

HB

173

STATE OF ALASKA
THE LEGISLATURE

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JUNEAU, ALASKA 99811
907-465-3800

May, 1988

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Mary Van Nimwegen

House Transportation:

3-30-87

4-15-87

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act Relating to International
Airports in Anchorage & Fairbanks
Sponsor: Pearce and Hanley
Requestor: _____

Agency Affected: Administratio

BRU: FINANCE

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	29.5	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	29.5	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	29.5	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	29.5	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	1	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

This legislation removes International Airport payroll and accounting applications off the State Systems. In order to accomplish this transition the Division of Finance will need the services of an Accountant IV level employee over a six month period. The six month cost of this level

Prepared by: Keith Busch

Division: Finance

Phone: 465-2260

Date: 1/22/88

Approved by Commissioner: John M. Andrews

Agency: Department of Administration

Date: 1/25/88

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SSHB 173

employee is \$29,500. This level of assistance is needed due to the sensitivity of the records that need to be transferred between jurisdictions. There will be no measurable impact in future years once the transition has been completed.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
Title: An act relating to the BRU: Personnel
International Airports in Anchorage and *
Sponsor: _____ Components: Centralized Administrative Services
Requestor: _____

* establishing the Alaska International Airport Authority.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

No additional appropriation for the Division of Personnel would be required.

Prepared BY Diana DeSimone Phone: 465-4430
Division: Personnel Date: January 21, 1988

Approved by Commissioner: John M. Andrews Date: 1/25/88
Agency: Department of Administration

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: An act relating to the BRU: Division of Risk Management
international airports in Anchorage
 Sponsor: Pearce and Hanley Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	(583.1)	(583.1)	(583.1)	(583.1)	(583.1)
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	(583.1)	(583.1)	(583.1)	(583.1)	(583.1)
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	(583.1)	(583.1)	(583.1)	(583.1)	(583.1)
TOTAL	0	(583.1)	(583.1)	(583.1)	(583.1)	(583.1)

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The fiscal note is difficult to predict because Anchorage International Airport is really the rating or premium base for the State's entire aviation insurance program. The attached details the estimated fiscal note.

Note page 3 for total estimated costs to the State.

Prepared By: Don Hitchcock, Director Phone: 465-2180
 Division: Risk Management Date: January 18, 1988

Approved by Commissioner: John M. Andrews Date: 1/25/88
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

Sponsor Substitute
For House Bill No. 173

FY 88 State airport premiums amount to approximately \$1,200.0. If the premium base, i.e., Anchorage and Fairbanks international airports are deleted from the State blanket policy the insurance companies will then charge an average premium per airport for all small fields, this is estimated at \$4,000 per air field. The State has 265 smaller airports so after removal of the two internationals the premium remains at \$1,060.0 for airports--or a negative fiscal note of (\$140.0).

Workers' compensation and general liability charged these two airports amount to \$289.0 and property premiums total \$154.1.

The total negative fiscal note for risk management, therefore, would be approximately (\$583.1).

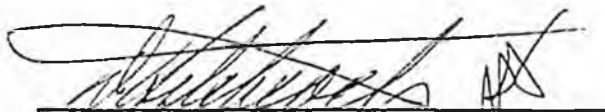
POSITION PAPER
House Bill #173

Sponsor Substitute

1. The bill creates the Alaska International Airport Authority for Anchorage and Fairbanks and creates an autonomous operation much like the Alaska Railroad.
2. From a risk management standpoint, both the State and the Airport Authority suffer. Anchorage International (and to a lesser extent Fairbanks) represent the rate base for our entire State aviation program. Anchorage and Fairbanks presently pay \$960.0 of our total airport premium of \$1,200.0. If they are removed from the schedule the remaining 265 airports' insurance charges are estimated at \$1,060.0. In other words, separation will almost double the combined airport premiums paid prior to separation.

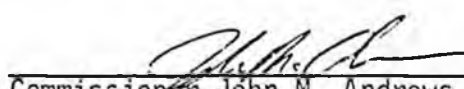
Also outstanding active (or pending) workers' compensation and liability cases would have to be transferred to the airports since the State would no longer have their payroll premium assessments to meet obligations.

3. From a risk management standpoint we see increased insurance charges to the airports and no relief to the balance of the State's program. We cannot support the Bill.



Don Hitchcock, Director
Division of Risk Management

1/19/88
Date


Commissioner John M. Andrews
Department of Administration

1/25/88
Date



Dept. of Transportation & Public Facilities

POSITION PAPER

BILL NO: HOUSE BILL 173

TITLE: ESTABLISHING INTERNATIONAL AIRPORT
AUTHORITY

APPROVED: Mark S. Hickey
Commissioner

DATE: MARCH 30, 1987

MSA

Please see the attached position paper.

March 30, 1987

ALASKA INTERNATIONAL AIRPORT AUTHORITY

The Department of Transportation and Public Facilities (DOT&PF) is not yet prepared to take a formal policy position regarding the concept of placing the Alaska International Airport System (AIAS), comprised of the Anchorage and Fairbanks International Airports, within an independent public corporation.

Ultimately, this type of structure may make the most sense for the long-term efficient management of these airports. However, it is not entirely clear to DOT/PF that these goals cannot be achieved working within the current organizational structure. In fact, several recent changes have been instituted to accomplish these purposes.

House Bill 173 appears to be well organized and comprehensive. There are, however, a few issues that appear to remain unresolved. We understand a new sponsor substitute has been prepared which may address several of these concerns. General comments and explanations follow:

1. Section 1 PURPOSE -- It would be helpful to more fully establish the policy and justification for an Alaska International Airport Authority. For example, an expanded statement of findings would clearly establish the general legislative intent, which is then defined specifically in the subsequent sections of the legislation. The enabling legislation for the Alaska Industrial Development Authority (A.S. 44.88) has a similar initial section. A few examples of what DOT&PF assumes to be important motivating factors behind this bill are:
 - ° to facilitate consolidated, cohesive management of the airports;
 - ° to effect greater responsiveness and interaction between the airports and their respective communities;
 - ° to clearly segregate the IARF enterprise fund management from general government operations;
 - ° to enhance the businesslike approach to this enterprise activity;
 - ° to establish a basis for the administration of the international airport consistent with industry standards necessary to compete in the international marketplace.
2. Section 02.40.020 BOARD OF DIRECTORS -- Since Anchorage and Fairbanks International Airports are gateways to the entire State, it may be advisable to leave two appointments unrestricted as to place of residency. In this way, the

March 30, 1987

The controller should be responsible for the issuance of bonds and the management of debt; not "monitor" the issuance. Further discussion of this point is contained in point #7 to follow.

Recommend sub-paragraph (d) be revised to read "The Board may empower the Executive Director to contract for and engage the services of consultants and professional, technical, and financial advisers the Authority considers necessary for the purpose of developing information, conducting hearings, studies, investigations or other proceedings, or otherwise exercising its powers." Typically, from a procedural standpoint, it will be the Executive Director who actually signs the contracts and approves selection of firms to provide the professional assistance.

7. Section 020.40.100 POWERS OF THE AUTHORITY -- The Authority should be empowered to sell international airport revenue bonds. The international airport revenue bonds are not backed by the full faith and credit of the state and are very different from the G.O. bonds usually issued for state purposes. Both the Alaska Industrial Development Authority (AIDA - A.S. 44.88.080) and the Alaska Housing Finance Corporation (AHFC - A.S. 18.56) are empowered to sell their own bonds. Bonding authority is also standard for other major airports across the country such as Sea-Tac, Portland, and Indianapolis.

As an independent corporation, the Authority should be able to hire all necessary financial advisors, bond counsel, and feasibility consultants, and should be empowered to direct the bond sales and subsequent debt payments through the controller. This ability to control debt issuance and management will be critical to the Authority's ability to issue debt that is consistent with airport industry standard.

In addition, the Authority should be empowered to hire, or retain its own legal counsel for the Alaska International Airport Authority.

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Governor would be free to have rural or other Alaska representation on the Board if he so chose.

Another alternative could be to expand the Board to seven members, with the Anchorage and Fairbanks communities each having two seats and still leaving room outside those communities for rural or other Alaska representation. While this could be an option, it should be clearly stated that the accompanying fiscal note assumes a five-member Board.

Instead of requesting one member to be nominated by the local governments, the legislation could provide for a list of three names to be submitted by each of the Anchorage and Fairbanks communities, and from which the Governor would try to choose the communities' appointee. This process would reduce the potential conflict between the Governor and the communities.

One question related to subparagraph (f) of the bill is whether or not there is a constitutional problem with requiring legislative confirmation of Board appointees. There may also be a constitutional question with the proposed "nominated appointment" process. These questions should be addressed by the Attorney General's staff.

3. Section 02.40.040 REMOVAL OF MEMBERS -- There may also be a constitutional problem here unless the members simply serve at the pleasure of the Governor.
4. Section 02.40.050 MEETINGS -- The Board should be required to meet at least quarterly.
5. Section 02.040.060 OFFICERS AND QUORUM -- Is it necessary for the Board to elect a treasurer when the IARF controller works for the Board? Further, it may be advisable to provide for election of a vice-chairman as well as a chairman. This would be consistent with the approach taken by both the Railroad Corporation and the Alaska Industrial Development Authority.
6. Section 02.40.070(b) STAFF -- Language in the bill needs to make it clear that the Executive Director, and not the Board, selects and hires the administrative and operations staff. The last sentence of sub-paragraph (a) could be interpreted to mean that all staff would be required to be directly screened by the Board. We assume the intent was for the Board to approve the positions, but not the specific personnel selected for each position.

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8. Section 02.40.220 SALE AND DELIVERY OF IN-BOND MERCHANDISE -- DOT&PF feels sub-paragraph (d) needs to be revised to allow the Airport Authority the flexibility to award the in-bond merchandise concession contract based on either competitive proposal, competitive bid, or through a management contract. The competitive proposal approach allows airport management to award the concession based on performance standards as well as financial considerations. The management contract approach is still based on a bid and essentially allows the Authority to hire a company to run the concession. If market conditions change materially, the airports may need the flexibility of competitive proposal or management contract, in addition to the straight competitive bid, to assure continued quality service to the travelling public. Further justification for requested management contract or competitive proposal flexibility can be provided if necessary.
9. Section 02.40.240 COURTESY CARS -- Language in this section should be revised to allow the Authority to establish an access fee for these vehicles.

This subject appears to be covered twice in the bill; it is also listed on page 16, Section 02.15.095. Does it need to be in both places?

10. Section 02.40.300 BUDGET REQUEST -- In order for the Alaska International Airport Authority to be in a position to maximize its enterprise opportunities, budget approval authority should be vested with the Board of Directors. This will avoid compromise of the Authority's ability to administer the enterprise as a business by providing it with the power of controlling its budget and amending it throughout the year as needs and conditions change. The budgeting process is unclear in the existing language of the bill. The DOT&PF recommends that the process include legislative appropriation of a line item budget amount for the Authority, but the Board must have the flexibility to reallocate funds within the lump sum budget amount as each fiscal year progresses.

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11. Section 02.40.320 PERFORMANCE REPORTING -- DOT&PF suggests leaving the introductory paragraph without the specific items listed in sub-paragraphs (1) through (8). Several of the requirements listed may be extremely time consuming and expensive. As examples:
 - (3) A statement of the performance and accomplishments and costs incurred by the Authority for the last four years could involve several weeks of staff time and Board of Directors' review prior to release to the Governor.
 - (4) Identifying the number and types of persons affected by the Authority will be extremely time-consuming. This information would appear to have no direct benefit.
 - (5) The summary statement for the last three fiscal years for personnel employed and under contract is additional information requiring significant staff time to produce, again with no apparent usefulness.
 - (6) Assessment of the authority on the economy of the state, is a major effort requiring probably \$100,000 of consultant time and achieves no result relevant to administering the international airports.

It is recommended that the Authority provide the Governor with the annual audit of the IARF and that all other listed requirements be omitted.

12. Section 02.40.350 ANNUAL AUDIT -- This section should specify that the annual IARF audit be done by an external certified public accounting firm.
13. Section 02.40.900(b) AUTHORITY EMPLOYEES -- DOT&PF recognizes the sensitive issues involved in the transition and status of the current state employees. The provision for employee transfer needs to be addressed, as well as the workers' rights as public employees. It is our opinion that input on the issues should be obtained from other agencies, employee associations, and other interest groups.

March 30, 1987

14. It is advisable to include language in the bill to recognize that the Airport Security Officers (ASO) working on airport property have all the rights and powers included under the Alaska Police Standards (A.S. 18.65.130 through 18.65.190). To comply with state and federal requirements, the Anchorage and Fairbanks Airports must employ certified officers. The Alaska Court System recognizes the enforcement powers of ASO's, however, the Attorney General's staff have expressed concern over whether the ASO's have enforcement powers. These powers of enforcement are necessary and should be clearly articulated in this legislation. DOT&PF recommends seeking specific advice from the Attorney General's staff.
15. Section 02.15.090 OPERATION AND USE PRIVILEGES -- Both the department and the Authority require the ability to enter into contracts, leases, etc. It appears the addition of "and subject to the jurisdiction of the department" may not address this problem. Subsequent references in the bill indicate there are separate jurisdictions of the department and the Authority. Recommend that the new language "and subject to the jurisdiction of the department" be deleted and line 24 be modified to read "...the department or the Authority may enter into contracts, leases, and other..."
16. This legislation should include a section protecting the DOT&PF's existing facility interest on Anchorage International Airport land. The Central Region DOT&PF building is on five acres of land adjacent to Lake Hood.
17. Section 37.15.480 AMOUNTS REQUIRED FOR PAYMENTS -- DOT&PF recommends that the IARF debt be managed by the controller and management for the IARF be under the sole control of the Authority and its controller. See Comment #7.
18. We understand work is continuing to add a section addressing bonding requirements. Provisions should be included to ensure transfer of all existing debt obligations to the new entity.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

DRAFT

REQUEST: _____
 Revision Date: _____
 Title: Alaska International Airport
 Authority Act _____
 Sponsor: Pearce and Hanley
 Requestor: _____

Bill Version: HB 173
 Publish Date: 3/27/87

Agency Affected: DOT&PF
 BRU: International Airports

Components: _____

Alternative I
 EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		945.4	940.4	940.4	940.4	940.4
TRAVEL		60.1	55.0	55.0	55.0	55.0
CONTRACTUAL		779.7	679.7	679.7	679.7	679.7
SUPPLIES		32.5	32.5	32.5	32.5	32.5
EQUIPMENT		115.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		(529.3)	(529.3)	(529.3)	(529.3)	(529.3)
TOTAL OPERATING		1403.4	1178.3	1178.3	1178.3	1178.3

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER IARF 1027		1403.4	1178.3	178.3	1178.3	1178.3
TOTAL		1403.4	1178.3	1178.3	1178.3	1178.3

POSITIONS:

FULL-TIME		22	22	22	22	22
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Lawrence W. Michou
 Division: Anchorage International Airport

Phone: 266-1400
 Date: _____

Approved by Commissioner: _____
 Agency: _____

Date: _____

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)
 Senate Secretary

DRAFT

FIRST YEAR

<u>Function</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Supplies</u>	<u>Equipment</u>	<u>TOTAL</u>
Board of Directors	25.0	25.1	403.5	2.5	40.0	456.1
Legal	233.1	15.0	82.2 ¹	17.5	40.0	387.8
Purchasing/Supply	336.5	10.0	78.0	7.5	25.0	457.0
Labor Relations/Pers.	350.8	10.0	191.0	5.0	50.0	606.8
Investment Manager	_____	_____	<u>25.0</u>	_____	_____	_____
TOTAL:	954.4	60.0	797.7	32.5	115.0	1,932.7 ²

YEARS THEREAFTER

<u>Function</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Supplies</u>	<u>Equipment</u>	<u>TOTAL</u>
Board of Directors	20.0	20.0	303.5	2.5	-0-	346.0
Legal	233.1	15.0	82.2 ¹	17.5	-0-	347.8
Purchasing/Supply	336.5	10.0	78.0	7.5	-0-	432.0
Labor Relations/Pers.	350.8	10.0	191.0	5.0	-0-	556.8
Investment Manager	_____	_____	<u>25.0</u>	_____	_____	_____
TOTAL:	940.4	55.0	679.7	32.5	-0-	1,707.6 ²

1 Actual cost of legal office is 487.6 which is reduced by the approximately 100.0 RSA from the Airports to Department of Law. Therefore, contractual estimate of 182.2 is reduced 100.0 to reflect the RSA amount.

2 In the miscellaneous column, 529.3 is deducted to represent the reduction in IARF funding to DOT&PF that will be credited back to the fund.

Position Title		Attorney V		No. of Positions	1	Range/Step	25A	Barg. Unit	PX
Time Status	F	Staff Months	12	Location	AIA		Election District		
Type of Expenditure				Amount		Justification			
				1	2	3			
Salary				60.3		A legal services function of five positions is needed to provide legal services to the proposed International Airport Authority supporting the Board, Executive Director, and the two airports.			
Benefits				17.7					
Premium Pay									
Other									
Total Personal Services				78.0					
Travel				15.0		Travel: Travel by legal staff to attend annual meetings of Airport Operators Council International (AOCI) and to attend Board meetings in either Fairbanks or Anchorage. Travel by legal staff between Anchorage, Fairbanks, and Juneau to attend meetings and to testify on legislation.			
Contractual				182.0					
Commodities				17.5					
Equipment				40.0					
Other									
Total Cost				332.5		\$ 15,000			
Funding Source for Total Cost									
Federal Receipts				1002					
G. F. Match				1003					
General Fund				1004					
I-A Receipts				1006					
CIP Receipts				1061					
Other IARF				1027		332.5			

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

Page 3 of 47
 Revised Date

FY 88

Contractual Services:

Communications: Telephone, Long Distance, Postage	\$ 15,000	
Advertising: Legal Notices, Forms, Subscription	25,000	
Rental of Buildings: 2000 sq.ft. x \$1.75 sq.ft. x 12 =	42,000	
Other Expenses: Contract Legal Services, Deposition Services, etc. (Estimate outside legal support: 150 x 500 hrs. = 75,000)	<u>\$100,000</u>	

Total Contractual Services \$182,000

Supplies & Materials:

Office & Library	\$ 15,000	
Data Processing Supplies	<u>2,500</u>	
		<u>17,500</u>

Equipment

A one time cost to establish the legal office including office furniture, word processing equipment, etc., for an office of eight people.

Total Equipment \$ 40,000



ADDITIONAL EXPLANATION FORM

AGENCY Department of Transportation and Public Facilities

BRU Anchorage International Airport

COMPONENT Administration

FY 88

Page 4 of 47

Revised Date

03/27/1987 15:09 ***** PANAFAX UF-400 ***** P.06 02412079

Position Title Attorney III			No. of Positions 1	Range/Step 22C	Barg. Unit PX
Time Status F	Staff Months 12		Location AIA	Election District	
Justification					
See Attorney V					
Type of Expenditure			Amount		
1	2	3			
Salary	49.1				
Benefits	15.6				
Premium Pay					
Other					
Total Personal Services		64.7			
Travel					
Contractual					
Commodities					
Equipment					
Other			64.7		
Total Cost					
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004				
I-A Receipts	1006				
CIP Receipts	1061				
Other IARF	1027	64.7			

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

Page 5 of 47
 Revised Date

FY 88

03/27/1987 15:10 ***** PHNAFFX UF-400 ***** 02412079 P.07

Position Title Legal Secretary II			No. of Positions 1	Range/Step 11A	Barg. Unit PX
Time Status F	Staff Months 12		Location AIA		Election District
Type of Expenditure			Justification		
			See Attorney V		
1	2	3			
Salary	23.6				
Benefits	9.2				
Premium Pay					
Other					
Total Personal Services		32.8			
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost		32.8			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004				
I-A Receipts	1006				
CIP Receipts	1061				
Other	IARF 1027	32.8			

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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 Revised Date

FY 88

02415079 P.09

***** PANAFAX UF-100 *****

03/27/1987 15:11

Position Title		Legal Secretary I		No. of Positions	1	Range/Step	10A	Barg. Unit	PX
Time Status		Staff Months		Location		Election District			
F		12		AIA					
Justification									
See Attorney V									
Type of Expenditure			Amount						
1			2			3			
Salary			22.1						
Benefits			8.9						
Premium Pay									
Other									
Total Personal Services						31.0			
Travel									
Contractual									
Commodities									
Equipment									
Other									
Total Cost						31.0			
Funding Source for Total Cost									
Federal Receipts			1002						
G. F. Match			1003						
General Fund			1004						
I-A Receipts			1006						
CIP Receipts			1061						
Other IARF			1027			31.0			

Request For
New Position

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
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03-27-1987 15:12 ***** PANAFAX LF-400 ***** 02412079 P.09

Position Title Clerk Typist II		No. of Positions 1	Range/Step 7A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Justification		
		See Attorney V		
1	2	3		
Salary	18.6			
Benefits	8.0			
Premium Pay				
Other				
Total Personal Services		26.6		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		26.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	26.6		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
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02412079 P.10

***** PANAFAX UF-400 *****

15:13

03/27/1987

Position Title Purchasing Agent III		No. of Positions 1	Range/Step 20A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification				
A purchasing and supply function (eight positions) will be needed to support the proposed International Airport Authority and replace the services currently being provided by DOT&PF and the Department of Administration.				
continued				
Type of Expenditure		Amount		
1	2	3		
Salary	43 0			
Benefits	14 4			
Premium Pay				
Other				
Total Personal Services				
Travel		10.0		
Contractual		78.0		
Commodities		7.5		
Equipment		25.0		
Other				
Total Cost:		177.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	177.9		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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02412073 P.11
03/27/1987 15:13 ***** PANAFAX UF-400 *****

Travel:

Airfares and per diem for travel to and from Fairbanks.
Outside travel to attend equipment presentations and factory
inspections: \$ 10,000

Contractual Services:

Communication: Telephone, Long Distance, Postage 12,000
Advertising: Legal Notices, forms, subscriptions 5,000
Rental of Buildings: 2000 sq.ft. x \$1.50 sq.ft. x 12 = 25,000
Other Expenses:
Repair contracts, copier & postage machine rental, etc. 25,000

Total: \$ 78,000

Commodities:

General Office Supplies, duplicating supplies, standard state
forms and computer supplies 7,500

Equipment and Machinery:

Necessary function and computer equipment including word
processing equipment to establish new offices. A one-time
expense 25,000

ADDITIONAL
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FORM

AGENCY Department of Transportation and Public Facilities
BRU Anchorage International Airport
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***** PANAFAX UF-100 *****

03/27/1987 15:14

Position Title Purchasing Agent II		No. of Positions 1	Range/Step 16A	Barg. Unit PY
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	32.6			
Benefits	11.5			
Premium Pay				
Other				
Total Personal Services		44.1		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		44.1		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	44.1		
Justification See Purchasing Agent III				

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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P.15
 0210070
 ***** PANAFAX UF-100 *****
 15:15
 03/27/1987

 USERID TZZCLEP STSEMSp

 DISTRIB IDN 02/09/87
 Electronic mail - DOT&PF Commissioner's Office

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8A	Barg. Unit PY
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	20.0			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		28.2		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		28.2		
Funding Source for Total Cost				
Federal Receipts	1002			
C. F. Match	1003			
General Fund	1004			
I-A Receipts	1005			
CIP Receipts	1061			
Other IARF	1027	28.2		

**Request For
 New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
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02412079

***** PAPER FAX UF-400 *****

15:15

03/27/1987

Position Title Supply Officer IV		No. of Positions 1	Range/Step 10A	Barg. Unit PY
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	40.2			
Benefits	13.5			
Premium Pay				
Other				
Total Personal Services		53.7		
Travel				
Contractual				
Commodities				
Equipment		53.7		
Other				
Total Cost				
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	53.7		

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***** PANAFAX UF-400 *****

15:16

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Position Title Supply Officer II		No. of Positions 1	Range/Step 16A	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	32.6			
Benefits	11.4			
Premium Pay				
Other				
Total Personal Services		44.0		
Travel				
Contractual				
Commodities				
equipment				
Other				
Total Cost		44.1		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1051			
Other IARF	1027	44.1		

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Position Title Supply Technician II		No. of Positions 1	Range/Step 12A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	25.0			
Benefits	9.6			
Premium Pay				
Other				
Total Personal Services		34.6		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		34.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	34.6		

**Request For
New Position**

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Position Title Storekeeper WG II		No. of Positions 1	Range/Step 54B	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	34.8			
Benefits	12.2			
Premium Pay				
Other				
Total Personal Services		47.0		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		47.0		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	47.0		
Justification				
See Purchasing Agent III				

**Request For
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***** PANAFAX UF-400 *****

15:18

03/27/1987

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	20.0			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		28.2		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		28.2		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1005			
CIP Receipts	1061			
Other	IARF 1027	28.2		
Justification See Purchasing Agent III				

**Request For
New Position**

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 BRU Anchorage International Airport
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02412079

***** PANAFAX UF-100 *****

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Position Title Clerk Typist III		No. of Positions 1	Range/Step BA	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	19.3			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		27.5		
Travel				
Contractual				
Commodities				
equipment				
Other				
Total Cost		27.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	27.6		

**Request For
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Agency Department of Transportation and Public Facilities
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Position Title Personnel Officer III			No. of Positions 1	Range/Step 20A	Barg. Unit PX
Time Status F	Staff Months 12		Location AIA		Election District
Type of Expenditure			Amount		
1	2	3			
Salary	43.0				
Benefits	14.1				
Premium Pay					
Other					
Total Personal Services		57.1			
Travel		10.0			
Contractual		191.0			
Commodities		5.0			
equipment		50.0			
Other					
Total Cost		313.1			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004				
I-A Receipts	1006				
CIP Receipts	1061				
Other IARF	1027	313.1			

Justification

The legislation creating the International Airport Authority would appear to require the establishment of a personnel function that would include a personnel office to handle day to day operations necessary to classify positions, process applications for employment, conduct testing, and the preparation of hiring documents; a labor relations function to negotiate employee contracts, represent the authority in arbitrations and grievances, and to resolve contract conflicts.

continued

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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U.S. DEPARTMENT OF TRANSPORTATION

Travel

Transportation and Per Diem \$ 10,000

Contractual

Communications, Telephone, Long Distance, Postage	10,000
Advertising Legal Notices, Forms, Subscriptions	5,000
Rental of Buildings: 2000 sq.ft. x \$1.50 sq.ft. x 12 =	36,000
Other expenses, copier and postage machine rental, etc.	15,000
Consulting Services for Contract Preparation	<u>125,000</u>

Total: \$191,000

Commodities

\$ 5,000

Equipment: One-time expense to establish office

\$ 50,000



ADDITIONAL
EXPLANATION
FORM

AGENCY Department of Transportation and Public Facilities

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Position Title Personnel Officer I		No. of Positions 1	Range/Step 16A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Amount		
1		2		3
Salary		32.3		
Benefits		11.8		
Premium Pay				
Other				
Total Personal Services		44.1		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		44.1		
Funding Source for Total Cost				
Federal Receipts 1002				
G. F. Match 1003				
General Fund 1004				
I-A Receipts 1005				
C/P Receipts 1061				
Other IARF 1027		44.1		

Justification
See Personnel Officer III

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
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Position Title Personnel Technician II		No. of Positions 1	Range/Step 14A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	28.4			
Benefits	10.4			
Premium Pay				
Other				
Total Personal Services		38.8		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		38.8		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1051			
Other IARF	1027	38.8		

**Request For
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***** FANFAX UF-400 *****

15:23

05/27/1987

Position Title Personnel Technician I		No. of Positions 1	Range/Step 12A	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Type of Expenditure		Amount		
I	2	3		
Salary	25.0			
Benefits	9.6			
Premium Pay				
Other				
Total Personal Services		34.6		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		34.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARE	1027	34.6		

Justification
See Personnel Officer III

**Request For
New Position**

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Position Title Clerk Typist III		No. of Positions 1	Range/Step 8A	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	19.7			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		27.9		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		27.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	27.9		

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02412079 P.26

***** PANAFAX UF-400 *****

03/27/1987 15:24

Position Title Clerk Typist III		No. of Positions 2	Range/Step 8A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	39.3			
Benefits	16.4			
Premium Pay				
Other				
Total Personal Services		55.7		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		55.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	55.7		

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02412079 P.01

***** PRR/HRX JF-400 *****

15:36

05:27:1987

Position Title Senior Negotiator		No. of Positions 7	Range/Step 22A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	49.1			
Benefits	15.6			
Premium Pay				
Other				
Total Personal Services		64.7		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		64.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	64.7		

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05/27/1987 15:26 ***** PANAFAX UF-400 ***** 02412079 P.02

Position Title Clerk Typist III			No. of Positions 1	Range/Step RA	Barg. Unit PY
Time Status F	Staff Months 12		Location AIA		Election District
Type of Expenditure			Amount		
1			2		
3					
Salary			19.0		
Benefits			8.9		
Premium Pay					
Other					
Total Personal Services			27.9		
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost			27.9		
Funding Source for Total Cost					
Federal Receipts 1002					
G. F. Match 1003					
General Fund 1004					
I-A Receipts 1006					
CIP Receipts 1061					
Other IARF 1027			27.9		

Justification
See Personnel Officer III

**Request For
New Position**

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**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: HB 173Publish Date: 3/9/87

Revision Date: _____

Agency Affected: DOT&PFTitle: Alaska International Airport
Authority ActBRU: International AirportsSponsor: Pearce and Hanley

Components: _____

Requestor: _____

Alternative II

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		505.5	505.5	505.5	505.5	505.5
TRAVEL		40.1	35.00	35.0	35.0	35.0
CONTRACTUAL		549.5	549.5	549.5	549.5	549.5
SUPPLIES		13.3	13.3	13.3	13.3	13.3
EQUIPMENT		67.5				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		(229.4)	(229.4)	(229.4)	(229.4)	(229.4)
TOTAL OPERATING		1041.5	873.90	873.90	873.90	873.90

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER IARF 1027		1041.5	873.90	873.90	873.90	873.90
TOTAL						

POSITIONS:

FULL-TIME		12	12	12	12	12
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Lawrence W. MichouPhone: 266-1400Division: Anchorage International AirportDate: 3/27/87

Approved by Commissioner: _____

Date: _____

Agency: _____

Distribution (by preparer):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

Senate Secretary

ALTERNATIVE II

FIRST YEAR

<u>Function</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Supplies</u>	<u>Equipment</u>	<u>TOTAL</u>
Board of Directors	25.0	25.1	403.5	2.5	-0-	456.1
Purchasing	336.5	10.0	78.0	7.5	25.0	457.0
Labor Relations/Pers.	350.8	10.0	191.0	5.0	50.0	606.8
Investment Management	_____	_____	25.0	_____	_____	25.0
TOTAL:	505.5	40.1	649.5	13.3	62.5	1,270.9

YEARS THEREAFTER

<u>Function</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Supplies</u>	<u>Equipment</u>	<u>TOTAL</u>
Board of Directors	20.0	20.0	303.5	2.5	-0-	346.0
Purchasing	129.7	5.0	30.0	5.8	-0-	170.5
Labor Relations/Pers.	350.8	10.0	191.0	5.0	-0-	556.8
Investment Manager	_____	_____	25.0	_____	_____	25.0
TOTAL:	500.5	35.0	549.5	13.3	-0-	1,098.3

In the miscellaneous column 229.4 is deducted to represent the reduction in IARF funding to DOT&PF that will be credited back to the fund.

Position Title Purchasing Agent III		No. of Positions 1	Range/Step 20A	Barg. Unit PY
Time Status F	Staff Months 12	Location ATA		Election District
Justification				
Type of Expenditure			Amount	
1	2	3		
Salary	43.0			
Benefits	14.4			
Premium Pay				
Other				
Total Personal Services		57.4		
Travel		5.0		
Contractual		30.0		
Commodities		5.8		
Equipment		12.5		
Other				
Total Cost		110.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	110.7		

A purchasing section (three positions) will be needed to support the proposed International Airport Authority and replace the services currently being provided by DOT&PF and the Department of Administration.

continued

**Request For
New Position**

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 BRU Anchorage International Airport
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Travel:

Airfares and per diem for travel to and from Fairbanks. Outside travel to attend equipment presentations and factory inspections:	\$ 5,000
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Contractual Services:

Communication: Telephone, Long Distance, Postage	5,000
Advertising: Legal Notices, forms, subscriptions	5,000
Rental of Buildings: 2000 sq.ft. x \$1.50 sq.ft. x 12 =	13,500
Other Expenses:	
Repair contracts, copier & postage machine rental, etc.	<u>6,500</u>

Total:	\$ 30,000
--------	-----------

Commodities:

General Office Supplies, duplicating supplies, standard state forms and computer supplies	5,800
--	-------

Equipment and Machinery:

Necessary function and computer equipment including word processing equipment to establish new offices. A one-time expense	12,500
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ADDITIONAL
EXPLANATION
FORM

AGENCY Department of Transportation and Public Facilities

BRU Anchorage International Airport

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P.07

02412075

***** PANAFAX UF-100 *****

15:29

03/27/1987

Position Title Purchasing Agent II		No of Positions 1	Range/Step 16A	Barg. Unit DY
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Justification		
		See Purchasing Agent III		
Amount				
1	2	3		
Salary	32.6			
Benefits	11.5			
Premium Pay				
Other				
Total Personal Services		44.1		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		44.1		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	44.1		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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 Revised Date

FY 88

Position Title Clerk Typist III		No. of Positions 1	Range/Step BA	Org. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	20.0			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		28.2		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		28.2		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1005			
CIP Receipts	1061			
Other	IARF 1027	28.2		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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 Revised Date

FY 88

P.01

02412079

UF-400

PANAFAX

15:32

03/27/1987

Position Title Personnel Officer III		No. of Positions 1	Range/Step 20A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification				
The legislation creating the International Airport Authority would appear to require the establishment of a personnel function that would include a personnel office to handle day to day operations necessary to classify positions, process applications for employment, conduct testing, and the preparation of hiring documents; a labor relations function to negotiate employee contracts, represent the authority in arbitrations and grievances, and to resolve contract conflicts.				
continued				
Type of Expenditure		Amount		
1	2	3		
Salary	43.0			
Benefits	14.1			
Premium Pay				
Other				
Total Personal Services		57.1		
Travel		10.0		
Contractual		191.0		
Commodities		5.0		
Equipment		50.0		
Other				
Total Cost		313.1		
Funding Source for Total Cost				
Federal Receipts 1002				
G. F. Match 1003				
General Fund 1004				
I-A Receipts 1006				
CIP Receipts 1061				
Other IARF 1027		313.1		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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FY 88

Travel

Transportation and Per Diem \$ 10,000

Contractual

Communications, Telephone, Long Distance, Postage	10,000
Advertising Legal Notices, Forms, Subscriptions	5,000
Rental of Buildings: 2000 sq.ft. x \$1.50 sq.ft. x 12 =	36,000
Other expenses, copier and postage machine rental, etc.	15,000
Consulting Services for Contract Preparation	<u>125,000</u>

Total: \$191,000

Commodities

\$ 5,000

Equipment: One-time expense to establish office

\$ 50,000



ADDITIONAL
EXPLANATION
FORM

AGENCY Department of Transportation and Public Facilities

BRU Anchorage International Airport

COMPONENT Administration

FY 88

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Revised Date

Position Title Personnel Officer I		No. of Positions 1	Range/Step 16A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	32.3			
Benefits	11.8			
Premium Pay				
Other				
Total Personal Services		44.1		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		44.1		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	44.1		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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 Revised Date

FY 88

03/27/1987 15:34 ***** PANAFAX UF-100 ***** 02412079 P.04

Position Title Personnel Technician II			No. of Positions 1	Range/Step 14A	Barg. Unit PX
Time Status F	Staff Months 12		Location AIA		Election District
Type of Expenditure			Amount		
1	2	3			
Salary	28.4				
Benefits	10.4				
Premium Pay					
Other					
Total Personal Services		38.8			
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost		38.8			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004				
I-A Receipts	1006				
CIP Receipts	1051				
Other IARF	1027	38.8			
Justification					
See Personnel Officer III					

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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 Revised Date

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Position Title Personnel Technician I		No. of Positions 1	Range/Step 12A	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	25.0			
Benefits	1.6			
Premium Pay				
Other				
Total Personal Services		34.6		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		34.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1051			
Other FARE	1027	34.6		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Fairbanks International Airport
 Component Administration

Page 38 of 47
 Revised Date _____

FY 88

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8A	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	19.7			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		27.9		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		27.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	27.9		

Justification
See Personnel Officer III

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Fairbanks International Airport
 Component Administration

Page 39 of 47
Revised Date

FY 88

03/27/1987 15:36 ***** PRINAFAX UF-400 ***** 02412079 P.07

Position Title Clerk Typist III		No. of Positions 2	Range/Step 8A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	29.3			
Benefits	16.4			
Premium Pay				
Other				
Total Personal Services		55.7		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		55.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	55.7		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

Page **40** of **47**
Revised Date

FY 88

Position Title Clerk Typist III		No. of Positions 1	Range/Step 9A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Justification		
		See Personnel Officer III		
Amount				
1	2	3		
Salary	19.0			
Benefits	8.9			
Premium Pay				
Other				
Total Personal Services		27.9		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost:		27.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	27.9		

Request For
New Position

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

Page 42 of 47
 Revised Date

FY 88

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

DRAFT

REQUEST: _____

 Revision Date: _____
 Title: Alaska International Airport
Authority Act
 Sponsor: Pearce and Hanley
 Requestor: _____

Bill Version: HB 173
 Publish Date: 3/9/87

Agency Affected: DOT&PF
 BRU: International Airports

Components: _____

Alternative III

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		25.0	20.0	20.0	20.0	20.0
TRAVEL		25.1	20.0	20.0	20.0	20.0
CONTRACTUAL		403.5	303.5	303.5	303.5	303.5
SUPPLIES		2.5	2.5	2.5	2.5	2.5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		456.1	346.0	346.0	346.0	346.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER IARF 1027		456.1	346.0	346.0	346.0	346.0
TOTAL						

POSITIONS:

FULL-TIME		0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

In Alternative III, the Department will continue all of the services that it is currently providing to the Anchorage and Fairbanks International Airports.

Prepared by: Lawrence W. Michou
 Division: Anchorage International Airports

Phone: 266-1400
 Date: 3/27/87

Approved by Commissioner: _____
 Agency: _____

Date: _____

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

DRAFT

FISCAL NOTE ANALYSIS
HOUSE BILL 173

OVERVIEW:

The Department of Transportation and Public Facilities (DOT&PF) has reviewed House Bill 173 and has concluded that an Alaska International Airport Authority could be constituted in three possible forms.

Alternative I is envisioned as a fully stand-alone Authority with an Independent Board of Directors. The Authority would not utilize any services currently available in other state agencies except for the State main frame computer for general ledger, the State payroll systems and other available software, and the current risk management program.

Alternative II establishes an Authority that would perform some functions as an independent agency, but would continue to use services from State agencies and DOT&PF.

Alternative III establishes an Authority that would be a policy board for the Internationals, while all other relationships between Anchorage and Fairbanks International Airports, DOT&PF, and other state agencies would remain as they currently exist.

ANALYSIS:

1. Analysis of Fiscal Impact on Existing Programs

DOT&PF has assumed only International Airport Revenue Fund (IARF) funding for the Authority. Currently, appropriations are made from the IARF to fund the operating and capital improvement budgets for both the Anchorage and Fairbanks International Airports and to partially fund other Budget Request Units in DOT&PF for services provided to the International Airports. The FY88 budget includes 891.7 in IARF funding for the DOT&PF divisions listed below, exclusive of the airports, based on the following distribution:

<u>Division/Unit</u>	<u>FY88</u>
Commissioner's Office	20.3
Deputy Commissioner's Office	29.4
Internal Review	50.0
Management and Finance	183.2
Information Systems	48.3
Central Administrative Service	110.2
Central D & C Engineering Management	193.5
Central M & O Administration	30.0
Interior District Admin. Services	156.2
Northern D & C Engineering Management	<u>70.6</u>
TOTAL:	891.7

Three of these functions would be continued whether as support from DOT&PF or transfer of the employees to the Authority. The functions are clearly identifiable and will be a required part of the Authority. The three are:

Internal Review	50.0
Information Systems	48.3
Design & Construction	<u>264.1</u>
TOTAL:	362.4

In Alternative I and II, the cost estimate for the Authority is reduced by 529.3, based on 891.7 - 362.4.

The other services are administrative in nature and do not solely support the Airports. The funding portion from IARF in the non-airport DOT&PF divisions is based on an estimate of the cost of services provided to the Airports. In Alternative I and II, these services will be replaced by newly created functional units in the Authority or continued to be supported by DOT&PF and other State agencies. In Alternative III, the funding will continue as is.

It should be noted that in the areas of Legal Services, Personnel/Labor Relations, and Supply/Purchasing the airports are receiving maximum return on the current IARF investment. This is due to the fact that the Airports are receiving the benefits of supply contract awards, negotiated personnel contracts, application processing applicant testing, and the accounting supervision of DOT&PF and the Department of Administration. An Independent Authority would have to fund these functions completely.

The impact of reducing the IARF funding to the Divisions in DOT&PF will have to be analyzed. While it is recognized that once service to the Airports is eliminated, making some reductions possible, replacement funding may be required since many of these functions serve other units as well.

DOT&PF recommends the Authority continue as part of the State's Insurance program currently administered by the Division of Risk Management, Department of Administration. The underwriters consider the majority of aviation risk to be at the Anchorage and Fairbanks International Airports. The remainder of the State airports are simply included under the policy covering AIA and FIA. The impact of purchasing separate aviation policies would be that the Internationals would continue paying about the same premium while the other 265 state owned airports would have to be covered under a separate policy. The Division of Risk Management estimates that the cost of separate coverage would be about \$1.5 million.

Further impact would be that the Authority would be required to purchase separate fire, liability, and workman's compensation coverage. The cost of acquiring and administering separate policies in these areas could exceed \$2.5 million, which would be an increased cost to the IARF. The impact on of the Airports acquiring separate fire, liability, and workman's compensation insurance would be minimal on the premiums paid by other state agencies. Therefore, separate insurance would increase costs, both in general fund and IARF dollars, with no additional positive result.

2. Analysis of Fiscal Impact on New Programs

The creation of a fully independent/stand-alone Authority (Alternative I) will have the greater fiscal impact since many new functions will require additional funding. The creation of a partially independent Authority (Alternative II) will have a more moderate fiscal impact based on the Authority performing purchasing, labor relations, personnel, and investment management functions, while continuing to fund other support services from DOT&PF. The establishment of the Authority with all other conditions remaining the same (Alternative III) will have the least fiscal impact.

3. Analysis of Expenditures

Alternative I - Fully Independent Authority

The establishment of an Independent Board that would function as a stand-alone Authority that would not utilize any services currently available in other state agencies except for the State main frame computer for general ledger through the use of AKSAS, the State payroll systems and other software available on the Statewide network.

The Authority functions represented in Alternative I are:

<u>Function</u>	<u>First Year</u>	<u>Years Thereafter</u>
Board of Directors	456.1	346.0
Legal	387.8	347.8
Purchasing/Supply	457.0	432.0
Labor Relations/Personnel	606.8	556.8
Investment Management	<u>25.0</u>	<u>25.0</u>
TOTAL:	1,932.7	1,707.6
Less DOT&PF Charges	<u>< 529.3 ></u>	<u>< 529.3 ></u>
	1,403.4	1,178.3

The detail calculations supporting the cost of the functions is provided on the Request for New Positions forms.

Alternative II:

The establishment of an Authority that would perform some functions as an independent agency, but would continue to use services from State agencies and DOT&PF. The only savings in the amounts currently appropriated to DOT&PF from the IARF are:

Deputy Commissioners	< 29.4>
Management and Finance	<100.0>
Central Administration Services	< 50.0>
Interior District Admin. Services	< 50.0>
	<229.4>

The remainder, 299.9 (529.3 - 229.4), would continue as a funding source for DOT&PF.

<u>Function</u>	<u>First Year</u>	<u>Years Thereafter</u>
Board of Directors	456.1	346.0
Purchasing	183.0	170.5
Labor Relations/Personnel	606.8	556.8
Investment Management	<u>25.0</u>	<u>25.0</u>
TOTAL:	1,270.9	1,098.3
Less DOT&PF Funding	< 229.4>	< 229.4>
	1,041.5	868.9

Alternative III:

The establishment of the Authority as a policy board with all other relationships between the Airports, DOT&PF, and other state agencies remaining as they currently exist.

<u>Function</u>	<u>First Year</u>	<u>Years Thereafter</u>
Board of Directors	456.1	346.0
TOTAL New Funding	456.1	346.0

POSITION PAPER
SSHB 173

Sponsor Substitute for HB 173 establishes the Alaska International Airport Authority and makes it the exclusive State agency responsible for the operation and management of the State owned Fairbanks and Anchorage International Airports.

Under the proposed Article I, the powers of the Authority are vested in a Board of Directors. The board is to employ an executive director and controller who serve at the pleasure of the Board and may contract for consultants and professional, technical and financial advisors the Authority considers necessary. The executive director, with the concurrence of the board, is to employ airport directors. Article 5 in Section 2 states that the employees of the Authority are not employees of the State and are not subject to the requirements of AS 39 (public officers and employees) except in the Public Employees' Retirement System and the Supplemental Benefits System. Section 35(b), (c), and (d) addresses the transfer of current classified State employees to the Authority. Section 37 repeals AS 39.25.120(14), the provision which currently places airport managers (or directors) in the partially exempt service.

This bill would remove current employees from the classified and partially exempt State service and transfer them to the Authority. The legislation states that these employees would not be considered "State employees". There is precedence in this regard. Employees of the Alaska Railroad Corporation, the Medical Indemnity Corporation of Alaska and the Commercial Fishing and Agriculture Bank are not considered employees of the State. This bill would establish a unique precedent since it would constitute the first time classified and partially exempt employees would be transferred to such an entity.

In actuality, the only real affect of this bill on current employees would be to give them a "new boss", the Authority, instead of the Department of Transportation and Public Facilities; their duties would be relatively the same. A classified clerk typist working in an airport office would still be performing the same duties whether the airport was managed by the Authority or the Department. We know of no business necessity, or public policy, or interest to be served by removing the clerk typist or other classified airport employees from coverage of AS 39.25 due to the creation of the Alaska International Airport Authority.

Section 35(b), (c), and (d), which effects the transfer of current employees to the Authority, binds the Authority to the collective bargaining for the employees in effect on July 1, 1987, and provides that current employees retain the rights and status of State employees until expiration of the July 1 agreements, is problematic. Negotiations are currently in progress for new agreements covering most of those employees. Assuming new three-year agreements are in effect on July 1 covering the current employees that would be transferred to the Authority, the question becomes what are the status and rights of any new Authority employees hired subsequent to July 1, 1987. For up to a three-year period two categories of employees performing the same work would exist at the airports--those with clearly defined status and rights and those without. The legislation needs to address this potential disparity.

Even if Authority employees were not covered by Title 39,

AS 23.40. Since airport employees currently enjoy those rights, it is reasonable to assume they will want to continue to do so with their "new employer," the Airport Authority, at the expiration of collective bargaining agreements in effect on July 1, 1987. This will require the Authority to employ its own personnel/labor relations staff and cause the State Labor Relations Agency to address creation of new bargaining units, conduct representative elections and so forth. These measures would unnecessarily duplicate current Department of Transportation and Public Facilities functions and fragment and proliferate current bargaining units. Any new bargaining units would be duplicate microcosms of already existing units.

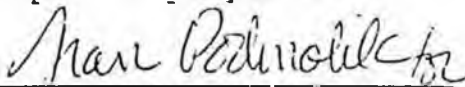
From a Risk Management standpoint, both the State and the Authority would suffer. Anchorage International (and to some extent Fairbanks) represent the rate base for our entire State aviation insurance program. Currently, the Anchorage and Fairbanks costs represent \$1,200.0 of Risk Management's total airport premium of \$1,500.0. If both airports are removed from the schedule, it is estimated that the premium would increase to \$1,325.0 for the remaining 265 airports. Additionally, any outstanding active or pending workers' compensation and liability cases would have to be transferred to the Authority since the State would no longer have their payroll assessments to meet Risk Management's obligations.

With respect to proposed AS 02.40.910 (1), this bill appears to relieve the requirement that the Authority have its procurement performed by the Department of Administration and Department of Transportation and Public Facilities, unless delegated. If that is the intent, the transfer of procurement responsibility from the Department of Administration to the Authority would have an insignificant impact. We cannot speak for the Department of Transportation and Public Facilities. If the intent has been properly interpreted, a clarification of proposed AS 02.40.910(1) is requested or AS 36.30 should be amended to address the Authority.


Finally, transition costs will be incurred by the Division of Finance as the change in employee status from State employees to Authority employees will result in the transfer of employee payroll records and files to the Authority's jurisdiction.

No impact is noted by the Division of Retirement and Benefits.

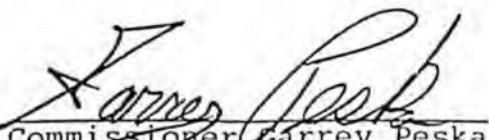
The Department of Administration is opposed to those portions of SSHB 173 which change in any way the current status of airport employees.


Diana DeSimone, Director
Division of Personnel

3-30-87
Date


Donald J. Hitchcock, Director
Division of Risk Management

3/30/87
Date


Commissioner Garrey Peska
Department of Administration

3/30/87
Date

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SSH 173
Publish Date: _____

REQUEST _____

Revision Date: _____ Agency Affected: Administration
 Title: An act relating to the International BRU: Personnel
Airports in Anchorage and Fairbanks and establishing the Alaska International Airport Authority
 Sponsor: Pearce and Hanley Components: Personnel
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: Attach a separate page if necessary

No additional appropriation for the Division of Personnel would be required.

Prepared By: Diana DeSimone *DD* Phone: 465-4430
 Division: Personnel Date: 3/27/87

Approved by Commissioner: Garrev Peska *GP* Date: 3/30/87
 Agency: Department of Administration

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SSHB 173
Publish Date: 03/25/87

Revision Date: _____
Title: An Act Relating to International
Airports in Anchorage & Fairbanks
Sponsor: Pearce and Hanley
Requestor: _____

Agency Affected: Administration
BRU: FINANCE
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		29.5				
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	29.5	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		29.5				
FEDERAL FUNDS						
OTHER						
TOTAL	0	29.5	0	0	0	0

POSITIONS:

FULL-TIME		1				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This legislation removes International Airport payroll and accounting applications off the State Systems. In order to accomplish this transition the Division of Finance will need the services of an Accounting IV level employee over a six month period. The six month cost of this level employee is \$29,500. This level of assistance is needed due to the sensitivity of

Prepared by: Keith Busch Phone: 465-2260
Division: Finance Date: 03/27/87

Approved by Commissioner: [Signature] Date: 3/27/87
Agency: Administration of International

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SSHB 173

the records that need to be transferred between jurisdictions. There will be no measurable impact in future years once the transition has been completed.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 173
Publish Date: _____

REQUEST

Revision Date: _____
Title: An act relating to the international airports in Anchorage
Sponsor: Pearce and Hanley
Requestor: _____

Agency Affected: Department of Administration
BRU: Division of Risk Management

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	(618.1)	(618.1)	(618.1)	(618.1)	(618.1)
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	(618.1)	(618.1)	(618.1)	(618.1)	(618.1)
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	(618.1)	(618.1)	(618.1)	(618.1)	(618.1)
TOTAL	0	(618.1)	(618.1)	(618.1)	(618.1)	(618.1)

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

The fiscal note is difficult to predict because Anchorage International Airport is really the rating or premium base for the State's entire aviation insurance program. The attached details the estimated fiscal note.

Prepared By: Don Hitchcock, Director
Division: Department of Administration

Phone: 465-2180
Date: March 27, 1987

Approved by Commissioner: Garrey Peska
Agency: Department of Administration

Date: 3/30/87

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For House Bill No. 173

FY 87 State airport premiums amount to approximately \$1,500.0. If the premium base, i.e., Anchorage and Fairbanks international airports are deleted from the State blanket policy the insurance companies will then charge an average premium per airport for all small fields, this is estimated at \$5,000 per air fie. The State has 265 smaller airports so after removal of the two internationals the premium remains at \$1,325.0 for airports--or a negative fiscal note of (\$175.0).

Workers' compensation and general liability charged these two airports amount to \$289.0 and property premiums total \$154.1.

The total negative fiscal note for risk management, therefore, would be approximately (\$618.1).

AIR CARRIER TRAFFIC COMPARISON
FOR
ANCHORAGE INTERNATIONAL AIRPORT

SEPTEMBER 1986/1987

<u>Air Carrier</u>	<u>Sept. 86</u>	<u>Sept 87</u>	<u>% of Change</u>
Scheduled International			
Air France	61	52	-14.8
British Airways	60	36	-41.7
China Air	58	57	- 1.8
Flying Tigers Line	246	272	10.5
Japan Air	354	378	6.8
KLM	42	35	-16.7
Korean	207	205	- 1.0
Lufthansa	58	71	22.4
Sabena	16	18	12.5
SAS	25	25	0.0
Swiss Air	15	16	6.7
Nippon Cargo	9	24	166.7
SUB-TOTAL	1,151	1,188	3.2
 Non-scheduled International			
Air Canada	9	9	0.0
All Nippon	0	1	...
Arrow Air	0	1	...
Martin Air	0	2	...
TransAmerica	13	0	...
Canadian Pacific	1	0	...
World Airways	7	8	14.3
SUB-TOTAL	30	21	-30.0

<u>Air Carrier</u>	<u>Sept. 86</u>	<u>Sept 87</u>	<u>% of Change</u>
Scheduled Domestic			
American (1)	105	91	-13.4
Alaska	762	717	- 6.0
AK/ARCO	68	64	- 6.0
AK/SOHIO	42	39	- 7.2
Era Aviation	642	694	8.1
Federal Express	22	46	109.1
Friendship Air		8	...
Harbor Air	37	49	32.4
MarkAir	460	528	14.8
Northern Air Cargo	211	193	- 5.5
Northwest	189	217	14.8
Peninsula Air	101	195	93.1
Reeve Air	65	99	52.3
Ryan	200	320	60.0
Southcentral	1,186	1,123	- 5.4
TWA (3)	29	24	-17.3
United Parcel	20	21	5.0
United Air Lines	271	212	-21.8
De'ta (2)	248	252	1.6
Wilburs	119	113	- 5.1
Hawaiian	...	11	...
SUB-TOTAL	4,777	5,006	4.8
Non-Scheduled Domestic			
Alascom	12	11	- 8.4
Buhead Equip. Co.		5	...
Cargomaster	2		...
Lynden	11		...
TroyAir	96	44	-54.2
Kenai Air Service	27		...
Miscellaneous	120	127	5.8
SUB-TOTAL	268	187	-30.3
TOTAL	6,228	6,402	2.8

- (1) American Airlines will leave Anchorage/California market 11/01/87
- (2) Delta Airlines will leave the Anchorage/Honolulu direct flight market 01/01/88, will still offer ANC/LAX/Honolulu flights (Aug. 10 hr flight time)
- (3) Transworld Airways will leave the Anchorage/Seattle/St. Louis market during Jan. 1988.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

February 6, 1987

MEMORANDUM

TO: Representative Johnny Ellis

FROM: Karla Hart ~~KH~~
Legislative Analyst

RE: Airport Marketing and Funding in Other States
Research Request 87.112

You requested information on airport marketing and funding in other states. Specifically, you asked:

How many U.S. airports spend money on marketing and/or promotion?

How much is spent for this purpose by Sea-Tac and Portland airports?

For airports with the same or similar volume/capacity as Anchorage International, what is the range of marketing and promotional expenditures?

What is the source of funding--annual appropriations or airport revenues?

Number of U.S. Airports Spending Money on Marketing

The National Airport Operators Council (NAOC) in Washington, D.C. currently has a survey underway regarding airport marketing but does not expect to have results for six months. Debra Lunn, of the NAOC, stated that "marketing is a serious and growing concern since deregulation" and that most large and medium hub airports currently have either in-house or contract marketing programs.

Of the 11 airports I contacted, three had no marketing program, one had a study underway to decide on a marketing program, and seven had varying levels of marketing expenditures.

Portland and Sea-Tac Airports

The Portland Airport, with gross revenues of \$28 million, spends \$750,000 per year on marketing. This supports a staff of two, public relations contracts with Tokyo and London firms, and entertainment for fam trips (familiarization tours for travel industry personnel). Their goals are to generate new air services and encourage new airlines to use the airport. Recently, they gained service stopovers for Delta Airline's Atlanta-Tokyo flights and Federal Express's small package routes to Japan.

Sea-Tac Airport, with gross revenues of \$53 million, has three offices involved in marketing and promotions, with an estimated combined budget of \$1 to \$1.2 million. They include a marketing office largely responsible for cargo operations, with a staff of one and estimated \$2,000 per year in expenditures; a public relations staff of six which produces publications promoting the airport; and an Office of Tourism with a 1987 budget of \$406,000. The Office of Tourism budget supports a staff of three, public relations contracts with Tokyo and London firms, entertainment for fam trips of five to seven days in the area, and a small travel budget for overseas tourism missions. The Office also supervises contracts totalling \$370,000 with the Seattle and East King County Convention and Visitor Bureaus.

Range of Marketing Expenditures for Airports Similar to Anchorage International

During FY 86, Anchorage International served slightly more than three million passengers, of which over 1.5 million of them were international travelers. The National Airport Operators Council provided the names of seven airports in the U.S. with similar total passenger loads. In addition, I contacted the Spokane and Salt Lake City airports as they are western regional hubs. Marketing expenditures of these airports ranged from \$550,000 to zero. Debra Lindsey, Manager of Statewide Aviation, Department of Transportation and Public Facilities (DOT/PF), believes Sea-Tac is the airport most comparable to Anchorage in terms of passenger composition. She says there is no comparable airport in terms of both volume and composition.

Norfolk International Airport (Virginia) competes with two other airports in the area for passengers and carriers. Of the airport's \$550,000 marketing budget, \$200,000 goes to an advertising campaign to attract passengers and advise them of new services/carriers. The staff of four includes a director, an assistant for cargo development, an assistant for travel agency coordination and a secretary.

Sacramento Metro (California) contracts with a local advertising agency to run a campaign to prevent loss of traffic to the Bay Area airports, which are a two-hour drive away. The campaign includes educating the public on services available, encouraging local travel agents to book out of Sacramento, and promoting the airport as a gateway market for cruise packages. This is the third year of marketing, the first-year budget was \$150,000, the second-year was \$300,000, and the current budget is \$500,000.

Greater Mitchell Field (Milwaukee, Wisconsin) is 70 miles from Chicago and spends about \$200,000 per year to maintain a local market.

Port Columbus International (Ohio) budgeted \$80,000 for salaries for two staff, printing of newsletters and purchase of video equipment. An additional \$30,000 in private donations was collected for special promotions. The staff stressed that their budget was not adequate for a good marketing/promotional program.

Salt Lake City (Utah) spends about \$60,000 per year to produce an annual report, quarterly reports and various studies which are distributed as promotional materials.

Spokane Airport (Washington); John Wayne Airport (Santa Ana, California); Greater Buffalo Metro (New York); and Bradley International (Hartford, Connecticut) all have no marketing program at this time. All are operating at capacity due to limited facilities or zoning constraints. Bradley International has contracted for a market study and hopes to expand as demand allows.

Funding Source

Funding for airport marketing generally comes from airport revenues with a few exceptions. The \$370,000 in contracts supervised by Sea-Tac is from general fund appropriations. At Port Columbus International, the marketing department solicits private donations for special promotions.

* * * *

I hope you find this information useful. If you require additional information, please call.

KH



MAR 24 1987

Alaska State Legislature House of Representatives

6035 TANAINA DRIVE
ANCHORAGE, ALASKA 99502
(907) 243-8110

WHILE IN JUNEAU
POST OFFICE BOX V
JUNEAU, ALASKA 99811
(907) 465-4993

REPRESENTATIVE DRUE PEARCE
DISTRICT 9, SEAT A
MINORITY WHIP

MEMORANDUM

To: All Legislators

From: Representative Drue Pearce *Pearce*

Date: March 24, 1987

Subject: Correction to my response letter
re HB 173 and SB 172

On March 19th I distributed copies of the response I am sending regarding HB 173 and SB 172, the Alaska Airport Authority bills.

The reference on the first page in the third paragraph to Alaska's Constitution should be to Article XII, Section 7.



Alaska State Legislature House of Representatives

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REPRESENTATIVE DRUE PEARCE
DISTRICT 9, SEAT A
MINORITY WHIP

WHILE IN JUNEAU
POST OFFICE BOX V
JUNEAU, ALASKA 99811
(907) 465-4993

MAR 20 1987

TO: All Legislators

FROM: Representative Drue Pearce

DATE: March 19, 1987

RE: Alaska International Airport Authority Bills
HB 173 and SB 172

I know that you are receiving many calls and POM's regarding HB 173 and SB 172. Attached is a copy of the response I am sending. You may certainly feel free to use this information in drafting your responses. You are also welcome to refer constituent calls to me or to my aide, Jo Fenety.



Alaska State Legislature House of Representatives

6035 TANAINA DRIVE
ANCHORAGE, ALASKA 99502
(907) 243-8110

REPRESENTATIVE DRUE PEARCE
DISTRICT 9, SEAT A
MINORITY WHIP

WHILE IN JUNEAU
POST OFFICE BOX V
JUNEAU, ALASKA 99811
(907) 465-4993

March 19, 1987

Dear:

Thank you for your !SOURCE! regarding HB 173. It appears that you have some reservations about HB 173 and SB 172 that propose to form the Alaska International Airport Authority.

Perhaps after I share some information with you about the bill, you will find reasons to reconsider your position.

Can employees transferred to the Authority lose the retirement benefits they have already earned as a state employee? Absolutely not! Even though the employees transferred to the Authority would no longer be state employees, this right cannot be taken away because it is protected by Article 7 of Alaska's Constitution.

What about health insurance benefits? Employees would be covered by a health insurance plan that would be purchased by the Authority -- just as the State of Alaska currently purchases a plan to cover its employees. Several options would be available such as one plan available through the State of Alaska that would allow the Authority to supply a health benefit at least as comprehensive as the one currently enjoyed by General Government employees. Of course employees of the Authority would have the option of negotiating for another health insurance package that could be purchased from a private carrier.

What about the other benefits for current state employees who would be transferred to the Airport Authority? Even though it is proposed that the employees on the airports in Anchorage and Fairbanks would be employees of the Airport Authority rather than being state employees, they would still be covered by the Public Employees Retirement System (PERS) and the Supplemental Benefits System (SBS) because the Authority can enroll with the State to cover their employees. New employees could also be covered by PERS and SBS after the Authority enrolled. Because of the misunderstandings on this one provision, I am adding language to the bill to clarify this issue. Your benefits will be protected by statute!

What about union affiliations and collective bargaining agreements? Classified employees who are transferred to the Authority keep their status as state employees until the collective bargaining agreements covering the classified employees expire. After the expiration of the agreements, the employees are free to form their own bargaining unit to negotiate with the Authority on their behalf. In fact, I expect that is exactly what will happen.

If the International Airports make money, why is the state giving them away? This isn't a "give away". This is simply a transfer of responsibility to an entity that has no other job but to efficiently operate, effectively manage, and to provide accountability for these two state-owned and state-operated international airports.

Some of the people who have sent Public Opinion Messages to me believe that reduced morale and professional service will result from the creation of an Airport Authority. I believe that just the opposite will result. With an Authority, there will be clearer lines of authority and responsibility, and the management structure will be less top-heavy than it is now under the Department of Transportation and Public Facilities.

Experience has shown that Authorities work. Alaska is behind the times in that regard. In fact, Anchorage International Airport is the largest international airport in the country that is still run as a state-owned facility.

In other words, employees at every job level should find it easier to affect positive changes in their workplace.

I believe in the concept of an Airport Authority, and I believe that it will be a positive step for employees. I hope you will keep an open mind and continue to contact me with your thoughts and ideas as you study the bill. (Copies of the Sponsor Substitute should be available in Legislative Information Offices next week.)

If you have other questions about the bill, I would urge you to feel free to come to me for the answers.

Thank you for contacting me. Let's keep the channels of communication open.

Sincerely,

(Ms.) Drue Pearce
Representative



Alaska Public
Employees Association **APEA**

State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

MEMORANDUM

TO: Representative Bette Cato
Chairperson, House Transportation
Committee

FROM: Cherie Shelley
Executive Director

SUBJECT: SSHB 173 - Alaska International Airport Authority

DATE: March 26, 1987

In an earlier position paper on this bill, we expressed some strong reservations about the effect of the bill on the status, rights and benefits of the state classified employees who would be transferred to the authority. When I met with the bill's sponsors, they agreed to modify the bill to try to alleviate our concerns. The result is the sponsor substitute before the Transportation Committee. While the substitute is an improvement on the original bill, it still in our opinion has several major problems.

The substitute partially addresses the question we raised as to Supplemental Benefits System (SBS) coverage for authority employees. It continues SBS coverage for current state workers transferred to the authority. However, it would leave new employees out in the cold. There is no justification for this disparate treatment.

The same is true for Public Employees Retirement System (PERS). Transferred employees are grandfathered in. New employees will be covered only if the authority choose to join PERS.

The transition section, Section 35 (on pages 27 and 28), still has serious flaws. Subsection (c) obliquely allows continued representation of authority employees by their current union (either APEA or Public Employees Local 71) until the expiration of any agreement in effect on July 1, 1987. Subsection (d) binds the authority to those agreements. However, these subsections

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227 4th Street
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would allow a maximum of three years continued representation; we would like to see permanent continued representation. Second, it is quite possible that neither APEA nor Local 71 will have a three-year agreement in place on July 1; there may be either no agreement or a short extension of an existing agreement. If this is the case on July 1, subsections (c) and (d) are of no use at all.

Subsection (e) makes the state personnel rules applicable to the authority until January 1, 1988, or until the authority adopts rules, whichever comes first. This is a slight improvement from the previous version, which had no provision for application of the state rules. It still leaves the authority employees pretty much at the mercy of the authority. We would still like to see the authority to be governed by the state rules, and see no valid objections to this. The state rules are fair, and it is not a significant restriction on the authority's power to conduct its business to require it to use those rules.

In short, APEA cannot support this sponsor substitute unless it is further amended.

from The state bond council:

March 26, 1987

Mr. Tomas Boutin
Department of Revenue
State of Alaska
State Office Building
Pouch SB, 11th Floor
Juneau, Alaska 99811

Re: Senate Bill No. 172 and
House Bill No. 173

Dear Tom:

At your request, we have reviewed Senate Bill No. 172 and House Bill No. 173 (the "Bills") introduced in the Legislature of the State of Alaska. The Bills relate to the International Airports in Anchorage and Fairbanks and would establish an Alaska International Airport Authority. We have conducted a preliminary review of the provisions of the Bills in light of the requirements of Resolution No. 68-4, as supplemented and amended (the "Bond Resolution"), of the State Bond Committee of the State of Alaska, which authorized the issuance of State of Alaska International Airports Revenue Bonds, Series A through G (the "Bonds"). The Bond Resolution was adopted pursuant to AS § 37.15.410-.550 (the "Act").

Under the Act and the Bond Resolution, the principal of and interest on International Airports Revenue Bonds are paid out of and secured by the gross revenues derived by the State of Alaska (the "State") from the ownership, lease, use and operation of the international airports at Anchorage and Fairbanks (the "Airports"). The Act also creates a special fund of the State, known as the "International Airports Revenue Fund" into which is paid all revenues, fees, charges and rent-

Mr. Tomas Boutin
March 26, 1987
Page Two

als derived by the State from the ownership, lease, use and operation of the Airports. The moneys in the Revenue Fund are to be used solely for paying or securing the payment of principal of and interest on the Bonds, to provide funds to acquire, equip, construct and install additions and improvements to the Airports and to pay the costs of maintaining and operating the Airports (AS § 37.15.430).

Section 6.12 of the Bond Resolution requires that the Commissioner of Transportation and Public Facilities fix and collect fees, charges and rentals to be derived by the State from the ownership, lease, use and operation of the Airports which yield Net Revenues (as defined in the Resolution) in each year at least equal to one and three tenths (1.3) times the sum of the debt service on the Bonds during such year plus any deposits required to be made during such year into the bond reserve fund.

In addition, Section 6.03 of the Bond Resolution provides that the State shall not sell or otherwise dispose of the Airports or any part thereof essential to the proper operation of the Airports or the maintenance of the Revenues. Section 6.04 of the Bond Resolution requires that the State maintain and preserve the Airports in good repair at all times and to operate the Airports in an efficient and economic manner.

The Bills create the Alaska International Airport Authority as a "public corporation of the state", which corporation is to be an "instrumentality of the state in the Department of Transportation and Public Facilities but has a legal existence independent of and separate from the State". The Bills also delegate to the Authority exclusive responsibility for the "operation, management, planning, effective marketing and construction of facilities for the Airports." (Section 02.40.010(a)(b)).

A significant question raised by the Bills is whether their provisions conflict with the requirements of the Bond Resolution in a manner that would impair the contract between the State and the bondholders.

Mr. Tomas Boutin
March 26, 1987
Page Three

The Bills appear to contain no express provision for transfer of airport property from the State to the Authority. Assuming such transfer is, in fact, provided for, consideration must be given to whether such transfer of property from the State to the Authority conflicts with the provisions of Sections 6.03 and 6.04 of the Bond Resolution (discussed above), which give the State responsibility for ownership and operation of the Airports.

Furthermore, the Bills do not provide for the assumption of liability by the Authority of the obligations of the State under the Bond Resolution. Even if such an assumption were provided, the Trustee for the bondholders (the "Trustee") presumably would litigate the validity of any such transfer of control and assumption of liabilities by the Authority.

Under Article 3 of each Bill, the Authority is given the right to establish all charges, rentals and fees for use of airport facilities. This right may conflict with the provisions of Section 6.12 of the Bond Resolution, which imposes such duties upon the Commissioner of Transportation and Public Facilities. Although the Commissioner is a member of the board of the Authority, he clearly would not control the activities of the Authority.

The Trustee may object to the Bills on the grounds that they effect a substantial and impermissible change in the nature of the obligor on the Bonds. The Bonds were issued by the State acting through the State Bond Committee of the State of Alaska, established pursuant to AS § 37.15.110. The Committee is comprised of the Commissioner of Commerce and Economic Development, the Commissioner of Administration and the Commissioner of Revenue. The Airports are under the control of the Commissioner of Transportation and Public Facilities. Under the Bills, the Board of Directors of the Authority would be comprised of the Commissioner of Transportation and Public Facilities and four members appointed by the Governor. The appointed members would serve for staggered terms of four years and could only be removed by the Governor "for cause." This structure creates a public body with control over the operations of the Airports

Mr. Tomas Boutin
March 26, 1987
Page Four

which is, to some degree, independent of the Governor and the Executive Branch. On the other hand, the Airports are currently under the direct control of officers of the Executive Branch that are directly responsible to the Governor. The Trustee could argue that such a change in the nature of the entity responsible for operating the Airports and paying the Bonds is a significant impairment of the bondholders' contract with the State.

As we have also discussed, if it were determined that creation of the Authority impaired the rights of bondholders, it would probably be impossible under existing tax laws for the Authority to issue tax-exempt advance refunding bonds to defease the outstanding non-callable International Airports Revenue Bonds.

Please call us if you would like us to explore these issues with you further.

Very truly yours,

Karen J. Hedlund

March 31, 1987

Jack & Sharon Jones
P.O. Box 872265
Wasilla, Alaska 99687
Phone 376-8413

APR 3 1987

TO THE FOLLOWING PERSONS:

REPRESENTATIVE ALYCE HANLEY
REPRESENTATIVE DRUE PEARCE

SENATOR MITCHELL ABOOD
SENATOR RICK UEHLING

REGARDS TO: HOUSE BILL NO: 173 and SENATE BILL NO: 172

Dear Representatives and Senators:

After reading the above proposed bills on the Anchorage International Airport Authority we are more OPPOSED to these two bills than we were before. There is not one thing that says that the Anchorage International Airport Authority could not lease or contract out the Anchorage or Fairbanks International Airports and/or the work (jobs) over to a Municipality or a private sector. There is no job security for the present State of Alaska employees that presently work at the airports and would be transferred over to be Anchorage International Airport Authority Employees. There should be no way that the Anchorage International Airport Authority can lease or contract out the Airports or any of the work or maintenance to be done at the Airports that the State of Alaska employees are doing now. All the work and maintenance should be by Anchorage International Airport Authority Employees or State of Alaska Employees only and no contract or maintenance work.

Would the Anchorage and Fairbanks International Airports be the only airports under the Anchorage International Airport Authority or would other airports be added to it? What else would be under the Anchorage International Airport Authority? Where would the profits from the two airports go? Would the profits go back into the two airports or would it be spent somewhere else? Would the Anchorage International Airport Authority be associated with the Department of Transportation? The Anchorage International Airport Authority should not be associated with the Department of Transportation, other way it would be just another name for the Department of Transportation and it would have more high priced chiefs running it. How come there has to be so many high paid directors? Some of the directors are appointed by the Governor. Every time we get a new Governor do we get new directors? Where does the State of Alaska get the funds to pay for all these high priced directors?

The Anchorage International Airport Authority should only have Anchorage and Fairbanks International Airports under it and no other airports or anything else under it. All the profits should go back into the two airports and no where else.

If the present State of Alaska Employees became Anchorage International Airport Authority Employees then the employees no longer have a union to protect or represent them. The unions represents State of Alaska employees only. The employees would not have a contract and would be facing large cuts in wages and benefits and even job loss. Could the State of Alaska Employees Union represent the Anchorage International Airport Authority Employees and would it be valid? The sponsors of these two bills say the SBS and PERS retirement programs would stay the same as they are now. What good are the retirement programs if you might not have a job? The State of Alaska should give the State of Alaska Employees a good contract that could be transferred over to the Anchorage International Airport Authority. This way the employees have some job security and would not be facing pay and benefit cuts or a job loss.

Until all the questions that so many of us have are answered and these two bills are rewritten, we and so many like us will be opposed to these two bills on the Anchorage International Airport Authority. We do not know what the sponsors of these two bills had in mind but it was not for the good of the State of Alaska or for the Employees. The State of Alaska and the Employees have so much to lose and a municipality or a private sector has so much to gain on leases and contracts. Our thoughts are that it sounds like the sponsors of these two bills have someone dictating to them on how they want the bill to read. Sounds like some big wig (or friends of a sponsor) is out of a job and needs a job so they can blame the State of Alaska and the Anchorage International Airport Authority for every cent they can get.

THE SPONSORS ARE NOT DOING THIS FOR THE GOOD OF THE STATE OF ALASKA OR FOR THE GOOD OF THE EMPLOYEES THAT IS FOR SURE. THEY ARE DOING IT FOR THE GOOD OF SOME ONE ELSE.

Sincerely,

Jack Jones

Sharon Jones

CC: REPRESENTATIVE RON LARSON
REPRESENTATIVE CURT MENARD
SENATOR JAY KERTTULA
SENATOR MIKE SZYNANSKI
GOVERNOR STEVE COMPER
SENATE TRANSPORTATION COMMITTEE
HOUSE TRANSPORTATION COMMITTEE



Greater Fairbanks

Chamber

of Commerce

First National Center

P.O. Box 74446

100 Cushman Street

(907) 452-1105

Fairbanks, Alaska 99707

RESOLUTION 1-0487

A RESOLUTION SUPPORTING THE FORMATION OF AN
INTERNATIONAL AIRPORT AUTHORITY

WHEREAS, the Greater Fairbanks area needs to keep pace with productive economic development; and

WHEREAS, the need is now to find new and unique ways to market the Greater Fairbanks area; and

WHEREAS, the formation of an International Airport Authority could provide a method to achieve this goal;

NOW, THEREFORE, be it resolved that the Greater Fairbanks Chamber of Commerce supports sponsor substitute for House Bill 173 in the legislature of the State of Alaska, fifteenth legislature first session.

BE IT FURTHER RESOLVED, that copies of this resolution be sent to:

- Members of the House of Representatives
- Interior Delegation
- Governor Cowper
- Commissioner of Dept. of Transportation

DATED THIS sixteenth DAY OF April, 1987

BY James E. Dodson
James Dodson, Chairman of the Board

BY Althea St. Martin
Althea St. Martin, Acting President

Alaska Airlines

P.O. Box 68900
Seattle, Washington 98188

Telephone (208) 433-3200
Telex 32 8723

April 15, 1987

The Honorable Bette Cato
Chairman, House Transportation Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Cato:

While I cannot personally be in Juneau today for the workshop on House Bill 173 regarding the establishment of the Alaska International Airports Authority, I wanted to advise you by this letter of Alaska Airlines' current position on the Bill.

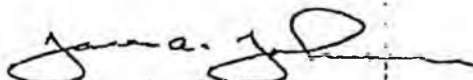
Alaska Airlines favors the concept of an independent Airport Authority for Anchorage and Fairbanks Airports. However, at this point, we do not feel the Bill goes far enough in providing full financial independence for the proposed Authority and therefore it needs modifications in this regard. Among other things, we are concerned about the preparation and oversight of the budgets and the ability to independently issue revenue bonds. We are also reviewing the overall financial impact of this proposal.

As the coordinator for the Air Transport Association of American carriers serving Alaska, please be advised that the positions expressed earlier on this legislation through the Chairman of the Anchorage/Fairbanks Airlines Airport Affairs Committee, Mr. Clifford Argue, are also endorsed.

We look forward to working with you, Representative Pearce, and others in revising this legislation to be acceptable.

Sincerely,

ALASKA AIRLINES, INC.


James A. Johnson
Senior Vice President
Public Affairs

cc: Rep. Drue Pearce





JAMES A. JOHNSON
Senior Vice President,
Public Affairs

MAR 31 1987



MMERC
10 Second Street
Juneau, Alaska 99801
(907) 586-2300

March 24, 1987

Mr. George Krusz
President
Alaska State Chamber of Commerce
210 Second St.
Juneau, Ak. 99801

Dear George:

In response to your letter dated March 12, 1987, Alaska Airlines has been, and continues to be, in support of the concept of an independent Airport Authority to operate Anchorage and Fairbanks International Airports. Therefore, HB 173 appears to be a step in the right direction in this regard.

In our initial reading of this proposed legislation, we feel that it does not go far enough in making the proposed Airport Authority truly independent. Specifically, it is Alaska's position that in order for such an Authority to be cost effective and to provide the type of professional airport management necessary for major international facilities such as Anchorage and Fairbanks, the International Airport Revenue Fund and the Authority should be removed from the normal State budget process. The IARF is already a separate fund and the business arrangement for the airline support of the IARF is well documented in the recently completed airline/airport Lease and Operating Agreement.

Further, it is imperative that the Authority have the right to finance, through the sale of revenue bonds, its proposed capital expenditures rather than going through the State Bond Committee and their requirements. This is typical of most Airport Authorities, even throughout the rest of the country.

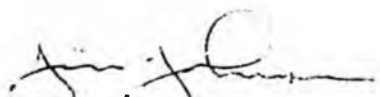


COMMERCE
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Mr. George Krusz
Page - 2 -

We are going to continue to review the proposed legislation, both directly and in conjunction with the other airlines serving the two airports. We will undoubtedly be in direct contact with legislators as this bill proceeds, and will keep you advised of our additional comments.

Sincerely,



Jim Johnson

/dre

ire

A M E N D M E N T

Offered in the HOUSE

TO: SSB 173

Page 4, line 25, following "reports":

Insert ", monitor the issuance and management of the debt of the authority,"

Page 5, line 3, following "it":

Insert ", including bond counsel"

Page 5, following line 14:

Insert "(7) issue revenue bonds in the amount authorized by law;"

Renumber the following paragraphs accordingly.

Page 14, following line 27:

Insert a new section to read:

"Sec. 02.40.400. RESPONSIBILITY OF AUTHORITY FOR REVENUE BONDS. The authority succeeds to all rights, duties, powers, and obligations of the state bond committee regarding the issuance, sale, and repayment of revenue bonds authorized under AS 37.15.410 - 37.15.550."

Page 15, following line 23:

Insert "(4) "bonds" means the international airports revenue bonds

authorized by AS 37.15.410 - 37.15.550;"

Renumber the following paragraph accordingly.

Page 25, lines 8 - 10:

Delete "certify to the commissioner [COMMISSIONERS] of revenue and the controller of the authority [TRANSPORTATION AND PUBLIC FACILITIES]"

Insert "determine [CERTIFY TO THE COMMISSIONERS OF REVENUE AND TRANSPORTATION AND PUBLIC FACILITIES]"

Page 25, line 15:

Delete "certify to the commissioner and the controller [COMMISSIONERS]"

Insert "determine [CERTIFY TO THE COMMISSIONERS]"

Page 26, line 7, following "Authority":

Insert "created by AS 02.40.010 or another committee, body, department, or officer of the state that or who succeeds to the rights, powers, duties, and obligations of the authority by lawful act of the legislature"

Page 28, following line 25:

Insert new bill sections to read:

"* Sec. 37. TRANSFER OF RESPONSIBILITY FOR INTERNATIONAL AIRPORTS REVENUE BONDS. All rights, duties, powers, obligations, and authorities of the state bond committee in regard to international airports revenue bonds

under AS 37.15.410 - 37.15.550 are transferred to the Alaska International Airport Authority.

* Sec. 38. SAVINGS CLAUSE. Litigation, hearings, investigations, and other proceedings pending under a law amended or repealed by this Act, or in connection with functions transferred by this Act, continue in effect and may be continued and completed notwithstanding a transfer or amendment or repeal provided for by this Act. Regulations adopted under authority of a law amended or repealed by this Act remain in effect for the term adopted or until repealed or otherwise amended under the provisions of this Act.

* Sec. 39. The revisor of statutes shall change "committee" to "authority" as appropriate, in AS 37.15.410 - 37.15.550."

Re-number the following bill sections accordingly.

Page 28, line 26, following "AS 37.15.550(5)":

Insert "and 37.15.550(6)"

INTENT LANGUAGE
INTERNATIONAL AIRPORT REVENUE FUND

\$500,000 INTERNATIONAL AIRPORT MARKETING

It is the intent of the Legislature that this appropriation be expended through a cooperative marketing effort with municipalities and the private sector for marketing the Anchorage and Fairbanks International Airports. The effort shall utilize state, municipal, and private funds.

No state funds shall be used for any purpose other than marketing the Anchorage and Fairbanks International

Airports. ^{One} ~~No~~ ^{may be} new positions shall be funded with this appropriation. ^{for the sole purpose of marketing the Anchorage & Fairbanks International Airports} The department will provide a written

report regarding the expenditure of this appropriation by the 10th day of the 2nd session of the 15th legislature.

CHAPTER 4

Airport Organization, Direction, Staffing and Communications

This chapter defines the respective responsibilities of administrators and managers in planning, developing and delivering the airport's products at quality levels desired by the airport owner and acceptable to patrons, users and neighbors. The airport is viewed as a factory or manufacturing unit producing, offering, or supervising the offering of facilities, services and amenities at defined levels of quality to meet various needs.

Chapter 1 addressed these needs and resulting problems faced by each participant involved in the provision, direction and use of the airport or affected by its operation. Chapter 2 reviewed typical airside and landside management tasks in product delivery and delineated product quality improvement needs as goals for airport administration.

This chapter reviews basic external needs to be met by the airport administration and management, and presents several essential elements of airport organization. In this presentation terms are defined; examples of proven structures, creative mandates and internal communications systems are screened; and good management principles are advanced. The chapter closes with a review of administrative and management programs and suggestions for their optimum deploy-

ment within the recommended entity and structure. These programs and their functioning are addressed in the remaining chapters of this book.

Airport administration and management is an art involving the skillful use of people and things. This art is exercised through a sequence of activities that generally involve policy making, setting objectives, planning to meet objectives, organizing to execute the plan, selecting and training for manning the organization, motivating people and appraising results.

A basic administrative/management ability underlies any effective scheme of direction—the ability to concentrate on what is important. This ability must be safeguarded by separation and delegation of function to ensure that all essential priority work, perhaps in separate fields, is happening simultaneously and that decision points are presented for review on a timely basis. This is relatively easy to do in a large organization where tasks often are divided between specialists (e.g. planning and operations). It is very *difficult* to do in smaller organizations where very few practitioners have specialized staffs working on only one thing at a time. In such instances self-discipline must be exercised in setting priorities and working

toward solutions. This is the only way to avoid hopping from one small task to another while more important tasks sit waiting.⁷⁹

BASIC NEEDS TO BE MET BY ADMINISTRATION

Preceding chapters placed heavy emphasis on broad, basic public issues that airports must satisfy if their administrations are to be considered as discharging their responsibilities completely. These requirements cover a spectrum running from the obvious technical and operational characteristics inherent in a high technology complex like an airport, through economic and legal aspects of its creation and maintenance in being, to the social, political and aesthetic considerations that determine the airport's acceptance and effectiveness in the community. These requirements are summarized in the following sections.

System Concept

The planning and environmental discussions in Chapter 8 emphasize that airports must be considered as parts of the total social, economic and political systems in which they exist, and not be relegated narrowly to aviation issues nor even to the wider, but still incomplete systems defined by transportation issues. The mandate to the airport administrator is clear—participate in the broadest applicable system planning concept either directly or through trade associations.

Balance

In finding their places within such systems, airport administrations are confronted with the inevitability of reaching a position of equilibrium between opposing forces. The more obvious external forces come to mind first—the need for balance between the right of airport neighbors for a quiet environment, and the overall community economic need for trade, industry and tourism to provide support for a desired quality of life.

There are also many internal forces, properly conflicting by deliberate organization structure design and duty assignment, that must be balanced in an effective administration. Some examples of these less obvious, but most important, interplays follow.

The desire of the airport landside manager to *expedite* passenger flow through the terminal must be tempered by the need for *security* inspection and its inherent retarding effect.

The desire of public relations for *more porter service* or *more baggage trolleys* must be weighed against *financial limitations of the budget*.

The inclination to *speed passenger flow* and, thus increase capacity by higher velocity escalators and moving sidewalks, must be measured against possible resulting decreases in *safety* and added *risk of injury* to patrons.

Finally *aesthetic desires for gardens and landscaping* must be viewed in the context of the *propriety of public land use*.

Resolving conflict requires time, energy and skill from the successful airport administrator/manager and an organization and communications structure that brings conflicts constructively to light.

Environmental Improvement

Airports and the aviation industry today are paying a frightful price in terms of constrained present and future development for their earlier failure or inability to deal effectively with aircraft noise and pollution. Chapter 8 outlines the Environmental Protection Agency (EPA) and Federal Aviation Administration (FAA) controls that have been developed to remedy this situation. For the future, apart from complying with EPA/FAA procedures in processing airport development and improvement projects, airport administrators must seek solutions that afford positive improvements in the environment. The temper of the times will not permit solutions that seek only to maintain status quo.

Public Confidence

Evolving and improved steps in the airport planning process and the EPA procedures involving the

⁷⁹ For further discussion on this subject, see Appendix B.

public in environmental impact planning considerations (see Figure 37 in Chapter 8) set guidelines for airport administrators. The final winning of public acceptance for airport projects, however, depends on: (1) the zeal and sincerity of the airport administrator toward public participation in planning decisions; (2) the adequacy of the solutions the airport administrator proposes that give appropriate weight to the rights and needs of all; (3) the completion of staff work and presentation of solutions by airport administrators that make it feasible for elected officials to support present and future planning programs; and (4) the ability of the airport administrator to convince the community that air transportation and the airport are beneficial to the area served. None of these tasks are easy for airport administrators to accomplish. Their chances of success, however, are greatly enhanced by the support of an effective organizational structure backed by appropriate program tools, well trained, adequately compensated people, and practical internal and external communications.

ORGANIZATION, DIRECTION, STAFFING AND COMMUNICATIONS

In meeting the publicly-required administrative/management goals, airports today exist under many entity forms and structures and perform with varying degrees of success. Success is based not so much on the geometrical form of the entity as it is on a number of other elements closely related to the human equation: personal identification with results and job satisfaction.

Thus, while a proven entity and structural organization form are important, clear direction, a sense of the importance of the work assigned and recognition for tasks well performed are the real lubricants that raise performance of the enterprise above mediocrity. These added elements include:

1. placement of the entity in the governmental hierarchy;
2. clarity and completeness of the mandate given the entity by its creator;
3. specific definition of the terms describing the organizations's purposes and functions;
4. clear presentation of the organizational structure in graphical form;
5. effectiveness and understanding of the two-way internal communication link established be-

tween policy source, chief executive and the line/staff units of the entity;

6. degree to which the policy source (e.g. board of directors, board of commissioners, council of ministers or other) limits itself to *policy determination and action*;

7. conversely, the degree of latitude given the chief executive officer (CEO) by the policy source in its delegation of authority to him, within established powers and limitations, to recruit, train, develop and direct a competent, motivated staff willing to accept responsibility and to be judged on bottom-line service and financial results; and

8. extent to which certain tested administrative/management tools are implemented as a framework on which to base the activities of the enterprise.

Creating an Organization

Benefits to be derived from the form, structure and optimum placement of the entity within the governmental hierarchy and from a clear statement and definition of powers and limitations expressed in the mandate creating the entity must be evaluated. In order to create an effective workable system for day-to-day administration and management communications, a standard definition of terms to facilitate common understanding should be formulated.

The latter involves principles of delegation of authority, careful distinction of line and staff responsibilities and the notion of the corpus of management. Particular stress is placed on the identification and recognition by giver and receiver of various kinds of internal messages that form the nerve system (working relationships) of the enterprise. When a healthy system of working relationships exists within an organization it becomes a priceless asset.

(In the above discussion, the term "message" has been used to avoid confusion with the sometimes hackneyed employee communications. The latter is also important but takes place in a different milieu through house organs, group activities, social events and enlightened personnel practices.)

The following sections discuss proven avenues of delegation to achieve policy implementation.

The Choice of Operating Entity

While many airports outside the United States are operated by national governments, the operating entity is more varied within the United States. Many U.S. cities operate airports through a commission, special department of the city, advisory board, or aviation director answerable to city government. County and bi-government, as well as private corporation operations, are also common operating entity forms. The authority forms of airport operation, either multipurpose or aviation only, are also popular in the United States and in some foreign countries. Table 7 lists basic airport operating entities and the cities that use each type.

There is no set formula to decide the optimum form of entity to fit every case. Quite the contrary, a specific choice must be made in each instance, taking into account the pertinent circumstances: size, nature, projected growth and geographical extent of the task to be performed; facilities, resources and finances available and those visualized in principle as required to accommodate desired growth; and the desires of the community's people and businesses expressed through their government as to self or subsidized support for the airport. The box story "Is the Authority Form Always the Answer?" asks a number of test questions that can be used as guidelines in accepting or rejecting that choice. This, in turn, may provide a helping hand toward an ultimate decision suited to local circumstances.

The Organization Form

The following describe organizational structures and the placement of airport administration within them.

Structure. Various types of organization structures exist that effectively support the managerial communications linkages, and operate successfully under different management/operating entity forms such as authorities, local or national government, or private enterprise. Regardless of structure form, emphasis should be on the communications loop for various kinds of internal "messages" that form the working relationships of the airport.

In a line/staff structure, the line responsibilities are entirely separate and distinct from those of staff whose job it is to provide advice, teaching, service, and audit functions to the line. Under this

Table 7. Forms of Airport Management/Operating Entity

I. Municipalities	III. Authority
A. With Airport Commission	A. Multipurpose
Little Rock	Boston
Los Angeles	Buffalo
Mason City	Miami
New Orleans	New York
Ontario	Oakland
St. Louis	Portland
Waterloo	San Diego
Wichita	San Juan
B. City Council with Department of Aviation	Seattle
Albuquerque	B. Airport/Aviation
Baltimore	Akron-Canton
Birmingham	Allentown-
Chicago	Bethlehem-
Dayton	Easton
Hayward	Amsterdam
Houston	Cincinnati
Jacksonville	Columbia
Kansas City	Evansville
Nashville	Greensville
Orlando	Huntington
Phoenix	Indianapolis
San Antonio	Jackson
C. City Department with Division of Aviation	Lake Charles
Cleveland	Lincoln
Denver	London
Fresno	Louisville
Pensacola	Minneapolis-
Philadelphia	St. Paul
D. City Council with Advisory Board	Moline
Atlanta	Newport News
Charlotte	Omaha
Columbus	Paris
El Paso	Rockford
Fullerton	Santa Maria
Memphis	Tampa
Oklahoma City	Tulsa
Syracuse	IV. Private Corporation
E. City Council—Director of Aviation—Airport Manager	Burbank
Dallas	Lafayette
Fort Smith	Rochester
Montgomery	V. Bi-Government
II. County	Basle
Bakersfield	Munich
Detroit	Paducah
Frankfort	Saginaw-Bay
Grand Rapids	County-Midland
Green Bay	*San Francisco
Milwaukee	VI. State
Pittsburgh	Alaska
Sacramento	Connecticut
Seattle	Hawaii
Stockton	Pennsylvania
West Palm Beach	VII. National
Wilmington	Canada
Zurich	Washington

* Denver and San Francisco have city council-county governments. The city of Denver authorizes major airport powers. However, in San Francisco the city and county share responsibility in the management of the airport. Therefore, San Francisco has been placed in the bi-government category.
Source: AOCI Administrative Manual

Is the Authority Form Always the Answer?

At this juncture it is appropriate to consider the authority form as an entity for airport administration. The Port of New York Authority did not enter the scene originally as an airport operator. It was created as a bi-state agency in an effort to recognize and unify as one port a single body of water artificially separated by the state line running down the middle of the Hudson River. It was eventually directed into airport administration in 1947 by the legislatures of New York and New Jersey after it had acquired a sound reputation in public administration arising from its activities in the 1930s and 1940s in bridge, tunnel, seaport, and terminal planning construction and operation.

Since the 1950s, the Port Authority has been responsible for the planning, development, operation and maintenance of the northern New Jersey-New York regional system of airports—John F. Kennedy International, LaGuardia, Newark International, and Teterboro Airports. During this period air passengers at Kennedy, LaGuardia and Newark grew from 5,000,000 in 1950 to over 70,000,000 in 1984, and Port Authority investments in the airports grew from zero to over \$1.5 billion. As in the case with any large public enterprise it has been the target of some criticism. This was not unexpected in light of its pioneering roles in dealing with the first exposure to aircraft noise impacts, early surges in traffic demand, and the provision of new technology facilities for the first passenger jet aircraft in the United States. The Port Authority of New York and New Jersey, however, has earned its reputation as a competent, business-like airport administration.

The Authority form, however is not a ready-made panacea for all airport administrative ills.¹ During the 1930s and 1940s as the fledgling Port Authority was beginning to acquire its reputation, the creation of an authority came to be the popular solution for any and every governmental problem. By 1935 no less than 23 new authorities had been created in the state of New York alone. The number throughout the country rapidly grew into thousands and unfortunately many were created for the wrong reason.

In his 1953 landmark paper, *Authorities as a Governmental Technique*, presented at the height of this wave of mania for authorities, Austin Tobin provided the following concrete guidelines for determining the applicability of the authority form: (1) there is a task to be accomplished or a service to be performed, which in the judgement of the people as expressed through their government, either could

not or should not be performed by private enterprise; (2) large amounts of capital are needed; (3) efficient management with initiative and business imagination is essential; (4) long-range planning must be in the hands of competent business, financial and professional technicians; (5) the task/service must be self-supporting; (6) free from political interference, bureaucracy and red tape; and (7) the scope of the task/service involves areas more extensive than the established geographical boundaries of state and local government.

The above statements and their reflection of conditions present in a given situation are pertinent to the propriety of creating an authority for the task/service, and to the usefulness of an authority in carrying it out. The creation of an authority may be indicated in many circumstances where affirmative support cannot be given to one or more of the foregoing statements. But, if the majority of the statements command a negative response the necessity for the creation of what amounts to a new division of government must be seriously questioned.

In summary, Tobin stated:

To spin it around the other way, we might say that where the program can be administered within the regular framework of government departments; where there is no objective of self support and the financial aspects can be handled by annual appropriations and normal governmental accounting; where responsibilities are similar to those which pertain to well-run government departments or bureaus; where the activity cannot be separated from continuous and detailed government controls; then the creation of an authority is certainly not the answer.

... Between these two extremes, may I suggest also that an authority should not be created simply to replace the normal functions of the established bureaus or divisions of government; nor to lull the public into belief that the activity is self supporting when in reality it is subsidized; nor solely as a device to avoid debt limitations.

One of the worst *sole* reasons to create an authority is because by so doing it may be possible to pay higher salaries and provide enhanced fringe benefits in this form than in a more conventional governmental form.

¹ Austin J. Tobin, *Authorities as a Governmental Technique*, Paper before the Third Annual Institute—"The Place of Authorities in the Life of New Jersey Citizens," Rutgers University, March 26, 1953, p. 16 et seq. Tobin applied these tests of good corporate management to the public authority form but as good practice they are applicable to any entity form. This paper also provides an excellent history of the development of the authority form.

concept staff is responsible for "how" or the "standard" to which the assigned function is to be performed. The line is responsible for the "what" or the results. The Chief Executive Officer (CEO) can hold a line unit head responsible for bottom-line financial and service results.

In contrast to the line/staff organization is the skills type organization structure. The skills type groups employees according to their profession or trade, each having equal access to the authority over the producing line units. Under this structure it is difficult, if not impossible, for the CEO to hold one individual and subordinate supervisors responsible for delivering the product or service according to standards and time constraints. Certainly the producing line units would not know which "skills-boss" to obey and conflicting messages would result. The skills structure type illustrates the old adage: "fuzzy control is no control." Figure 8 compares the two organization types graphically. (For further discussion see the box story "The Line Staff Versus Skills Choice.")

Many foreign airports are operated by national governments. The line/staff concept, illustrated in Figure 8, can be easily incorporated into a typical national government organizational framework as shown in Figure 9. In this example, line units provide service directly to the public, and staff units provide advice, teaching, service or audit to the line units or to external objectives. Thus, the financial and engineering procedures applicable to the line airport unit in Figure 9 might very well flow respectively from the finance and public works staff ministries.

Placement. With good management the entity form is not particularly critical. However, it is critical for the airport administration to be able to report directly and independently to the source of policy flow, and not be subordinated in another entity unit created for another purpose. For example, in a municipal operating entity, airport administration should exist as a line function reporting directly and independently to the mayor, city council, or advisory board from whom policy direction flows. This avoids submerging airport administration in, for instance, a municipal department of public works where the emphasis might be on construction excellence and permanence when what is really needed is phased, modular, simple construction to meet rapidly changing demands of traffic growth and technological obsolescence. Yet, in

such an independent organizational relationship, airport administration could draw on public works' expertise for the staff functions of advice, education, service, and inspection to assure meeting the quality objectives of the operating entity.

The Mandate Given to the Entity

The word "mandate" refers to the enabling statute, ordinance, executive order or decree creating the airport entity. A clear mandate that explicitly spells out the powers granted to, and the limitation placed on the public service organization can be a most important factor in its services. For example, a comparison has been made of articles of the Port Compact (basis for creation of the Port of New York Authority, now known as the Port Authority of New York and New Jersey (PANYNJ) in 1921) with sections of the more recent AAT ACT RE 2522 (the statutory basis for creation of the Airports Authority of Thailand in 1979). The comparison shows that in the 58 years that elapsed between formation of the two authorities, the knowledge of public administration became so widespread that the framers of the Thai Act were able to include within the Act itself many highly desirable operating policies, rules and regulations omitted from the pioneering act in 1921 but later added by amendatory statute or PANYNJ Board Resolution.

Similarly, another example of a recent well-drafted mandate to a public corporation exists in Chapter 270 of the Laws of Hong Kong, the Mass Transit Railway (MTR) Corporation Ordinance, revised edition 1979. This ordinance, besides providing requisite powers and limitations in support of the creation and then the highly successful development, operation and maintenance of the MTR, is also noteworthy for its Section 20, the recoupment provision, which states:

... the Governor (of Hong Kong) in Council may, if he considers the public interest so requires, give directions in writing of a general character to the Corporation and the Corporation shall comply with those directions so long as...it is fully compensated by the Government in respect of any direction requiring the Corporation to act contrary to prudent commercial principles. . . .

This provision safeguards the reserves of the public corporation (if it is successful), protects

The Line Staff Versus Skills Choice

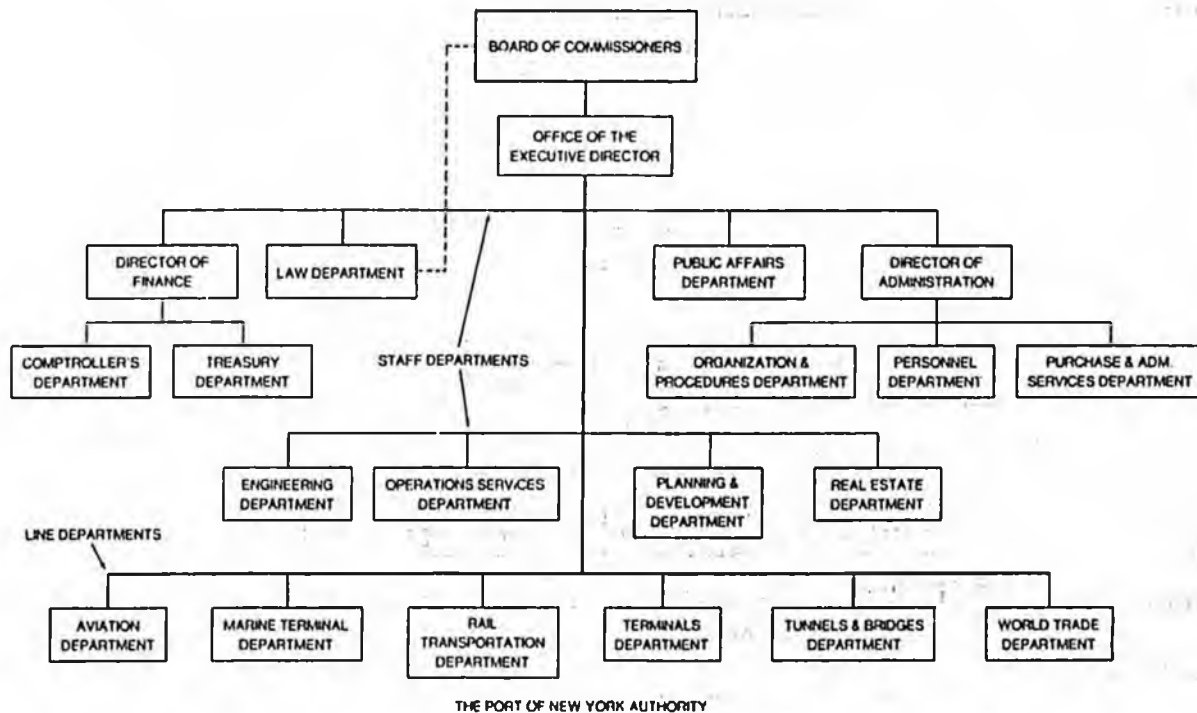
Common sense supports the line/staff structure choice illustrated in Figure 8 and adapted to overseas usage in Figure 9. Much more compelling, however, is the following cold logic of one who lived with and directed the administration of a large enterprise first in the skills structure form, later converted for stated reasons to the line/staff form.¹

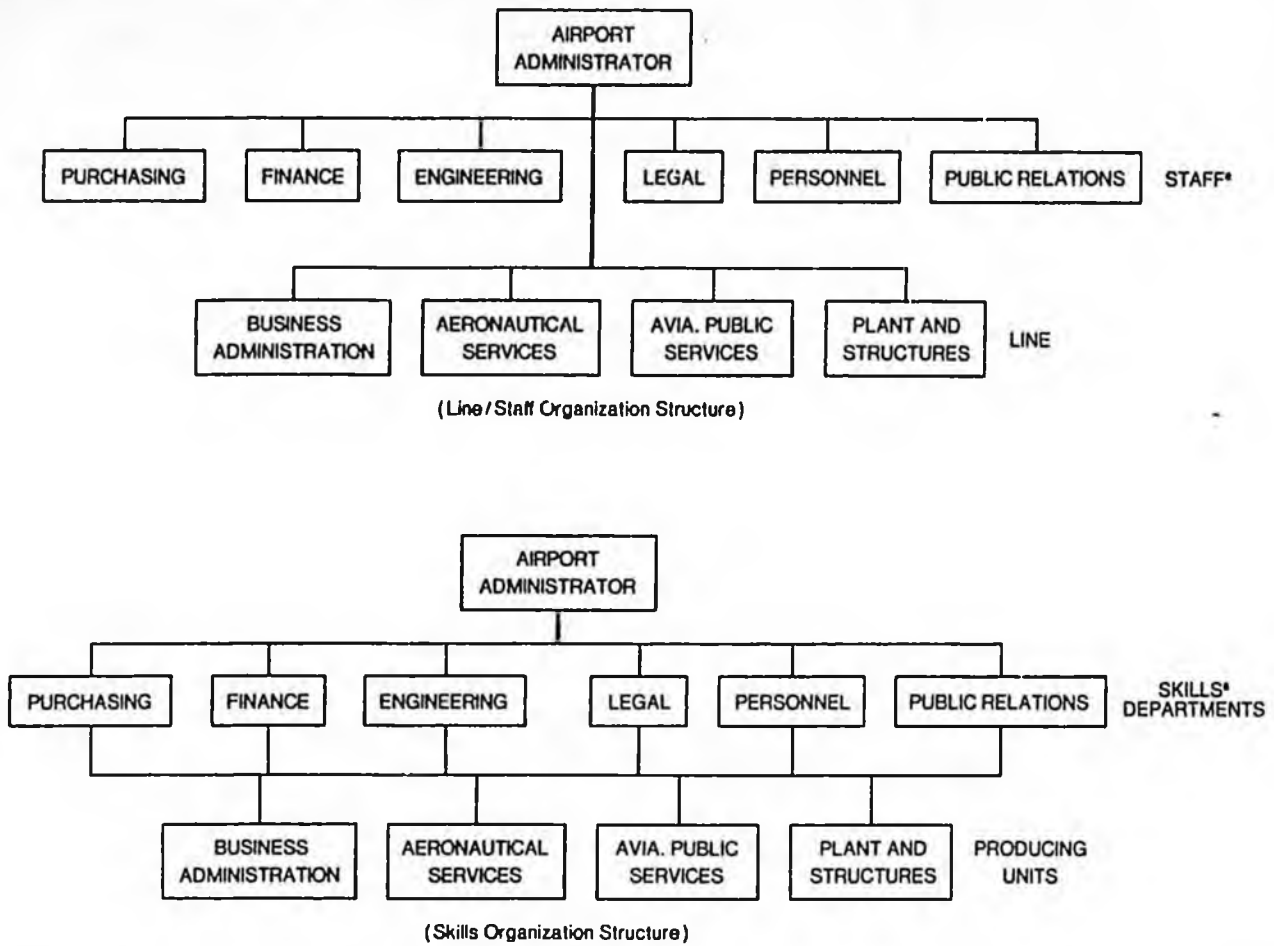
Reporting to the Executive Director are a series of staff and line departments established in a major re-organization in 1963. To operate a single type of transportation facility, tunnels and bridges, we previously had a 'process' e.g., skills type organization structure, which grouped employees by technical skills they possessed: all operating personnel in one department, all engineers in another, all accountants in a third. But, as the Authority grew and was directed into operating of airports, marine terminals and inland terminals, it became more appropriate and efficient to group job functions according to the 'purpose' e.g., product, service or facility to be accomplished. Thus we formed line departments composed of operating personnel and some engineers, accountants and other specialists.

The most significant impact of the new organization plan was to establish four line departments (two more were added later) to locate in these departments the primary responsibility for assuring over-all success of groups of like facilities and the requisite authority to achieve it; to establish a group of central staff departments possessing specialized skills for policy planning, advice, evaluation and technical services e.g., advice, teaching, service and audit and to set up internal machinery for facilitating the most effective interchange of information, ideas and suggestions between the line and staff departments, e.g., working relationships.

The accompanying figure depicts the line/staff organizational structure of the Port of New York Authority (now the Port Authority of New York and New Jersey) as it existed after the changes reported.

¹ Austin J. Tobin, "The Public Authority in Profession Profile," *The MBA*, December 1967, p. 38.





* Staff skills are often supplied in part or in whole by the operating entity (i.e. port authority, local or national government).

Figure 8. Alternative organization structures

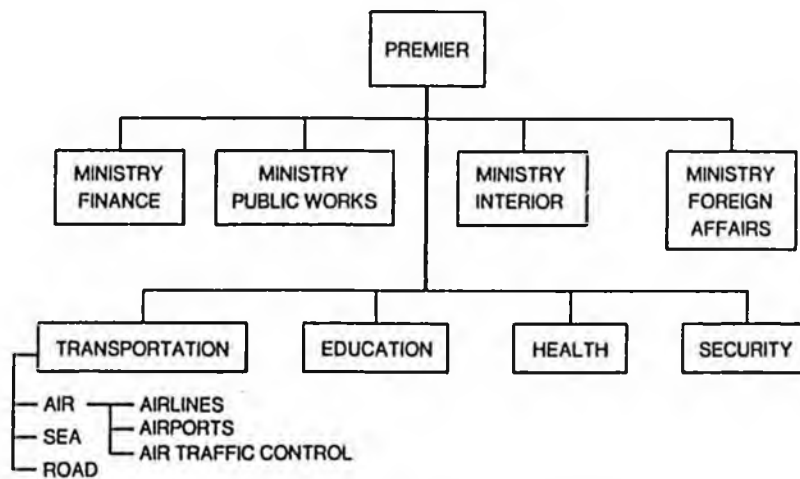


Figure 9. Adaptation of line/staff concept to a national government structure

them from raids by well-meaning but short-sighted governments and thus helps preserve the creditworthiness of the entity and its ability to finance its future development.

Definition of Terms

In order to examine the functioning of line/staff structures in various configurations, it is necessary to define some common terms.⁴⁰

Airport. An airport is a meeting ground and exchange point for people and goods arriving and departing on a variety of air and surface vehicles having differing spatial and other requirements. These differing requirements make it logical and convenient to divide an airport for purpose of operational control into an "airplane" part or air side (AIR) and a "people/surface vehicle" part or land side (LAND).

Terminals. Passenger and cargo terminals provide the interfaces between AIR and LAND at airports. The boundary between the two lies at the apron side doorway of the terminal. On the air side are aprons, taxiways, runways and restricted lane areas for air side service land vehicles. On the land side are terminal facilities, curbs, roads and car parks. The separate characteristics of air and surface vehicles lend challenge to the terminal interchange activity and its optimal solution.

Airport Users. Airports are used by people, shippers and consignees as interchange points between ground and air movement and by the carriers providing the transportation. Airports are also used by a host of companies or agencies providing essential services and supplies to airports themselves and to carriers and patrons of the airport. Along with accommodating these intrinsic demands, airports have also become important community focal points for business, recreation and education.

Airport Products. The products of the airport are the *facilities* (runways, terminals, roads, utilities), *services* (marshalling of aircraft, passenger handling, parking, ground transport), and *amenities* (food, drink, lodging, shops) it provides (plans, develops, operates and maintains) itself or supervises as to quality when these products are provided by others. The *quality level* at which the airport's products are provided either by itself or under its supervision is determined by the policy source (board of directors) of the airport administration

reflecting the wishes of the airport owner (government).

Overall Tasks of Airport Administration.⁴¹ The basic task of airport administration is to forecast the needs for, and to plan, develop, operate and maintain products of the airport that meet the requirements of users at the quality levels desired by the owner. Many of these functions and their underlying support—forecasting, concept development, preliminary and detailed design, supervision of construction and quality control—can be economically provided by consultant services for airports not having a large supporting staff or not wishing to expand staff temporarily only to reduce it again after the development period.

Airport administration must also arrange financing for and revenues from the products it provides or supervises in order that the costs may be equitably shared among users and between them and the airport owner. The latter sharing reflects the owner's desire as to self support or subsidy in whole or in part.

In short, *airport administration* provides the tools, procedures and programs under which *airport management* delivers, or supervises delivery of, the airport's products at the quality level established by the policy source.

Tasks of Airport Management. The airport general manager (G/M) is responsible for providing or supervising the provision by others (air carriers, contract services etc.) of the air and land side products at the quality levels established by the policy source. These quality levels are transmitted to him through the CEO either directly by job descriptions and standard procedures developed by cognizant staff departments, reviewed in draft and cleared by the G/M, approved by the CEO and transmitted to the G/M as Airport Standard Instructions (ASIs) in the Administrative Manual.

The products of the airport are provided (or supervised) by the AIR and LAND line units of the airport under the direction of the airport G/M.

The business administration line unit (BAD) supports the provision of air-side, and land-side products by determining, negotiating and en-

⁴⁰ Figures 10, 11 and 12, and their appended legends provide full titles of organization units identified in the following discussion by initials, e.g. BAD = Business Administration Division.

⁴¹ For a discussion of the role of the administrator in performing these tasks see sec. titled *Role of the Administrator* in this chapter.

forcing the leases, permits and agreements under which airport supporting revenues are developed.

In such tasks BAD is guided by standard forms and procedures developed by the director of finance (FIN) and by general counsel (LAW) and transmitted to the G/M by the Administrative Manual procedure described above. In some multi-airport administrations there may also be a small properties headquarter staff unit to assure standardization of policy by the BAD units at the several airports (see PROP in Figures 11 and 12).

The plant and structures (P&S) line unit supports the provision of air and land products by maintaining (or supervising the maintenance by others of) the facilities, assets and services of the airport at established quality levels. These quality levels are established, cleared and transmitted to P&S as described above. In many administrations, P&S is also responsible for completing construction projects within the time and funds budgeted, subject to quality controls by the engineering staff.

Difference between "Administration" and "Management." Administration is composed, *in the proforma discussion of this book*, of the CEO and staff departments. The policy source (Board) delegates to the CEO full responsibility and authority to recruit, train and direct staff and line personnel to interpret and implement board policy both as to *delivery of the products* the airport provides and the *quality levels* at which they are provided.

The staff departments assist the CEO in establishing these quality levels and promulgating them by advice (manuals, procedures etc.) teaching (training), serving (e.g. providing staff services to the line units—recruitment, payroll etc.) and auditing (inspecting) the line's performance.

Management is composed of CEO and the line departments. The policy source (Board) delegates to the G/Ms and their subordinate supervisors, through the CEO, the responsibility and authority to implement board policy as to the *delivery* of the airport's products.

Members of both staff and line components must provide feedback to ensure rational and sensible orders (within line and staff) on the one hand and procedures (from staff to line) on the other.

Typical Line/Staff Structures⁴²

Figure 10, a pro-forma chart of organization for an entity charged with planning, developing, op-

erating and maintaining two airports, illustrates (in the left margin) the establishment of administration and management at policy, executive, staff and line levels. Clear definition is provided between product delivery at the line level and responsibility for procedural and quality control at the staff level. The broad nature of tasks assigned to each block is set forth in the legend. Since this example is of a single-modal entity, all staff would be oriented toward aviation and airport considerations. Special attention is given in the legend to the structural treatment of the sometimes difficult interface between management and security forces. A later section in this chapter, *Management Control Applied to Security Functions*, describes the management aspect of this interface. Figure 11 displays a multimodal entity, including three airports of various sizes. This example is a true-to-life depiction of sub-structures of JFK, Newark International and La Guardia Airports, based on their sizes and functions. In this example, the staff departments are general in their expertise, which is shared by aviation and the other modal line departments.

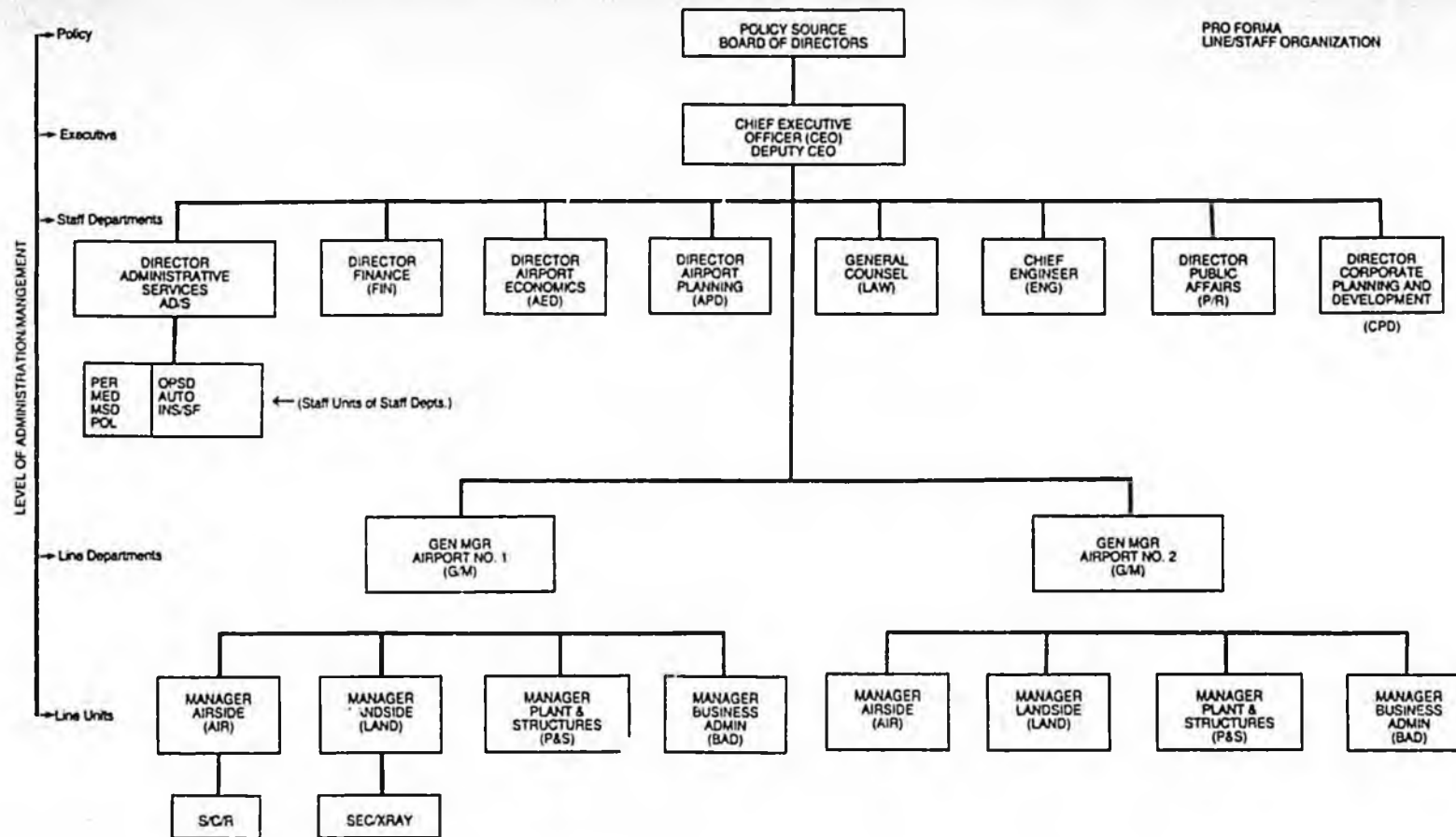
Figure 12 shows a single-modal format for six airports of varying sizes with provision for partial decentralization of certain staff functions. In this single-modal case, staff departments would be aviation/airport oriented but could be decentralized in part to line units in order to provide closer procedural and quality control support to the line, particularly in multi-airport entities of wide geographic distribution.

The form of organization structure, although important, is only one of the means by which the efforts of the entire staff are directed toward common goals; it is not an end in itself and must be tailored in actual practice to ad hoc needs and available manpower.

Working Relationships

The term "working relationships" defines a method of ensuring that both givers and receivers of internal communications identify their nature (for example "order" or "advice") and understand their content and expected response. Thus they are like the human nerve system.

⁴² For examples of several existing airport structures see Ashford, Stanton and Moore, *Airport Operations* (New York: John Wiley & Sons, 1984), pp. 16-23.



Executive

CEO - Chief Executive Officer

Staff Departments

AD/S - Administrative Services
 FIN - Finance
 AED - Airport Economics
 APD - Airport Planning
 LAW - Law
 ENG - Engineering
 P/R - Public Affairs
 CPD - Corporate Planning/Development

Staff Units of Staff Departments

PER - Personnel
 MED - Medical
 GSD - General Services^a
 MSD - Management Services
 POL - Police (Recruitment with PER, Training & Discipline; Operation of Police Academy)
 OPSD - Operations Standards
 AUTO - Automotive
 INS/SF - Inspection/Safety (not security - this unit encompasses industrial safety and hygiene)

Line Departments

G/M - General Manager (The title "Director" is optional and could also be used for the head of the line department operating an airport).

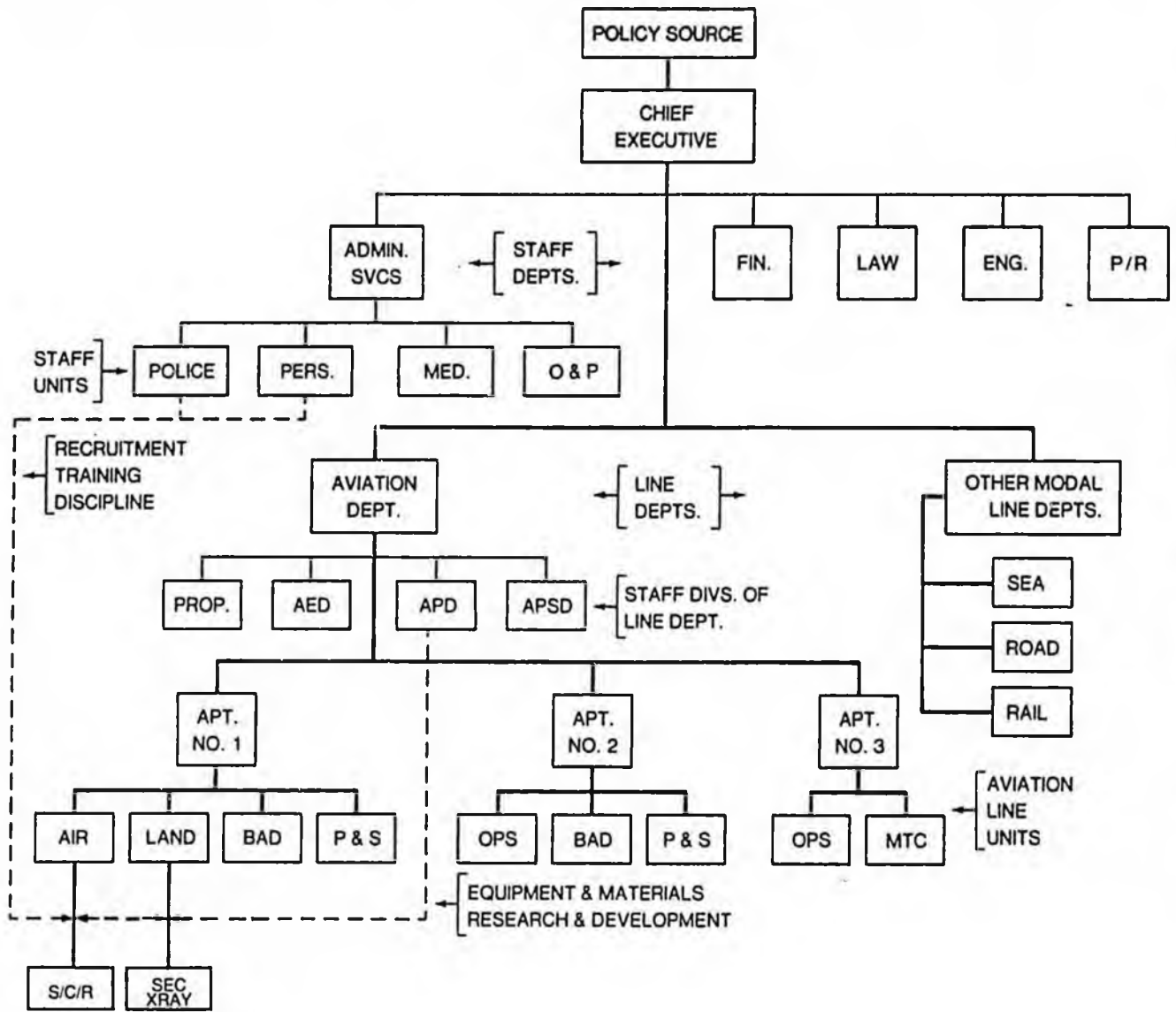
Line Units of Line Departments

AIR - Airside Product Delivery
 LAND - Landside Product Delivery
 P&S - Plant & Structures
 BAD - Business Administration
 S/C/R^b - Search/Crash/Rescue = Rescue of passengers and crew from crashed or disabled aircraft.
 XRAY^b - Inspection of passengers, cargo and baggage for prevention of sabotage and/or hijacking.

^a Purchasing, Stores, Reproduction Services, Photo Services, etc.

^b Duties of these services are spelled out in broad terms to differentiate between them. They may be operated by one cross-trained force as in PANYNJ or they may be performed by separate forces. In either event they may be assigned for management control to either AIR or LAND or split as shown in Figures 10 and 11. See further reference to management control in Figure 13 and in the section titled *Management Control Applied to Security Functions*.

Figure 10. Proforma chart of organization for an entity charged with operating two airports



- | | | | |
|----------|-----------------------------------|--------|--|
| AIR | Airside Operations | MED | Medical Department |
| Apt No 1 | Airport No. 1, etc. | OPS | Airport Operations (both Air and Landside) |
| AED | Aviation Economics Division | O&P | Organization & Procedures Department |
| APD | Aviation Planning Division | PERS | Personnel Department |
| APSD | Aviation Public Services Division | P&S | Plant & Structures |
| BAD | Business Administration | PROP | Properties |
| ENG | Engineering Department | P/R | Public Relations Department |
| FIN | Finance Department | S/C/R* | Security/Crash/Rescue Unit |
| LAND | Landside Operations | SEC* | Security unit |
| LAW | Law Department | XRAY* | Anti Hijacking/Sabotage Unit |
| MTC | Maintenance | | |

Figure 11. Proforma organization chart for a three-airport, multimodal planning and operating entity
 * units are illustrated only at Airport No. 1

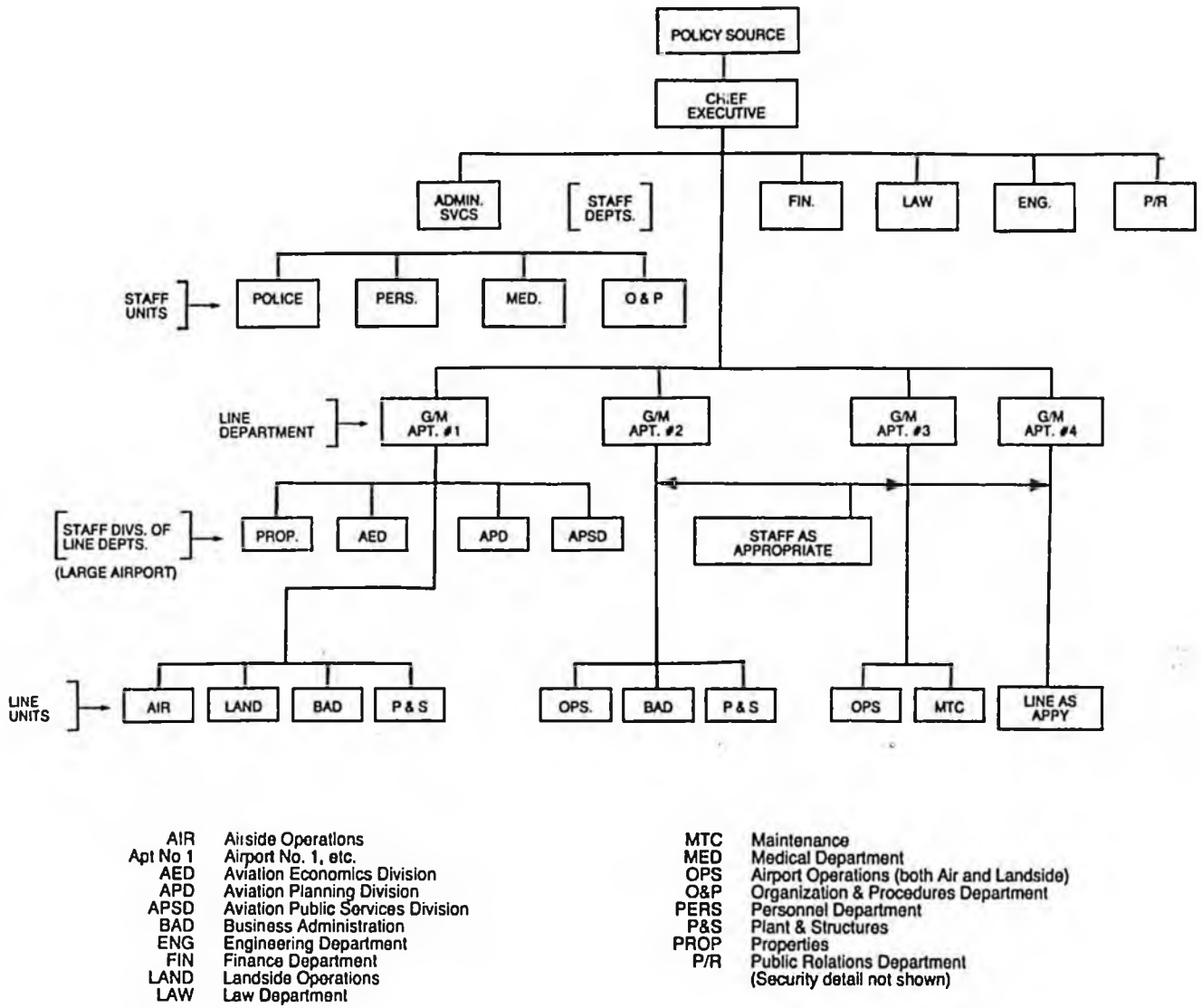


Figure 12. Proforma organization chart for a six-airport, single-model planning and operating entity with provision for decentralization of certain staff functions.

The Nerve System. Many administrators and managers believe the nerve system is the most important organizational element (see box story "The Human Being—Organizational Analogy"). A human being or an organization possessing all other attributes but lacking a nerve system (working relationships) becomes an uncontrollable monster! Or, stated another way, a good set of *practiced* working relationships will make a poor entity and structures form work, but the reverse is seldom true.

Responsibilities of Line and Staff. Table 8 provides guidelines to define line and staff responsibilities and relationships. The key to the success of this system is the careful identification by giver, as well as receiver, of the nature of communications exchanged. Differentiation must be made between what is to be done (orders) and how it is to be done (quality standard).

Content of Staff-to-Line Communications. Table 9 defines the content of staff-to-line communications and suggests a means of avoiding the some-

times (and too often) disagreeable auditor-auditee relationship that builds up when an "expert from headquarters" visits a field unit on a "spying mission" and follows "tattletale" procedures.

Working Relationships Presented Graphically. The pro-form line/staff organization chart (Figure 10) can be redrawn to add the working relationship flow within and between line and staff respectively and in both directions in each case (Figure 13). Clear lines of communications flow can be identified and drawn to and between each unit. This facilitates training of personnel, minimizes the possibility of confusion and greatly improves the efficiency of the whole organization.

Management Control Applied to Security Functions

It is indispensable in the overall coordination of airport product delivery that airport management be able to exercise control of the search/crash/rescue (S/C/R), security (SEC), and inspection (XRAY) functions, yet airport management must avoid interfering with the professional performance, esprit de corps and discipline of these uniformed forces. Under the "five adverb rule," operations (AIR or LAND) should direct "when," "where" and "why" the S/C/R, SEC, or XRAY function is to be performed but never "what" to do or "how" to do it. The "what" and "how" are learned by S/C/R, SEC and XRAY officers in police academy training. Also operations *never* disciplines an S/C/R, SEC or XRAY officer. Infractions should be reported to the commanding officer at the airport of the S/C/R, SEC or XRAY unit (or units) for handling.

By grouping line and staff functional blocks separately as in Figures 10 and 13, the lines of communication can be clearly and simply drawn. Such clear definition would not be possible in the skills organization structure depicted in the lower half of Figure 8.

Figure 14 displays these working relationships in a simplified form for a two-airport single-modal entity.⁴³

⁴³ See Table 8. This system of defined working relationships has been extensively proven in actual practice.

The Human Being—Organizational Analogy

To be effective an organization must be alive, vibrant and adaptable to changing conditions. It is thus, not unreasonable to draw an analogy between essentials that produce these qualities in a human being and their counterparts in a viable enterprise. This table displays such a comparison and explores the expression of human attributes in the organizational sense.

Essentials in a Human Being	Equivalent in an Organization	How Expressed in an Organization
1. Skeleton	1. Organization Chart	1. A Good Clear Chart
2. Flesh and Blood	2. People	2. Qualified, trained, well compensated personnel
3. Will or Purpose	3. Task or Job Description	3. ASI's ^a
4. Nerve System	4. Working Relationships	4. ASI's Training ^b

^a For an organization, ASIs define what is to be done (by "line") to what quality standards (prescribed by "staff") under the direction of the chief executive.

^b Working relationships are expressed in an organization through ASIs and training. In the human body, the nerve system provides communication between brain and eyes, ears, hands, legs, etc., not only to carry out the brain's orders but also to channel feedback from senses so that actions are rational and sensible. Systematic working relationships perform the same function for an organization in both directions.

Table 8. Definition of Line and Staff Responsibilities and Relationships — Basic Principles.

WHAT is to be done is charged to LINE UNITS	To what QUALITY STANDARD it is to be done is charged to STAFF UNITS
1. No man may have more than one supervisor	1. No man may have more than one supervisor
2. Line supervisor issues orders within line to subordinates: may only give information to Staff Units.	2. Staff supervisor issues orders within staff to subordinates: may only communicate following to line units: Units: (Pertaining to his particular staff speciality): a) Staff Advice b) Staff Teaching c) Staff Service d) Staff Audit
3. Subordinates in line must obey orders from line supervisor but also give feedback information to ensure sensible and rational orders. Subordinates in line are not required to obey advice, teaching, service or audit communication from staff, but should have good reason for not doing so and be prepared to defend it. This is especially true when communications from staff are based on manual procedures bearing line approval.	3. Subordinates in staff and all in line units feed back information to insure sensible and rational quality standards.

EXCEPTION: The operating head or chief executive of the organization is the supervisor of both line and staff units and may of course issue orders to both or either type of unit.

Source: Newton K. Wilson, Retired President Sky Chof's, Inc. Newton K. Wilson was selected in the late 1940s to head Sky Chof's, Inc., the then newly formed in-flight catering/restaurant operating subsidiary of American Airlines, Inc. After a year in office he noted costs rising at the same rate as revenues with no profit and improvement and concluded that in a high-quality control operation like food service his people were confused, hence inefficient, by inability to differentiate between orders from line supervisors and quality control communications from staff units that in many cases appeared to conflict. Wilson then devised and applied this system of organization and communications identification. It proved most effective. With permission from Mr. Wilson, the writer subsequently adapted these principles and procedures with excellent results in his own administrative tasks in American Airlines and later in the Port of New York Authority.

Table 9. Staff-To-Line Working Relationships

1. Staff Advice: Information, manuals, forms, standard operating procedures, etc. setting forth the particular expertise in the area of quality control or staff function assigned to a staff unit. Must be submitted to and approved by line supervisor in advance of issuance to line.
2. Staff Teaching: Instruction offered by staff in the above.
3. Staff Service: Service performed by a staff unit in its specialty for a line unit. (Usually reimbursable by the line unit in a fully cost accounted system).
4. Staff Audit: Inspection to determine line conformity to quality control or other norms established by staff and agreed to in advance by line. Also may be regarded as eyes and ears of the chief executive to determine quality to line's production.
The coordinative working relationship or simply "coordination" deserves special emphasis. It means exchange of information where required between all levels and in all directions in an organization to ensure informed personnel and minimize lost motion. There are no rules limiting how coordination may flow.

Caution: In staff audit functions, auditor must report first and only to head of unit being audited. Report is made to head of staff department concerned only after line unit has read, corrected or otherwise commented on audit. Exception: when theft or crime is involved, report is made simultaneously to supervisor of person or persons suspected and to head of staff unit concerned.

Policy Determination and Delegation of Responsibility for Implementation

It is important that responsibility for policy determination and direction be clearly separated from delegated responsibility and authority for implementation. The following definitions assist such understanding.

Policy Direction. The major administrative role of the governing entity is to provide policy direction. Policy direction may come from an individual (the mayor), from a government body (city council or, overseas, ministry of transportation), from a board of commissioners (in an authority), or from a purely advisory board (a device employed by many local governments). Whatever the source, the policy direction must be impersonal, qualified, and limited.

Impersonal. Public policy makers should have no personal financial attachment to the projects of the enterprise. Objectivity is more nearly assured when their services are rendered in the public interest without compensation.

Qualified. Airport administrations need policy guidance in many fields of expertise, such as finance, law, engineering, and business. In most cities citizens can be found who are willing to devote their skills in these areas to the public interest by serving on airport advisory boards or committees. However, this works best when individuals are chosen who bring luster to the office rather than those to whom the office might be the donor.⁴⁴

Limited. Once the policy source has formulated and/or approved long-range goals, annual budgets, major projects, and contract awards, the achievement of objectives is delegated to the chief executive and staff for accomplishment. Results should be judged from periodic reports and recommendations for future actions. Policy makers should avoid involvement in day-to-day management processes.

Decision Making and Delegation of Authority

The airport administrator is responsible for all decisions that affect the airport's performance; but

⁴⁴ Austin J. Tobin, *Authorities as a Governmental Technique*, paper presented before the Third Annual Institute—"The Place of Authorities in the Life of New Jersey Citizens," Rutgers University, March 26, 1953, p. 18.

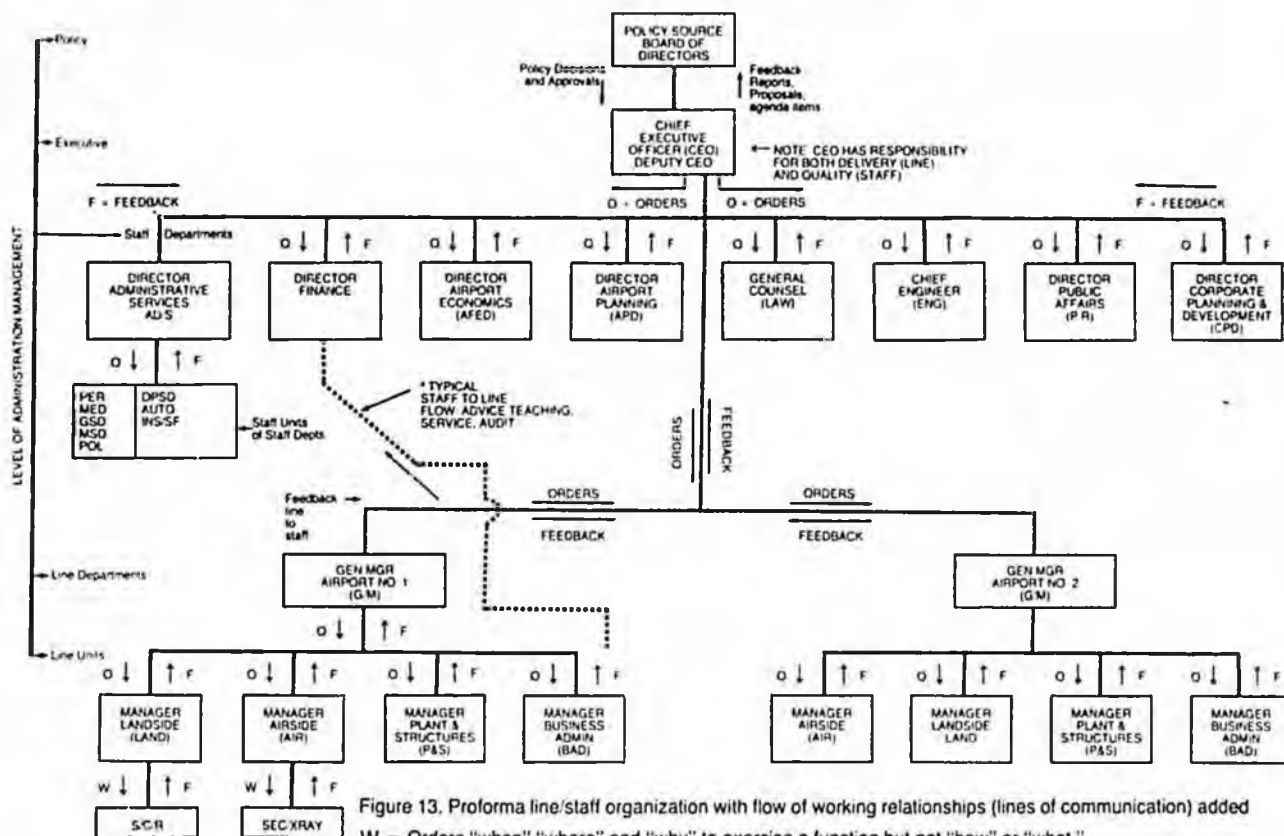


Figure 13. Proforma line/staff organization with flow of working relationships (lines of communication) added
 W = Orders "when" "where" and "why" to exercise a function but not "how" or "what."
 * Only one example shown, to avoid confusion. Same flow line could be drawn between any staff and any line block.

not all airport operating decisions should be made by the administrator (unless the airport is a small operation). The line manager, not the administrator, is responsible for making the decision on what to do when performance departs from standard. Since most control action takes place at the line level, it is inevitable that most decision making likewise must take place here. This, of course, requires delegation of authority and requires that line managers be trained and stimulated to be decisive.

Likewise, the administrator must be given complete decision-making responsibility by the policy source for implementing policies. With a public or quasi-public governing entity, airport administrators should be charged with the same responsibility for executive action and administration as the president of a private corporation. The policies of the governing entity should be transmitted to the airport administration through the airport administrator and all personnel recommendations to the policy source should be made by the administrator. The airport administrator should be made completely responsible for the daily management deci-

sions and for recruitment and development of a managerial staff fully qualified to carry out their respective responsibilities, and adequate in depth to assure the availability of trained personnel and the continuity of effective administration.

Personnel Policies and Staff Selection

The selection policies of the executive, administrative and professional staff followed in any successful private corporation, are equally applicable to airport administration. Success depends on obtaining the best talent available, paying them salaries that are at least in some limited degree comparable with those of private industry and making it sufficiently attractive to encourage a career in the field of public enterprise.⁴⁵

Many successful administrators have found that it is never a sign of weakness when a person in high position delegates authority; on the contrary, it is a sign of strength and of the capacity to de-

⁴⁵ Ibid, pp. 18-19.

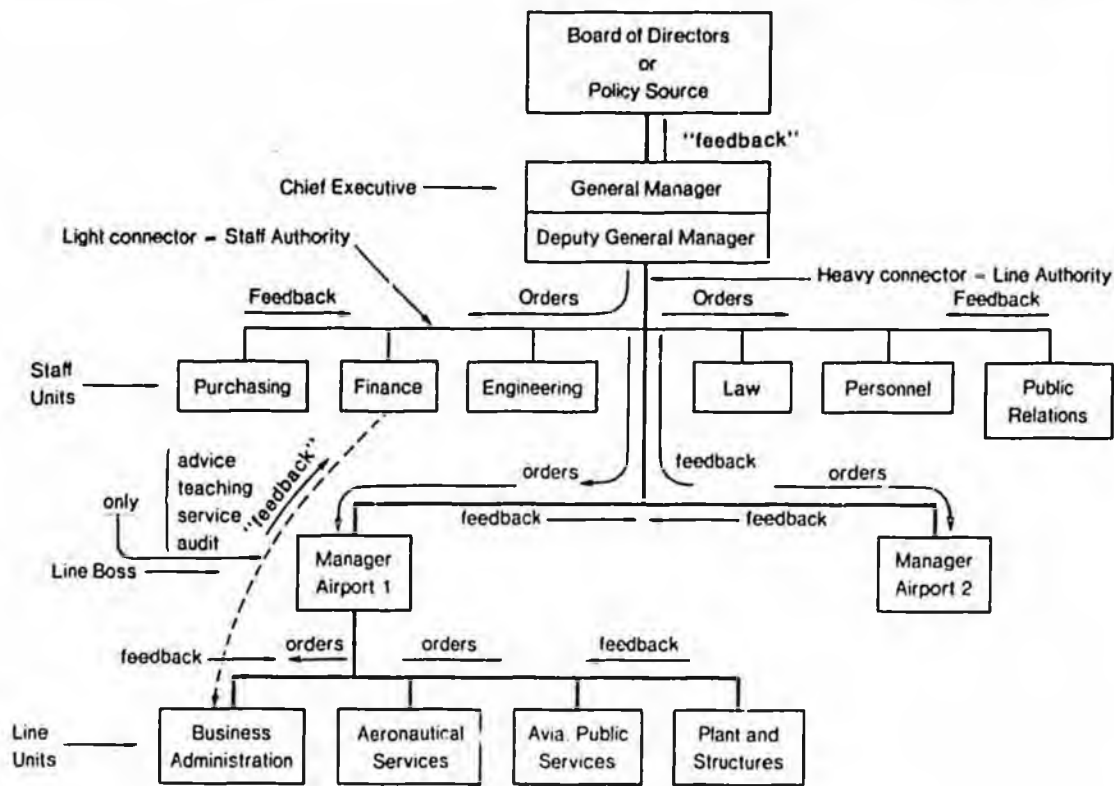


Figure 14. The organizational structure and its working relationships or nerve system.

serve success. In the final analysis, the staff must be willing to take the delegated responsibility and to be judged by their success or failure in discharging it.⁴⁶

Taking Action and Following Up

Taking action on decisions and following up on the results closes the communication loop for administrative control. In brief review, the communications loop consists of seven elements: (1) control subject; (2) unit of measure; (3) standard level of performance; (4) audit device; (5) organization; (6) decision; and (7) action and follow up.⁴⁷

Few things in this world are perfect. Managers who expect perfection from their people are doomed to disappointment. Good leaders always strive for perfection. But, at the same time, they cannot allow themselves to be such perfectionists that people find them impossible to live with when they make mistakes. When people goof, they should be corrected. However, managers who are

supercritical, set impossible standards, question every detail, or are otherwise difficult to please, leave people discouraged—even fearful. Their confidence can be badly shaken if they get to feeling that no matter how good a job they do, it is never good enough.

The airport administrator must consider the time and effort expended in obtaining performance results, along with many other factors including the always present human element. When performance results are less than standard, the cause, not the symptom, must be addressed, and action must be taken to put performance back on the planned course—preventing change from planned performance. However, administrators must also optimize performance, which may call for creating change, either in the form of operating or training method improvements.⁴⁸

⁴⁶ Ibid, p. 19 et seq. provide additional guidelines for personnel administration that are covered by reference only due to space limitations.

⁴⁷ For a full discussion of these elements see Appendix C.

⁴⁸ For some protocol considerations of training, see Appendix D.

ROLE OF THE ADMINISTRATOR

The chief executive must possess a clear awareness of the nature of airport services, processes, and procedures, as well as some concept of their time and life cycle. The administrator's prime objective is to optimize performance through improvement. Improvement comes from eliminating causes of variance from standard. This causes performance to rise from substandard to standard. This is normally handled by unaided operating (line) management. Improvement also comes with increased effectiveness through greater diligence, making better use of existing facilities, know-how, etc. For example, selective decreases in maintenance cost brought about by changing supply vendors means improved effectiveness. However, improvements such as this are handled by the unaided operating (line) management.

The role of the administrator in realizing improvement, is the establishment of a higher level of effectiveness through method improvement rather than through operating efficiency improvement. Examples could be the realization of a new terminal building or the creation of a more positive public image of the airport's operations. The chief executive must become personally involved in urging major new births such as a new terminal facility, and the administrator should also become personally involved in seeing to it that what is doomed does not linger on. (Few managers will put part of their job to death. In really big cases, the chief executive may shield a dying operation, so that governing entity intervention is necessary.)

The administrator should be familiar with, and acquire skill in, use of the levers of the office—setting the important goals, organizing to meet them, and seeing that they are indeed met. The administrator must have certain tools of administration. Three of the most important tools for the airport administrator are training (particularly the development of management capability in personnel), already discussed, the administrative manual and public relations, which follows in Chapter 5.

Description and Placement of Programs

The adoption of the following 14 administrative and management programs and their implementation in a well conceived line/staff structure by clear

Proven Essential Programs or Tools

Any project or program whose quality control standards have been examined from the points of view of each of the following seven aspects could be considered well defined. They are, in alphabetical order: aesthetic, economic, legal, operational, political, social and technical aspects.

If these aspects are grouped by the missions or the broad tasks they could support, say, in the case of an international airport system, their order would be as follows:

<i>Considered Aspects</i>	<i>System Missions and Goals</i>
1. Technical	} Provide a safe, user-friendly airport system for its patrons and users
2. Operational	
3. Economic	} On an efficient, self supporting or cost/known basis
4. Legal	
5. Social	} While being a good neighbor-contributor to the needs of the government served by the system and its citizens, businesses and visitors
6. Aesthetic	
7. Political	

The use of certain essential programs as tools can help simplify and organize the administrative process seeking to satisfy airport management needs. These programs have the overall objective of establishing and maintaining a communications loop to enable effective control and are not unusual to the administration of other business types. In this book, however, the use of these programs is based on a responsive line/staff structure with strong emphasis on two-way communications. This results in a simple system, but one that does require careful indoctrination and continuous training and review.

job/task descriptions, coordinated standard procedures, and effective administration and management can assure achievement of the system's missions and goals.

This listing serves as a checklist, and is not meant to imply that programs can *only* be performed by the "responsible" units designated in this example. As discussed earlier, flexibility is more important than doctrinaire rigidity. For example, within the recommended line/staff group-

ings, organization charts should be tailored to take advantage of the skills of particular personnel who are available and titles and assignments can and should be altered to meet specific needs. (Abbreviations at the end of the paragraphs identify organization units responsible for each program.)

Administrative Programs—Tools Supporting Management

Staff departments are normally responsible for administrative programs either in a controlling or advisory/service capacity. The roles of the staff departments and their interfaces with line departments in both areas of responsibility are described in Chapter 5 along with a review of certain general administrative guidelines. The following sections highlight the several administrative program tasks.

Airport Organization. Structure, locus, form, manning criteria, task description and communications-identification and use (AD/S—MSD).

Airport Administrative Services. Organization and procedures including editing the administrative manual containing job/task descriptions and standard operating procedures; personnel, medical, police, purchasing, stores, reproduction services, visual aids, travel services, etc.

Law. Functions of general counsel in areas of corporate government relations, risk exposure, litigation, legal opinion, and contracts (financial, construction, purchase and real estate leases and permits).

Airport Public Affairs. Guides administration in the potential impact of its decisions on the public, and deftly calls attention to good performance after the fact. Monitors quality levels of patron services and facilities, handles complaints and prepares or clears speeches, papers, brochures, publications, etc. (P/R).

Airport Marketing. Promotes the use of the airport, attracts business to the area it serves and enhances the value of the airport to its community. This includes representing the interests of the airport at hearings of regulatory bodies and government agencies dealing with service rights, tariffs, etc. (P/R—with advice of LAW).

Corporate Planning and Development. Establishes long-range objectives, goals and purposes for the entity to meet future technical, operational, so-

cial, aesthetic, and economic needs. Considers and defines legal and political measures that must be instituted to meet them and the organizational ramifications of such measures. (CPD)

Airport Financial Control. Tools and procedures for budgeting, recording, reporting, and controlling: capital investments, operating revenues, operating expenses and operating margins (profit/loss or subsidy need). Capital formation and management. Insurance, bonding and computer programs. (FIN)

Airport Economics. Forecasts: rental rate and fee setting following FIN standards; economic analysis preparation (AED). (The economic analysis preparation function may also be decentralized to management status under the G/M).

Airport Planning. Long-range master planning; facilities planning; securing users', operations' and government's inputs to airport planning projects; simulation and model building; feedback to the design agency; change order monitoring; feedback from construction supervision and quality control; liaison with operations and users during project in service life to obtain feedback; representation of airport in technical areas with governments (e.g. ICAO), and with trade and industry associations (e.g. AOCL/ICAA) (APD). This program is often managed for new or developing airports by consultants.

Airport Engineering. Provides detailed cost estimates for construction projects under consideration; designs services for approved projects under development; provides recommendations on construction contract breakdown and contractor qualification; analyzes bids and contract awards; quality control and audit during construction; materials testing laboratories and liaison with building codes agencies (ENG). This program is often managed for new or developing airports by consultants.

Management Programs—Using the Supplied Administrative Tools

Line departments are normally responsible for management programs. The following sections highlight the several management tasks detailed in Chapters 10, 11 and 12.

Airport Operations. Airport project delivery (AIR and LAND); security. (S/C/R — SEC and XRAY).

Airport Maintenance Control. Ensures safety for patrons and users, preserves the asset represented by the airport, its facilities and equipment, and keeps all facilities, equipment and services operating at a high level of dependability (P&S).

Airport Project Control. Provides for completion of on-going construction projects or purchasing major components within time and funds budgeted at desired level of quality as prescribed by the quality control agency (e.g. ENG) or APD and FIN in control aspects (P&S). This program is often managed for new or developing airports by consultants.

Airport Business Administration. Arranges equitable, compensatory contracts, leases, permits and agreements with users, and those supplying facilities and services to the airport, its tenants and patrons; administers the Tenant Alteration/Construction Control program to maintain aesthetic standards on the airport and its environs; and prevents confusing clutter of uncoordinated signing, lighting and facility construction (BAD). Formats contracts, leases, permits and agreements as prescribed by FIN and LAW. Standardization of lease/permit provisions may be overseen by PROP.

Training. This is a requirement of each of the above administrative and management programs. It may be done "on-the-job" or may be handled in lectures or at briefing sessions either internally or externally.

Apart from on-the-job training endemic to each of the management services, the provision of wide-ranging education and self-improvement programs supported by financial grants is a most important attribute of a successful enterprise. Supervisors should be reminded of their responsibility to make proper training available to their staffs.

Regardless of the organization for management, it can only be as good as the people involved in it.

Airport administrators can maintain low employee turnover and high morale by successfully communicating the organization's goals and policies to their people. The moment employees get the feeling that they are not sharing in company goals, in what's going on, morale drops, and turnover increases. The employees lose the sense of belonging. Administrators with the least amount of "secrets" from their people, who level with them, who try to keep them informed and inspired, will usually enjoy excellent morale among their people. By contrast, leaders who feed their egos by keeping secrets, who pride themselves on having "inside" information, can do severe damage. Obviously some information cannot be shared, but good managers will do all they can to communicate the organization's goals and policies to their people as completely as possible.

It is mandatory for airport administration to cultivate good employee morale and attitude in every link of the communications loop that provides managerial control.

On-going Implementation

Many on-going studies and development efforts are required in devising an organizational entity to adequately deal with the issues involved in administering and managing an airport or airport system. Such efforts could include, for example, the tailoring of the pro-forma line/staff organizational structure set forth in Figure 10 to meet specific requirements and the development of job/task description to fit such a structure. Other needs include organizing the format and initial content of an administrative manual and training courses in working relationships and in the development and implementation of the 14 essential programs.

PUBLIC OPINION MESSAGE

HB 173

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE COLLINS

DEAR: REPRESENTATIVE COLLINS

NAME: DUANE HALLMAN
 TITLE:
 ADDRESS: 1236 CLAMITY COURT
 CITY: ANCHORAGE
 PHONE: 344-1627
 BILL NO: SB 172
 SUBJECT: SB 172 & HB 173
 MESSAGE: I STRONGLY OPPOSE SENATE BILL 172 AND HOUSE BILL 173. THEY ARE
 BAD LEGISLATURE AND WILL REDUCE MORAL AND PROFESSIONAL LEVEL OF SERVICE.

NAME: MAUREEN AHEARN
 TITLE:
 ADDRESS: P O BOX 220511
 CITY: ANCHORAGE
 PHONE: 248-0959
 BILL NO: SB 172
 SUBJECT: SB 172 & HB 173
 MESSAGE: I AM STRONGLY OPPOSED TO SB 172 AND HB 173. PASSAGE OF THESE BILLS
 WILL RESOLVE IN REDUCE MORAL AND PROFESSIONAL LEVEL OF SERVICE. OUR COUNTRY
 IS EXTREMELY SECURITY CONCIOUS OF AIR TRAVEL. THE PASSAGE OF THESE BILLS WILL
 ONLY RESOLVE IN REDUCE LEVEL OF SAFETY AIR TRAVELERSHAVE COME TO EXPECT.

ZIP: 99515

ZIP: 99522

POMID: 03162140
 DATE: 03/13/87
 TIME: 16:21:40
 LIONAME: ANCHORAGE LIO

POMID: 03163606
 DATE: 03/13/87
 TIME: 16:36:06
 LIONAME: ANCHORAGE LIO

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ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BENNETT
BROWN	CATO	BINKLEY
COTTEN	DAVIDSON	COGHILL
DAVIS	DONLEY	DUNCAN
ELLIS	FRANK	ELIASON
FURNACE	GOLL	FAHRENKAMP
GRUENBERG	GRUSSENDORF	FAIKS
HANLEY	HERRMANN	FISCHER
HOFFMAN	HUDSON	HALFORD
KOPONEN	LARSON	HENSLEY
MARTIN	MENARD	JONES
MILLER	NAVARRE	JOSEPHSON
PEARCE	PETTYJOHN	KELLY
PHILLIPS	POURCHOT	KERTTULA
RIEGER	SHULTZ	RODEY
SPRINGER	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYHANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BENNETT
BROWN	CATO	BINKLEY
COTTEN	DAVIDSON	COGHILL
DAVIS	DONLEY	DUNCAN
ELLIS	FRANK	ELIASON
FURNACE	GOLL	FAHRENKAMP
GRUENBERG	GRUSSENDORF	FAIKS
HANLEY	HERRMANN	FISCHER
HOFFMAN	HUDSON	HALFORD
KOPONEN	LARSON	HENSLEY
MARTIN	MENARD	JONES
MILLER	NAVARRE	JOSEPHSON
PEARCE	PETTYJOHN	KELLY
PHILLIPS	POURCHOT	KERTTULA
RIEGER	SHULTZ	RODEY
SPRINGER	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYHANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

MAR 18 1987

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: LORRAINE McPHERSON

TITLE:

ADDRESS: P O BOX 133

CITY: PALMER

PHONE: 745-4374

ZIP: 99645

BILL NO: HB 173

SUBJECT: INTERNATIONAL AIRPORT AUTHORITY

MESSAGE: I THINK THIS IS A BAD DEAL. THE AIRPORT HAS BEEN MAKING A PROFIT. NO REASON TO FIX SOMETHING THAT ISN'T BROKEN. YOU NEED TO CONSIDER THE COST OF REPAYING SBS AND THE COST OF TRAINING THE PERSONNEL. TRAINED OFFICERS OF TOO HIGH A VALUE TO BE PUT AT RISK. CONSIDER CUTTING COSTS OF FORMER GOV. SHEFFIELD'S APARTMENT AND SELLING FURNISHINGS AND ART WORK. GET RID OF LIMOS AND RENT CARS LIKE EVERYONE ELSE.

POMID: 14144100

DATE: 03/16/87

TIME: 14:41:00

LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES SENATORS

LARSON	KERTTULA
MENARD	SZYMANSKI
BOUCHER	ABOOD
GRUSSENDORF	COGHILL
HUDSON	FAHRENKAMP
MILLER	JONES
PEARCE	KELLY
SPRINGER	

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: JAN J. WASHINGTON

TITLE:

ADDRESS: 1580 BEAVER

CITY: ANCHORAGE

PHONE: 338-2737

ZIP: 99504

BILL NO:

SUBJECT: SCHOOL EMPLOYEES

MESSAGE: I BELIEVE NON CERTIFICATION SCHOOL EMPLOYEES ARE BEING TREATED UNFAIRLY CONCERNING CREDIT SERVICE FOR LESS THAN A FULL WORK YEAR. PLEASE REINTRODUCE HB292. THIS BILL HAS A FAIR SCHEDULE OF CREDIT FOR ALL SCHOOL EMPLOYEES. THANKS FOR YOUR SUPPORT.

POMID: 03135159

DATE: 03/16/87

TIME: 13:51:59

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BENNETT
BROWN	COLLINS	BINKLEY
COTTEN	DAVIS	COGHILL
DONLEY	ELLIS	DUNCAN
FRANK	FURNACE	ELIASON
GOLL	GRUSSENDORF	FAHRENKAMP
HANLEY	HERRMANN	FAIKS
HOFFMAN	HUDSON	FISCHER
WOPONEN	LARSON	HALFORD
MARTIN	MENARD	HENSLEY
MILLER	NAVARRE	JONES
PEARCE	PETTYJOHN	JOSEPHSON
PHILLIPS	POURCHOT	KELLY
RIEGER	SHULTZ	KERTTULA
SPRINGER	SUND	RODEY
SWACKHAMMER	TAYLOR	STURGULEWSKI
ULMER	WALLIS	SZYMANSKI
ZAWACKI	WALLIS	UEHLING
		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: MABLE BRANDEN
 TITLE:
 ADDRESS: 4712 MALIBOU
 CITY: ANCHORAGE ZIP: 99517
 PHONE: 243-4496
 BILL NO:
 SUBJECT: CREDIT FOR SERVICE
 MESSAGE: PLEASE REINTRODUCE HB 292 CONCERNING CREDITED SERVICES FOR NON-CERTIFICATED SCHOOL EMPLOYEES. THIS BILL HAS A FAIR SCHEDULE OF CREDIT FOR ALL SCHOOL EMPLOYEES WORKING LESS THAN A FULL YEAR. THANKS FOR YOUR SUPPORT.

POMID: 03141953
 DATE: 03/16/87
 TIME: 14:19:53
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BENNETT
BROWN	COLLINS	BINKLEY
COTTEN	DAVIDSON	COGHILL
DAVIS	DONLEY	DUNCAN
ELLIS	FRANK	ELIASON
FURNACE	GOLL	FAHRENKAMP
GRUENBERG	GRUSSENDORF	FAIKS
HANLEY	HERRMANN	FISCHER
HOFFMAN	HUDSON	HALFORD
KOPONEN	LARSON	HENSLEY
MARTIN	MENARD	JONES
MILLER	NAVARRE	JOSEPHSON
PEARCE	PETTYJOHN	KELLY
PHILIPS	POURCHOT	KERTTULA
RIEGER	SHULTZ	RODEY
SPRINGER	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: KATHLEEN ENGE
 TITLE:
 ADDRESS: 9501 MORNINGSIDE LOOP #4
 CITY: ANCHORAGE ZIP: 99515
 PHONE: 349-1832
 BILL NO: HB 167
 SUBJECT: MANDATORY SEAT BELTS
 MESSAGE: LIMIT GOVERNMENT CONTROL OF CITIZENS. THIS IS STILL A FREE COUNTRY. VOTE NO ON HB 167. THANK YOU

PCMID: 03142751
 DATE: 03/16/87
 TIME: 14:27:51
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES

ADAMS	BARNES
BOUCHER	BOYER
BROWN	COLLINS
COTTEN	DAVIDSON
DAVIS	DONLEY
ELLIS	FRANK
FURNACE	GOLL
GRUENBERG	GRUSSENDORF
HANLEY	HERRMANN
HOFFMAN	HUDSON
KOPONEN	LARSON
MARTIN	MENARD
MILLER	NAVARRE
PEARCE	PETTYJOHN
PHILLIPS	POURCHOT
RIEGER	SHULTZ
SPRINGER	SUND
SHACKHAMMER	TAYLOR
ULMER	WALLIS
ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: TAMMY SCHMIDT
 TITLE:
 ADDRESS: 919 E 9TH
 CITY: ANCHORAGE ZIP: 99501
 PHONE: 274-7616
 BILL NO: HB 167
 SUBJECT: MANDATORY SEAT BELTS
 MESSAGE: PLEASE VOTE NO ON HB 167. IT WOULD CAUSE THE GOVERNMENT TO EXERCISE
 TOO MUCH CONTROL OVER PRIVATE CITIZENS.

POMID: 03105646
 DATE: 03/16/87
 TIME: 10:56:46
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES

ADAMS	BARNES
BOUCHER	BOYER
BROWN	COLLINS
COTTEN	DAVIDSON
DAVIS	DONLEY
ELLIS	FRANK
FURNACE	GOLL
GRUENBERG	GRUSSENDORF
HANLEY	HERRMANN
HOFFMAN	HUDSON
KOPONEN	LARSON
MARTIN	MENARD
MILLER	NAVARRE
PEARCE	PETTYJOHN
PHILLIPS	POURCHOT
RIEGER	SHULTZ
SPRINGER	SUND
SWACKHAMMER	TAYLOR
ULMER	WALLIS
ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: JULIE DUARTE
 TITLE:
 ADDRESS: 708 E. 75TH
 CITY: ANCHORAGE ZIP: 99518
 PHONE: 344-5477
 BILL NO: HB 167
 SUBJECT: MANDATORY SEAT BELTS
 MESSAGE: THE MOTIVE BEHIND THIS ACT IS NOT FOR THE BENEFIT OF THE PEOPLE.
 PLEASE VOTE NO ON HB 167. THANK YOU.

POMID: 03112839
 DATE: 03/16/87
 TIME: 11:28:39
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES

ADAMS	BARNES
BOUCHER	BOYER
BROWN	COLLINS
COTTEN	DAVIDSON
DAVIS	DONLEY
ELLIS	FRANK
FURNACE	GOLL
GRUENBERG	GRUSSENDORF
HANLEY	HERRMANN
HOFFMAN	HUDSON
KOPONEN	LARSON
MARTIN	MENARD
MILLER	NAVARRE
PEARCE	PETTYJOHN
PHILLIPS	POURCHOT
RIEGER	SHULTZ
SPRINGER	SUND
SWACKHAMMER	TAYLOR
ULMER	WALLIS
ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: TRACY GRANT
 TITLE:
 ADDRESS: 3124 LINDEN DRIVE
 CITY: ANCHORAGE, ALASKA ZIP: 99502
 PHONE: 243-5345

BILL NO: HB 173
 SUBJECT: INTERNATIONAL AIRPORT AUTHORITY
 MESSAGE: SB 172 - INTERNATIONAL AIRPORT AUTHORITY

I CAN'T BELIEVE THAT THE STATE WOULD RID ITSELF OF SOMETHING THAT
 GENERATED SO MUCH MONEY. YOU FEW MEN AND WOMEN ARE NOW CHASING OUT
 WHAT GOOD, LONG TERM PEOPLE WE HAVE LEFT IN ALASKA AND SENDING
 THEM OUTSIDE. DON'T VOTE THIS IN.

POHID: 03093836
 DATE: 03/16/87
 TIME: 09:38:36
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BE'NETT
BROWN	COLLINS	BINKLEY
COTTEN	DAVIDSON	COGHILL
DAVIS	DONLEY	DUNCAN
ELLIS	FRANK	ELIASON
FURNACE	GOLL	FAHRENKAMP
GRUENBERG	GRUSSENDORF	FAIKS
HANLEY	HERRMANN	FISCHER
HOFFMAN	HUDSON	HALFORD
KOPONEN	LARSON	HENSLEY
MARTIN	MENARD	JONES
MILLER	NAVARRE	JOSEPHSON
PEARCE	PETTYJOHN	KELLY
PHILLIPS	POURCHOT	KERTTULA
RIEGER	SHULTZ	RODEY
SPRINGER	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: TRACY GRANT
 TITLE:
 ADDRESS: 3124 LINDEN
 CITY: ANCHORAGE ZIP: 99502
 PHONE: 243-5345

BILL NO:
 SUBJECT: SB 172 AND HB 173

MESSAGE: HAVE BEEN HERE ALL OUR LIVES, HUSBAND HAS WORKED 11 OF THEM FOR THE
 STATE. WE HAVE LARGE OAK TREE WITH 4 LARGE BRANCHES, HOW ABOUT A LYNCHING FOR
 THE 4 WHO BACKED BILLS 173 & 172. DO NOT VOTE THIS BILL IN. I CAN'T BELIEVE I
 VOTED REPUBLICAN.

POHID: 03092243
 DATE: 03/16/87
 TIME: 09:22:43
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BENNETT
BROWN	COLLINS	BINKLEY
COTTEN	DAVIDSON	COGHILL
DAVIS	DONLEY	DUNCAN
ELLIS	FRANK	ELIASON
FURNACE	GOLL	FAHRENKAMP
GRUENBERG	GRUSSENDORF	FAIKS
HANLEY	HERRMANN	FISCHER
HOFFMAN	HUDSON	HALFORD
KOPONEN	LARSON	HENSLEY
MARTIN	MENARD	JONES
MILLER	NAVARRE	JOSEPHSON
PEARCE	PETTYJOHN	KELLY
PHILLIPS	POURCHOT	KERTTULA
RIEGER	SHULTZ	RODEY
SPRINGER	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: PRISCILLA ELLENWOOD
 TITLE:
 ADDRESS: 1536 VALARIAN ST. #2
 CITY: ANCHORAGE ZIP: 99508
 PHONE: 277-1333
 BILL NO: SB 172
 SUBJECT: SB 172 & HB 173

MESSAGE: I AM STRONGLY OPPOSED TO SB 172 AND HB 173. PASSAGE OF THESE WILL RESOLVE IN REDUCE MORAL AND PROFESSIONAL LEVEL OF SERVICE. OUR COUNTRY IS EXTREMELY SECURITY CONCIOUS OF AIR TRAVEL. THE PASSAGE OF THESE BILLS WILL ONLY RESOLVE IN REDUCE LEVEL OF SAFETY AIR TRAVELERS HAVE COME TO EXPECT.

POMID: 03164534
 DATE: 03/13/87
 TIME: 16:45:34
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BENNETT
BROWN	COLLINS	BINKLEY
COTTEN	DAVIDSON	COGHILL
DAVIS	DONLEY	DUNCAN
ELLIS	FRANK	ELIASON
FURNACE	GOLL	FAHRENKAMP
GRUENBERG	GRUSSENDORF	FAIKS
HANLEY	HERRMANN	FISCHER
HOFFMAN	HUDSON	HALFORD
KOPONEN	LARSON	HENSLEY
MARTIN	MEHARD	JONES
MILLER	NAVARRE	JOSEPHSON
PEARCE	PETTYJOHN	KELLY
PHILLIPS	POURCHOT	KERTTULA
RIEGER	SHULTZ	RODEY
SPRINGER	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: STANLEY CHRISTENSON
 TITLE:
 ADDRESS: P.O.BOX 190744
 CITY: ANCHORAGE ZIP: 99519
 PHONE: 279-2336
 BILL NO:
 SUBJECT: SB 172 AND HB 173

MESSAGE: I READ A FLIER FROM THE APEA. ACCORDING TO THE FLIER THERE WILL BE NO HEALTH CARE AND RETIREMENT BENEFIT/MESSED UP. I WOULD LIKE TO HAVE SOME PROTECTION AS A STATE EMPLOYEE. I HAVE 2 YEARS BEFORE RETIREMENT. I AM ALL FOR THE PORT AUTHORITY AND THINK IT SHOULD HAVE BEEN DONE YEARS AGO. I JUST HOPE YOU WON'T ELIMINATE ALL EMPLOYEE BENEFITS.

POMID: 03085429
 DATE: 03/16/87
 TIME: 08:54:29
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BENNETT
BROWN	COLLINS	BINKLEY
COTTEN	DAVIDSON	COGHILL
DAVIS	DONLEY	DUNCAN
ELLIS	FRANK	ELIASON
FURNACE	GOLL	FAHRENKAMP
GRUENBERG	GRUSSENDORF	FAIKS
HANLEY	HERRMANN	FISCHER
HOFFMAN	HUDSON	HALFORD
KOPONEN	LARSON	HENSLEY
MARTIN	MEHARD	JONES
MILLER	NAVARRE	JOSEPHSON
PEARCE	PETTYJOHN	KELLY
PHILLIPS	POURCHOT	KERTTULA
RIEGER	SHULTZ	RODEY
SPRINGER	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: BRAD CONKLIN

TITLE:

ADDRESS: 5001 WHISPERING SPRUCE DRIVE

CITY: ANCHORAGE, ALASKA

PHONE: 346-2001

ZIP: 99511

BILL NO: HB 173

SUBJECT: INTERNATIONAL AIRPORT AUTHORITY

MESSAGE: SB 172 - INTERNATIONAL AIRPORT AUTHORITY

IN REGARDS TO HB 173 AND SB 172 I CONSIDER THIS TO BE BAD LEGISLATION.
THE PASSAGE OF THESE BILLS WILL RESULT IN REDUCED MORAL AND
PROFESSIONAL LEVEL OF SERVICE. THE PASSAGE OF THESE BILLS WILL ONLY
RESULT IN REDUCED LEVEL OF SAFETY AIR TRAVELERS HAVE COME TO EXPECT.
VOTE AGAINST THESE BILLS.

POMID: 03163653

DATE: 03/13/87

TIME: 16:36:53

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BOYER	BENNETT
BROWN	DAVIS	BINKLEY
FRANK	GOLL	DUNCAN
LARSON	POURCHOT	FISCHER
RIEGER	SWACKHAMMER	HENSLEY
WALLIS	BOUCHER	UEHLING
DAVIDSON	DONLEY	ZHAROFF
ELLIS	FURNACE	ABOOD
KOPONEN	MENARD	COGHILL
GRUSSENDORF	HUDSON	FAHRENKAMP
MILLER	PEARCE	JONES
SPRINGER		KELLY

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: MAUREEN AHEARN

TITLE:

ADDRESS: P O BOX 220511

CITY: ANCHORAGE

PHONE: 248-0959

ZIP: 99522

BILL NO: SB 172

SUBJECT: SB 172 & HB 173

MESSAGE: I AM STRONGLY OPPOSED TO SB 172 AND HB 173. PASSAGE OF THESE BILLS
WILL RESOLVE IN REDUCE MORAL AND PROFESSIONAL LEVEL OF SERVICE. OUR COUNTRY
IS EXTREMELY SECURITY CONCIOUS OF AIR TRAVEL. THE PASSAGE OF THESE BILLS WILL
ONLY RESOLVE IN REDUCE LEVEL OF SAFETY AIR TRAVELERSHAVE COME TO EXPECT.

POMID: 03163606

DATE: 03/13/87

TIME: 16:36:06

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BENNETT
BROWN	COLLINS	BINKLEY
COTTEN	DAVIDSON	COGHILL
DAVIS	DONLEY	DUNCAN
ELLIS	FRANK	ELIASON
FURNACE	GOLL	FAHRENKAMP
GRUENBERG	GRUSSENDORF	FAIKS
HANLEY	HERRMANN	FISCHER
HOFFMAN	HUDSON	HALFORD
KOPONEN	LARSON	HENSLEY
MARTIN	MENARD	JONES
MILLER	NAVARRE	JOSEPHSON
PEARCE	PETTYJOHN	KELLY
PHILLIPS	POURCHOT	KERTTULA
RIEGER	SHULTZ	RODEY
SPRINGER	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYHANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: PAUL MAC INNIS
 TITLE:
 ADDRESS: 2900 BONIFACE PARKWAY DRIVE
 CITY: ANCHORAGE, ALASKA ZIP: 99504
 PHONE: 344-0211
 BILL NO: HB 173
 SUBJECT: INTERNATIONAL AIRPORT AUTHORITY
 MESSAGE: SB 172 - INTERNATIONAL AIRPORT AUTHORITY
 IN REGARDS TO HB 173 AND SB 172 I CONSIDER THIS TO BE BAD LEGISLATION.
 THE PASSAGE OF THESE BILLS WILL RESULT IN REDUCED MORAL AND
 PROFESSIONAL LEVEL OF SERVICES. THE PASSAGE OF THESE BILLS WILL ONLY
 RESULT IN REDUCED LEVEL OF SAFETY AIR TRAVELERS HAVE COME TO EXPECT.
 VOTE AGAINST THESE BILLS.

POMID: 03162744
 DATE: 03/13/87
 TIME: 16:27:44
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BOYER	BEHNETT
BROWN	DAVIS	BINKLEY
FRANK	GOLL	DUNCAN
LARSON	POURCHOT	FISCHER
RIEGER	SWACKHAMMER	HENSLEY
WALLIS	BOUCHER	UEHLING
DAVIDSON	DONLEY	ZHAROFF
ELLIS	FURNACE	ABOOD
KOPONEN	MENARD	COGHILL
GRUSSENDORF	HUDSON	FAHRENKAMP
MILLER	PEARCE	JONES
SPRINGER		KELLY

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: DUANE HALLMAN
 TITLE:
 ADDRESS: 1236 CLAMITY COURT
 CITY: ANCHORAGE ZIP: 99515
 PHONE: 344-1627
 BILL NO: SB 172
 SUBJECT: SB 172 & HB 173
 MESSAGE: I STRONGLY OPPOSE SENATE BILL 172 AND HOUSE BILL 173. THEY ARE
 BAD LEGISLATURE AND WILL REDUCE MORAL AND PROFESSIONAL LEVEL OF SERVICE.

POMID: 03162140
 DATE: 03/13/87
 TIME: 16:21:40
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BENNETT
BROWN	COLLINS	BINKLEY
COTTEN	DAVIDSON	COGHILL
DAVIS	DONLEY	DUNCAN
ELLIS	FRANK	ELIASON
FURNACE	GOLL	FAHRENKAMP
GRUENBERG	GRUSSENDORF	FAIKS
HANLEY	HERRMANN	FISCHER
HOFFMAN	HUDSON	HALFORD
KOPONEN	LARSON	HENSLEY
MARTIN	MENARD	JONES
MILLER	NAVARRA	JOSEPHSON
PEARCE	PETTYJOHN	KELLY
PHILLIPS	POURCHOT	KERTTULA
RIEGER	SHULTZ	RODEY
SPRINGER	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: TOM RAYFIELD
 TITLE:
 ADDRESS: 14451 WILDIEH DRIVE
 CITY: ANCHORAGE, ALASKA ZIP: 99516
 PHONE: 345-1445

BILL NO: HB 173
 SUBJECT: INTERNATIONAL AIRPORT AUTHORITY
 MESSAGE: SB 172 - INTERNATIONAL AIRPORT AUTHORITY
 IN REGARDS TO HB 173 AND SB 172 I CONSIDER THIS TO BE BAD LEGISLATION.
 THE PASSAGE OF THESE BILLS WILL RESULT IN REDUCED MORAL AND
 PROFESSIONAL LEVEL OF SERVICE. THE PASSAGE OF THESE BILLS WILL ONLY
 RESULT IN REDUCED LEVEL OF SAFETY AIR TRAVELERS HAVE COME TO EXPECT.
 VOTE AGAINST THESE BILLS.

POMID: 03161739
 DATE: 03/13/67
 TIME: 16:17:39
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BOYER	BENNETT
BROWN	DAVIS	BINKLEY
FRANK	GOLL	DUNCAN
LARSON	POURCHOT	FISCHER
RIEGER	SWACKHAMMER	HENSLEY
WALLIS	BOUCHER	UEHLING
DAVIDSON	DONLEY	ZHAROFF
ELLIS	FURNACE	ABOOD
KOPONEN	MENARD	COGHILL
GRUSSENDORF	HUDSON	FAHRENKAMP
MILLER	PEARCE	JONES
SPRINGER		KELLY

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: DON TRUDEAU
 TITLE:
 ADDRESS: 7300 TICONDAROGA
 CITY: ANCHORAGE, ALASKA ZIP: 99502
 PHONE: 248-3078

BILL NO: HB 173
 SUBJECT: INTERNATIONAL AIRPORT AUTHORITY
 MESSAGE: SB 172 - INTERNATIONAL AIRPORT AUTHORITY
 IN REGARDS TO HB 173 AND SB 172 I CONSIDER THIS TO BE BAD LEGISLATION.
 THE PASSAGE OF THESE BILLS WILL RESULT IN REDUCED MORAL AND
 PROFESSIONAL LEVEL OF SERVICE. THE PASSAGE OF THESE BILLS WILL ONLY
 RESULT IN REDUCED LEVEL OF SAFETY AIR TRAVELERS HAVE COME TO EXPECT.
 VOTE AGAINST THESE BILLS.

POMID: 03162225
 DATE: 03/13/67
 TIME: 16:22:25
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BOYER	BENNETT
BROWN	DAVIS	BINKLEY
FRANK	GOLL	DUNCAN
LARSON	POURCHOT	FISCHER
RIEGER	SWACKHAMMER	HENSLEY
WALLIS	BOUCHER	UEHLING
DAVIDSON	DONLEY	ZHAROFF
ELLIS	FURNACE	ABOOD
KOPONEN	MENARD	COGHILL
GRUSSENDORF	HUDSON	FAHRENKAMP
MILLER	PEARCE	JONES
SPRINGER		KELLY

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: CHARLES R. TAYLOR
 TITLE:
 ADDRESS: 1145 PULLMAN
 CITY: WASILLA, ALASKA
 PHONE: 373-3533
 BILL NO: SB 172
 SUBJECT: INTERNATIONAL AIRPORT AUTHORITY
 MESSAGE: HB 173 - INTERNATIONAL AIRPORT AUTHORITY
 IN REGARDS TO HB 173 AND SB 172 I CONSIDER THIS TO BE BAD LEGISLATION.
 THE PASSAGE OF THESE BILLS WILL RESULT IN REDUCED MORAL AND
 PROFESSIONAL LEVEL OF SERVICE. THE PASSAGE OF THESE BILLS WILL ONLY
 RESULT IN REDUCED LEVEL OF SAFETY AIR TRAVELERS HAVE COME TO EXPECT.
 VOTE AGAINST THESE BILLS.

ZIP: 99687

POMID: 03161732
 DATE: 03/13/87
 TIME: 16:17:32
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BOYER	BENNETT
BROWN	DAVIS	BINKLEY
FRANK	GOLL	DUNCAN
LARSON	POURCHOT	FISCHER
RIEGER	SWACKHAMMER	HENSLEY
WALLIS	BOUCHER	UEHLING
DAVIDSON	DONLEY	ZHAROFF
ELLIS	FURNACE	ABOOD
KOPONEN	MENARD	COGHILL
GRUSSENDORF	HUDSON	FAHRENKAMP
MILLER	PEARCE	JONES
SPRINGER		KELLY

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE CATO

NAME: WILLIAM LYLE
 TITLE:
 ADDRESS: P.O. BOX 589
 CITY: WASILLA
 PHONE: 376-6514
 BILL NO:
 SUBJECT: STATE BUDGET/MEDICAL SERVICES
 MESSAGE: HAVING READ THE GOVERNOR'S PROPOSED BUDGET CUTS OF MEDICAL SERVICES
 FOR THE POOR I FEEL THAT IT IS TOTALLY OFF BASE. IF HE WOULD CONSIDER CUTTING
 STATE HEALTHCARE PROGRAMS THAT COMPETE WITH THE PRIVATE SECTOR THE MONEY SAVED
 WOULD PAY FOR THE CONTINUATION OF THE PROPOSED MEDICAL SERVICES CUTS FOR THE
 POOR.

ZIP: 99687

POMID: 03161721
 DATE: 03/13/87
 TIME: 16:17:21
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COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

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ZAWACKI		ZHAROFF

Original sponsors: Pearce and Hanley

1
2 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

3 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 173 (Transportation)

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 FIFTEENTH LEGISLATURE - FIRST SESSION

6 A BILL

7 For an Act entitled: "An Act relating to the international airports in
8 Anchorage and Fairbanks and establishing the Alaska
9 International Airport Authority; and providing for an
10 effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. FINDINGS AND PURPOSE. (a) The Alaska State Legislature
13 finds that the state-owned and state-operated international airports at
14 Anchorage and Fairbanks are critical links in air transportation between
15 the Orient, Europe, and North America and are the major points of access to
16 Alaska for international and interstate air travelers. In order to protect
17 and maintain the viability and competitive position of the Anchorage and
18 Fairbanks international airports, it is in the best interest of the state
19 to vest management of these airports in an independent authority that can
20 provide effective marketing of the airports; efficient, responsive, and
21 integrated management of the airports; and competitive services and facil-
22 ities to users of the airports.

(b) The purpose of this Act is to establish an authority for the
operation, management, planning, and construction of facilities for the
state-owned and state-operated international airports.

* Sec. 2. AS 02 is amended by adding a new chapter to read:

CHAPTER 40. ALASKA INTERNATIONAL AIRPORT AUTHORITY.

ARTICLE 1. CREATION AND ORGANIZATION.

Sec. 02.40.010. ALASKA INTERNATIONAL AIRPORT AUTHORITY. (a)

The Alaska International Airport Authority is established. The

1 authority is a public corporation of the state. The corporation is an
2 instrumentality of the state in the Department of Transportation and
3 Public Facilities but has a legal existence independent of and sepa-
4 rate from the state and has continuing succession until its existence
5 is terminated by law.

6 (b) The authority is the exclusive state agency responsible for
7 the operation, management, planning, marketing, and construction of
8 facilities for the state-owned and state-operated international air-
9 ports located at Fairbanks and Anchorage.

10 Sec. 02.40.020. BOARD OF DIRECTORS. (a) The powers of the
11 authority are vested in the board of directors. The board consists of
12 the commissioner of transportation and public facilities, or the com-
13 missioner's designee, and four qualified members appointed by the
14 governor. Except for the commissioner, a member may not be employed
15 by the state, including the University of Alaska, or hold elective
16 state or municipal office.

17 (b) Two members shall be residents of the Municipality of
18 Anchorage. One of these two members shall be nominated by the munici-
19 pal assembly. The governor shall appoint or reject the person nom-
20 inated by the assembly. If the governor rejects the nominee, the
21 assembly shall nominate another qualified person.

22 (c) Two members shall reside within the geographic boundaries of
23 the Fairbanks North Star Borough. One of these two members shall be
24 nominated by the borough assembly. The governor shall appoint or
25 reject the person nominated by the assembly. If the governor rejects
26 the nominee, the assembly shall nominate another qualified person.

27 (d) The appointed members serve for staggered terms of four
28 years. A member holds office for the term of the member's appointment
29 and until a successor is appointed and qualified. A member may be

1 reappointed. A vacancy in the membership occurring other than by
2 expiration of term shall be filled in the same manner as the original
3 appointment but only for the unexpired term.

4 (e) The members shall comply with the requirements of AS 39.50
5 (conflict of interest).

6 (f) Except for the commissioner and the commissioner's designee,
7 the members of the board shall be confirmed by a majority of the
8 members of the legislature in joint session. A member appointed by
9 the governor has the powers and responsibilities of a confirmed board
10 member until the member is rejected by the legislature or the legisla-
11 ture adjourns without confirming the member.

12 Sec. 02.40.030. COMPENSATION AND EXPENSES. (a) An appointed
13 member of the board is entitled to compensation not to exceed \$400 for
14 each day the member is engaged in the actual performance of duties as
15 a member of the board for a maximum of 60 days in a calendar year.
16 The board may provide by rule for compensation for partial days during
17 which an appointed member is engaged in actual performance of duties
18 as a member of the board.

19 (b) In addition to compensation under (a) of this section, an
20 appointed member of the board is entitled to per diem and travel
21 expenses authorized by law for state boards and commissions under
22 AS 39.20.180.

23 Sec. 02.40.040. REMOVAL OF MEMBERS. The governor may remove an
24 appointed member for cause, including incompetence, neglect of duty,
25 or misconduct in office. Before a member is removed for cause, the
26 member shall be given a copy of the charges and afforded an opportuni-
27 ty to publicly present a defense in person or by counsel upon not less
28 than 10 days' notice. If a member is removed for cause, the governor
29 shall file with the lieutenant governor a complete statement of all

1 charges made against the member and the governor's findings based on
2 the charges, together with a complete record of the proceedings.

3 Sec. 02.40.050. MEETINGS. (a) The board shall meet at least
4 four times each year.

5 (b) The board shall meet at the call of the chair or at the
6 request of three members of the board.

7 Sec. 02.40.060. OFFICERS AND QUORUM. (a) The board shall elect
8 one of its appointed members as chair and one of its appointed members
9 as vice-chair. The board shall elect a secretary who need not be a
10 member.

11 (b) Three members of the board constitute a quorum. Action may
12 be taken and motions and resolutions adopted by the board at a meeting
13 by the affirmative vote of at least three members. A vacancy in the
14 membership of the board does not impair the right of a quorum to
15 exercise all the powers and perform all the duties of the board.

16 (c) Members may not vote by proxy.

17 Sec. 02.40.070. STAFF. (a) The board shall employ an executive
18 director who serves at the pleasure of the board as its chief admin-
19 istrative officer. The executive director shall be selected on the
20 basis of education, experience, training, and expertise in management.
21 The executive director may select and employ additional staff as
22 necessary.

23 (b) The board shall employ a controller who serves at the plea-
24 sure of the board. The controller is responsible for the fiscal
25 management of the authority and shall prepare financial reports,
26 monitor the issuance and management of the debt of the authority, and
27 perform other duties assigned by the authority.

28 (c) The executive director, with the concurrence of the board,
29 shall employ airport directors. Airport directors shall be selected

1 on the basis of education, experience, training, and expertise in
2 management of airports.

3 (d) The board may employ or contract for legal counsel, includ-
4 ing bond counsel, to represent or to advise it.

5 ARTICLE 2. POWERS AND DUTIES.

6 Sec. 02.40.100. POWERS AND DUTIES OF AUTHORITY. (a) In addi-
7 tion to other powers granted in this chapter, the authority may

- 8 (1) sue and be sued;
- 9 (2) adopt and alter an official seal;
- 10 (3) maintain an office in the state;
- 11 (4) acquire, hold, use, and dispose of its money, subject
12 to appropriation by the legislature;
- 13 (5) acquire, hold, use, lease, rent, construct, and dispose
14 of property for its purposes;
- 15 (6) operate, maintain, and improve airport facilities;
- 16 (7) issue revenue bonds in the amount authorized by law;
- 17 (8) assign duties to the executive director and to the
18 controller; and
- 19 (9) do all acts necessary to carry out this chapter that
20 are not expressly prohibited by law.

21 (b) The authority shall adopt and enforce

- 22 (1) rules for the conduct of its business and for the use
of its services and facilities;
- 23 (2) a code of ethics for its directors and employees that
is substantially equivalent to that in AS 39.52;
- 24 (3) personnel rules necessary to establish a system of
personnel administration substantially equivalent to the state person-
nel rules adopted under AS 39.

25 Sec. 02.40.110. PUBLIC NATURE OF AUTHORITY ACTIVITIES. The

1 planning, construction, improvement, maintenance, equipment, and
2 operation of an airport, whether by the authority separately or joint-
3 ly with another state agency, municipality, or person, and the exer-
4 cise of other powers granted to the authority are public and govern-
5 mental functions, exercised for a public purpose, and matters of
6 public necessity. Land and other property and privileges acquired and
7 used by or on behalf of the authority for the purposes enumerated in
8 this chapter are acquired and used for public and governmental pur-
9 poses and as a matter of public necessity.

10 Sec. 02.40.120. ACQUISITION OF LAND AND EASEMENTS. The authori-
11 ty, as part of the cost of constructing, maintaining, or improving
12 airport facilities, may acquire by purchase, gift, exchange, or emi-
13 nent domain land in fee simple or easements that it considers neces-
14 sary for present or future public use, either temporary or permanent,
15 including easements in airport hazards or land outside the boundaries
16 of an airport, necessary to permit the removal, elimination, obstruc-
17 tion-marking or obstruction-lighting of airport hazards, or to prevent
18 the establishment of airport hazards. By the same means, the authori-
19 ty may obtain material, including clay, gravel, sand, or rock, or the
20 land necessary to obtain the material. The authority may acquire the
21 land or material notwithstanding the fact that title to it is vested
22 in the state or a department, agency, commission, or institution of
the state.

23 Sec. 02.40.130. AUTHORITY TO ACQUIRE PROPERTY FOR THE PURPOSE OF
24 EXCHANGE. When the authority declares that it is in the best public
25 interest of the state to do so, the authority may acquire by purchase,
26 gift, exchange, or eminent domain privately or publicly owned land or
27 an interest in it for the purpose of exchanging it for private y or
28 publicly owned land that the authority is authorized by law to

1 acquire.

2 Sec. 02.40.140. EMINENT DOMAIN. (a) The authority may exercise
3 the power of eminent domain under AS 09.55.240 - 09.55.460 to acquire
4 land for airport purposes consistent with this chapter. Notwithstand-
5 ing AS 09.55.250, the authority may acquire a fee simple title whenever,
6 in the judgment of the authority, ownership of a fee simple title
7 is necessary to carry out the purposes of this chapter.

8 (b) The authority may file a declaration of taking in the manner
9 provided for the state under AS 09.55.420.

10 (c) The exercise of the power of eminent domain requires the
11 prior approval of the governor.

12 Sec. 02.40.150. INDEMNIFICATION. (a) The authority may defend
13 and indemnify a current or former member of the board, employee, or
14 agent of the authority against all costs, expenses, judgments, and
15 liabilities, including attorney's fees, incurred by or imposed upon
16 that person in connection with a civil or criminal action in which the
17 person is involved by affiliation with the authority, if the person
18 acted in good faith on behalf of the authority and within the scope of
19 official duties or powers.

20 (b) The authority may purchase insurance to protect and hold
21 personally harmless its employees, agents, and board members from an
22 action, claim, or proceeding arising out of the performance, purported
23 performance, or failure of performance, in good faith, of duties for,
24 or employment with, the authority and to hold them harmless from
25 expenses connected with the defense, settlement, or monetary judgments
26 from that action, claim, or proceeding. The purchase of insurance is
27 discretionary with the board and insurance is not considered to be
28 compensation to the insured person.

29 Sec. 02.40.160. FIDELITY BOND. The authority shall obtain a

1 fidelity bond in an amount determined by the board for board members
2 and each executive officer responsible for accounts and finances. A
3 bond must be in effect during the entire tenure in office of the
4 bonded person.

5 Sec. 02.40.170. INSURANCE. Except as provided in AS 02.40.-
6 150(b), the authority shall protect its assets, services, and em-
7 ployees by purchasing insurance or providing for certain self-
8 insurance retentions. The authority shall also maintain casualty,
9 property, and other insurance in amounts reasonably calculated to
10 cover potential claims against the authority or state for bodily
11 injury, death, or disability and property damage that may arise from
12 or be related to authority operations and activities.

13 ARTICLE 3. INTERNATIONAL AIRPORT FACILITIES.

14 Sec. 02.40.200. ACQUISITION AND MAINTENANCE OF AIRPORT FACIL-
15 ITIES. The authority may construct and operate airport facilities.
16 The authority shall repair and maintain these facilities.

17 Sec. 02.40.210. OPERATION AND USE PRIVILEGES. In operating an
18 airport or air navigation facility owned or controlled by the auth-
19 ority, the authority may enter into contracts, leases, and other
20 arrangements covering periods not exceeding 55 years with a person or
21 municipality or the United States, granting the privilege of using or
22 improving an airport or air navigation facility or a portion of it or
space in it for commercial or governmental purposes or conferring the
privilege of supplying goods, commodities, services, or facilities at
an airport or air navigation facility. The authority may establish
the terms and conditions and fix the charges, rentals, and fees for
the privileges or services that are reasonable and uniform for the
same class of privilege or service. These terms, conditions, charges,
rentals, and fees shall be established with due regard to the property

1 and improvements used and the expense of operation to the authority.
2 However, the public may not be deprived of its rightful, equal, and
3 uniform use of the airport or air navigation facility.

4 Sec. 02.40.220. SALE AND DELIVERY OF IN-BOND MERCHANDISE. (a)
5 As provided by (b) and (c) of this section, the authority shall allow
6 the sale and delivery of in-bond merchandise at an airport only by an
7 exclusive contract.

8 (b) If an exclusive contract for the sale and delivery of in-
9 bond merchandise at an airport exists on June 30, 1987, the authority
10 may not permit or confer a right on another person to offer to sell,
11 sell, or deliver in-bond merchandise at that airport except as pro-
12 vided in (c) of this section.

13 (c) After exclusive contracts described in (b) of this section
14 expire, the authority shall enter into one exclusive contract and, on
15 its expiration, additional successive exclusive contracts for the sale
16 and delivery of in-bond merchandise at each airport. Except under the
17 existing and future exclusive contracts described in this section, the
18 authority may not permit or confer a right upon a person to offer to
19 sell, sell, or deliver in-bond merchandise at an airport.

20 (d) The authority shall offer the exclusive contracts required
21 by this section by competitive bid and shall award the contracts after
22 considering the generation of maximum revenue for the international
23 airports revenue fund under AS 37.15.430.

24 (e) The authority shall actively supervise the operations under
25 each exclusive contract for the sale and delivery of in-bond merchan-
26 dise in order to ensure the effectiveness of the operations. To
27 supervise contract operations under this section, the authority shall
28 develop and implement guidelines that provide for review of the rea-
29 sonableness of price schedules, quality and assortment of merchandise,

1 and customer service.

2 (f) This section does not apply to deliveries of in-bond mer-
3 chandise as cargo to airlines.

4 Sec. 02.40.230. POLICE POWERS VESTED. The officers and em-
5 ployees of the authority who the authority may designate have general
6 police powers in aid of the enforcement of this chapter. The persons
7 designated under this section shall meet the minimum standards for
8 police officers adopted under AS 18.65.130 - 18.65.290.

9 Sec. 02.40.240. REGULATION OF GROUND TRANSPORTATION AT AIRPORTS.

10 (a) Notwithstanding the provisions of AS 02.40.210, the authority may
11 not exclude taxis, buses, or limousines that carry passengers for hire
12 or courtesy cars from the highways, parking facilities, or other
13 portions of an airport designated for operation or parking of ground
14 transportation vehicles. The authority may regulate by rule the op-
15 erations of taxis, buses, limousines, and courtesy cars as necessary
16 to promote efficient operation of an airport.

17 (b) In this section, "courtesy car" means a motor vehicle owned
18 or operated by a hotel, motel, or other place of public accommodation
19 for the transportation of its guests to and from the airport at the
20 request of the guest and for which service no charge is made to the
21 guest.

22 Sec. 02.40.250. RULES. (a) The authority shall adopt rules to
23 carry out its functions and the purposes of this chapter, including
24 rules to safeguard property owned by the authority and to protect
25 employees and persons using the authority's property or services. At
26 least 15 days before the adoption of a rule, the authority shall give
27 public notice of the proposed action by publishing a notice in at
28 least two newspapers of general circulation in the state and by mail-
29 ing a copy of the notice to each person who has requested notice of

1 proposed changes to its rules. The notice must state the time, place,
2 and nature of the proceedings and must contain a summary of the sub-
3 ject of the proposed rule.

4 (b) On the date and at the time and place designated in the
5 notice required under (a) of this section, the authority shall provide
6 each interested person an opportunity to present statements in writing
7 concerning the proposed rule and shall give members of the public an
8 opportunity to present oral statements for a total period of at least
9 one hour.

10 (c) The authority shall consider all relevant matters presented
11 to it before adopting a rule. The authority may take action on a rule
12 that varies in content from the summary provided with the notice of
13 the proposed rule if the subject of the rule was reflected in the
14 summary in a way that provided reasonable notice to the public about
15 whether their interests could be affected by the authority's action on
16 that subject.

17 (d) The authority may establish in the bylaws of the corporation
18 additional procedures for adopting rules under this section.

19 Sec. 02.40.260. EMERGENCY RULES. (a) The authority shall
20 establish in the bylaws of the corporation a procedure for the adop-
21 tion of a rule on an emergency basis. An emergency rule may be adopt-
22 ed only when necessary for the orderly operation of the authority's
23 facilities or programs. The requirements of AS 02.40.250 do not apply
24 to actions under this section. However, within 10 days after the
25 adoption of a rule on an emergency basis the authority shall give
26 notice of its action that substantially complies with the notice
27 requirements of AS 02.40.250(a).

28 (b) An action under this section remains in effect for not more
29 than 120 days. To prevent an emergency rule from lapsing the

1 authority may adopt the same rule under AS 02.40.250 before the end of
2 the 120-day period.

3 Sec. 02.40.270. VALIDITY OF RULES. (a) Failure to mail notice
4 to a person under AS 02.40.250(a) or 02.40.260(a) does not invalidate
5 an action taken by the authority.

6 (b) An interested person may challenge a rule adopted by the
7 authority by bringing an action in the superior court. In addition to
8 other grounds, a court may declare a rule invalid

9 (1) for substantial failure by the authority to comply with
10 AS 02.40.250 or 02.40.260; or

11 (2) if the rule was adopted under AS 02.40.260, upon the
12 grounds that the emergency rule was not necessary for the orderly
13 operation of the authority's facilities or programs.

14 ARTICLE 4. FISCAL PROCEDURES.

15 Sec. 02.40.300. BUDGET REQUEST. (a) The authority, on the date
16 and in the form and content prescribed by the governor after consulta-
17 tion with the legislative finance division, shall prepare and forward
18 to the governor and the legislative finance division a document con-
19 taining

20 (1) the goals and objectives of the authority and the
21 problem or need that the activities and operations of the authority
22 are intended to address;

23 (2) its proposed plans to implement the goals and objec-
24 tives, including estimates of future service needs, planned methods of
25 administration, proposed modification of existing services and estab-
26 lishment of new services, and the estimated resources needed to carry
27 out the proposed plan;

28 (3) the budget requested to carry out its proposed plans in
29 the succeeding fiscal year, including information reflecting the

1 expenditures during the last fiscal year, those authorized for the
2 current fiscal year, those proposed for the succeeding fiscal year, an
3 explanation of the services to be provided, the number of total posi-
4 tions for all persons employed or under contract by the authority for
5 personal services including those rendered for capital improvement
6 projects, the need for the services, the cost of the services, and
7 other information requested by the governor;

8 (4) a report of the receipts during the last fiscal year,
9 an estimate of the receipts during the current fiscal year, and an
10 estimate for the succeeding fiscal year;

11 (5) a statement of the performance and accomplishments of
12 the authority in each of the last four fiscal years;

13 (6) a statement of legislation required to implement the
14 proposed programs and financial plans;

15 (7) an assessment of the degree to which the overall pol-
16 icies of the authority, as expressed in rules adopted by the author-
17 ity, meet the objectives of the legislature in establishing the au-
18 thority;

19 (8) an evaluation of the advantages and disadvantages of
20 specific alternatives to existing or proposed program policies or
21 administrative methods.

22 (b) The authority's proposals prepared under (a) of this section
23 shall describe the relationships of the services to those of other
24 agencies, of other governments, and of nongovernmental bodies.

25 (c) If the authority fails to transmit the program and financial
26 information provided under (a) of this section on the specified date,
27 the governor may prepare the information.

28 (d) All goals and objectives, plans, programs, estimates, bud-
29 gets, and other documents forwarded to the governor by the authority

1 under this section are public information after the date they are
2 forwarded.

3 Sec. 02.40.310. PROGRAM EXECUTION. (a) Except as limited by
4 policy decisions of the governor, appropriations by the legislature,
5 and other provisions of law, the authority has power to administer its
6 programs and is responsible for the proper management of the airports.

7 (b) The governor may direct the withholding or reduction of
8 appropriations to the authority during the fiscal year only if the
9 governor determines that

10 (1) the planned expenditures can no longer be made due to
11 factors outside the control of the state that make the expenditure
12 factually impossible; or

13 (2) estimated receipts and surpluses will be insufficient
14 to provide for appropriations.

15 Sec. 02.40.320. ACCEPTANCE OF MONEY FROM FEDERAL AND OTHER
16 PUBLIC OR PRIVATE SOURCES. The authority may accept federal money,
17 and money from other public or private sources, subject to appropria-
18 tion by the legislature, to accomplish the purposes of this chapter.
19 Federal money accepted under this chapter shall be accepted and ex-
20 pended by the authority under the terms and conditions prescribed by
21 federal law and regulations.

22 Sec. 02.40.330. ANNUAL REPORT. By January 15 of each year, the
23 authority shall submit to the governor and the legislature a concise
24 report describing the operations, income, and expenditures for the
25 preceding fiscal year. The report shall include financial statements
26 audited by independent outside auditors.

27 Sec. 02.40.340. ANNUAL AUDIT. The authority shall have a cer-
28 tified audit of its financial records prepared annually by an indepen-
29 dent certified public accountant.

1 Sec. 02.40.400. RESPONSIBILITY OF AUTHORITY FOR REVENUE BONDS.
2 The authority succeeds to all rights, duties, powers, and obligations
3 of the state bond committee regarding the issuance, sale, and repay-
4 ment of revenue bonds authorized under AS 37.15.410 - 37.15.550.

5 ARTICLE 5. GENERAL PROVISIONS.

6 Sec. 02.40.900. AUTHORITY EMPLOYEES. (a) Employees of the
7 authority are not employees of the state.

8 (b) Notwithstanding (a) of this section, employees of the au-
9 thority who were state employees the day before they were transferred
10 to the authority shall continue to participate in the supplemental
11 employee benefits program under AS 39.30.150 - 39.30.180 and in the
12 Public Employees' Retirement System under AS 39.35. The authority
13 shall pay the employer's contributions required under AS 39.30.150 -
14 39.30.180 and under AS 39.35.

15 Sec. 02.40.910. APPLICATION OF EXISTING LAWS. Unless specif-
16 ically provided otherwise in this chapter, the following laws do not
17 apply to the operations of the authority:

- 18 (1) AS 36.30, except as specifically provided in that
19 chapter;
20 (2) AS 37.07;
21 (3) AS 39, except as provided in this chapter;
22 (4) "bonds" mean the international airports revenue bonds
23 authorized by AS 37.15.410 - 37.15.550;
24 (5) AS 44.62.010 - 44.62.300.

25 Sec. 02.40.990. DEFINITIONS. In this chapter, unless the con-
26 text requires otherwise,

- 27 (1) "airport" means the international airports owned and
28 operated by the state and located at Anchorage and Fairbanks;
29 (2) "authority" means the Alaska International Airport

Authority established by this chapter;

(3) "board" means the board of directors of the authority;

(4) "bonds" means the international airports revenue bonds authorized by AS 37.15.410 - 37.15.550; and

(5) "capital improvement" means a project for the construction, rehabilitation, rebuilding, enlarging, or improving of all or a part of the international airport system, as determined by the authority to be necessary or desirable for efficient operation of the international airports and to best serve the public.

Sec. 02.40.995. SHORT TITLE. This chapter may be cited as the Alaska International Airport Authority Act.

* Sec. 3. AS 02.15.090 is amended to read:

Sec. 02.15.090. OPERATION AND USE PRIVILEGES. (a) [STATE OPERATION.] In operating an airport or air navigation facility owned or controlled by the state and subject to the jurisdiction of the department, the department may enter into contracts, leases, and other arrangements covering periods not exceeding 55 years with a person or municipality or the United States, granting the privilege of using or improving an airport or air navigation facility or a portion of it or space in it for commercial or governmental purposes; or conferring the privilege of supplying goods, commodities, services, or facilities at an airport or air navigation facility. The department may establish the terms and conditions and fix the charges, rentals, and fees for the privileges or services, which are reasonable and uniform for the same class of privilege or service. These terms, conditions, charges, rentals, and fees shall be established with due regard to the property and improvements used and the expense of operation to the state. In no case shall the public be deprived of its rightful, equal, and uniform use of the airport, air navigation facility, or portion of

1 them [THEREOF].

2 (b) [OTHER OPERATION.] The department may by contract or other
3 arrangement, upon a consideration fixed by it, grant to a [ANY] qual-
4 ified municipality or person for a reasonable period of time the
5 privilege of operating, as agent of the state or otherwise, an [ANY]
6 airport owned or controlled by the state and subject to the jurisdic-
7 tion of the department. A [NO] municipality or person granted that
8 privilege may not operate the airport other than as a public airport
9 or enter into a [ANY] contract, lease, or other arrangement in con-
10 nection with the operation that [WHICH] the department may not have
11 undertaken under (a) of this section.

12 * Sec. 4. AS 02.15.095 is amended to read:

13 Sec. 02.15.095. GROUND TRANSPORTATION: "COURTESY CARS." Not-
14 withstanding the provisions of AS 02.15.090(a), in operating an air-
15 port subject to the jurisdiction of the department, the department may
16 not exclude from the [STREETS, ROADS,] highways, parking facilities,
17 or other portions of the [A STATE-OPERATED] airport designated for
18 operation or parking of ground transportation vehicles, nor may the
19 department prohibit from picking up and discharging passengers, those
20 motor vehicles commonly known as "courtesy cars" owned or operated by
21 hotels, motels, or other similar places of public accommodation for
22 the transportation of their guests to and from the airport at the
23 request of the guest and for which service no charge is made to the
24 guest.

25 * Sec. 5. AS 02.15.102 is amended to read:

26 Sec. 02.15.102. USE OF AIRPORTS FOR UTILITIES. A utility facil-
27 ity may be constructed, placed, or maintained across, along, over,
28 under, or within

29 (1) a state airport, other than an airport subject to

1 AS 02.40, only under [IN ACCORDANCE WITH] regulations adopted or
2 procedures prescribed by the department and only if authorized by a
3 written permit issued by the department; or

4 (2) a state airport subject to AS 02.40, only under rules
5 adopted by the authority and only if authorized by a written permit
6 issued by the authority.

7 * Sec. 6. AS 02.15.104 is amended to read:

8 Sec. 02.15.104. RELOCATION OF UTILITY FACILITIES INCIDENT TO
9 AIRPORT PROJECTS. (a) If, incident to the construction of an airport
10 project, the department or authority determines and orders that a
11 utility facility located across, along, over, under, or within a state
12 airport subject to its jurisdiction must be changed, relocated, or
13 removed, the utility owning or maintaining the facility shall change,
14 relocate, or remove it under [IN ACCORDANCE WITH] the order, within a
15 reasonable time set by the department or the authority in the order.

16 (b) If the utility facility is not changed, relocated, or re-
17 moved under [IN ACCORDANCE WITH] the order, the [ANY] permit authoriz-
18 ing the facility issued by the department or the authority under
19 AS 02.15.102 becomes invalid and the facility is [WILL BE] considered
20 an unauthorized encroachment subject to the provisions of AS 02.15.-
21 114.

22 (c) The cost of change, relocation, or removal, as defined in
AS 02.15.260, ordered under (a) of this section is to be paid as
follows:

(1) by the department or the authority as a cost of airport
construction, if the utility facility is installed or authorized after
June 11, 1986, [THE EFFECTIVE DATE OF THIS ACT] under a utility permit
or a regulation and is installed in the location specified in the
permit;

1 (2) by the department or the authority as a cost of airport
2 construction, if the utility facility was installed before June 11,
3 1986, [THE EFFECTIVE DATE OF THIS ACT] under a utility permit or
4 utility easement and is in the location specified in the permit or
5 easement;

6 (3) by the department or the authority as a cost of airport
7 construction, if the utility facility was installed before the loca-
8 tion became part of a state airport or before permits were required;

9 (4) by the department or the authority as a cost of airport
10 construction, if the utility permit that requires the utility to pay
11 the relocation cost was issued more than five years before the con-
12 tract for the airport construction project was first advertised;

13 (5) by the utility in all other cases unless

14 (A) for airports subject to the jurisdiction of the
15 department, the commissioner finds it is in the public interest
16 for the cost to be paid by the department; or

17 (B) for airports subject to the jurisdiction of the
18 authority, the authority finds it is in the public interest for
19 the cost to be paid by the authority.

20 * Sec. 7. AS 02.15.106 is amended to read:

21 Sec. 02.15.106. ENCROACHMENT PERMITS. An encroachment may be
22 constructed, placed, changed, or maintained across or within an air-
23 port, but only under [IN ACCORDANCE WITH] regulations or procedures
24 adopted by the department for airports subject to the jurisdiction of
25 the department or only under rules adopted by the authority for air-
26 ports subject to the jurisdiction of the authority. An encroachment
27 may not be constructed, placed, maintained, or changed until it is
28 authorized by a written permit issued by the department or the author-
29 ity, unless the department or the authority provides otherwise by
30 itv,

regulation or rule.

* Sec. 8. AS 02.15.108 is amended to read:

Sec. 02.15.108. RELOCATION OR REMOVAL OF ENCROACHMENT. If, incidental to the construction or maintenance of a state airport subject to the jurisdiction of the department or the authority, the department or the authority determines and orders that an encroachment previously authorized by written permit must be changed, relocated, or removed, the owner of the encroachment shall change, relocate, or remove it within a reasonable time set by the department or the authority in the order. The cost of the change, relocation, or removal shall be paid as provided in AS 02.15.104(c). If the owner does not change, relocate, or remove an encroachment within the time set by the department or the authority, the encroachment will be considered an unauthorized encroachment subject to the provisions of AS 02.15.114.

* Sec. 9. AS 02.15.110 is amended to read:

Sec. 02.15.110. UNAUTHORIZED ENCROACHMENTS. If an unauthorized encroachment exists in, on, under, or over a state airport subject to the jurisdiction of the department or the authority, the department or the authority may require the removal of the encroachment, at the expense of the owner, in the manner provided in AS 02.15.112 - 02.15.-114.

* Sec. 10. AS 02.15.112 is amended to read:

Sec. 02.15.112. NOTICE OF REMOVAL OF UNAUTHORIZED ENCROACHMENT. Notice shall be given the owner, occupant, or person in possession of an unauthorized encroachment, or to another person causing or permitting the encroachment to exist, by serving upon any of them a notice demanding the removal of the encroachment within a time limit set by the department or the authority. The notice must describe the encroachment with reasonable certainty as to its character and location.

Service of the notice may be made by certified mail.

* Sec. 11. AS 02.15.114 is amended to read:

Sec. 02.15.114. REMOVAL AT OWNER'S EXPENSE AFTER NONCOMPLIANCE; REMOVAL EXPENSE. After a failure of the owner of an unauthorized encroachment to comply with a notice or order of the department or the authority under AS 02.15.104, 02.15.108, or 02.15.112, the department or the authority may remove the encroachment, or cause it to be removed. The owner of the unauthorized encroachment shall pay to the department or the authority

(1) the expense of the removal of the encroachment;

(2) all costs and expenses paid by the state as a result of a claim or claims filed against the state by third parties for damages due to delays because the encroachment was not changed, removed, or relocated according to the order of the department or the authority; and

(3) costs and expense of suit.

* Sec. 12. AS 02.15.130 is amended to read:

Sec. 02.15.130. ASSISTANCE TO MUNICIPALITIES AND OTHER PERSONS. The department may make available its engineering, maintenance, and other services, with or without charge, to the federal government, to the authority, or to a municipality or person in connection with the planning, acquisition, construction, improvement, maintenance, or operation of airports or air navigation facilities. The commissioner of administration shall separately account for money that is generated by the provision of services to nonstate entities under this section and that the department deposits in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the department to carry out the purposes of this section. The department may make available its engineering and

1 other technical services, with or without charge, to a [ANY] municipi-
2 pality or person in connection with the planning, acquisition, con-
3 struction, improvement, maintenance, or operation of airports or air
4 navigation facilities.

* Sec. 13. AS 02.15.210 is amended to read:

Sec. 02.15.210. NO EXCLUSIVE RIGHTS GRANTED. The department may not grant an exclusive right for the use of an airway, airport, or air navigation facility under its jurisdiction. This section does not prevent the making of contracts, leases, and other arrangements under AS 02.15.060 - 02.15.100 and 02.15.120, including exclusive contracts for the sale and delivery of in-bond merchandise [DESCRIBED IN AS 02.-15.091].

* Sec. 14. AS 02.15.260 is amended by adding new paragraphs to read:

(19) "authority" means the Alaska International Airport Authority created under AS 02.40.010;

(20) "highway" includes roads and streets.

* Sec. 15. AS 02.25.110(4) is amended to read:

(4) "department" means the Department of Transportation and Public Facilities of this state with regard to airports that are not subject to AS 02.40 and the Alaska International Airport Authority with regard to airports that are subject to AS 02.40;

* Sec. 16. AS 35.27 is amended by adding a new section to read:

Sec. 35.27.025. APPLICATION TO ALASKA INTERNATIONAL AIRPORT AUTHORITY. This chapter applies to the Alaska International Airport Authority. Compliance with this chapter is the sole responsibility of the authority with respect to the public buildings and facilities of the authority.

* Sec. 17. AS 35.27.030(2) is amended to read:

(2) "building" or "facility" means a permanent improvement

constructed by the department or the Alaska International Airport Authority; the term

(A) includes, but is not limited to,

(i) schools, office buildings, and court buildings;

(ii) other buildings which the commissioner determines are designed for substantial public use;

(iii) boats and vessels of the marine highway system;

(iv) transportation facilities which accommodate traveling passengers;

(B) excludes other transportation facilities; [.]

* Sec. 18. AS 36.10.180(a) is amended to read:

(a) The preferences established in AS 36.10.150 - 36.10.175 apply to work performed

(1) under a contract for construction, repair, preliminary surveys, engineering studies, consulting, maintenance work, or any other retention of services necessary to complete a given project that is let by the state or an agency of the state, a department, office, state board, commission, public corporation, or other organizational unit of or created under the executive, legislative, or judicial branch of state government, including the University of Alaska, the Alaska International Airport Authority, and the Alaska Railroad Corporation, or by a political subdivision of the state including a regional school board with respect to an educational facility under AS 14.-11.020;

(2) on a public works project under a grant to a municipality under AS 37.05.315;

(3) on a public works project under a grant to a named

1 recipient under AS 37.05.316;

2 (4) on a public works project under a grant to an unincor-
3 porated community under AS 37.05.317; and

4 (5) on any other public works project or construction
5 project that is funded in whole or in part by state money.

6 * Sec. 19. AS 36.30.015(e) is amended to read:

7 (e) The boards of directors of the Alaska Railroad Corporation,
8 the Alaska International Airport Authority, and the Alaska State
9 Building Authority shall adopt procedures to govern the procurement of
10 supplies, services, professional services, and construction by the
11 corporation. The procedures must be substantially equivalent to the
12 procedures prescribed in this chapter and in regulations adopted under
13 this chapter.

14 * Sec. 20. AS 36.30.050(c) is amended to read:

15 (c) The lists may be used by the chief procurement officer or an
16 agency when issuing invitations to bid or requests for proposals under
17 this chapter. The lists may be used by the Legislative Council, the
18 court system, the Alaska State Building Authority, the Alaska Interna-
19 tional Airport Authority, and the Alaska Railroad Corporation.

20 * Sec. 21. AS 36.30.850(b)(8) is amended to read:

21 (8) acquisitions or disposals of property and other con-
22 tracts relating to airports under AS 02.15.070 and [,] 02.15.090 [,
23 AND 02.15.091];

24 * Sec. 22. AS 36.30.990(1) is amended to read:

25 (1) "agency" means a department, institution, board, com-
26 mission, division, authority, public corporation, the Alaska Pioneers'
27 Home, or other administrative unit of the executive branch of state
28 government, except for the University of Alaska, the Alaska State
29 Building Authority, the Alaska International Airport Authority, and

1 the Alaska Railroad Corporation; it does not include a regional Native
2 housing authority created under AS 18.55.996, or a regional electrical
3 authority created under AS 18.57.020;

4 * Sec. 23. AS 37.05 is amended by adding a new section to read:

5 Sec. 37.05.307. APPLICABILITY TO ALASKA INTERNATIONAL AIRPORT
6 AUTHORITY. The commissioner of administration may delegate the per-
7 formance of the functions under this chapter as they relate to the
8 Alaska International Airport Authority to the authority and set out
9 the criteria and guidelines that shall be followed. The commissioner
10 shall direct necessary stipulations and exercise monitoring respon-
11 sibility for conformance through the board of directors of the Alaska
12 International Airport Authority.

13 * Sec. 24. AS 37.15.480 is amended to read:

14 Sec. 37.15.480. AMOUNTS REQUIRED FOR PAYMENTS. The committee
15 shall, before December 31 of each year, commencing with the year in
16 which the bonds are issued, determine [CERTIFY TO THE COMMISSIONERS OF
17 REVENUE AND TRANSPORTATION AND PUBLIC FACILITIES] the amounts required
18 in the next ensuing calendar year by the bond resolution or resolu-
19 tions to be paid out of the revenue fund into the bond redemption fund
20 and to be paid into and maintained in a [ANY] reserve fund or account
21 or [ANY] other fund or account created by the bond resolution or
22 resolutions, and shall also determine [CERTIFY TO THE COMMISSIONERS]
23 the last date or dates upon which payments may be made.

24 * Sec. 25. AS 37.15.500 is amended to read:

25 Sec. 37.15.500. AIRPORT CHARGES. The authority [COMMISSIONER OF
26 TRANSPORTATION AND PUBLIC FACILITIES] shall fix and collect the [SUCH]
27 fees, charges, and rentals derived by the state from the ownership,
28 lease, use, and operation of the airports and all of the facilities
29 and improvements of them or used in connection with them that [AS]

will provide revenues sufficient to comply with all of the covenants of the bond resolution.

* Sec. 26. AS 37.15.510 is amended to read:

Sec. 37.15.510. STATE IMPROVEMENTS TO AIRPORTS. The state is authorized to acquire, equip, construct, and install additions and improvements to and extensions of the airports, facilities for the landing, parking, loading storing, repairing, safety, and utility of aircraft at the airports and passenger, freight, and terminal facilities, including safety equipment and devices at the airports, found to be necessary by the authority [COMMISSIONER OF TRANSPORTATION AND PUBLIC FACILITIES].

* Sec. 27. AS 37.15.550 is amended by adding a new paragraph to read:

(10) "authority" means the Alaska International Airport Authority created by AS 02.40.010 or another committee, body, department, or officer of the state that or who succeeds to the rights, powers, duties, and obligations of the authority by lawful act of the legislature.

* Sec. 28. AS 38.05.030(b) is amended to read:

(b) The provisions of this chapter do not apply to a [ANY] power, duty, or authority now or in the future granted to the Department of Transportation and Public Facilities or the Alaska International Airport Authority in the name of the state, to acquire, use, lease, dispose of, or exchange real property, or an [ANY] interest in real property. Land assigned by the division of lands to the Department of Transportation and Public Facilities or the Alaska International Airport Authority shall be returned to the management of the division of lands when it is no longer needed for the purposes assigned.

* Sec. 29. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.152. ALASKA INTERNATIONAL AIRPORT AUTHORITY EMPLOYEES. (a) An employee of the Alaska International Airport Authority who was an employee of the state on the day before the employee was transferred to the authority under AS 02.40 shall be included in the system.

(b) An employee of the authority who is not covered under (a) of this section shall be included in the system on the effective date of the authority's participation in the system for that employee.

* Sec. 30. AS 39.50.200(b) is amended by adding a new paragraph to read:

(49) Alaska International Airport Authority (AS 02.40.010).

* Sec. 31. AS 39.52.960(2) is amended to read:

(2) "agency" means a department, office of the governor, or entity in the executive branch, including but not limited to the University of Alaska, public or quasi-public corporations, and boards or commissions, but excluding the Alaska International Airport Authority and the Alaska Railroad Corporation;

* Sec. 32. AS 39.52.960(4) is amended to read:

(4) "board or commission" means a board, commission, authority, or board of directors of a public or quasi-public corporation, established by statute in the executive branch, but excluding the Alaska International Airport Authority and the Alaska Railroad;

* Sec. 33. AS 39.52.960(12) is amended to read:

(12) "instrumentality of the state" means a state agency or administrative unit, whether in the legislative, judicial, or executive branch, including [SUCH ENTITIES AS] the University of Alaska, the Alaska Railroad, the Alaska International Airport Authority, and any public or quasi-public corporations, boards, or commissions; the term includes municipalities;

* Sec. 34. AS 44.42.020(a)(7) is amended to read:

(7) manage, operate, and maintain state transportation facilities and all docks, floats, breakwaters, and buildings, including all state highways, vessels, railroads, pipelines, and airports [,] and aviation facilities other than airports and aviation facilities subject to AS 02.40;

* Sec. 35. TRANSITION. (a) Real and personal property used and controlled by the Anchorage International Airport or the Fairbanks International Airport on July 1, 1987, shall be transferred to the Alaska International Airport Authority.

(b) All employees of the Department of Transportation and Public Facilities assigned to the management, operation, and maintenance of the Anchorage International Airport or the Fairbanks International Airport on July 1, 1987, shall be transferred to the authority as employees of the authority.

(c) Classified state employees transferred to the authority under (b) of this section retain the rights and status of state employees until the expiration dates of the collective bargaining agreements covering those employees that are in effect on July 1, 1987.

(d) The authority is bound by the collective bargaining agreements covering employees transferred to the authority under (b) of this section for the terms of the agreements.

(e) Notwithstanding AS 02.40.900(a), as enacted by sec. 2 of this Act, and (c) - (d) of this section, the authority shall operate under personnel rules adopted under AS 39 until January 1, 1988, or until the authority adopts its own personnel rules under AS 02.40.100(b), as enacted by sec. 2 of this Act, whichever occurs first.

* Sec. 36. INITIAL APPOINTMENTS. Notwithstanding AS 39.05.055, one member of the board of directors of the Alaska International Airport

1 Authority residing in the Municipality of Anchorage and one member residing
2 within the geographic boundaries of the Fairbanks North Star Borough shall
3 be appointed to an initial term of four years and the remaining members
4 shall be appointed to initial terms of two years. The governor shall
5 designate the initial terms of the members under this section at the time
6 the members are appointed.

7 * Sec. 37. TRANSFER OF RESPONSIBILITY FOR INTERNATIONAL AIRPORTS REVE-
8 NUE BONDS. All rights, duties, powers, obligations, and authorities of the
9 state bond committee in regard to international airports revenue bonds
10 under AS 37.15.410 - 37.15.550 are transferred to the Alaska International
11 Airport Authority.

12 * Sec. 38. SAVINGS CLAUSE. Litigation, hearings, investigations, and
13 other proceedings pending under a law amended or repealed by this Act, or
14 in connection with functions transferred by this Act, continue in effect
15 and may be continued and completed notwithstanding a transfer or amendment
16 or repeal provided for by this Act. Regulations adopted under authority of
17 a law amended or repealed by this Act remain in effect for the term adopted
18 or until repealed or otherwise amended under the provisions of this Act.

19 * Sec. 39. The revisor of statutes shall change "committee" to "author-
20 ity" as appropriate, in AS 37.15.410 - 37.15.550.

21 * Sec. 40. AS 02.15.091; AS 37.15.550(5), 37.15.550(6); and AS 39.25.-
22 120(14) are repealed.

23 * Sec. 41. Except for secs. 19 - 22, this Act takes effect July 1,
24 1987.

25 * Sec. 42. Sections 19 - 22 of this Act take effect on the effective
26 date of sec. 2, ch. 106, SLA 1986.

11/10/87

HB 173 - An act creating an International Airport Authority

During the interim, House Transportation staff visited with numerous persons on all aspects of the airline industry to receive comments, suggestions and recommendations on HB 173

These persons included:

Mr. Richard Wein, President, Fairbanks Chamber of Commerce and representative from the airline industry.

Mr. Chris Birch, Manager, Fairbanks International Airport

Mr. Dave Carlstrom, Marketing Director, Fairbanks Chamber of Commerce.

Mr. Doyle Ruff, International Airport Director.

Mr. Robert Smith, City Manager, city of Anchorage

Mr. Brian Phillips, City Manager, city of Fairbanks

Mr. Jim Dobson, city of Fairbanks

Mr. Bob Poe, Deputy Commissioner, DOTPF

After many hours of discussion it became very apparent that everyone was in agreement in almost all areas. Industry representatives, a majority of the airlines, Anchorage and Fairbanks city officials, the Chamber of Commerce and various other related businesses all support HB 173. However, these same individuals and groups feel the recent reorganization of the International Airports by the Department of Transportation does provide many of the same benefits proposed in HB 173.

Until recently, the Anchorage International Airport fell under the central region and the Fairbanks International Airport under the Northern Region. With each airport accountable to different Deputy Commissioners, co-ordination of the two airports was difficult.

Under the reorganization, both Fairbanks and Anchorage International Airports are supervised by one Director. Each airport has its own airport manager who answers directly to the International Airports Director. This restructuring has gone a long way to answering a lot of the concerns regarding coordinating efforts.

While those involved in the discussions did feel this restructuring by DOTPF did answer a lot of the problems with coordination, concerns over marketing of the airports still exist. Representatives from Fairbanks and Anchorage expressed their concern regarding the state's ability to adequately market the airports. Mr. Wein stated while he felt the Department of Transportation could effectively manage the airports, he did not feel the department has the marketing expertise or background necessary to properly market the airports.

Proper marketing of the airports is vital to the future growth and development of the state. Chamber of Commerce representatives, city officials and representatives from the private sector unanimously agreed upon the importance of a professional, well developed and uniquely designed marketing plan for the airports. With the recent expansion of both airports the possibilities for new business is endless. However, marketing is the key to this expansion and the expansion of our tourism markets.

Representatives from both Fairbanks and Anchorage feel the cities, the chamber and other related industries should be involved in the marketing process. Tourists do not come to see the airports, they come to see the state and what it has to offer. Stopover passengers may stay longer if they know what the state had to offer. Airlines and travel agencies may increase travel to and from Alaska at reduced rates if the proper marketing strategies were offered.

In summary, all those involved feel the restructuring and reorganization of the International Airports within DOTPF should answer most of the coordination and operational concerns. While coordination and smooth operation of the airports is important, marketing the airports and attracting new business, industry and tourists to our state is vital for the continued growth and development of the airports and the state. House Bill 173 does offer the autonomy necessary to provide aggressive marketing of the airports. Industry officials feel without further restructuring of the International airports within DOTPF, marketing efforts will be fairly passive.



Official Business

COMMITTEE:

House Transportation Committee

DATE: March 30, 1987

SIGN-IN

Subject of meeting:

HB 173: International Airport Authority

HB 196: Regulation of Air Carriers

NAME <small>Please include title</small>	ADDRESS <small>Please use full address. Please include zip.</small>	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Lobbyist Reed Stroops	Box 1211 Juneau 99802	586-3340	Air carriers AACTA Assoc.	Yes 196
Robert Poe Mark Hickey Doyle Ruff Larry Michae		465-3900	DOT/PF	Yes 173
Frank Podmotic Personnel Analyst	Box 0701 Juneau 99811	465-4430	DOA Div. of Personnel	Requested 173
Bus Man & Sec/Treas AL. J. BAFFONE	2510 ARTIC BLVD 99503	276-7211	plus employees local M AFL-CIO	Yes 173
Cherie Shelley	340 N Franklin, Juneau	586-2334	APEA	Yes 173
rue Pearce EXECUTIVE DIRECTOR Doyle Ruff	P.O. Box 60369 FAIRBANKS, AK 99706	474-2500 or 266-1400	DOT/PF	Yes 173

