

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

February 2, 2023

1:02 p.m.

MEMBERS PRESENT

Representative Kevin McCabe, Chair
Representative Craig Johnson
Representative Tom McKay
Representative Sarah Vance
Representative Louise Stutes
Representative Genevieve Mina

MEMBERS ABSENT

Representative Andrew Gray

OTHER LEGISLATORS PRESENT

Representative Craig Johnson

COMMITTEE CALENDAR

OVERVIEW: DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JOHN BINDER, Deputy Commissioner
Department of Transportation & Public Facilities
Anchorage, Alaska

POSITION STATEMENT: Co-presented a PowerPoint titled "Alaska Department of Transportation and Public Facilities Aviation Overview."

RYAN MARLOW, Statewide UAS/Drone Program Coordinator
Division of Statewide Aviation
Department of Transportation & Public Facilities
Anchorage, Alaska

POSITION STATEMENT: Co-presented a PowerPoint titled "Alaska Department of Transportation and Public Facilities Aviation Overview."

ACTION NARRATIVE

[1:02:20 PM](#)

CHAIR KEVIN MCCABE called the House Transportation Standing Committee meeting to order at 1:02 p.m. Representatives McKay, Vance, Mina, and McCabe were present at the call to order. Representatives Johnson and Stutes arrived as the meeting was in progress.

Overview: Department of Transportation & Public Facilities

[1:03:34 PM](#)

CHAIR MCCABE announced that the only order of business would be the Department of Transportation & Public Facilities overview.

[1:04:33 PM](#)

JOHN BINDER, Deputy Commissioner, Department of Transportation & Public Facilities, introduced himself and explained he oversees the aviation side of the department whose mission is "Keeping Alaska Moving," as shown on slide 2, titled "Mission Statements." He continued on slide 3, titled "Organization/Leadership," and noted the 237 airports he oversees, which include 2 in the Alaska International Airport System: Anchorage, Alaska, and Fairbanks, Alaska. He briefly focused next on slide 5, titled "AIAS" [Alaska International Airport System], which he explained is an enterprise system - in that Anchorage and Fairbanks generate all the revenue/all their budget through rates and fees that they charge the carriers. He moved on to slide 6, titled "Operating Agreement With Carriers." He pointed out the 35 airline carriers that are signatory to the agreement. On the renewal of another 10-year contract, he stated it is significant in that most airports across the country are not able to achieve a relationship with the carriers that result in a 10-year contract; most are typically 5 years or shorter.

[1:08:25 PM](#)

MR. BINDER continued on slide 7, titled "Annual Revenue And Operations, Maintenance And Debt Costs," that showed the various

revenue sources he described as "very standard," and their breakdowns. Operating, passenger facility charges, and interest revenues are included, but he pointed out that anything related to capital is not featured on the slide. He proceeded to slide 8, titled "Cargo Tonnage," and he stressed how big an issue air cargo is - especially on the international side, primarily Asia.

[1:10:26 PM](#)

REPRESENTATIVE MINA questioned the dips shown in Januarys [2016 to 2022].

MR. BINDER responded it is due to the Chinese New Year, explaining there is about a two-week period when Asian air carriers shut down. There is also a drawdown after the holidays that contributes to the dip.

[1:11:00 PM](#)

MR. BINDER continued to slide 9, titled "Primary Revenue Driver Airfield Activity (CMGTW)," and he first pointed out the acronym CMGTW stands for Certified Maximum Gross Takeoff Weight. He noted that during the time the COVID-19 Pandemic began, the Ted Stevens Anchorage International Airport was the busiest airport in the world for multiple days due to heavy cargo activity.

[1:12:41 PM](#)

MR. BINDER moved on to slide 10, titled "Passenger Activity," that followed closely to slide 9 but featured the passenger side. A line graph with passenger activity is shown for fiscal year 2019 (FY 19) through part of FY 23, and the biggest decrease in passenger activity occurred February-April FY 20.

[1:13:48 PM](#)

MR. BINDER continued to slide 11, titled "Capital Funding," that highlighted the Anchorage, Alaska, and Fairbanks, Alaska, Airport Improvement Program (AIP). He explained this is where the vast majority of aviation funding from the FAA [Federal Aviation Administration] comes through. The calculations, he explained, would be broken down further along in the slideshow.

[1:15:07 PM](#)

REPRESENTATIVE MINA asked if the BIL/IIJA [Bipartisan Infrastructure Law/Infrastructure Investment and Jobs Act] funds are going towards rural airports.

MR. BINDER answered that the funding for IIJA did not create any new programs for the aviation side; the funding was just increased through the normal program, which is the Airport Improvement Program (AIP) program.

[1:16:09 PM](#)

MR. BINDER continued to slide 12, titled "Economic Opportunities," primarily related to cargo activity at both Alaska's major airports in Anchorage and Fairbanks, and he drew extra attention to increased cargo activity causing the need for additional parking spots. He expressed enthusiasm over some of the development opportunities occurring. He explained that DOT&PF also tries to leverage the Fairbanks International Airport because it has additional capacity and aircraft will often divert there.

[1:18:12 PM](#)

REPRESENTATIVE MINA asked about the sustainability aspect and what the process for the research is.

MR. BINDER answered aviation fuel gathers a lot of attention as for environmental impacts, but it is in the early stages - and fuel is strictly an airline decision. The other piece is how DOT&PF helps get the airlines that supply. Right now, it is not realistic for intercontinental flying, but DOT&PF continues to try and have good conversations going at all times with the airlines.

[1:19:53 PM](#)

REPRESENTATIVE VANCE asked what DOT&PF has in mind regarding cold storage and whether there is a timeline as to when the cold storage would be available.

MR. BINDER replied the answer expands to the broader issue of warehousing needs at the airports that include cargo transfers, where the cargo can be stored when planes run late, and when cargo cannot be left on the ramp. A larger cold storage facility would help accommodate some of the major cargo that includes seafood that can be flown internationally. In response to a follow-up question requesting a timeline, he replied that

2024 may be the earliest - but he can follow up and provide a more accurate timeline.

[1:22:07 PM](#)

CHAIR MCCABE asked what happened to the plans for cargo parking by the fuel tanks.

MR. BINDER replied the "6-A consortium" [6A Aviation Alaska Consortium, Inc.] proposed that project, and currently the lease is in a cancel status due to failure to pay both DOT&PF and the consortium's contractors. It is currently sitting with the Superior Court.

MR. BINDER had briefly shown a slide, titled "Statewide Aviation," before moving to slide 14, titled "Rural System Operating Budget," which is a snapshot of the budget. Contrary to the international system, he stressed that nearly the entire rural system is "general funded." The figures he read off the slide are as follows [original punctuation provided]:

SFY 2022

- **Operating Cost = \$39.4M (plus \$18.9M in FFY 2022 Airport Improvement Program (AIP) federal funds for Surface Maintenance and Snow Removal Equipment)**
 - CARES Act grant for \$49.4M was applied to Rural Airport operational costs for FFY 2020 and beyond.
 - **Revenue = \$11.52M (\$6.97M Leasing + \$4.55M fuel taxes)**
 - Fuel Tax to Gen Fund = \$4.55M less \$.16M shared w/ Local Sponsors
- System Sustainability**
- Cost reductions/efficiencies
 - Sand/Chemical optimization
 - Maintenance conversion to federal program
 - **Workforce challenges**

MR. BINDER indicated under system sustainability, that it would be a preference to move that off the state dollar. He explained that the FAA strongly strives to work with airports to make them self-sustaining. In the meantime, DOT&PF is doing everything possible to reduce those costs. In the village airports, he noted the difficulties finding the skillsets that would add to a strong workforce.

[1:26:42 PM](#)

REPRESENTATIVE STUTES asked if there are any kinds of training programs for operators tasked with keeping runways clear.

MR. BINDER replied yes, but DOT&PF is having a hard time finding people with the initial skillset to be hired.

[1:29:20 PM](#)

CHAIR MCCABE asked Mr. Binder to expound on repair costs in the rural airport system caused by vandalism, and if there is a plan to make "baseball bat-proof" runway lights.

MR. BINDER replied that vandalism is a challenge, but advertising in schools is part of DOT&PF outreach so that the importance of a safe airport is relayed to people, and for them to be aware that vandalism is a felony. He continued to slide 15, titled "AIP Rural System Capital Funding," which featured federal fiscal year 2016 (FFY 16) through FFY 22 federal capital funding. He explained the amount allocated is dependent on the number of airports there are and how busy they are. The funds are allowed to be pooled, he explained, in a prioritized manner.

[1:33:36 PM](#)

REPRESENTATIVE STUTES asked about the relationship between DOT&PF and the National Oceanic and Atmospheric Administration (NOAA) in reference to the Yakutat airport problem where planes can't land because of equipment.

MR. BINDER replied most airlines are operating under instrument flight rules, so although the day may look clear, the equipment goes down and therefore pilots are not getting accurate weather readings. He stated that NOAA has some systems, but DOT&PF does not have any control in this.

MR. BINDER continued on slide 16, titled "Aviation Projects (FY22/23)," which featured projected construction projects. He noted the rural system is well built out as for state of good repair/safety.

[1:37:34 PM](#)

REPRESENTATIVE STUTES asked Mr. Binder to reiterate what constitutes a "rural airport."

MR. BINDER replied a rural airport is classified as any other than those in Anchorage and Fairbanks.

MR. BINDER explained that slide 17, titled "Airport Improvement Program (AIP) For DOT&PF Airports in FFY 2022," answered the question of how AIP is determined for the state. The slide featured breakdowns by cargo entitlements, primary passenger entitlement, non-primary passenger entitlement, state apportionment, Alaska supplemental, discretionary, and supplemental discretionary grants totaling ~\$256 million.

[1:40:36 PM](#)

MR. BINDER invited Mr. Marlow to join the presentation via Teams.

[1:41:14 PM](#)

RYAN MARLOW, Statewide UAS/Drone Program Coordinator, Division of Statewide Aviation, Department of Transportation & Public Facilities, transitioned into the presentation on slide 18, titled "Unmanned Aircraft Systems (UAS) and Advanced Air Mobility (AAM)." He advanced to slide 19, titled "Alaska UAS Development," which featured the amount of funding coming in as follows [original punctuation provided]:

\$35.4 Million Programmed for CY 2023 for UAS Research and Development

Funding Sources

- U.S. DOT & FAA
- State of Alaska
- Private investments

Partnerships

- ACUASI
- State of Alaska agencies
- Federal
- Private industry

[1:43:21 PM](#)

MR. MARLOW proceeded to slide 20, titled "2022-2023 Alaska UAS Growth Stats." He explained just this year, Alaska is the first state in the nation to have more registered unmanned aircraft compared to other states, and he noted there is a much higher population of non-registered systems. He pointed out that

airspace is a major resource for the state for evaluating technologies. He continued on slide 21, titled "Advanced Air Mobility (AAM)," which featured 5 regions within the state broken down by areas of communities, economy, how people get around, and how goods are transported.

[1:47:20 PM](#)

REPRESENTATIVE VANCE opined that the chart [on slide 21] was "one of the best snapshots" to portray the full perspective that law makers must take into consideration. She stated she will share the slide on her web pages.

[1:48:24 PM](#)

REPRESENTATIVE STUTES asked about any special licensing the operators of unmanned vehicles must possess.

MR. MARLOW confirmed all pilots must have the remote pilot's certificate.

[1:49:47 PM](#)

MR. BINDER rejoined the presentation following additional commentary he provided on the many pilots that are now licensed, what the UAS are used for, and the remote sensing laboratory. He noted there will be more details on this next week. He continued on slide 22, titled "Airport Workforce," which featured challenges and solutions from the aviation perspective. He stressed one of the biggest challenges being to find qualified and interested people, and to address continued training needs. He also explained project delivery is dependent on funding, leaving some projects to be incomplete for years. As for solutions, he noted expanding to nationwide recruitment efforts, success being had in flexible work schedule options for employees, and incentive pay contributing to retention.

[1:54:39 PM](#)

REPRESENTATIVE STUTES observed the much larger size of UAS, not small like a "little drone."

MR. BINDER replied that most DOT&PF systems are small, sub-scale at 20 to 50 pounds. There are various sizes depending on what they will be used for; it comes down to what type of "payload" that would drive a larger system. He continued on slide 23, titled "Airport Environment." Keeping airports clear due to

weather is highlighted as a major obstacle, and there is "the equipment element." He eluded again to the higher performance requirements needed. One solution he focused on was road weather station (RWS) utilization, which feeds into the National Weather Service resulting in much more foresight.

[1:57:47 PM](#)

MR. BINDER proceeded to slide 24, titled "Remote Airport Lighting," where the question of the working order of airport lights is a concern. He explained it is a very expensive project to fix being that it is one element that must be contracted out, and DOT&PF will make efforts to delay the fix until it can be paired with another project such as runway servicing. He noted emergency lighting systems that are available as an option for a scenario such as a helicopter medivac. The lights are located primarily at places with no runway lights. He concluded the presentation and offered to answer questions from the committee.

[2:00:26 PM](#)

REPRESENTATIVE VANCE commented on the airport leases for parking spaces, and the backlog in requests in the leasing office. She requested more information on why there is this backlog and what the process is.

MR. BINDER replied as far as a backlog, he is not aware of leasing being able to manage those applications, and a lot of time there is back and forth with incomplete applications submitted. He said he will do research on this. Specifically related to Homer, there is a terminal upgrade project. He stated that the parking needs of additional airports will be addressed, as well as the best way to move forward.

REPRESENTATIVE VANCE asked about the assessment of abandoned vehicles impacting the airports and how bad the problem is. She noted recognizing the budgetary need for the abandoned vehicle fund would be helpful for future planning.

MR. BINDER agreed and stated he will provide more information on a future date.

[2:05:36 PM](#)

REPRESENTATIVE STUTES commented on two different business owners in Kodiak, Alaska, who have been in touch with DOT&PF because of

parking lot and structure problems. She noted the lack of response from the state, and she offered to provide Mr. Binder with the names of the individuals.

MR. BINDER said he appreciated the insight and would follow up with Representative Stutes' staff.

[2:07:12 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:07 p.m.