

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

February 18, 2025

1:35 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Jesse Kiehl
Senator Bert Stedman
Senator Mike Shower

MEMBERS ABSENT

Senator Löki Tobin, Vice Chair

COMMITTEE CALENDAR

PRESENTATION(S) : STIP UPDATE AND CONSTRUCTION OUTLOOK~ CONTINUED
FROM 2/13/2025

- HEARD

PRESENTATION(S) : OVERVIEW: ALASKA INTERNATIONAL AIRPORT SYSTEM

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

RYAN ANDERSON, Commissioner
Department of Transportation and Public Facilities (DOTPF)
Juneau, Alaska

POSITION STATEMENT: Co-presented STIP Update and Construction
Outlook, continued from February 13th, 2025.

KATHERINE KEITH, Deputy Commissioner
Department of Transportation and Public Facilities (DOTPF)
Anchorage, Alaska

POSITION STATEMENT: Co-presented STIP Update and Construction
Outlook, continued from February 13th, 2025.

ANGIE SPEAR, Director

Alaska International Airport System (AIAS)
Department of Transportation and Public Facilities (DOTPF)
Fairbanks, Alaska

POSITION STATEMENT: Co-presented Overview: Alaska International Airport System.

TERI LINDSETH, Deputy Director
Ted Stevens Anchorage Airport
Department of Transportation and Public Facilities (DOTPF)
Anchorage, Alaska

POSITION STATEMENT: Co-presented Overview: Alaska International Airport System.

ACTION NARRATIVE

[1:35:29 PM](#)

CHAIR BJORKMAN called the Senate Transportation Standing Committee meeting to order at 1:35 p.m. Present at the call to order were Senators Kiehl, Shower, and Chair Bjorkman. Senator Stedman arrived thereafter.

PRESENTATION(S) :
STIP UPDATE AND CONSTRUCTION OUTLOOK
CONTINUED FROM 2/13/2025

[1:36:34 PM](#)

CHAIR BJORKMAN announced the presentation STIP Update and Construction Outlook from the Department of Transportation and Public Facilities (DOTPF), continued from February 13th, 2025.

[1:37:29 PM](#)

RYAN ANDERSON, Commissioner, Department of Transportation and Public Facilities (DOTPF), Juneau, Alaska, introduced himself and advanced to slide 14. He briefly discussed inflation impacts on the Cooper Landing Bypass Project (CLBP). Slide 14 includes two tables, Project Cost Net Change and Total Project Cost Estimate and Cost to Complete by Phase (\$ in millions). DOTPF estimates \$45 million in contractor payments for this project in FFY2025. He acknowledged the contracting community's concerns regarding the distribution of work and the impact projects of this magnitude can have. DOTPF is focused on creating work for contractors and improving transportation for Alaskans.

[1:38:51 PM](#)

COMMISSIONER ANDERSON advanced to slide 15:

[Original punctuation provided.]

End of Year August Redistribution

- Funding Eligibility Challenge for August Redistribution
- Surface Transportation Block Grant Urbanized Areas Population greater than 200k (~\$66M)
- Transportation Alternatives Program Population greater than 200k (~\$8M)
- Carbon Reduction Program Populations greater than 200k and less than 5K (~\$27M)

- 2025 August Redistribution Notification
- Alaska Eligible for up to \$126.1M in Obligation Limitation
- Success Contingent on Project Delivery within Anchorage Metropolitan Area Transportation Solutions (AMATS) Metropolitan Planning Area

[1:41:02 PM](#)

SENATOR KIEHL asked if the full \$126.1 million is contingent on project delivery in the Anchorage Metropolitan Area Transportation Solutions (AMATS) planning area.

[1:41:15 PM](#)

COMMISSIONER ANDERSON replied no. He explained that it is a combination of fund types of which AMATS is a large portion.

[1:41:32 PM](#)

SENATOR KIEHL asked about the likelihood of using as much of the \$121.1 million as possible.

[1:41:41 PM](#)

COMMISSIONER ANDERSON said that DOTPF has a plan that, if deliverable, would be successful.

[1:42:17 PM](#)

CHAIR BJORKMAN commented that the plan details are of interest to many. He asked what portion of the \$126.1 million August redistribution is contingent on spending down the current spending approvals.

[1:42:47 PM](#)

KATHERINE KEITH, Deputy Commissioner, Department of Transportation and Public Facilities (DOTPF), Anchorage, Alaska,

answered that to qualify for August redistribution, DOTPF must fully obligate the \$680 million in current revenue (i.e. 100 percent of the funds must be spent). In addition, DOTPF must have a plan for how the requested redistribution funds would be spent.

[1:43:21 PM](#)

CHAIR BJORKMAN asked for confirmation of his understanding that all available DOTPF funds must be spent in order to qualify for August redistribution.

[1:43:36 PM](#)

MS. KEITH clarified that 90 percent of the obligation limitation funds must be spent.

CHAIR BJORKMAN asked for confirmation of his understanding that DOTPF must spend 90 percent or more of the obligation limitation funds to qualify for August redistribution.

MS. KEITH replied yes.

[1:44:19 PM](#)

MS. KEITH advanced to Slide 16, Statewide Transportation Improvement Program. Slide 16 contains images of STIP Amendment 1 and proposed Amendment 2, as well as graphs comparing the two amendments and a QR code for submitting public comments. STIP Amendment 2 is out for public comment. The comment period is 30 days. She briefly discussed the public comment process and recent improvements to this process. STIP Amendment 2 contains about \$6.9 billion in projects programmed over the next four years. She noted that over \$1 billion is awarded through discretionary grants to be utilized over the next four years. Over 300 projects are also included. She offered details on how the funds are spent.

[1:46:23 PM](#)

CHAIR BJORKMAN asked about the timeline for STIP Amendment 2 funds to become available.

[1:46:38 PM](#)

MS. KEITH said that most of the projects are moving forward with funding from STIP Amendment 1. Some cost increases are included in STIP Amendment 2.

[1:47:02 PM](#)

COMMISSIONER ANDERSON said that the process will take an estimated 2.5 months from public notice (now underway) to

Federal Highway Administration (FHWA) approval of the revised STIP Amendment 2.

[1:47:39 PM](#)

CHAIR BJORKMAN asked how confident DOTPF is feeling about FHWA's approval of the revised STIP Amendment 2.

[1:47:52 PM](#)

COMMISSIONER ANDERSON expressed a high level of confidence that FHWA would approve the revised STIP Amendment 2.

[1:48:22 PM](#)

CHAIR BJORKMAN asked whether STIP Amendment 2 identifies all of the projects required to capture the full August redistribution funds.

[1:48:38 PM](#)

MS. KEITH replied yes and added that STIP Amendment 2 was created with this in mind. The list of projects is available for the committee.

[1:49:06 PM](#)

MS. KEITH advanced to slide 17, which is a STIP timeline from December 2021 to October 2024. She briefly discussed the most recent STIP-related events and how STIP Amendment 2 incorporates changes to meet common goals. DOTPF has met with Federal Highways and Federal Transit Administration to discuss the current STIP Amendment 2 as well as the upcoming 4-year STIP.

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SENATOR KIEHL asked for clarification regarding the upcoming STIP timeframe. He expressed his understanding that the upcoming STIP would be a 2-year STIP.

[1:51:09 PM](#)

MS. KEITH replied that DOTPF is considering a rolling STIP. She said that this would be helpful and explained that the upcoming STIP would forecast from FFY 2025-2028, providing a 4-year window of construction.

[1:51:29 PM](#)

SENATOR KIEHL asked for clarification about the status of STIP Amendment 1.

[1:51:51 PM](#)

MS. KEITH clarified that STIP Amendment 1 is fully approved.

[1:52:04 PM](#)

SENATOR KIEHL asked for the date for full approval of STIP Amendment 1.

[1:52:10 PM](#)

MS. KEITH replied September 26, 2024.

SENATOR KIEHL directed attention to slide 17, which states that STIP Amendment 1 was partially approved. He requested further clarification.

[1:52:20 PM](#)

MS. KEITH explained that several of the projects DOTPF originally submitted were removed from STIP Amendment 1 (including several tribal transportation projects); therefore, the original submission was partially approved. She clarified that the list of projects listed on DOTPF's website under STIP Amendment 1 were approved and will be moving forward.

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SENATOR KIEHL asked whether STIP Amendment 2 includes those tribal transportation projects - and whether the amendment is likely to be fully approved.

[1:53:06 PM](#)

MS. KEITH said that DOTPF has removed tribal transportation projects from STIP, along with other projects that would potentially impact full STIP approval. DOTPF will work with federal partners to address any outstanding concerns during public comment. She expressed confidence that STIP Amendment 2 will be fully approved.

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COMMISSIONER ANDERSON said that upcoming slides would provide further clarification. He advanced to Slide 18:

[Original punctuation provided.]

**DOT&PERMANENT FUND Meets with Federal Partners in DC
for Clarification**

November 20-21, 2024

99 percent of Projects Approved

DOT&PF and LAW met with FHWA and FTA leadership at their Washington, DC headquarters, including FHWA Executive Director Gloria Shepard.

- Richardson Highway Milepost 346: Must be programmed in the STIP not TIP
- Safer Seward Highway: Allowed to change termini
- 'MUST' Statements (28): Require attention
- 'SHOULD' Statements (38): Lack measurable goal and/or legal requirement
- MPO Engagement Finding: Ongoing; completion measured in stakeholder happiness
- Discretionary Grants: USDOT lacks a comprehensive list requiring inclusion in the STIP

COMMISSIONER ANDERSON explained how DOTPF worked with FHWA and FTA to reach agreement on various projects. He noted that "partially funded" and "fully funded" can become muddled, as some parts of the agreement were not in writing. He stated that STIP Amendment 2 is meant to clarify these grey areas. FHWA has taken over responsibility for ensuring that tribal transportation programs are funded. He commented that DOTPF and the Legislature would need to watch to make sure this happens. He expressed confidence that many of the issues were resolved.

[1:57:17 PM](#)

CHAIR BJORKMAN asked whether the Safer Seward Highway Project was removed from Anchorage Metropolitan Area Transportation Solutions (AMATS).

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COMMISSIONER ANDERSON acknowledged that this issue is a source of frustration for the State of Alaska. He explained that MPO/State relationships create a grey area. FHWA has encouraged DOTPF to cut off the project at the termini (before Potter's Marsh) and continue with DOTPF's project, while continuing to seek a solution with AMATS. FHWA considers this is a negotiation between DOTPF and AMATS; however, DOTPF believes it maintains the planning control for federal highway routes. DOTPF changed the project termini to ensure STIP Amendment 2 approval. DOTPF and AMATS will continue to seek resolution.

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SENATOR KIEHL commented that, historically, metropolitan organizations and states came to agreement by working through the issues together. He commented that DOTPF has historically worked through issues with FHWA before rather than after the fact - and expressed concern that this has changed. He asked about the scope of DOTPF's planning team.

[1:59:52 PM](#)

MS. KEITH answered that DOTPF had over 30 people working on the STIP. She emphasized the depth and breadth of knowledge and experience required for STIP drafting and planning. Information was previously provided to the committee. She said DOTPF would like to work out these issues ahead of time; however, sometimes timing is a challenge.

[2:01:14 PM](#)

SENATOR KIEHL commented that previously, over 50 people worked on planning and never missed a STIP. He wondered if cutting back the planning team has had an overall negative impact.

[2:01:51 PM](#)

MS. KEITH replied that the STIP team is highly interdisciplinary. She briefly discussed recent organizational changes at DOTPF that helped with modernization. She discussed the impact this had on the STIP team and detailed the current structure.

[2:03:54 PM](#)

COMMISSIONER ANDERSON commented that he has noticed an underlying tone in several hearings that seem to imply that DOTPF does not care about planning. He explained DOTPF's perspective and emphasized that everything begins with planning. He said that previously, DOTPF's planning resources were spent on programming and opined that this was not the best use of the resources. He said that, while the number of planners has not changed, the plans (not the programming) are the focus. He said that STIP is more programming focused and briefly discussed this. He emphasized that while fewer planning resources are dedicated to STIP, planning remains a priority.

[2:06:18 PM](#)

SENATOR KIEHL said he would consider this shift and the impact that it has had on federal funding qualifications. He wondered whether these changes have negatively impacted programs and pointed out that work is months behind schedule.

[2:07:01 PM](#)

CHAIR BJORKMAN asked for clarification of what is meant by "program" and "plan."

[2:07:11 PM](#)

COMMISSIONER ANDERSON explained that "planning" is a cohesive evaluation of criteria to plan for future transportation needs.

Planning gives rise to projects. He said that projects are later "programmed" into STIP.

[2:08:20 PM](#)

CHAIR BJORKMAN shared his understanding that "plan" refers to longer term, bigger picture items as well as individual projects.

[2:08:39 PM](#)

COMMISSIONER ANDERSON advised against using the term "plan" for both bigger picture and individual projects, because this can cause confusion.

CHAIR BJORKMAN shared his understanding that "programming" applies to how DOTPF assigns projects into STIP to secure federal funding.

COMMISSIONER ANDERSON confirmed that this interpretation is correct.

[2:09:06 PM](#)

MS. KEITH offered additional insight. She said "programming" is a budgetary term. She briefly discussed this process as it relates to STIP.

[2:09:44 PM](#)

COMMISSIONER ANDERSON advanced to Slide 19:

[Original punctuation provided.]

Key Issues Ahead

Timing of Federal Fund Distribution

- Continuing Resolution Impacts Delivery
- August Redistribution has Limited Window

Build America Buy America (BABA)

- Supply Chain Challenges
- Utilities Unwilling to Take on Risk

Right-of-Way Acquisition / Material Sites

- Federal Acquisitions Hindered by Unreasonable Unnecessary Easement Stipulations
- Right-of-Way Acquisition Expertise is Increasingly Limited

Program Adjustments

- National Electric Vehicle Infrastructure Program
 - Recent Approval of Third Annual Plan
 - Alaska Energy Authority/DOT&PF Joint Effort
 - \$41M Allocated; Implementation Challenges
- PROTECT Program
- Carbon Reduction Program

Work Continues on STIP Practices

- DOT&PF, FHWA, and MPO teams continue to work together to address remaining issues and changes in practices.

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SENATOR SHOWER asked about material requirements and BABA. He surmised that many materials must be shipped from outside Alaska. He asked how the lack of local material access impacts projects.

[2:12:35 PM](#)

COMMISSIONER ANDERSON answered that work with utilities, supplies including power cables, transformers, fiber optic cables, etc., are impacted. He briefly discussed potential solutions, including stockpile accounts and the state taking on some of the risk.

[2:13:32 PM](#)

CHAIR BJORKMAN asked about the opportunity cost of continuing to wait for these issues to be resolved. He wondered if the state could simply take on the risk (rather than wait for the issues to be resolved).

[2:14:14 PM](#)

COMMISSIONER ANDERSON confirmed that the state has the authority to relocate utilities. DOTPF is currently weighing this option, particularly on the Kenai Peninsula.

[2:15:27 PM](#)

CHAIR BJORKMAN asked if this is being considered in time for 2025 summer projects.

[2:15:32 PM](#)

COMMISSIONER ANDERSON replied that this is the goal.

[2:15:58 PM](#)

CHAIR BJORKMAN opined that it would not be reasonable to expect utility customers to take on costs related to DOTPF projects.

[2:16:31 PM](#)

COMMISSIONER ANDERSON clarified that the costs are fully reimbursable. He stated that the issue is not the costs, but with procuring the materials that are BABA compliant.

[2:16:57 PM](#)

CHAIR BJORKMAN surmised that the utilities are less willing to take on the financial risk required to acquire BABA compliant materials - and not having compliant materials means the utilities would not be reimbursed. The delta for the non-reimbursable amount would be passed on to utility customers.

[2:17:22 PM](#)

COMMISSIONER ANDERSON indicated that this is one correct interpretation. He clarified that if the utility is non-compliant, the state would also be non-compliant. In that case, the project would require state funding. He emphasized that this is a joint effort between DOTPF and utilities.

[2:17:48 PM](#)

SENATOR SHOWER shared his understanding that some of the utilities are not able to access the compliant materials and asked if important projects could be halted as a result.

[2:18:17 PM](#)

COMMISSIONER ANDERSON confirmed that this is a possibility. He explained that some materials can be reused, though this is not ideal. He shared several alternative solutions.

[2:18:58 PM](#)

CHAIR BJORKMAN asked if this issue was discussed during the December 2024 meetings in Washington DC.

[2:19:09 PM](#)

COMMISSIONER ANDERSON replied no and said those meetings focused on STIP. However, subsequent conversations with federal officials and Alaska's congressional delegation have touched on this issue. He noted that this is a nationwide concern.

[2:19:39 PM](#)

COMMISSIONER ANDERSON advanced to slide 20:

[Original punctuation provided.]

Key Actions Ahead

Addressing Inflationary Impacts

Sequence larger projects into stages, creating more opportunities for Alaska-based contractors to participate competitively, and potentially increasing competition.

Timing of Federal Fund Distribution

Leverage financial tools such as advanced construction, or pre-awarding grant-based projects, allowing projects to move forward without waiting on federal funding release schedules.

Buy America/Build America (BABA) Compliance

Evaluating options to address supply chain issues: Advance purchases, stockpile reimbursable accounts, DOT&PF taking risk to relocate utilities through construction contracts, etc.

Right-of-Way Acquisition Delays

For Federal Highways Highway Easement Deeds with Bureau of Land Management (BLM), requesting renewed reviews by Department of Interior of BLM easement stipulations.

Gravel/Rock Excavation Sites

Asking for renewed review of Free Use Permits on BLM lands and developed new policy guidance for staff to seek out material site authorizations in preconstruction phases.

[2:22:01 PM](#)

COMMISSIONER ANDERSON advanced to slide 21:

[Original punctuation provided.]

Key Actions Ahead, Continued

Addressing Resource Constraints: General Engineering Consultants

Multidisciplinary engineering firm or team contracted to provide comprehensive support services for transportation infrastructure projects. These services are designed to supplement the capabilities of a transportation agency, such as the Washington Department of Transportation (WSDOT), by offering

expertise in a wide range of disciplines, including planning, design, environmental compliance, project management, and construction oversight.

Addressing Internal Controls: Agile Project Management Office (PMO)

Establishing project management expectations, standards, and best practices to enhance the efficiency and effectiveness of project delivery. The PMO serves as a strategic oversight body, ensuring that transportation projects are executed consistently, meet agency goals, and align with state and federal regulations.

Modernizing Project Delivery and Forecasting Tools

DOTPF Capital Project Dashboard
Enhanced Tentative Advertising Schedule (TAS)
Project Delivery Plan (PDP)
Modernized Statewide Transportation Improvement Program (STIP)

[2:24:06 PM](#)

MS. KEITH briefly discussed DOTPF's new Project Management Office (PMO). This office will provide support to project managers in order to streamline processes. She noted that digital upgrades (including cloud-based data solutions) have been helpful.

[2:26:14 PM](#)

CHAIR BJORKMAN noted additional interest in PMO. He stated that he would like DOTPF to provide information on the projects in STIP Amendment 2 that would capture the 2025 August redistribution funds. He expressed interest in ensuring all of the current program funds are obligated in order to maintain eligibility for August redistribution. He asked for further details on DOTPF's plan to obligate the maximum amount, getting funds to contractors, and elevating projects throughout this process.

[2:27:32 PM](#)

At ease.

[2:29:51 PM](#)

CHAIR BJORKMAN reconvened the meeting.

PRESENTATION(S): ALASKA INTERNATIONAL AIRPORT SYSTEM OVERVIEW

[2:30:02 PM](#)

CHAIR BJORKMAN announced the presentation, Alaska International Airport System.

[2:30:13 PM](#)

ANGIE SPEAR, Director, Alaska International Airport System (AIAS), Department of Transportation and Public Facilities (DOTPF), Fairbanks, Alaska, introduced herself.

[2:30:42 PM](#)

MS. SPEAR advanced to Slide 2:

[Original punctuation provided.]

What is the AIAS?

Ted Stevens Anchorage International Airport

- Major international cargo hub
- 4th busiest cargo airport in the world

Fairbanks International Airport

- Passenger hub and reliever cargo airport
- Critical facility for the Northern Region

Lake Hood Seaplane Base

- Seaplanes and Regional Air Carriers
- Busiest seaplane base in the world

MS. SPEAR said the Alaska International Airport System (AIAS) employs over 520 Alaskans and serves two-thirds of the passengers who arrive and depart from the state.

[2:31:18 PM](#)

MS. SPEAR advanced to Slide 3:

[Original punctuation provided.]

AIAS Airline Business Partnership

- Existing 10-year Operating Agreement and Passenger Terminal Lease (OAPTL)
 - July 1, 2023 - June 30, 2033
- 33 Signatory Carriers share financial responsibility with AIAS

- Capital and operating input, discounted fees
- Organized Airlines Airport Affairs Committee (AAAC)
- Bonds issued through State Bond Committee
 - \$1 billion issued, \$279.7 million outstanding
- Moody's Credit Rating: Aa3 stable

[2:32:25 PM](#)

MS. SPEAR advanced to slide 4:

[Original punctuation provided.]

Finances

- Refunded Series 2016 A and B Bonds with Department of Revenue
 - \$8.9 million (6.5 percent) in Net Present Value Savings
 - \$23 million maintained annual debt service thru 2036
- Processed remaining Pandemic Relief Funds
 - \$104 million since 2020

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MS. SPEAR advanced to slide 5

[Original punctuation provided.]

Operating Revenues and Passenger Facility Charges (PFCS)

Self-sustaining State enterprise fund, fully supported by airport user charges.

[Slide 5 also contains a bar chart titled, Alaska International Airport System FY2024 Operating Revenues and Passenger Facility Charges \$180 Million (Unaudited).]

MS. SPEAR explained that "airport operations" refers to landing and other fees that airlines pay to use the airport. She briefly discussed the breakdown of the remaining fees.

[2:33:52 PM](#)

SENATOR KIEHL asked if fuel flowage falls under airport operations and what the associated total is.

[2:34:00 PM](#)

MS. SPEAR replied yes and offered to follow up with the exact percentage. She estimated that fuel flowage makes up half of the airport operations total.

[2:34:20 PM](#)

MS. SPEAR advanced to Slide 6, Operating Expenses and Dept Service. Slide 6 contains a bar chart titled, "Alaska International Airport System FY2024 Operating Expenses and Debt Service \$138 Million (Unaudited). (Expenses do not include rates & fees-funded capital costs or depreciation.) She pointed out that field and equipment maintenance is the largest expense, followed by facilities (making up close to 50 percent of the expenses from both Anchorage International Airport (AIA) and Fairbanks International Airport (FIA). She briefly noted the remaining expense categories.

[2:34:48 PM](#)

MS. SPEAR advanced to Slide 7, Domestic and International Cargo Activity. Slide 7 contains a graph titled, "AIAS Domestic and International Cargo by Quarter by Fiscal Year." She noted that cargo activity ensured continued growth during the Covid-19 pandemic. There is a steady growth trend in domestic and international cargo through FY2025.

[2:35:20 PM](#)

MS. SPEAR advanced to Slide 8, Monthly Passenger Activity. Slide 8 contains a graph titled, "AIAS FY2021-FY2025 Monthly Enplaned Passengers as of December 31, 2024." She stated that, while passenger activity decreased during the Covid-19 pandemic, growth is steady. Two-thirds of passenger activity occurs between May and September each year.

[2:35:46 PM](#)

MS. SPEAR advanced to Slide 9, Monthly Cargo Activity. Slide 9 contains a graph titled, "AIAS FY2021-FY2025 Monthly Cargo Tonnage (in Metric Tons) as of December 31, 2024." She indicated continued yearly growth.

[2:36:02 PM](#)

TERI LINDSETH, Deputy Director, Ted Stevens Anchorage Airport, Department of Transportation and Public Facilities (DOTPF), Anchorage, Alaska, advanced to Slide 10, Capital Funding. Slide 10 contains two tables related to federal aviation grant program

funds for FY2024 and FY2025. She explained that both airports receive grant funding from the Federal Aviation Administration's Airport Improvement Program and the Bipartisan Infrastructure Law (BIL). She briefly discussed the match required by these grants. She explained that these funds are generally used to pay for infrastructure improvement projects.

[2:36:55 PM](#)

MS. LINDSETH advanced to Slide 11 and discussed a variety of projects in progress at AIA and FIA:

[Original punctuation provided.]

Development and Growth

ANC

- FedEx Domestic Sorting Facility
- NorthLink Aviation
- Anchorage Airport Partners, LLC
- Alaska Cargo and Cold Storage
- Atlas Air (pending)

FAI

- Bureau of Land Management & Department of Natural Resources Firefighting Complex
- Vehicle Parking Expansion and Improvement Project

[2:39:09 PM](#)

MS. LINDSETH advanced to slide 12 and discussed a variety of sustainability initiatives:

[Original punctuation provided.]

Innovation and Sustainability

ANC

- Part 150 Noise Compatibility Study
- Heat and Power CoGen Production
- ALCS Resilience and Reliability

- Sustainable Aviation Fuel
- Solar Energy Initiative

FAI

- PFAS FAA Pilot Study Report

- Boston Dynamics "Aurora" Autonomous Technology for Wildlife Mitigation

[2:43:32 PM](#)

MS. LINDSETH advanced to slide 13 and discussed programs to build strong partnerships and communities:

[Original punctuation provided.]

Building Stronger Partnerships and Communities

- Drug Enforcement Programs
- Children's Play Area
- Art Contests, Holiday Programs
- Hidden Disability Program
- Blue Lightning Initiative
- Traveler Surveys

[2:45:26 PM](#)

SENATOR KIEHL asked when Yara, the K9 trained to detect fentanyl, joined the Drug Enforcement Program.

[2:45:51 PM](#)

MS. LINDSETH replied 8 or 9 months.

SENATOR KIEHL shared his understanding that Dax, a K9 in Juneau, was the first fentanyl-detecting K9 to work with law enforcement in Alaska.

MS. LINDSETH continued her presentation of Slide 13. She briefly discussed traveler survey projects.

[2:46:38 PM](#)

MS. SPEAR advanced to slide 14 and discussed the impacts of winter weather, winter storms, and the Winter Storm Efficiency Study:

[Original punctuation provided.]

Winter Storm Efficiency Study

Background

- Severe weather events can create challenges for ANC and FAI
 - Delays on the ground
 - Diversions to other airports

Purpose

- Analyze current processes, inventory, staffing levels
- Confirm what is working
- Recommendations for improvements

[Slide 14 also contains an infographic showing winter storm (ice and rain) event data to emphasize the impact of non-snow related weather events on AIAS.]

[2:48:47 PM](#)

MS. SPEAR advanced to Slide 15 and continued to discuss the Winter Storm Efficiency Study:

[Original punctuation provided.]

Next steps: Winter Storm Efficiency Study

- Conduct Analysis
 - Staff interviews, site visits, document reviews
 - Benchmarking against other airports
 - Detailed analysis
- Present Recommendations
 - Storm event plans
 - Areas for improvement

[2:49:27 PM](#)

MS. SPEAR advanced to Slide 16, which contains a tree chart to show the current organization of AIAS leadership. She briefly explained the current structure of AIAS leadership. AIAS is proposing an adjustment to this structure.

[2:49:58 PM](#)

MS. SPEAR advanced to slide 17, which contains a tree chart displaying proposed changes to AIAS leadership organization. She briefly explained the proposed changes. The intention is to centralize the development office, restructure the information technology (IT) office, and add an HR liaison, an engineering position, and two budget positions.

[2:51:03 PM](#)

CHAIR BJORKMAN asked where the reorganization proposal is directed.

MS. SPEAR replied that this is a budget request for FY2026.

[2:51:20 PM](#)

CHAIR BJORKMAN noted that there is a mix of interest in the reorganization. He said there is concern that decisions about Anchorage would be made by people in Fairbanks, rather than those on the ground in Anchorage. He asked for comments on these concerns and decision-making process. He asked who is on the ground making decisions at Anchorage.

[2:52:33 PM](#)

MS. SPEAR clarified that Fairbanks is not making all decision. She gave a brief history of her work with AIAS, which has included work in both locations. She explained that the restructuring format is common among airports nationwide. She opined that there is concern on both sides and offered examples. She explained that the restructuring is an attempt to leverage resources at both airports in a way that creates continuity, which has been lacking. Teams will not be consolidated. She stated that this would result in service improvements. She emphasized the work experience she and Ms. Lindseth have at both AIA and FIA.

[2:55:38 PM](#)

CHAIR BJORKMAN asked who is on the ground in Anchorage, overseeing day-to-day operations.

[2:55:49 PM](#)

MS. SPEAR said the reorganization would allow airport managers to focus on operations.

[2:56:22 PM](#)

CHAIR BJORKMAN asked about changes in direct reporting and budgeting.

MS. SPEAR replied yes. She explained how the airport manager position has changed in recent years. She emphasized the importance of focusing on operations.

[2:57:47 PM](#)

SENATOR SHOWER asked about fuel use per year.

MS. LINDSETH replied that she could provide this information.

[2:58:12 PM](#)

SENATOR SHOWER asked about the fuel source. He also asked about ATLAS and the plan to create an additional runway

[2:58:59 PM](#)

MS. SPEAR said that none of the current development prohibits the addition of a fourth runway in the future.

[2:59:12 PM](#)

SENATOR SHOWER noted the potential for a future pandemic and asked about a plan for utilizing part of AIA for quarantine, to allow operations to continue while protecting the general population.

[2:59:53 PM](#)

MS. SPEAR said that this is one of several options quarantine location options that AIAS is considering. She said she could provide reports to answer some of the questions posed by Senator Shower.

[3:00:32 PM](#)

MS. SPEAR advanced to Slide 18 and continued to discuss the proposed reorganization:

[Original punctuation provided.]

AIAS Proposed Reorganization

Create a Planning and Development Team

- Unified Vision
 - Enhance collaboration for innovation
 - Shared best practices
- Focused alignment of strategic goals and development objectives
 - Land Development, Concessions
 - Regional, domestic, and international air service development
 - Federal Grant Opportunities
- Facilitating alignment and continuity in the communication of internal and external capabilities

[3:01:13 PM](#)

MS. SPEAR advanced to Slide 19 and continued to discuss the proposed reorganization:

[Original punctuation provided.]

AIAS Proposed Reorganization

Establish a Technology and Innovation Team

- Ensure technology continuity and system modernization
- Enhance cyber-security and operational resilience
- Drive digital transformation for efficiency and innovation
- Elevate passenger experience through advanced IT solutions
- Support airlines and stakeholder with tailored IT services

[3:01:58 PM](#)

MS. LINDSETH advanced to Slide 20 and discussed air service development growth:

[Original punctuation provided.]

Air Service Development Growth

Passenger Service - New Routes and Expansion of Existing

- United Airlines: Washington D.C., Denver, Chicago
- Alaska Airlines: New York City, San Diego, Portland, Detroit, Sacramento
- Delta Airlines: Detroit, Los Angeles, Atlanta, Salt Lake City
- Condor Airlines extended operations
- Air Canada increased weekly service

Cargo - New Carriers

- MAS Airlines
- Central Airlines of China
- ASL Air Cargo
- Awesome Air Cargo
- Aerologic Air Cargo
- CMA CGM Air Cargo

MS. LINDSETH said this growth is expected to generate an additional \$8.9 million in revenue.

[3:03:17 PM](#)

SENATOR KIEHL asked about growth at FIA.

[3:03:29 PM](#)

MS. SPEAR said there would be new Alaska Airlines service from Portland to FIA. In addition, service to Denver will expand.

[3:03:51 PM](#)

SENATOR KIEHL asked whether the new information technology (IT) team is part of the reorganization.

[3:04:02 PM](#)

MS. SPEAR replied yes. She explained that it would reorganize IT into one group under the System office.

[3:04:10 PM](#)

SENATOR KIEHL noted that the budget documents provided show IT under the System office and none in either airport.

MS. SPEAR replied that this is correct. She noted that currently, there are two groups - one working in AIA and one in FIA.

SENATOR KIEHL said he would consider this further.

[3:04:29 PM](#)

SENATOR SHOWER commented that cargo is important to AIAS and would continue to grow.

[3:05:18 PM](#)

MS. SPEAR agreed. She added that ecommerce (e.g. Amazon) is expanding at both AIA and FIA.

MS. SPEAR thanked the committee.

[3:06:23 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Transportation Standing Committee meeting at 3:06 p.m.