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JUNEAU ALASKA

# Alaska State Legislature

## House

### TRANSPORTATION COMMITTEE

SB 34 Special Approp. to D.O.T. for capital improvements at the Fairbanks International Airport; e.d. (Fahrenkamp)  
57 mil

This appropriation is the cumulative total for capital improvements plan for the Fairbanks airport, which involves runway, terminal, etc.

# Alaska State Legislature

SENATOR BETTYE FAHRENKAMP  
CHAIRMAN, RESOURCES COMMITTEE

4016 EVERGREEN  
FAIRBANKS ALASKA 99701

907-479-3550



Senate

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811  
OFFICE 907-455-3763  
RESOURCES COMMITTEE  
907-465-3534  
HOME 907-765-9182

## MEMORANDUM

TO: Senator Bill Ray  
Chairman, Transportation Committee

FROM: Senator Bettye Fahrenkamp

RE: Background information  
SB 34".....\$57 million airport appropriation"

DATE: March 4, 1981

The purpose of this legislation is to fund capital improvements at the Fairbanks International Airport. The funding will cover Phase I of the short range improvements covered in the Fairbanks Airport Draft Master Plan. The Phase I project list is attached to this memorandum.

The CIP projects listed are based on forecasted aviation levels. They were prepared by DOT/PF personnel. The discrepancy between the amount sought in the bill and the amount listed in Table 7-1 are items 21 and 22 which will be funded by FAA.

There is a basic philosophical difference in attitudes where development of the airport is concerned. DOT/PF has traditionally based capital project plans on actual need; that is, building to increase capacity only where that capacity has reached its uppermost limit. Advocates for developing the airport now also base their decisions on need. But the need they foresee is for construction and design of capital projects which will have to be in place in 1986 in order to satisfy the need that is projected.

In recent years a distinct change has occurred in the nature of air traffic patterns at Fairbanks; many international flights are being scheduled for technical fuel stops at Fairbanks International. The number of these flights is expected to increase. With the successful conclusion of a diligent marketing effort now in process, Fairbanks is expected to schedule several additional international stop-overs.

In order for the Fairbanks airport to provide minimum safety standards for the wide-bodied aircraft most frequently

performing these functions, the improvements described in the master plan are needed. Increase in international flights is starting its buildup. Improvements need to be made now and be completed in time for the heavier traffic patterns. Timing is absolutely essential for the growth of the airport and the economic stability of Fairbanks.

This is a project supported by the community. There are many proponents, some of whose comments are attached to this memo.

Table 7-1

SUMMARY OF PROJECT REQUIREMENTS AND ESTIMATED COSTS  
Fairbanks International Airport

<u>PHASE I</u>	<u>Description</u>	<u>Estimated Base Year (1980) Project Costs<sup>(a)</sup></u>
1.	Acquire Land Between New & Old Airport Way	27.5 Acres \$ 3,000,000
2.	Acquire Land South of Proposed South Fairbanks Expressway	77.9 Acres 200,000 <sup>(b)</sup>
3.	Acquire Land North of US Postal Service	21.4 Acres 1,200,000
4.	Acquire Land North of Flood Control Levee	155.0 Acres 200,000 <sup>(b)</sup>
5.	Acquire Land at Middle Marker	4.8 Acres 100,000 <sup>(b)</sup>
6.	Acquire Leasehold Lots 1 & 2, Block 1	6.2 Acres 1,300,000
7.	Acquire Land North of Cartwright Road	15.0 Acres 150,000
8.	Extend Runway 1L/19R & Taxiway T-1	1,400 L.F. 4,500,000
9.	Overlay Runway 1L/19R	10,300 L.F. 2,600,000
10.	Relocate Alaska Railroad	3,600 L.F. 700,000
11.	Extend Runway 1R/19L & Widen	500 L.F. 900,000
12.	Construct Taxiway T-5 & Convert T-3 to Gravel Landing Strip	3,700 L.F. 1,750,000
13.	Widen & Reconstruct Exit Taxiways	-- 300,000
14.	Pave & Light Taxiway T-16	450 L.F. 200,000

(a) Includes allowance of 20% to cover contingencies, architect/engineering fee and administration.

(b) Governmental transfer costs only \$1.00 total value assumed.

15. Construct, Pave & Light Taxiway T-13	2,400 L.F.	1,300,000
16. Construct, Pave & Light Northwest Apron Taxiway (Stage I)	2,000 L.F.	1,000,000
17. Extend Float Pond	4,500 ft. x 400 ft.	4,300,000
18. Construct Float Plane Ramp	1 Job	200,000
19. Relocate Category II ILS Runway 1L	1 Job	2,000,000
20. Replace Towers on ALSF-1, Runway 19R	1 Job	500,000
21. Install VASI-2, Runways 1R and 19L and REIL, Runway 1R	1 Job	300,000
22. Upgrade Terminal Control Equipment	1 Job	80,000
23. Mark & Light West Helipad	1 Job	50,000
24. Mark & Light East Helipad	1 Job	50,000
25. Upgrade FSS & Other Equipment	1 Job	380,000
26. Expand West Apron	40,000 S.Y.	1,400,000
27. Expand Passenger Terminal Building (Stage I)	40,000 S.F.	6,000,000
28. Rehabilitate Existing Passenger Terminal Building	30,000 S.F.	2,500,000
29. Install Traffic Signalization in Terminal Area	1 Job	150,000
30. Construct Additional Curbside Lane at Passenger Terminal Building	1,800 L.F.	600,000
31. Relocate Airport Way	3,800 L.F.	900,000
32. Construct Front Road "A"	4,900 L.F.	700,000
33. Construct Gravel Service Road "I"	4,000 L.F.	100,000

34. Relocate & Extend Gravel Service Road "K"	3,400 L.F.	100,000
35. Construct Service Road "E"	10,500 L.F.	1,200,000
36. Construct Gravel Service Road "G"	1,600 L.F.	100,000
37. Construct Gravel Access Road "H"	2,000 L.F.	100,000
38. Expand Public Parking at Passenger Terminal (Stage I)	300 Spaces	750,000
39. Construct General Aviation Apron Auto Parking (Stage I)	150 Spaces	100,000
40. Construct General Aviation Apron (Stage I)	180 Spaces	1,300,000
41. Expand Float Pond to the East	81 Slips	3,500,000
42. Construct East Heliport	6 Spaces	300,000
43. Relocate FBO's Operating +12,500 lb. Aircraft to Northwest Apron	- -	3,000,000
44. Construct Two Rescue Boat Houses	500 S.F.	40,000
45. Construct Sand Storage Building	3,000 S.F.	150,000
46. Construct Vehicle Storage Building (Stage I)	15,000 S.F.	900,000
47. Extend & Relocate Hydrants at Passenger Terminal	1 Job	200,000
48. Extend Hydrant System to Air Cargo Apron (Stage I)	3,500 L.F.	700,000
49. Construct Air Cargo Apron (Stage I)	120,000 S.Y.	3,600,000
50. Electrical Service to East Side of Float Pond	7,600 L.F.	300,000
51. Expand Standby Generation	1 Job	300,000
52. Extend West Apron Drainage	1 Job	60,000

53. Drainage System for South End of Airport	1 Job	500,000
54. Develop Park & Trail System	1 Job	200,000
55. Relocate Security Fencing along Alaska Railroad	3,600 L.F.	60,000
56. Relocate Security Fencing in Old Post Office Area	1,200 L.F.	20,000
57. Relocate Security Fencing along Airport Way & Frontage Road "A"	8,400 L.F.	130,000
58. Landscape Terminal Entrance Road	1 Job	200,000
59. Landscape University Avenue Entrance	1 Job	<u>100,000</u>
TOTAL PHASE I:		\$ 57,520,000

fairbanks north star borough

PO BOX 1267 - Fairbanks, Alaska 99707 907-452-4761



January 23, 1981

Senator Bettye Fahrenkamp  
State of Alaska Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

At its regular meeting of January 22, 1981, the Fairbanks North Star Borough Assembly unanimously adopted Resolution No. 81-4, A Resolution In Support Of The Draft Fairbanks International Airport Master Plan And Urging Early Appropriation For Capital Facilities Development.

A copy of this resolution is enclosed.

Sincerely,

A handwritten signature in cursive script that reads "Gaye J. Patrick".

Gaye J. Patrick  
Borough Clerk

GJP:rlf

Enclosure:  
as stated

## RESOLUTION NO. 81-4

A RESOLUTION IN SUPPORT OF THE DRAFT FAIRBANKS  
INTERNATIONAL AIRPORT MASTER PLAN AND URGING  
EARLY APPROPRIATION FOR CAPITAL FACILITIES DEVELOPMENT

WHEREAS, the Fairbanks International Airport is a key element in the economy of the Fairbanks area and of Interior Alaska by serving as a major transportation link between this area and the rest of the world; and

WHEREAS, the State of Alaska has consistently managed the Fairbanks International Airport as a secondary and back-up facility, thereby allocating to it minimal funding for new capital facilities, maintenance, and passenger service development; and

WHEREAS, the Alaska Department of Transportation is now reviewing a draft Fairbanks International Airport Master Plan which proposes a twenty-year, \$101 million development plan for the airport; and

WHEREAS, Fairbanks' highly advantageous geographical position equidistant from East Asia, Western Europe, and the East Coast of the United States coupled with the recent development of locally refined jet fuel have resulted in greatly increased demand by international air carriers for stop-overs in Fairbanks:


NOW, THEREFORE, BE IT RESOLVED by the Assembly of the Fairbanks North Star Borough that the Governor of the State of Alaska and appropriate cabinet members are urged to request accelerated funding for the 1981-82 fiscal year of no less than \$50 million to begin implementation of Phase I and suitable portions of Phase II of the proposed Master Plan during the present calendar year; and

BE IT FURTHER RESOLVED that the Alaska Department of Transportation, in coordination with appropriate federal, state, and borough agencies, is requested to pursue as part of the implementation of the proposed Master Plan the issues of noise abatement, ice fog and other air pollution, land use and zoning, socio-economic projections, and future airport siting to insure the optimum social as well as economic utilization of the international airport facility.

PASSED AND APPROVED THIS 22ND DAY OF JANUARY, 1981.

  
Presiding Officer

ATTEST:

  
Clerk of the Assembly

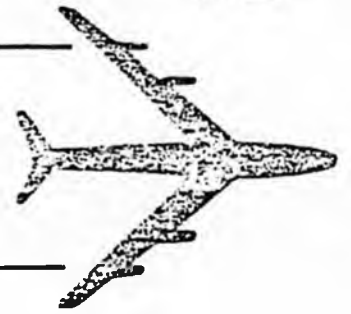
FILE

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FAIRBANKS INTERNATIONAL AIRPORT  
OPERATOR'S COUNCIL

P.O. Box 60009 Fairbanks, Alaska 99706

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26 January 1981

Mr. Jerry Rafson  
State of Alaska  
Department of Transportation  
and Public Facilities  
600 University Avenue  
Fairbanks, Alaska 99701

Dear Mr. Rafson:

At recent meetings of the Fairbanks International Airport Operator's Council the Draft Master Plan for the Airport has been reviewed and discussed. The AOC is in basic concurrence with the draft and hereby commends all concerned for their efforts in producing the document.

We do, however, disagree with some of the conclusions reached or recommended. In addition we are not in total agreement with the time tables proposed.

We take this opportunity to submit our comments for consideration and hopeful incorporation into the basic document.

The following singles out our areas of concern and speaks to each one individually:

Runway Extension

The Airport Operator's Council supports the concept of extending the present main runway. Our concern is that we have been unable to secure assurance that the Category II ILS can be made operational on the extended area. Our recommendation is that the present Category II ILS should not be disturbed and be operated as a displaced threshold type if this is possible.

When the extension is completed a Category III ILS should be installed and certified. At that time, move the present Category II ILS to the other end of the runway to replace the present Category I equipment.

Under the above conditions we fully support the runway extension as the extension will result in many benefits including better noise abatement, safer operations and decreased operational costs due to shorter ground operation distances.

Mr. Jerry Rafson  
26 January 1981  
Page Two

#### Cargo Aircraft Ramp

We recommend the present aircraft parking ramp (immediately south of present terminal) be expanded to include all areas bounded by the fence to the west, the terminal on the north, taxiway on the east and the CFR station on the south. The present buildings (weather and waste disposal) should be moved from the area. The expanded area should include all envisioned below ground plumbing, electrical, etc. prior to paving.

The AOC believes any additional cargo aircraft parking space should be developed at the north end. We do not agree with the proposed south end area.

#### Main Runway

We recommend the runway be resurfaced to accommodate the increased landing weights of aircraft now utilizing the airport. This action should be taken in conjunction with the following item.

#### Main Taxiway

AOC believes the present taxiway should be widened to 150 feet and resurfaced to accommodate the increased weight of present aircraft. This should be done prior to the main runway resurfacing so the taxiway can be utilized as a substitute runway during the time the main runway is out of service.

We request full consideration be given to assuring the main runway is not closed for extended periods. The work should be planned to accommodate wide body aircraft traffic during certain periods of each day. Narrow body aircraft can use the taxiway with no undue penalty.

#### Access/Service Roads

We recommend the service road be paved from the edge of the present parking area to the south end of the airport. Unpaved access roads between the service road and the west perimeter of the airport should also be paved. Paving is also necessary around the new hydrant fueling pump and storage buildings.

#### Hydrant System

Our recommendation is that the hydrant system be expanded to include an adequate number of service pits in the above noted cargo aircraft parking areas at both the south terminal area and the recommended north end of the airport area.

The hydrant system should also be expanded to include both Jet A and Jet B product capability at each hydrant service pit location. Adequate warm storage facilities should be included for required backup refuelers, along with

Mr. Jerry Rafson  
26 January 1981  
Page Three

additional capacity for hydrant trucks. Hydrant operations personnel facilities should also be included in the plan. These facilities should include rest rooms with showers, locker/change room, lunch room and waiting room. An emergency eye wash and emergency shower should also be included.

#### Passenger Terminal

The AOC favors expansion of the present terminal facilities. We believe the expansion should be to the west (out over the parking area) and to the south west (along the terminal access road). We do not feel the terminal should be expanded to the south along the present building line as that will infringe on the present parking area.

We also believe there is an immediate need to relieve the congestion in the present baggage makeup area behind the ticket counters. The baggage makeup area is totally inadequate and has been for some time.

The AOC would like to see a more detailed plan of terminal expansion along the above guidelines.

An AOC special committee will be supplying the DOT/PF with a more detailed written comment on the terminal improvements deemed required.

#### East Ramp Area

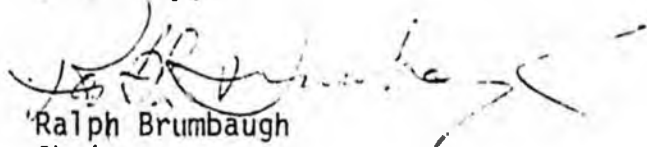
The AOC has not evaluated the Draft Master Plan in detail as it applies to the east ramp area. We hope to have some east ramp operators supply either verbal testimony at hearings or written comments directly to DOT/PF.

In closing we again wish to convey our appreciation for the efforts of all concerned with the Draft Master Plan. We believe it is a good basic document to build from to assure orderly airport development.

The AOC also wishes to emphasize that we believe it is necessary to implement improvements on a faster basis than proposed.

If further information is desired, the AOC stands ready to help in any way practical.

Sincerely,

  
Ralph Brumbaugh  
Chairman

mjs  
cc: AOC Members

# fairbanks north star borough

p.o. box 1267 - 520 fifth ave. - fairbanks, alaska 99707 - 907-452-4761



January 14, 1981

Mr. Heinrich Springer, Director  
State of Alaska Department of  
Transportation and Public Facilities  
Division of Planning and Programming,  
Western Region  
University Plaza--West, Suite D  
600 University Avenue  
Fairbanks AK 99701

Dear Mr. Springer:

I am writing to respond to the newly released second draft of the Fairbanks International Airport Master Plan. This letter will serve as the basis for my testimony on January 26 and constitutes the Borough Administration's position on the Master Plan draft and the issue of airport development.

Last summer, I was very concerned by the scope and approach of the first Master Plan draft. On August 18, I wrote expressing my fundamental objections to that Master Plan draft, and subsequently met with Jerry Rafson and Larry Soden in September to discuss the Borough's concerns.

The discussions were intense but productive. I am frankly very pleased by the fundamental philosophical and procedural changes which have been included in the second draft. I would like to express my deep appreciation for your open-mindedness and flexibility in incorporating our recommendations.

Your concept of a \$101 million capital development program over the next 20 years for the airport marks a radical--and welcome--re-alignment for state thinking. In implementing this program, I would like to recommend the following twofold approach.

First, I believe it would be highly desirable for the State to request as a lump-sum appropriation this year an amount of no less than \$50 million to initiate Phase I and parts of Phase II of the Master Plan concept as the first step in a five-year Airport Capital Facilities

LETTER to Heinrich Springer

January 14, 1981

PAGE TWO

Program. This would allow the Alaska Department of Transportation to develop a coherent and logically implemented program for the construction of these facilities, while also permitting the State to have the capital reserve on hand to meet what the Borough believes are likely to be sudden escalations in demands on airport facilities and services over the next five to ten years.

By having access to the large amount of surplus monies in the International Airport Fund, the Anchorage International Airport has enjoyed a similar advantage of ready funding over the past 10-15 years. This has allowed that airport to respond quickly to new demands in international traffic and develop the necessary support infrastructure in a timely fashion.

Secondly, I would urge that, concurrent with the development and funding of capital projects in Phase I, the State through its Airport Master Plan consultants investigate and assess the feasibility of relocating the main airport terminal facility southeast toward the Tanana River, as well as looking into the possibility of an airport site south of the Tanana River.

In making this recommendation, I would like to stress that this study should proceed concurrently with the development of the necessary infrastructure and facilities under Phase I at the airport's present site. In no way should this request, or this relocation concept, be used to delay implementation of the first part of the present Master Plan concept.

I do not believe that we can talk realistically about tapping the potential of Alaska and Fairbanks as geographic crossroads between the Orient, Western Europe and eastern North America without seriously evaluating the relocation of Fairbanks airport facilities by the year 2000. Such a relocation should be devised to dovetail with existing operations at the present airport site, as well as being coordinated with the growth and centralization of general aviation operations in the Fairbanks area in coming decades.

In the discussions and communications which I have had with Jerry Rafson and Larry Soden, I urged that the completed Master Plan be at all times considered a living document and open to review should new or unanticipated conditions significantly change air transportation requirements. In this respect, I would like to see the appropriate state and federal agencies work with the Borough in either correcting or refining a number of technical deficiencies and questioned areas in the Master Plan draft. In particular, these problems include:

- (a) the need for additional environmental assessment of noise, carbon monoxide, ice fog pollution;

LETTER to Heinrich Springer  
January 14, 1981  
PAGE THREE

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(b) the lack of socio-economic projections concerning the scope and impact of the construction of large-scale airport facilities coinciding with the possible overlapping impacts of the ANGTs, the exploration and development of the northern section of the state, and the expansion of the Interior's tourism industry.

(c) insufficient focus on land-use and zoning issues affected by airport expansion.

Technical reviews by my staff have raised these points, and I believe that they will require a significant and ongoing level of technical attention to address adequately.

I do believe, however, that these issues can be resolved satisfactorily within the framework of the Master Plan second draft, and I look forward to a close and fruitful working relationship among you, the Alaska Department of Transportation, and the appropriate offices of the Fairbanks North Star Borough.

As well as continuing my own direct interest in airport development, I have designated the following Borough personnel to serve as liaison with you in their areas of expertise and responsibility:

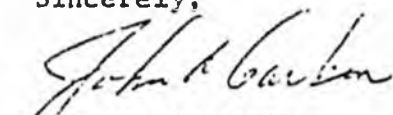
Ben Harding, Policy Coordinator--Overall Borough approach and direction to airport development issues.

Richard Joy, Environmental Services--Borough environmental concerns, particularly air pollution, ice fog, and noise.

Don Goggin, Planning Director--Land use planning, ground access, and zoning impacts.

Karen Fox, Community Research Director--Socio-economic concerns, particularly employment and economic impact projections for construction and operation.

Sincerely,

  
JOHN A. CARLSON  
Borough Mayor

JAC/sek

FEB 1 1981

FAIRBANKS CENTRAL LABOR COUNCIL  
A. F. of L. - C. I. O.

FAIRBANKS, ALASKA



January 30, 1981

Hon. Bettye Fahrenkamp  
4016 Evergreen  
Fairbanks, AK 99701

My Dear Senator:

On Monday, January 26, 1981, the AFL-CIO Crafts Council and the Fairbanks Central Labor Council met jointly and unanimously adopted the following resolution:

"Resolved that the AFL-CIO Crafts Council and the Fairbanks Central Labor Council unanimously endorse the adoption of the new master plan for the Fairbanks International Airport and specifically request immediate implementation of said plan."

To summarize the discussion, we felt that we are six to ten years behind in development of the airport in Fairbanks, because all the development has been going to Anchorage. In an effort to not be passed by completely, we do not feel that further study is needed and certainly feel that such would only be a delay tactic as is now being threatened by Governor Hammond and Commissioner Ward. We feel that noise pollution will continue to diminish as it has over the past ten years, and air pollution stemming from the airport is basically a nonexistent factor. We want to urge all of our legislators to work as hard as possible for this development.

If you have any questions, please feel free to call me or any labor business agent in Fairbanks.

Sincerely,

ARTHUR L. ROBSON  
Secretary  
ALR:LAL

FEB 13 1981



# Greater Fairbanks

## CHAMBER OF COMMERCE

Member:  
U. S. Chamber of Commerce  
Alaska State Chamber of Commerce

In Association With  
Fairbanks Visitor & Convention Bureau  
Fairbanks Industrial Development Corporation

1907-452-1100 550 First Avenue

FAIRBANKS  
ALASKA 99701

February 12, 1981

Senator Bettye Fahrenkamp  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

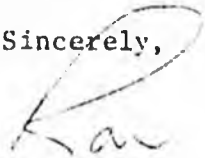
Dear Bettye:

The Aviation Committee of the Fairbanks Chamber has studied at great length the Fairbanks International Airport Master Plan. The attached is a copy of the testimony presented at the Master Plan Hearing held at the Noel Wien Library on January 26, 1981.

In addition to the testimony, we would like to point to several other concerns and reasons that development should begin in 1981.

1. The need to create additional employment through construction projects during this period of high unemployment.
2. The available labor force and the lack of other work in the immediate area.
3. Bidding will be much more competitive for this work if done now than if we were to wait a year or two when we anticipate the gas pipeline will start up.
4. We would like to suggest that the design work be done on a contractual basis rather than by DOT to expedite that particular phase.

In the Chamber's Program of Work for 1981 we have placed as top priority items the expansion of the Fairbanks International Airport and the development of a first class hotel. The hotel is the first step in providing additional infrastructure to serve expanded airport facilities.

Sincerely,  


Ron Davis  
President

Enclosure  
RAD/sh



Gateway to the Arctic

THE NEW GREATER FAIRBANKS CHAMBER OF COMMERCE  
1981 Fairbanks International Airport Position on  
The Airport Master Plan

The Fairbanks International Airport has grown with the added activities of international carriers and the domestic development of the oil and gas exploration on the North Slope, for which the airport is used as a major staging area.

In 1979 the Legislature passed an appropriation of \$8.5 million to further develop the airport at a time when international carriers were just starting to come to Fairbanks. Of that, approximately \$2.1 million remains uncommitted. Before the Legislature now is Senate Bill 34 for \$57 million which covers Phase I of the Master Plan. Additionally, Senate Bill 37 has been filed, converting the \$8.5 million 1979 revenue bond bill that passed to general funding.

The Master Plan as presented is broken out into three phases: Phase I covering the period 1980 through 1985; Phase II, 1986 through 1990; and Phase III, 1991-2000. These three phases cover \$101,710,000 if they are to be followed using 1980 dollars. The Chamber has tried to take an objective point of view on the Master Plan and supports the Master Plan as presented in its entirety as being a fine document to allow this community, DOT, and those involved with transportation and tourism, economic development. However, we must take grave issue with the time frame associated with the three phases; therefore, the Chamber has broken out Phase I into three basic areas: Paving, Terminal, and Land.

Paving: Paving is an item that can be initiated during the 1981 construction season. Some of the items included in the 59 items of Phase I are expansion of the present south ramp apron to accommodate the increased wide body aircraft, paving of the service road in front of the fire station, paving of the main taxiway (T-1) and widening thereof and associated drainage work, filling, and road work around the airport.

The extension of the main runway by 1400 feet and the retention of the Category II or newer Category IIIC landing system should be commenced not later than the spring of 1982 with adequate planning and the previously resurfaced taxiway T-1 and widening thereof. This item is crucial for the continuation of activities and expansion thereof as presently Boeing 747/F-200 aircraft are taking weight penalties from 5000 to 40,000 pounds due to the runway length. Additionally, this will allow these large aircraft and newer generation aircraft to depart to the south over the Tanana Flats with much less noise impact upon the community.

The New Fairbanks Chamber of Commerce  
1981 Fairbanks International Airport  
Position on the Master Plan

Page 2

Terminal Expansion/Renovation: Expansion of the south end of the terminal building to accommodate two wide body aircraft simultaneously, including passenger loading bridges, renovation of the main terminal building to be consistent with the expansion, and a permanent mini master plan of the terminal building from this point through the year 2000, including such items as an additional jetway for the present international holding area, automatic doors at curbside, conference room, nursery room, additional concession areas, renovation of the utilities system to allow an updated, energy-efficient heating and air conditioning system, and an expansion of the domestic ticket counter area to eliminate congestion.

Land: To allow for the orderly acquisition of land as depicted in the Master Plan, and specifically those areas under federal and state government controls where the acquisition would be a matter of land transfer to the airport reserve.

We feel that if DOTPF was given the preliminary go-ahead for preconstruction design and architectural work with the carriers and community in a positive manner, we could see implementation of the various activities outlined in the Master Plan as a positive step forward for growth in the community and future economic development of the Tanana Valley.

The above testimony was submitted to the final Master Plan hearing on the Fairbanks International Airport in the Noel Wien Memorial Library on January 26, 1981.

Respectfully,

---

Tom Owen, Vice Chairman  
Board of Directors  
Fairbanks Chamber of Commerce

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Don O'Connor, Chairman  
Air Commerce Committee  
Fairbanks Chamber of Commerce



See page 276

## STATE CHAMBER of COMMERCE

310 Second Street

Juneau, Alaska 99801

Phone: 586-2323

January 5, 1981

### 1981 LEGISLATIVE GOALS OF THE ALASKA STATE CHAMBER OF COMMERCE

#### STATE SPENDING LIMIT, TAX RELIEF, BONDING

1. Limit state spending as proposed in the Alaska State Chamber of Commerce's current initiative by establishing Fiscal Year 1981 as the base year and tying future expenditures to population and per capita income.
2. Exempt the first \$250,000 in taxable corporate profits for all Alaskan corporations.
3. Eliminate future bonding and support capital improvements from the general fund as long as revenues are available. Require all projects over one million dollars to have voter approval so as to create public awareness.
4. Increase state revenue sharing to municipalities to cut or end property taxes.
5. Conduct comprehensive review of all oil and gas taxes, including a study of the windfall tax exemption for oil and gas companies.

#### ECONOMIC DEVELOPMENT GOALS

1. Establish a permanent power fund for statewide power projects.
2. Appropriate funds for electrical grid interties to stabilize power supplies statewide.
3. Support state encouragement for petrochemical industry development in Alaska.
4. Implement long term sales of state royalty oil and gas at prevailing rates to supply in-state refineries at maximum capacity.
5. Support full public use of the state highway from the Yukon River to Dietrich Pass (commonly called the "haul road") effective June 1, 1981. Support immediate action to provide adequate funding to bring this highway up to secondary road standards and properly maintained for the full length of the highway. Paving of this entire highway as soon as possible is in the best public interest.

(continued)

6. Recommends that integrated policy boards be established to administer the International Airport Revenue Fund composed of a majority of private business interests with the authority and responsibility to provide technical and policy direction in the development, planning, and operation of the airports to the Department of Transportation and Public Facilities. Further, that a comprehensive capital improvements program be established and funded through the general fund to support the facilities necessary for current demands as well as latent potential.
7. Endorse accelerated coal development in Alaska.
8. Propose the Department of Natural Resources rewrite state regulations to encourage timber, petroleum and mining development.
9. Request a rewrite of the U. S. Interior Department regulations to allow tourism, mineral, and oil exploration on national monuments.
10. Urge the state take a firm stand to encourage all possible domestic manufacture of forest products from public lands. Exceptions to primary manufacture should only be made when it can be clearly shown through the hearing process there are no possible domestic markets.

#### LABOR LEGISLATION

Encouraged by the preliminary work of the legislature's Workers' Compensation Study Commission, we support their efforts to improve the administration of the system and make the compensation program more competitive.

The Chamber further believes that their recommendations must also encourage realistic benefit revisions necessary to restore the incentive for injured workers to return to productive employment and to remove the excesses in employers workers' compensation costs.

#### GENERAL LEGISLATION

1. Institute a national campaign to improve Alaska's image and boost Alaska tourism.
2. Develop without delay a ten year capital improvement plan
3. Increase vocational training at the University of Alaska.
4. Abolish the Alaska Public Offices Commission.
5. Encourage state government to assist and support private enterprise in meeting the needs of the public. We further encourage state government to provide direct services only when it has been proven that private enterprise cannot fill the needs of the public.
6. Recommend the Alaska Renewable Resources Corporation be limited to equity or venture capital investment and grants, not loans in connection with equity capital investments. Allow not just renewable, but also non-renewable equity participation. The investment agreement should be more specific in the buy-out option (Example - Salamontof Seafood problem). ARRC should develop a banker-borrower relationship, not be both.

FEB 16 1981



North Pole Refining P.O. Box 5028, North Pole, Alaska 99705

DIVISION OF EARTH RESOURCES COMPANY OF ALASKA

907/488-2741  
907/488-2742

10 February 1981

Senator Bettye Fahrenkamp  
State Capitol  
Pouch V  
Juneau, Alaska 99811

Dear Senator ~~Fahrenkamp~~ <sup>Bettye</sup>:

Attached are two separate written testimonies submitted to the State regarding the draft Master Plan for Fairbanks International Airport. These testimonies were prepared one by myself and the other by Mr. James Healey, who is the Senior Economic Analyst here at North Pole Refining, and these comments reflect the position of North Pole Refining.

If you have any questions at all regarding information which we might supply, please contact us at any time.

Regards

Attachment

Charles G. McConnell  
Vice President/General Manager

COMMENTS REGARDING FAIRBANKS INTERNATIONAL AIRPORT

DRAFT MASTER PLAN

FEBRUARY 9, 1981

My name is James F. Healey and I live at 1/2 Mile Newby Road, North Pole, Alaska. I am Senior Planning Analyst for NORTH POLE REFINING and would like to comment on two parts of the facilities development outlined in the Draft Master Plan - facilities for the handling of International wide-body aircraft and passengers, and runway conditions sufficient to handle wide-body aircraft maximum take-off payloads.

Facilities for handling international wide-body aircraft and passengers:

At the present time, passenger traffic at FAI is solely of a domestic nature. To date, no international passenger traffic of a non-diversionary nature has utilized FAI. This fact need not be the case, and strong air carrier oriented economic arguments suggest that international passenger traffic through FAI is inevitable.

Several factors have thus far prevented the initiation of such service. These are summarized as follows: (1) Prior to January 1979, non-availability of a competitively priced fuel; (2) prior to the present, the lack of any facilities to accommodate the international passenger flight stop-over; and (3) the current inadequate facilities (not all airport related) to accommodate large scale international passenger traffic.

It is evident that both the issue of competitively priced fuel and the completion of some passenger facilities have been addressed and have, or are nearing, an initial resolution.

The need to address the ability of FAI to handle large scale (that is, more than one flight at a time) international passenger traffic follows from the international air carriers considerations concerning a shift of operations from Anchorage to Fairbanks. First, most international carriers transiting Anchorage cannot accommodate two distinct operations - its either Anchorage or Fairbanks. This is a function of carrier size, frequency of service, fixed base costs and the operational advantages of each location. Second, the cost of a carriers operation is significantly reduced with the sharing of many facilities and services with other carriers. This applies to refueling, food catering, ground handling, community infrastructure, and a wide variety of other considerations. Third, in the event of a non scheduled layover, access to the flights of competing carriers is an essential ingredient to maintaining market share in the highly competitive passenger arena. The inadequacy of Fairbanks' infrastructure to accommodate a wide-body unscheduled overnighiter during the height of the tourist season is considerably alleviated when flight continuation on another carrier's flight is possible.

These issues acting to constrain the entrance of international passenger traffic through Fairbanks must be weighed against the rather substantial economic incentives for a carrier to shift operations from Anchorage. Fuel in Fairbanks is and will be competitive with Anchorage. Given similarly priced fuel, the direct operating cost advantages of a shift to Fairbanks to a carrier operating a polar route (Europe to Far East) currently amounts to over \$1,500 per flight. This is equal to almost \$1 million annually to a carrier operating as few as five round-trips weekly.

Further acting to encourage polar routing via Fairbanks is the expected increase in world jet fuel prices - a real

growth of at least eight percent annually based on crude cost increase projections by the OPEC Pricing Committee. This increases the benefit of transiting Fairbanks an additional 50 percent every five years, in 1981 dollars. Nominal fuel cost increases have averaged over 25% annually for the past several years, doubling the nominal savings in three years. It is obvious from the discussion above that strong incentives act to encourage international carriers to shift polar passenger traffic to Fairbanks. Currently, almost all polar cargo flights are routed through Fairbanks. 1/

The polar passenger shift will occur. NORTH POLE REFINING has had on-going discussions with the home offices of several international carriers for the past few months. These discussions have repeatedly addressed both the economic advantage of polar passenger flights through Fairbanks and the need to construct facilities to accommodate these flights. The facilities must be in place prior to the initiation of flights. In at least one case, passenger traffic will commence during the summer of 1981.

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1/ The polar cargo flights remaining in Anchorage are those of European carriers who cannot economically justify a shift to Fairbanks for one or two weekly cargo flights while maintaining passenger flights in Anchorage. JAL also continues a NY-Far East cargo flight in Anchorage because it picks up/delivers freight to Anchorage.

Runway conditions sufficient to handle wide-body aircraft maximum take off payloads.

The length of runway 1L/19R, currently 10,300 linear feet, is sufficient to accommodate wide-body (mainly Boeing 747) maximum take-off payloads during most days of the year. However, during a significant portion of the time, due mainly to icy conditions and summer time temperatures, payloads must be reduced by as much as 40,000 pounds. Payload reductions are an economic dis-incentive to an air carrier for continued or expanded operations from Fairbanks. This is especially true for cargo flights when either freight and/or fuel load factors are high. This is the case on the polar cargo route, which has shown remarkable growth (23% in 1979 and 12% in 1980: Source IATA) and extremely high load factors (the highest of any international route).

The need exists for a runway extension sufficient to handle maximum payloads during adverse conditions if Fairbanks is to retain polar cargo flights. Lufthansa personnel have cited runway conditions as the primary reason for not shifting its cargo and passenger/cargo combination flights to Fairbanks.

Summary

The need for Fairbanks International Airport to become the major transit point for polar traffic increases daily. Economic factors and competitive pressures are acting upon carriers to optimize aircraft utilization and routing. Fairbanks is geographically positioned to benefit from this opportunity, but in order to do so, facilities development

must occur. The need for this development is not a function of historical trends, but of the economics of today, economics that will increasingly tilt the optimization of polar flight routing to Fairbanks. Alaska should, indeed, ensure that facilities are in place to provide the most efficient service possible to one of its very important world-wide and large scale revenue sources and job producing industries - the international stopover business.

We urge you to incorporate these factors into the initial phase of the Draft Master Plan, to ensure that both FAI and Fairbanks do not lose this opportunity for economic expansion.

JFH/gw

CC: All members of the Interior delegation

STATE OF ALASKA  
PUBLIC HEARING ON  
FAIRBANKS INTERNATIONAL AIRPORT MASTER PLAN  
January 26th, 1981

My name is Charles G. McConn.11. I am Vice President and General Manager of North Pole Refining, North Pole Alaska. My address is 7.7 Mile Chena Ridge Road, Fairbanks, Alaska.

The purpose of my comments at this public hearing regarding the State's Master Plan for Fairbanks International Airport development is to ensure that some of the questions that have recently been raised in the public regarding future international air traffic are answered, or at least spoken to.

One recurring question has been "If the Fairbanks International Airport is developed to be able to handle international passenger flights, will the international air carriers come to Fairbanks and will they stay in Fairbanks?" The best information and analysis now at hand indicates that the answer to both of these questions is "Yes".

There are several key elements which bear heavily on the choice of an international air carrier as to which airport, Fairbanks or Anchorage, is an acceptable location for refueling stops. The air carrier has to know that a reliable source of fuel is available at the airport's location, he has to know that this fuel is priced competitively with the fuel at the other airport; the international carrier also will look at the overall cost of operation for using either one or the other of these airports for his refueling stop, and finally, he will have to know whether the facilities are in place at the airport to accommodate his company's needs.

In the past two years several of these questions have been answered. First of all, the fuel availability from the North Pole refinery has been proven to be reliable and is adequate to meet the needs of the international air carriers for their polar and great circle route passenger flights. The price of that fuel has been, and in all likelihood will continue to be, competitive with the other refineries' jet fuel prices within the State. Regarding operating costs for the polar flights, that is the flights originating in Europe and destined to Asia or vice versa, a significant net operating cost savings results in using the Fairbanks International Airport. And finally, the question regarding facilities is one which is left, at this time, unanswered. Current international passenger facilities at the airport are adequate for only a small percentage of those flights which now utilize Alaska for a refueling stopover.

Why should the State of Alaska be concerned with having adequate facilities at Fairbanks to meet the needs of the international air carriers in the future? The answer to this question is complex but some of the elements can be described in a very simple economic sense. One of the answers to this question can be easily seen in the number of jobs which are generated by the international passenger and cargo flights which stop in Alaska. The jobs are in two forms. Direct jobs with the air lines and indirect jobs with the services that are required to support these international flights. Further, there is a great deal of revenue generated by the landing fees, fuel flowage fees, taxes and so forth that are attendant to these landings. There is also a certain amount of existent and potential tourism spin off associated with the passenger flights. Tourism is one of Alaska's greatest industries and one of Alaska's cleanest industries and with international polar passenger traffic predicted to increase at 10% per year for the next few years, this is also a growth industry.

The Airport Master Plan calls for a broad range of improvements and development at Fairbanks International Airport encompassing domestic passenger, general aviation and international air traffic. On balance, the spending indicated in the Master Plan is well divided between these three general areas and will provide benefits to all. My comments have been directed at the international portion because that is the area of the Master Plan about which I am most familiar. However, as a citizen I am firmly convinced that the domestic passenger and general aviation improvements are also well thought out and sorely needed.

I wish to indicate, in closing, my complete support for the Master Plan project proposals and to encourage the State to accelerate the time frame, particularly of Phase I spending, to ensure that these services, most of which have been needed for some years now, are implemented to take maximum advantage and give the greatest benefit.