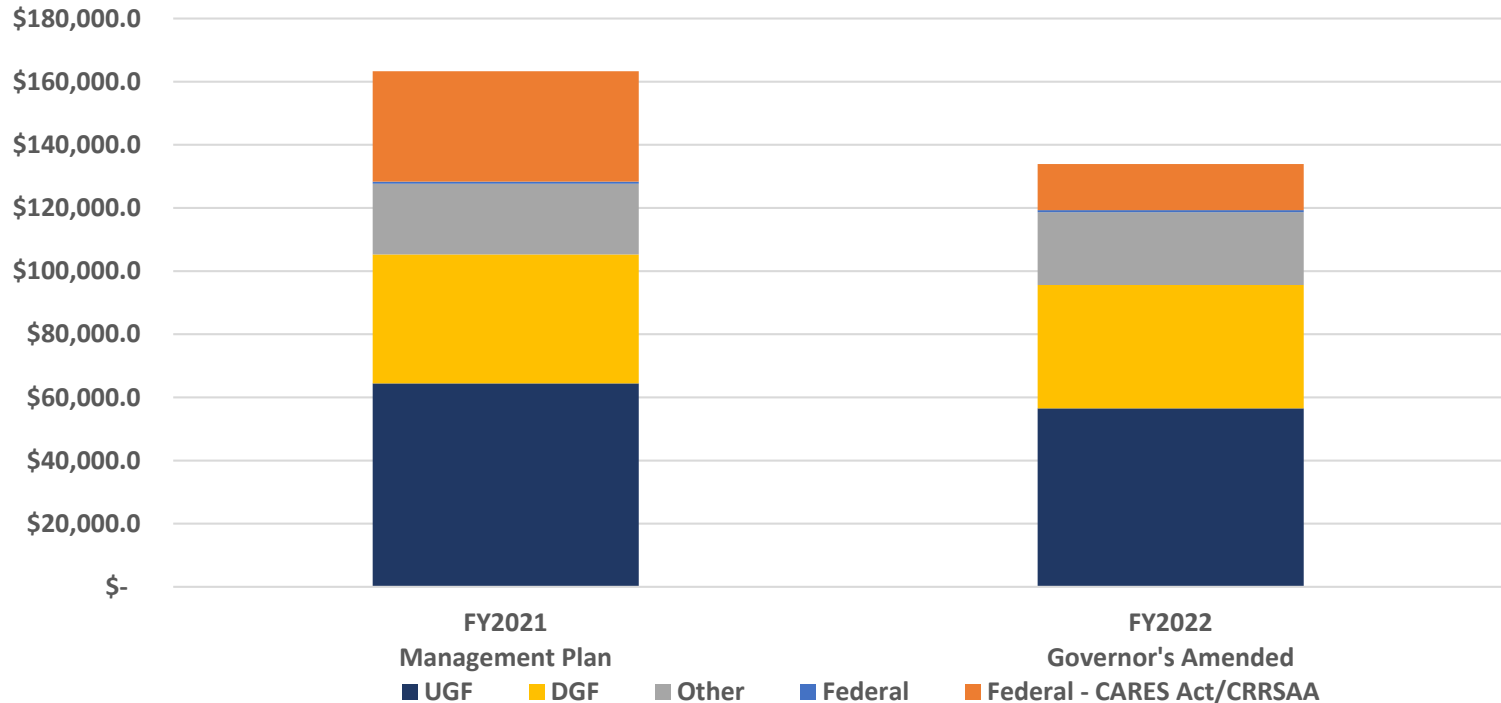
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Unrestricted General Funds (UGF)	\$128,114.1	\$127,300.1	\$129,146.9	\$128,728.9	\$113,145.6	\$97,396.1	\$61,715.6	\$62,852.1	\$64,799.1	\$64,440.9
Federal - CARES Act	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$14,000.0	\$35,000.0
Designated General Funds (DGF)	\$6,441.7	\$7,358.2	\$7,371.6	\$7,447.9	\$7,904.4	\$6,222.9	\$38,225.4	\$39,407.3	\$40,513.9	\$40,822.7
Other	\$13,509.8	\$13,798.8	\$13,684.7	\$13,739.0	\$13,876.2	\$21,204.7	\$23,213.6	\$23,956.2	\$22,302.5	\$22,401.6
Federal	\$1,102.4	\$1,086.1	\$1,091.8	\$1,094.3	\$1,094.3	\$1,092.1	\$1,094.5	\$1,163.4	\$649.0	\$650.1
Total:	\$149,168.0	\$149,543.2	\$151,295.0	\$151,010.1	\$136,020.5	\$125,915.8	\$124,249.1	\$127,379.0	\$142,264.5	\$163,315.3

Budgeted, Management Plan – FY2020 and FY2021 include FAA CARES Act RPL authority

\$ in Thousands (1,000)

FY2022 Operating Budget Comparison

Regional Highways & Aviation



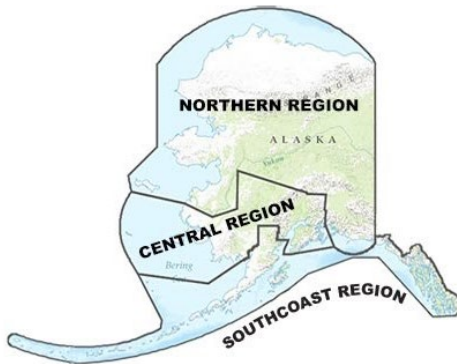
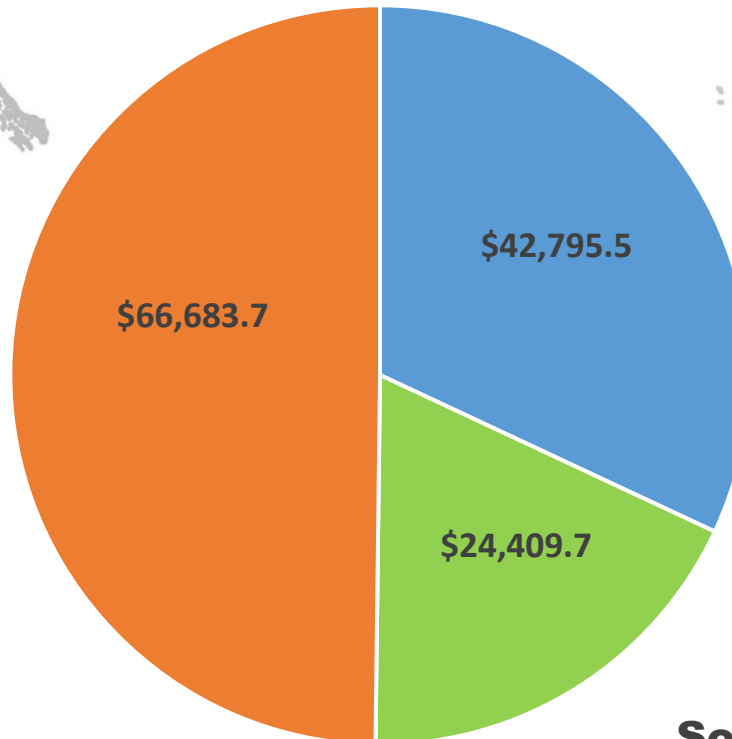
Fund Types	FY2021 Management Plan	FY2022 Governor's Amended	\$ Difference Between FY2021 & FY2022	% Difference Between FY2021 & FY2022
UGF	\$ 64,440.9	\$ 56,514.2	\$ (7,926.7)	-12.3%
Federal - CARES Act/CRRSAA	\$ 35,000.0	\$ 14,579.7	\$ (20,420.3)	-58.3%
DGF	\$ 40,822.7	\$ 39,090.8	\$ (1,731.9)	-4.2%
Other	\$ 22,401.6	\$ 23,054.1	\$ 652.5	2.9%
Federal	\$ 650.1	\$ 650.1	\$ -	0.0%
Total	\$ 163,315.3	\$ 133,888.9	\$ (29,426.4)	-18.0%

*Budgeted, Management Plan – FY2021 includes FAA CARES Act RPL authority

\$ in Thousands (1,000)

FY2022 Governor's Amended Operating Budget

Regional Highways & Aviation (\$133,888.9)



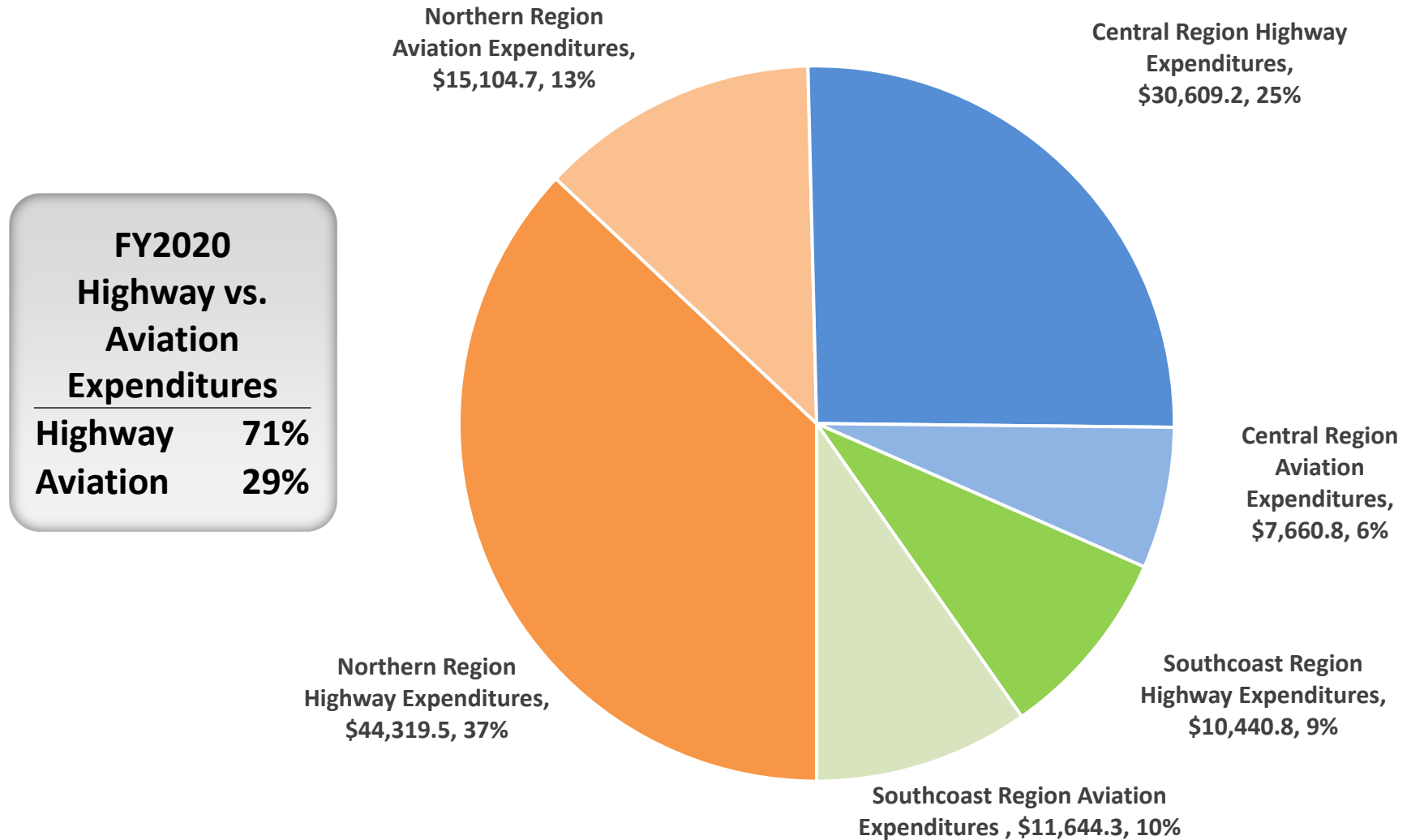
\$ in Thousands (1,000)



FY2020 Regional Highways and Aviation Actual Expenditures

All Fund Sources

(\$119,779.3)



\$ in Thousands (1,000)

FY2022 Aviation Budgetary Actions

Fund Source Swap to Utilize
Federal Aviation Administration
CARES Act Funding and Displace
Unrestricted General Fund
(14,600.8 Fed / -14,600.8)

One-time Use of FAA CARES
Act Federal Funding to Cover
Aviation Fuel Tax Shortfall
(276.4 Fed – CARES / -276.4 Other)

Delete Unrealized Aviation
Fuel Tax Authority
(-32.8 Other)

Maintenance and Operations
Funding for Rural Airport
Paint Striping
(2,302.3 Fed – CARES)

\$ in Thousands (1,000)



Thank You. Questions?

John Binder

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