

SB

313

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB #313

Revision Date: <u>4/2/96</u>	Dept. Affected: <u>DOT&PF</u>
Title: <u>"An Act relating to the international airports in Anchorage and Fairbanks...and providing for an effective date."</u>	BRU: <u>International Airports</u>
Sponsor: <u>Senate Labor and Commerce Committee</u>	Component: <u>International Airports Systems Office</u>
Requester: <u>TRA</u>	COMPONENT SERIAL NO. <u>#1649</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	168.0	168.0	84.0	84.0	84.0	84.0
TRAVEL	33.6	33.6	16.8	16.8	16.8	16.8
CONTRACTUAL SUPPLIES	200.0	200.0	100.0	100.0	100.0	100.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	401.6	401.6	200.8	200.8	200.8	200.8

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF MHTIA						
Other	401.6	401.6	200.8	200.8	200.8	200.8
TOTAL	401.6	401.6	200.8	200.8	200.8	200.8

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by	<u>Loren Rasmussen, P.E., Acting Director</u>	Phone	<u>465 2960</u>
Division	<u>Engineering and Operations</u>	Date	<u>4/2/96</u>
Approved by	<u>Joseph L. Perkins</u>	Date	<u>4/2/96</u>
	Joseph L. Perkins, Commissioner		
Agency	<u>Department of Transportation and Public Facilities</u>		

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

SB #313 Attachment

Additional Costs:

*Board of Directors Cost (Assume 60 days for first two years, thereafter 30 days - 4 members traveling).

1st and 2nd years: $\$400 \times 60 \text{ days} \times 7 \text{ members} =$ \$168,000.00
Following years: $\$400 \times 30 \text{ days} \times 7 \text{ members} =$ 84,000.00

Per diem for four (4) members:

1st and 2nd years $\$100/\text{day} \times 60 \text{ days} \times 4 \text{ members} =$ 24,000.00
Following years $\$100/\text{day} \times 30 \text{ days} \times 4 \text{ members} =$ 12,000.00

Travel cost (between Anchorage and Fairbanks):

1st and 2nd years (assume monthly meetings)
 $\$200 \times 12 \text{ months} \times 4 \text{ members} =$ 9,600.00

Following years (assume bi-monthly meetings)
 $\$200 \times 6 \text{ months} \times 4 \text{ members} =$ 4,800.00

Subtotal Board of Directors Cost:

1st and 2nd years \$201,600 \$201,600.00
Following years \$100,800 \$100,800.00

*Transition Costs:

These costs are difficult to estimate without some in-depth studies but would include items such as:

-Development of bylaws, rules of conduct, code of ethics, personnel rules, procurements;

-inventories and transfer of land, equipment and facilities;

Rough Estimate: \$200,000.00

*Long Term Potential Costs (again these costs are difficult to estimate without some in-depth studies):

-Developing and maintaining systems which are presently provided by other branches of state government for example. Risk management and insurance, bonding committee, personnel and labor relations, computer costs, AKSAS and AKPAY.

Rough Estimate	\$100,000.00
----------------	--------------

RECAP:

1st and 2nd years:	
Board	\$201,600.00
Transition Costs	<u>200,000.00</u>
	\$401,600.00

Following years:	
Board	\$100,800.00
Long Term Costs	<u>100,000.00</u>
	\$200,800.00

Alaska State Legislature



During Interim: (June - Dec)
716 West 4th Avenue, Suite 500
Anchorage, AK 99501-2133
(907) 258-8185
Fax (907) 258-0226

During Session: (Jan - May)
State Capitol
Juneau, AK 99801-1182
(907) 465-4993
Fax (907) 465-3872

Drue Pearce
President of the Senate

Sponsor Statement for Senate Bill 313
The Alaska International Airport Authority
version 9-LS1278\C

I appreciate your taking the opportunity to schedule a public hearing for Senate Bill 313, the Airport Authority legislation. The public process surrounding the implementation of an Airport Authority combining Alaska's two international airports promises to be a lengthy one. This initial hearing will allow the public and affected organizations to review the proposed legislation and begin a thorough discussion of its merits.

Forming an Airport Authority encourages the development of trade on a statewide level and allows Anchorage International Airport and Fairbanks International Airport to benefit from the economies of scale offered by a single administrative body. The proposed board structure will give this Authority the long term management stability it needs to more effectively and rapidly respond to rapidly changing world market conditions.

Concern has been expressed over some elements of this legislation. The term "Authority" can be misleading and even inaccurate in implying a voracious and autonomous self-sustaining public body. Some Authorities do in fact meet that criteria. However, in SB-313, the Governor will appoint the members of the board of directors and the Legislature will review and appropriate its budget. All things done by the Authority are public and the acquisition of land by Eminent Domain may take place only with prior approval of the Governor.

Responsibility to repay existing airport bonds is assumed by the Authority and repayment of new bond issues is also assumed by the Authority. Existing state employees transferred to the Authority become Authority employees and transfer with their existing collective bargaining agreements, for the duration of that contract. These employees continue to participate in their existing retirement benefit programs. The Authority may choose to engage in collective bargaining with its employees.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

1996
MAR 17 1996

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 1, 1996

SUBJECT: Sectional Summary of SB 313: An Act relating to the international airports in Anchorage and Fairbanks and establishing the Alaska International Airport Authority.

TO: Senator Drue Pearce

FROM: George Utermohle *GU*
Legislative Counsel

You have requested a sectional summary of SB 313: An Act relating to the international airports in Anchorage and Fairbanks and establishing the Alaska International Airport Authority.

As a preliminary matter, please note that a sectional summary only highlights significant elements of a bill and is neither a detailed review nor an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill sets out the findings of the legislature and the purpose of the bill.

Section 2 of the bill adds a new chapter to AS 02 creating the Alaska International Airport Authority.

CHAPTER 40. ALASKA INTERNATIONAL AIRPORT AUTHORITY. ARTICLE 1. CREATION AND ORGANIZATION.

Sec. 02.40.010 creates the Alaska International Airport Authority as a public corporation and instrumentality of the state in the Department of Transportation and Public Facilities. The authority is the exclusive state agency responsible for the state-owned and state-operated international airports at Anchorage and Fairbanks. The powers of the authority are vested in the board of directors of the authority.

Sec. 02.40.020 creates the board of directors of the authority. The board consists of seven voting members. The commissioner of transportation and public facilities, serves as a nonvoting member of the board. The voting members of the board are appointed by the Governor from among persons qualified to serve on the board. Two members of the board

shall reside in the Municipality of Anchorage and two members of the board shall reside in the Fairbanks North Star Borough.

Appointed members of the board serve staggered, four-year terms that begin on January 1.

Members of the board are subject to AS 39.50, relating to conflict of interest. Members of the board may not be employed by the state or hold elective state or municipal office.

Sec. 02.40.030 describes the grounds and procedure for removing appointed members of the board.

Sec. 02.40.040 sets the compensation for appointed members of the board at \$400 per day while performing the duties of the board for a maximum of 60 days per year. Appointed members of the board are also entitled to per diem and travel expenses authorized under AS 39.20.180.

Sec. 02.40.050 requires the board to hold at least four regular meetings each year and to alternate the location of the regular meetings between Anchorage and Fairbanks. The board may hold special meetings as the chair or three members consider necessary.

Sec. 02.40.060 describes the officers of the board, sets the quorum of the board at four members, prohibits voting by proxy, and allows members of the board to participate in meetings by electronic means.

Sec. 02.40.070 provides that the board may employ officers and employees necessary for the efficient operation of the airports. The board shall employ an airport manager for each airport at Anchorage and Fairbanks.

Sec. 02.40.080 authorizes the board to adopt rules and emergency rules as necessary to carry out its functions and the purpose of AS 02.40. Procedures for adopting rules and emergency rules are set out.

ARTICLE 2. POWERS AND DUTIES.

Sec. 02.40.100 sets out the powers and duties of the authority.

Sec. 02.40.110 states that the activities of the authority in regard to the international airports are governmental functions and are exercised for a public purpose.

Sec. 02.40.120 provides that the authority has the power to acquire land and easements in land necessary for the purposes of the authority. The authority may exercise this power to abate airport hazards and to obtain sand, gravel, rock, and other materials.

Sec. 02.40.130 provides that the authority has the power to acquire land for the purpose of exchange for other land needed by the authority.

Sec. 02.40.140 provides that the authority has the power to acquire land by eminent domain. The governor must approve the exercise of eminent domain by the authority.

Sec. 02.40.150 provides that the authority may indemnify certain persons associated with the authority for costs incurred in connection with a civil or criminal action arising out of the person's affiliation with the authority. The authority may also purchase insurance to protect its employees, agents, and board members from actions arising out of their performance of duties for the authority.

Sec. 02.40.160 requires the authority to protect its assets, employees, and services by purchasing insurance or by providing for self-insurance retentions. The authority shall also obtain liability insurance.

Sec. 02.40.170 requires the authority to obtain a fidelity bond for boards members and each executive officer responsible for accounts and finances.

ARTICLE 3. INTERNATIONAL AIRPORT FACILITIES.

Sec. 02.40.200 grants the authority the power to enter into long term agreements (up to 55 years) for the use of airport facilities or for the privilege of supplying goods, services, and facilities at an airport or air navigation facility. The authority may set the terms, charges, rents, and fees for the use of airport facilities and for the services. The authority may not deny to the public the right to equal use of the airports and air navigation facilities.

Sec. 02.40.210 requires the authority to grant an exclusive contract for the sale and delivery of in-bond merchandise at the airports. Existing contracts for the delivery and sale of in-bond merchandise at the Fairbanks and Anchorage international airports may continue until they expire, but no additional contracts for the delivery and sale of in-bond merchandise may be made. When the existing contracts for the delivery and sale of in-bond merchandise expire the authority shall enter into an exclusive agreement for the delivery and sale of in-bond merchandise at the Fairbanks and Anchorage international airports.

The authority shall award the exclusive contracts for the delivery and sale of in-bond merchandise by competitive bid.

Deliveries of in-bond merchandise to airlines as cargo are exempt from this section.

Sec. 02.40.220 grants general police powers to certain officers and employees of the authority who are designated by the board.

Sec. 02.40.230 prohibits the authority from excluding ground transportation from airports.

Sec. 02.40.240 provides that the authority may enforce the payment of debts owed to the authority and that the authority has the lien rights allowed by law to collect monies owed for services provided by the authority.

Sec. 02.40.250 provides that the board shall establish an advisory committee for each airport at Anchorage and Fairbanks. Each advisory committee consists of three members of the board.

ARTICLE 4. FISCAL PROCEDURES.

Sec. 02.40.300 sets out procedures for preparing the authority's budget. If the authority does not prepare its budget by the date set by the governor, the governor may prepare a budget for the authority. The authority's budget becomes public information after it is submitted to the governor.

Sec. 02.40.310 provides that the authority may administer its programs for the management of airports, except as limited by the governor, appropriations, and other laws. The governor may direct the authority to withhold or reduce expenditures if external factors make the expenditure factually impossible.

Sec. 02.40.320 provides that the authority may receive money from federal agencies and other public and private sources to accomplish the purposes for which the authority was created, provided that the legislature appropriates the money to the authority. Funds received from the federal government shall be spent under the terms and conditions set out in federal laws and regulations.

Sec. 02.40.330 requires the authority to prepare a concise report to the governor, legislature, and the mayors of the Municipality of Anchorage, the Fairbanks North Star Borough, and the City of Fairbanks describing the operations, income, and expenditures of the authority for the prior fiscal year.

Sec. 02.40.340 requires the authority to have its financial records audited annually by a certified public accountant.

Sec. 02.40.350 provides that the authority succeeds to all rights, duties, powers, and obligations of the state bond committee regarding international airports revenue bonds.

ARTICLE 5. GENERAL PROVISIONS.

Sec. 02.40.900 provides that the employees of the authority are not employees of the state. Those employees of the authority who were state employees before they were transferred to the authority continue to participate in the supplemental benefits program under AS 39.30 and the public employee retirement system under AS 39.35 and the authority

Senator Drue Pearce

April 1, 1996

Page 5

shall continue to contribute to these systems for those employees. The authority may engage in collective bargaining with its employees.

Sec. 02.40.910 exempts the authority from the State Procurement Code (AS 36.30) except as specifically provided; the Executive Budget Act (AS 37.07); AS 39, except as specifically provided; and portions of the Administrative Procedure Act (AS 44.62.010 - 44.62.300).

Sec. 02.40.990 defines the terms "airport", "authority", and other key terms.

Sec. 02.40.995 designates this chapter as the Alaska International Airport Authority Act.

Sections 3 - 18 of the bill make numerous technical amendments to AS 02.15 allocating responsibility for control, management, and operation of state-owned and state-operated airports between the Department of Transportation and Public Facilities and the Alaska International Airport Authority in order to conform with the substance of sec. 2 of the bill.

Sections 19 - 20 of the bill make technical amendments to AS 02.25.110 in order to clarify the responsibility of the Department of Transportation and Public Facilities and the Alaska International Airport Authority in regard to state-owned or state-operated airports and to conform with the substance of sec. 2 of the bill.

Section 21 of the bill amends AS 18.65.290(5) by making a technical amendment to the definition of "police officer" to include an officer or employee at an international airport who has been designated by the Alaska International Airport Authority as having general police powers.

Section 22 of the bill makes a technical amendment to AS 19.45.015 relating to the responsibility for approving construction of highways near the airports managed by the Alaska International Airport Authority.

Section 23 of the bill makes a technical amendment to AS 23.10.037(b), relating to the use of lie detectors, by substituting a reference to the Alaska International Airport Authority for a reference to the Department of Transportation and Public Facilities.

Sections 24 - 25 of the bill amend AS 35.27 (Art in Public Buildings) to make the Alaska International Airport Authority responsible for complying with the chapter as it affects the buildings and facilities of the authority.

Section 26 of the bill makes a technical amendment to AS 36.10.180(a) in order to subject the Alaska International Airport Authority to the preferential hiring requirements for contracts subject to AS 36.10.150 - 36.10.175.

Senator Drue Pearce

April 1, 1996

Page 6

Section 27 of the bill makes an amendment to AS 36.30.015(e) in order to allow the Alaska International Airport Authority to adopt a procurement code that is substantially equivalent to the state procurement code (AS 36.30).

Section 28 of the bill amends AS 36.30.050(c) in order to allow the authority to use the list of contractors compiled by the commissioner of administration under AS 36.30.050.

Section 29 of the bill makes a technical amendment to AS 36.30.850(b)(8) in order to conform with sec. 2 of the bill.

Section 30 of the bill amends AS 36.30.990(l) in order to exempt the Alaska International Airport Authority from the definition of agencies subject to the state procurement code (AS 36.30).

Section 31 of the bill amends AS 37.05 (Fiscal Procedures Act) in order to allow the commissioner of administration to delegate some of the commissioner's functions under AS 37.05 to the Alaska International Airport Authority.

Sections 32 - 47 of the bill make numerous amendments to AS 37.15.410 - 37.15.550 in order to transfer authority from the commissioner of transportation and public facilities and the state bond committee to the board of directors of the Alaska International Airport Authority in regard to international airports revenue bonds.

Sections 48 - 49 of the bill amend AS 38.05 in order to exempt land held by the Alaska International Airport Authority from the jurisdiction of the Department of Natural Resources under AS 38.05.

Section 50 of the bill amends AS 39.35 by adding a new section providing that state employees who are transferred to the Alaska International Airport Authority continue to participate in the public employees retirement system. The authority may elect to include new employees of the authority within the coverage of the public employees retirement system.

Section 51 of the bill amends AS 39.50.200(b) in order to make members of the board of the Alaska International Airport Authority subject to AS 39.50 (conflict of interest).

Sections 52 - 54 of the bill amend definitions used in the AS 39.52 (Alaska Executive Branch Ethics Act) in order to exclude the Alaska International Airport Authority from the definition of "agency" and "board or commission" and to include the authority in the definition of "instrumentality of the state."

Senator Drue Pearce

April 1, 1996

Page 7

Section 55 of the bill amends AS 44.42.020(a)(7) relating to the duties of the commissioner of transportation and public facilities in order to clarify the jurisdiction of the commissioner over state-operated and state-owned airports and to conform with sec. 2 of the bill.

Section 56 of the bill amends AS 44.88.080(25) in order to authorize the Alaska Industrial Development and Export Authority to enter into agreements with the Alaska International Airport Authority regarding facilities at the international airports.

Section 57 of the bill provides for the transfer of real and personal property used or controlled by the Anchorage International Airport and the Fairbanks International Airport to the Alaska International Airport Authority. Employees from the Department of Transportation and Public Facilities that are involved in the management, operation, and maintenance of the international airports at Anchorage and Fairbanks are transferred to the Alaska International Airport Authority. Employees of the Alaska International Airport Authority are no longer state employees on the expiration date of the collective bargaining agreements covering those employees that are in effect on the effective date of certain provisions of the bill.

Section 58 of the bill provides for the interim management of the Alaska International Airport Authority by the commissioner of transportation and public facilities pending the first meeting of the board of directors of the authority.

Section 59 of the bill prescribes the terms of the initial appointments to the board of directors of the Alaska International Airport Authority.

Section 60 of the bill provides for the transfer of responsibility for international airports revenue bonds under AS 37.15.410 - 37.15.550 from the state bond committee to the Alaska International Airport Authority.

Section 61 of the bill is the savings clause.

Section 62 of the bill repeals AS 02.15.091, 02.15.260(13), and AS 39.25.120(c)(14).

Section 63 of the bill repeals AS 37.15.550(5) - (7).

Section 64 of the bill provides that certain provisions of the bill take effect on the day when the board of directors of the Alaska International Airport Authority convenes its first meeting.

Section 65 of the bill provides that certain sections of the bill, relating to responsibility for international airports revenue bonds, take effect on January 1 after the first meeting of the board of directors of the Alaska International Airport Authority.

Senator Drue Pearce

April 1, 1996

Page 8

Section 66 of the bill provides that, except as provided under secs. 64 and 65, the bill takes effect July 1, 1996.

GU:klb:pl

96-226.klb

Senate Bill 313
short description prepared by staff

"An Act relating to the international airports in Anchorage and Fairbanks and establishing the Alaska International Airport Authority; and providing for an effective date."

Sec. 1. Findings and Purpose

Sec. 2. Adds new chapter creating Alaska International Airport Authority (AIAA).

- 02.40.010 (a) AIAA is public corporation established in DOTPF
(b) AIAA has exclusive authority to operate Anchorage and Fairbanks International Airports.
(c) Powers are vested in board of directors.
- 02.40.020 (a) Board of seven members appointed by governor:
(1) two from Municipality of Anchorage
(2) two from Fairbanks North Star Borough
(3) three others, at least two of whom are residents of Alaska.
(b) Relevant experience required, except that
(1) at least one shall represent a labor organization that represents employees of the authority
(2) at least one experienced in management of scheduled airline service
(3) at least one experienced in general aviation
(4) at least one experienced in airport management at a community serving a community with a population of at least 60,000 persons.
(c) Commissioner of DOT/PF is non-voting, ex-officio member of board.
(d) Members serve for staggered 4-year terms. Terms begin January 1.
(e) Members subject to conflict of interest requirements.
(f) Members may not be employed by state nor hold elected state or municipality office.
- 02.40.030 The governor may remove members for cause after member is given a copy of charges and an opportunity to publicly present defense in person or by counsel upon not less than 10 days' notice.
- 02.40.040 Compensation
(a) Members entitled to compensation not to exceed \$400 for each day spent performing actual duties, not to exceed 60 days per year.
(b) Members entitled to per diem and travel expenses authorized for state boards and commissions.
- 02.40.050 Meetings
(a) Board to meet at least four times per year. Location rotates between Anchorage and Fairbanks.

(b) Special meetings may be held at call of chair or request of three members.

02.40.060 Officers and Quorum

(a) Chair and vice-chair elected from among members. Chair may not serve two consecutive terms. Chairmanship alternates between members appointed from Fairbanks and Anchorage.

(b) Board's secretary need not be a member and serves at the pleasure of the board.

(c) Four members constitute a quorum and required for action. At least one member shall be a Fairbanks member and one member shall be an Anchorage member. No proxy votes. Quorum not affected by vacancy.

(d) Members may participate in meetings by electronic means.

02.40.070 Staff

(a) Board employees managers for each airport. Airport managers shall be selected based on education, experience, training, and expertise in management of airports, and serve at pleasure of the board. Between board meetings, airport managers report to board's chair.

(b) Board shall employ officers/employees to operate airports

(c) Board may employ executive, administrative, fiscal, and legal officers and employees to manage AIAA, and shall seek to minimize unnecessary duplication of staff and functions.

02.40.080 Rules and Emergency Rules

(a) Authority shall adopt rules to carry out its function. Fifteen days prior public notice required.

(b) Board to provide opportunity to present written or oral statements at the public hearing.

(c) Subject of rule must be consistent with summary in public notice in order to take action.

(d) Emergency rules may be adopted. Within 10 days after adoption, the authority must give public notice of its action. Emergency rule remains in effect for not more than 120 days unless readopted.

(e) Failure to mail notice does not invalidate board action.

(f) Rule adopted may be challenged in superior court and may be ruled invalid for substantial failure to comply or if emergency rule was unnecessary.

Art 2.

Powers and Duties

- 02.40.100 (a) Authority may sue and be sued, adopt seal, maintain office, issue revenue bonds; acquire, hold, use, lease, rent, construct, and dispose of property; do necessary acts not expressly prohibited by law; subject to legislative appropriation.
(b) Authority shall operate Anchorage and Fairbanks International Airports; adopt and enforce bylaws, rules for conduct of business, a code of ethics, and personnel rules.
- 02.40.110 **Public Nature of Authority Activities**
All things done by the AIAA are public and governmental functions exercised for a public purpose and matters of public necessity.
- 02.40.120 **Acquisition of Land and Easements**
AIAA may acquire land and materials by a variety of means, including eminent domain.
- 02.40.130 **Authority to Acquire Property for the Purpose of Exchange**
AIAA may acquire land for the purpose of exchanging that land or interest.
- 02.40.140 **Eminent Domain**
AIAA may exercise power of eminent domain under AS 09.55.240-09.55.460 and may acquire fee simple title whenever necessary, and may file declaration of taking. Exercise of eminent domain requires prior approval of governor.
- 02.40.150 **Indemnification**
AIAA may defend and indemnify persons acting in good faith on behalf of authority and within the scope official duties. AIAA may purchase insurance to protect and hold harmless its employees, agents, and board members.
- 02.40.160 AIAA shall purchase insurance and retain self-insurance to protect its assets, services, and employees, and shall maintain casualty, property and other insurance to cover claims against the authority.
- 02.40.170 **Fidelity Bond**
AIAA shall obtain bond for board members and each executive officer responsible for accounts and finances.

Art. 3

International Airport Facilities

- 02.40.200 **Operation and Use Facilities** may be set and collected by AIAA. Leases and contracts may not exceed 55 years. Public notice required before setting charges, rents or fees. CAP and its squadrons may use facilities without rental charges.
- 02.40.210 **Sale and Delivery of In-Bond Merchandise** allowed only by exclusive contract after competitive bid, and shall award contracts to generate maximum revenue for the IARF.
- 02.40.220 **Police Powers Vested.** Designated employees to have general police powers and meet minimum standards for police officers.

	02.40.230	Regulation of Ground Transportation at Airports. Various vehicles for hire may not be excluded but authority may regulate to promote efficient operation.
	02.40.240	Liens - AIAA may lien to enforce payment of charges.
	02.40.250	Establishes International Airport Advisory Committees for each airport, and the board shall prescribe powers, duties, and procedures for each. Each advisory committee consists of two members of the board from that airport's community plus one other member chosen by the chair of the board, and each advisory committee acts as advisor to the manager of said airport.
Art. 4.		Fiscal Procedures.
	02.40.300	Budget to be submitted to the governor and the legislative finance division on date and in form required by the governor.
	02.40.310	Program Execution. Except as limited by policy decisions of the governor, appropriations by the legislature, and other provisions of law, the Authority has power to administer its programs and is responsible for the proper management of the airports.
	02.40.320	Authority may accept federal money, money from public or private sources but may not expend money without appropriation by the legislature.
	02.40.330	Annual Report must be submitted by January 15 to governor, legislature, mayors of Municipality of Anchorage and Fairbanks North Star Borough and City of Fairbanks. Information contained must be substantially similar to an SEC 10-K filing and contain audited financial statements.
	02.40.340	The authority shall have a certified audit annually.
	02.40.350	Revenue Bonds - The Authority succeeds to all rights, duties, powers, and obligations of the state bond committee regarding issuance, sale, and repayment of revenue bonds.
Art. 5.		General Provisions
	02.40.900	Authority Employees are not employees of the state. However, employees of the authority who were state employees the day before they were transferred to the authority shall continue to participate in SBS and PERS. The authority may engage in collective bargaining with its employees.
	02.40.910	Existing laws do not apply unless specifically provided.
	02.40.990	Definitions section
	02.40.995	Short title

- Sec. 3-23 Reassigns responsibilities formerly carried out by DOTPF to the Authority.
- Sec. 24-25 Requires AIAA to comply with 1% for art in public places.
- Sec. 26 Refers to employment preference requirements for construction, etc. projects.
- Sec. 27 Requires adoption of procurement procedures substantially equivalent to those for executive branch agencies.
- Sec. 28 Requires AIAA to maintain lists of providers of supplies, services, etc.
- Sec. 29 Relates to disposition of obsolete property.
- Sec. 30 AIAA exempted from Public Contracts chapter in statute.
- Sec. 31 Allows the commissioner of administration to delegate performance of public finance functions to AIAA.
- Sec. 32-47 Moves all responsibilities regarding IARF bonds to the AIAA from state bond committee.
- Sec. 48 Requires the AIAA to return land to the division of lands when no longer needed for purposes assigned.
- Sec. 49 Relates to land transfers.
- Sec. 50 Relates to inclusion of employees in PERS.
- Sec. 51 Adds AIAA to list of those required to file APOC disclosure.
- Sec. 52-54 Relates to adoption by AIAA of a code of ethics.
- Sec. 55 Removes from DOTPF the authority to manage AIAA airports and facilities.
- Sec. 56 Refers to cooperative agreements between AIDEA and AIAA.
- Sec. 57 Transition provisions to establish AIAA, including transfer of assets and responsibilities, employees, labor contracts, etc. Requires that the AIAA operate under the state's personnel rules until 1/1/98 or until the AIAA adopts its own personnel rules.
- Sec. 58 DOTPF commissioner shall manage the Anchorage and Fairbanks Airports until the board convenes its first meeting. DOTPF commission is chair pro tempore until the board elects a chair at its first meeting.

- Sec. 59 Initial board appointments and establishment of staggered terms.
- Sec. 60 Transfers all rights, duties, powers and obligations of the state bond committee as it relates to the IARF to the AIAA.
- Sec. 61 Allows that litigation, hearings, investigations, etc. may be continued not withstanding transfer of responsibilities.
- Sec. 62-65 Repealers associated with provisions previously set out in the act.
- Sec. 66 The effective date is July 1, 1996.



**FAIRBANKS
INTERNATIONAL
AIRPORT**

April, 1996

FIA Mission

- Ensure safe operations
- Effectively and efficiently manage, operate and market airport in businesslike manner
- Maintain high service standards; sensitivity to user needs; and awareness of State and Community goals
- Meet the needs of both the traveling public and the aviation industry

History

- 1948 - Established by Congress
- 1951 - Flight operations began
- 1954 - Passenger terminal facility completed
- 1959 - Federal ownership transferred to State ownership
- 1960s -
 - International Airport Revenue Fund established by State Legislature
 - Advent of jet traffic
 - Recovered from the '67 flood

History

→ 1970s -

→ Float pond and General Aviation runways constructed

→ Major air and passenger hub for pipeline construction

→ International 747 cargo operations began

→ 1980s -

→ Major terminal facility expansion

→ Airport/Airline Operating Agreement established

History

→ Other major expansions

- Major domestic carrier service support

- Major cargo carrier service support

- Major GA infrastructure improvements

→ 1990s -

- Continued service for international cargo tech stops

- Main runway extension and precision instrument system upgrades

- Begin implementation of new Airport Master Plan recommendations

World Class Operations & Service

- Gateway to Alaska, “Lower 48” & World
- 775,000 passengers annually
- 10th ranked US International All-Cargo Airport (588,968,541 pounds)
- 36th ranked US All-Cargo Airport (985,500,000 pounds CMGLW annually)
- Premier floatplane base

US AIRPORT RANKINGS

Both Anchorage International and Fairbanks International are major airports among the 439 US primary airports based upon the number of passengers enplaned per year. The relative rank order of ANC and FAI are shown below in extractions from the latest Primary Airport Enplanement Activity Summary dated November 1994 (source: DOT/TSC Calendar '93 ACIS database).

<u>RANK</u>	<u>LOCID</u>	<u>ASSOCIATED CITY</u>	<u>AIRPORT NAME</u>	<u>STATE</u>	<u>ENPLANEMENTS</u>
54	RNO	Reno Cannon Intl	Reno	NV	2,355,638
55	BDL	Bradley Intl	Windsor Locks	CT	2,322,392
56	AUS	Robert Mueller Mun	Austin	TX	2,305,003
57	MKE	General Mitchell Intl	Milwaukee	WI	2,259,325
58	BUR	Burbank-Glendale-Pasadena	Burbank	CA	2,172,791
59	ANC	Anchorage Intl	Anchorage	AK	2,001,983
60	RSW	Southwest Florida Intl	Fort Myers	FL	1,815,112
61	ELP	El Paso Intl	El Paso	TX	1,766,361
62	BUF	Greater Buffalo Intl	Buffalo	NY	1,602,714
63	OKC	Will Rogers World	Oklahoma City	OK	1,529,297
64	TUL	Tulsa Intl	Tulsa	OK	1,465,368
129	FWA	Fort Wayne Intl	Fort Wayne	IN	326,143
130	MLB	Melbourne Regional	Melbourne	FL	321,125
131	SHV	Shreveport Regional	Shreveport	LA	319,940
132	PIE	St Petersburg/Clearwater	St. Petersburg/Clearwater	FL	310,449
133	SGF	Springfield Regional	Springfield	MO	309,440
134	FAI	Fairbanks Intl	Fairbanks	AK	309,412
135	CHA	Loveii Field	Chattanooga	TN	309,402
136	BIL	Billings Logan Intl	Billings	MT	304,026
137	STX	Alexander Hamilton	Christiansted	VI	295,839
138	LGB	Long Beach/Daugherty Field	Long Beach	CA	293,698
139	MLI	Quad-City	Moline	IL	290,639

International Cargo US Airport Ranking (Total International Cargo Tonnage)

AIA # 2 largest US Gateway

FIA # 10 largest US Gateway

- 1 Miami, Florida, USA
- 2 Anchorage, Alaska, USA
- 3 New York, New York, USA
- 4 Los Angeles, California, USA
- 5 Chicago, Illinois, USA
- 6 San Francisco, California, USA
- 7 Newark, New Jersey, USA
- 8 Atlanta, Georgia, USA
- 9 Honolulu, Oahu, Hawaii, USA
- 10 Fairbanks, Alaska, USA
- 11 Boston, Massachusetts, USA
- 12 Houston, Texas, USA
- 13 Washington, D. C., USA
- 14 Memphis, Tennessee, USA
- 15 Dallas/Ft. Worth, Texas, USA

All-Cargo US Airport Ranking (Total International & Domestic Aircraft Landing Weight)

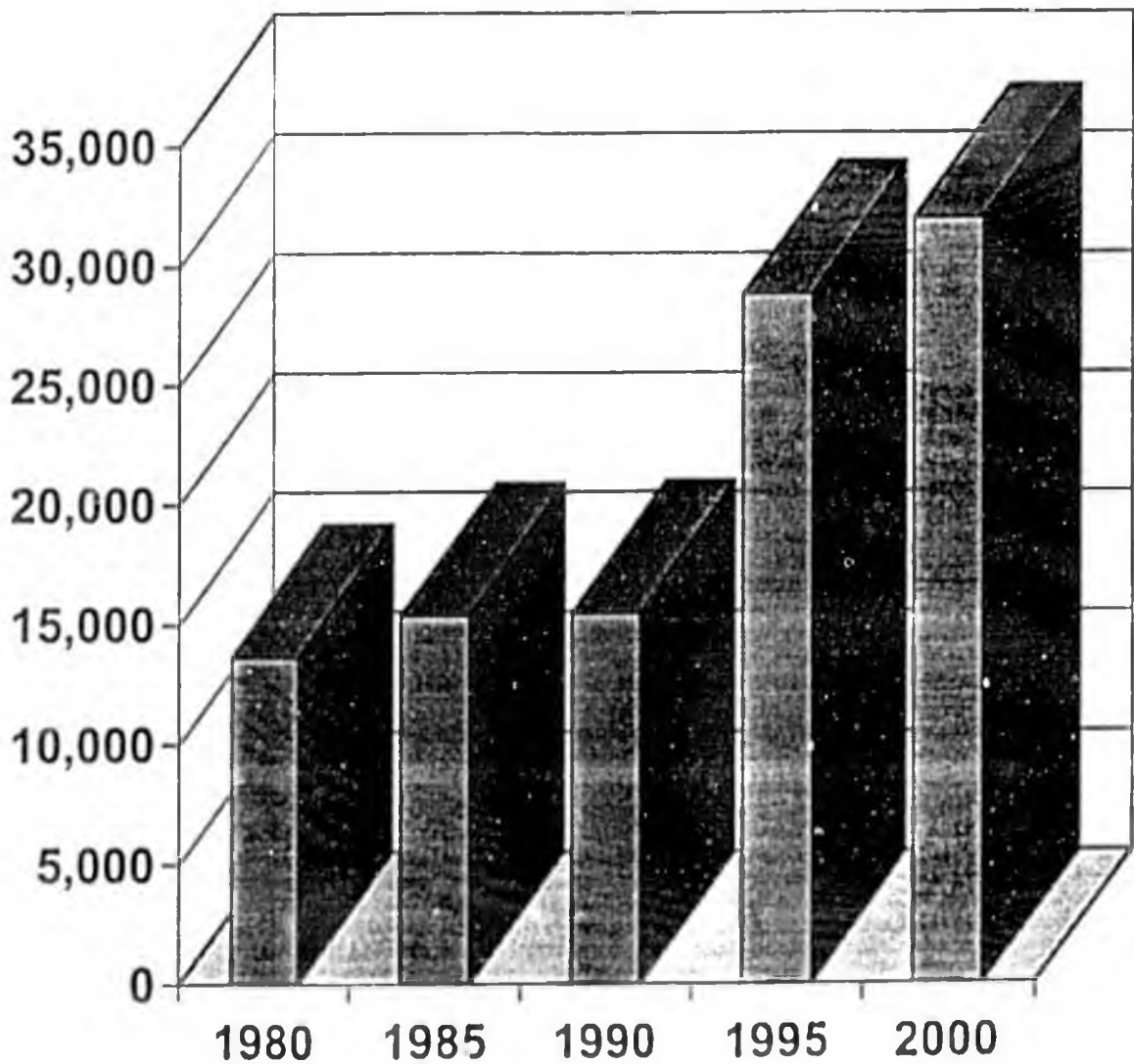
AIA # 1 Largest US Airport

FIA # 36 Largest US Airport

- 1 Anchorage, Alaska, USA
- 2 Memphis, Tennessee, USA
- 3 Louisville, Kentucky, USA
- 4 Chicago, Illinois, USA
- 5 Miami, Florida, USA

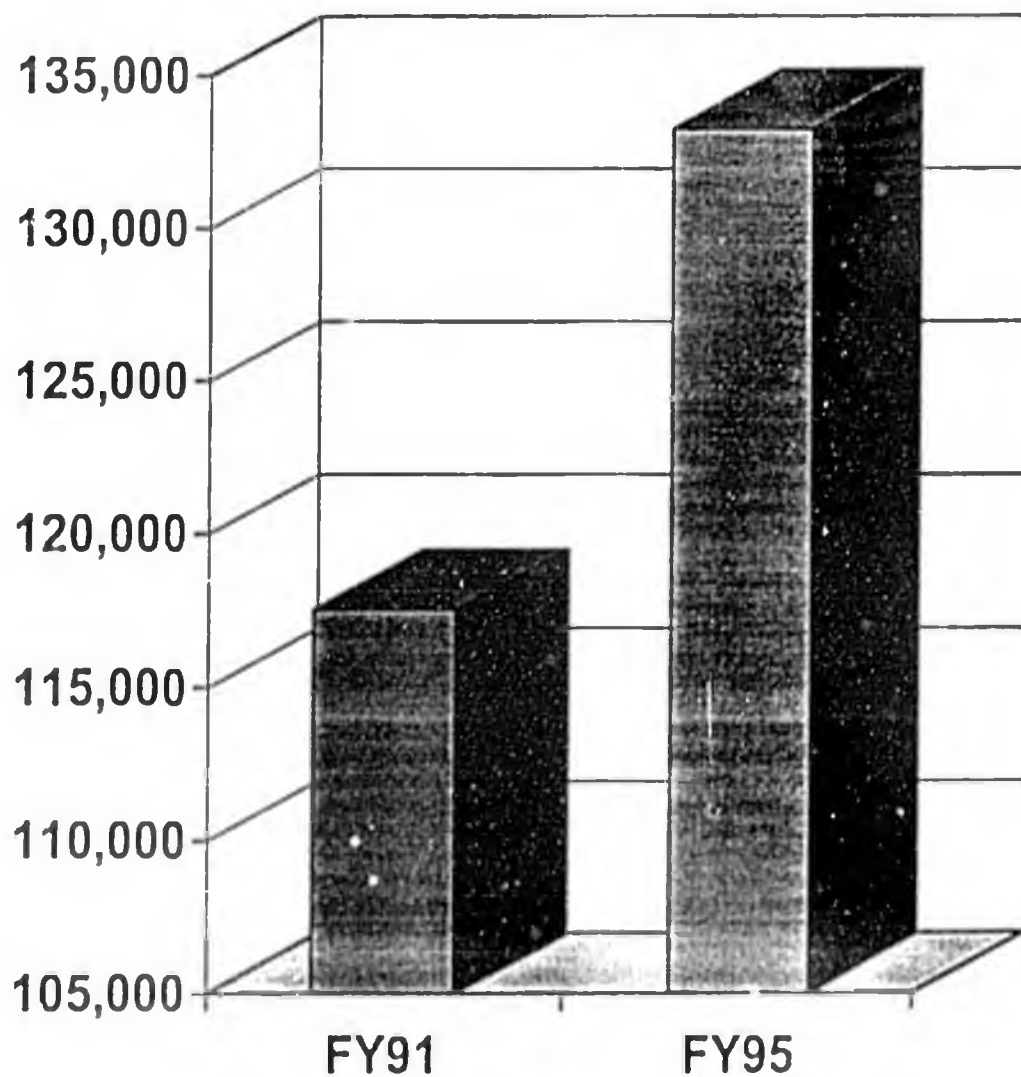
- 33 Hilo, Hawaii, USA
- 34 Detroit, Michigan (Willow Run), USA
- 35 Houston, Texas, USA
- 36 Fairbanks, Alaska, USA
- 37 Kansas City, Missouri, USA
- 38 San Juan, Puerto Rico
- 39 Detroit, Michigan (Detroit Metro), USA

Strong Growth in Revenue Landings



Strong Growth in Total Operations

(Both Takeoffs & Landings)



Key International Cargo Hub

- Commercial runway 10,300 feet in length
- Accommodate all class of aircraft including heavy jets (747s)
- Precision instrument runway
- Direct flights to 11 cities in Asia, Europe, and North America
- Continuous growth in cargo Operations

Key Passenger & Cargo Hub for Alaska

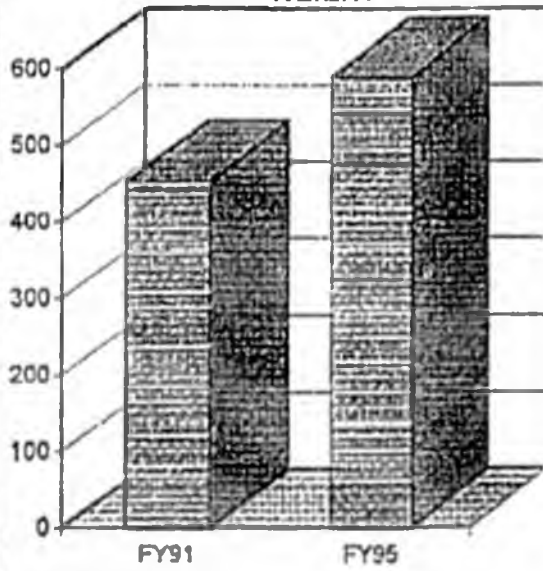
- High volume passenger terminal
 - Passenger growth 25.8% in past 5 years
 - Tourist growth 5-7% annually
- Excellent support for International and Domestic operations
- Facility infrastructure expansion
- Key Passenger, Freight, and Mail service hub serving 33 outlying communities throughout Alaska

Key Growth Areas for FIA

- International Cargo Weight
- All-Cargo Weight
- Total Passengers
- Total Operations

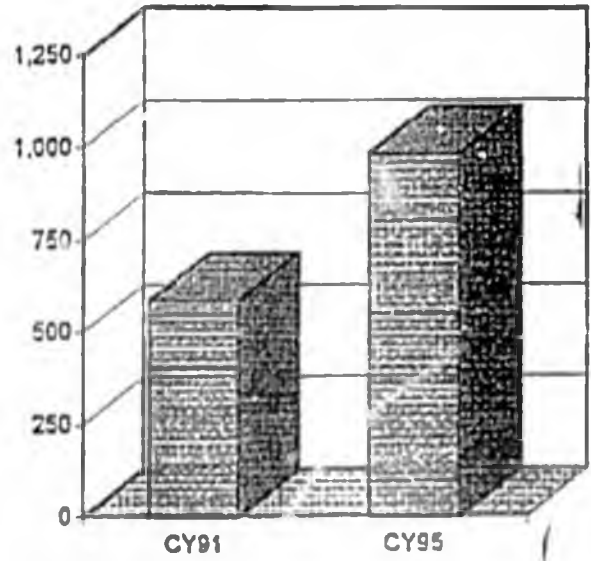
Key Growth Areas for FIA

INTERNATIONAL CARGO WEIGHT



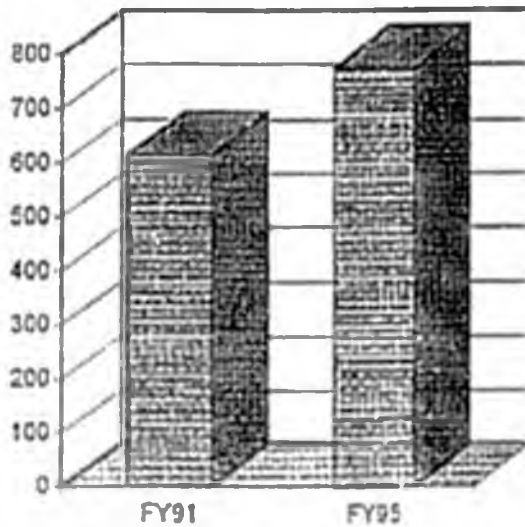
Million Pounds

ALL CARGO WEIGHT



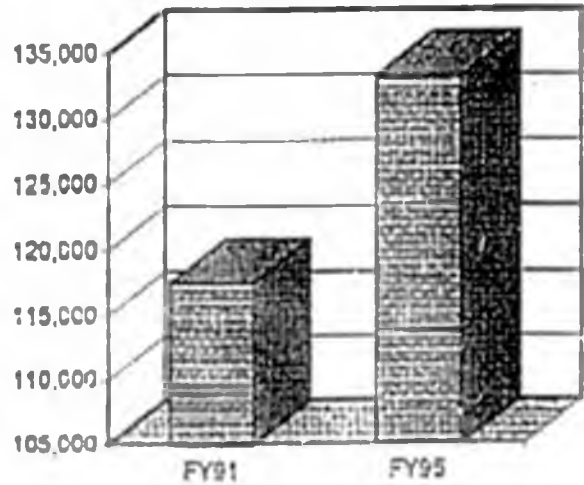
Million Pounds

TOTAL PASSENGERS



Thousands of Passengers

TOTAL OPERATIONS LANDINGS AND TAKEOFFS



* FY95 Data is Audited

Major Economic Engine for Alaska

→ Jobs

→ Approximately 1,800 total jobs
(1,100 direct & 700 indirect)

→ Payroll impact

→ \$40 m for airport jobs

→ \$12 m for community jobs

Additional Areas of Success

- Environmental
- Marketing
- Other

Proactive Environmental Programs

- Hazardous Waste Reduction
- Storm Water & Pollution Prevention
- Tenant Education efforts
- Wildlife Management

Major Marketing Success

- FIA teamed with FIDC
- USDOT lobbied to positively secure domestic & foreign carriers' local traffic rights
- International cargo service
- Coordinated establishment of two new major US Domestic passenger carriers

Marketing Goals

- Recruitment of new-to-Alaska international air carrier tech stops
- Support of Alaskan traffic rights in international air service agreements
- Recruitment of new aerospace cold weather testing activity
- Support of Fairbanks as a key supplier of goods and services to rural and Northern Alaska

Master Planning for 1995-2015

- Growth areas: International cargo and domestic passenger & cargo traffic
- Master Plan addresses Growth
 - Terminal
 - Airfield
 - Air Cargo
 - General Aviation

FIA Staff

- Exceptional dedication and motivation
- Each Component very professional with in-depth expertise
- Safely operate & maintain one of the major US Airports 24 hours/day, 365 days/year
- Support extraordinary mix of aircraft types and users
- Very difficult weather; yet “dry” runway standard
- Everything performed by 85 permanent full time and 8 part time positions

Summary

- Record of success
- Continue to meet challenges of growth & change
- Committed, Professional employees
- Key role in Alaska's growth and economic viability



ANCHORAGE INTERNATIONAL AIRPORT

success in changing times

April, 1996



AIA MISSION

- Ensure safe operations
- Manage, operate and market airport in businesslike manner
- Provide safe, comfortable and economical facilities
- Improve working environment and quality of life for airport employees



History

- 1948 - Established by Congress
- 1951 - Flight operations commence
- 1959 - Federal ownership transferred
- 1960s- Advent of jet traffic
 - Rebuild from earthquake
 - Concourse B & Runway 6R constructed
 - International Airport Revenue Fund (IARF) established



History (cont'd)

- 1970s - Lake Hood floatplane base expanded & Hood Strip constructed
 - North-South runway built
- 1980s - Int'l Terminal, parking garage & Cargo apron constructed
 - Airline operating agreements established



History (cont'd)

- 1990s - Cargo hubs established
 - North-South runway extended
 - West Airpark development commenced
 - Master Plan completed



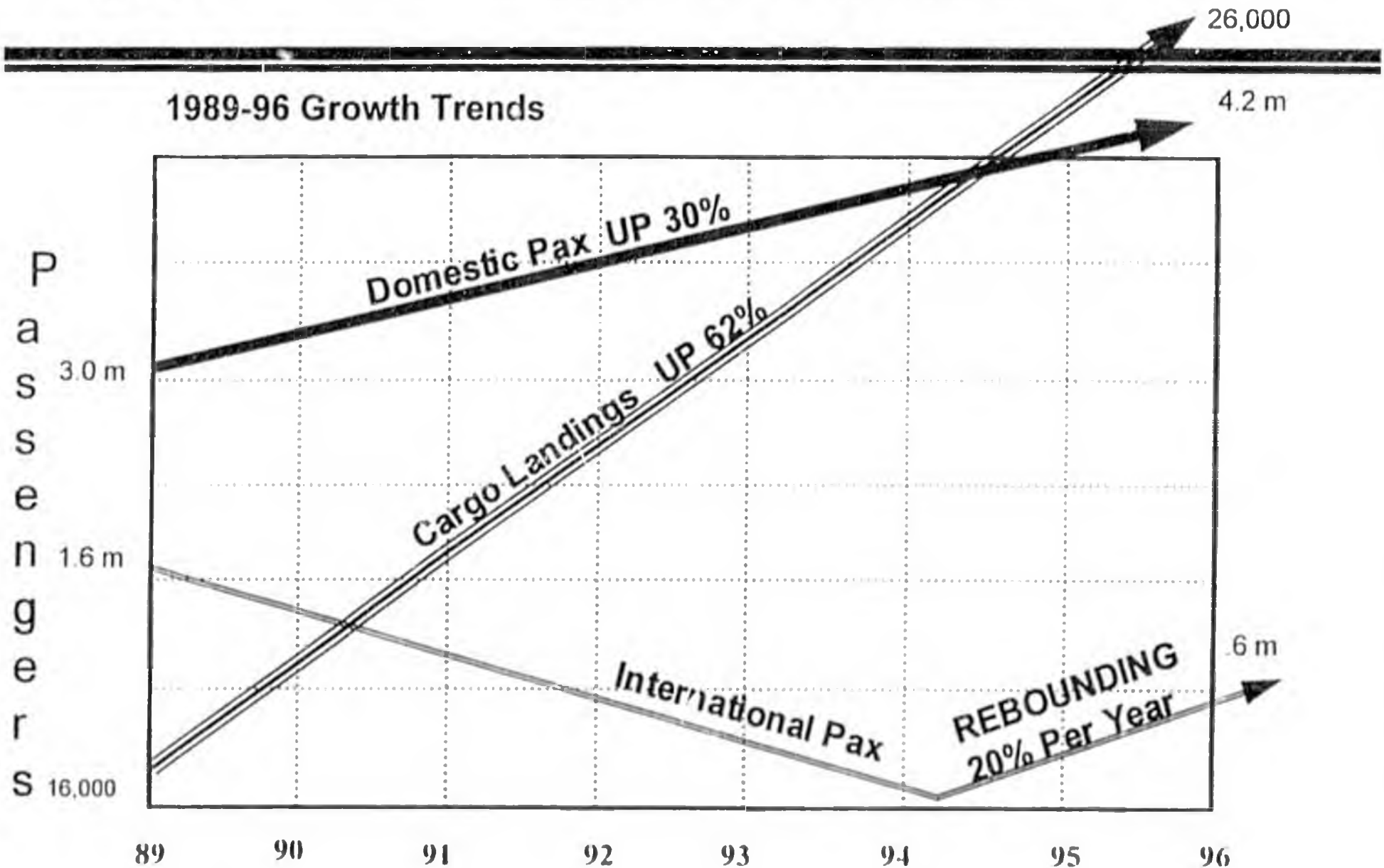
World Class Operations & Service

- Gateway to Alaska, “Lower 48” & world
- 5 million passengers annually
- Top ranked cargo airport
 - 9 billion pounds annually (CMLW)
- Premier floatplane base in the world



SUCCESSFUL RESPONSE TO GROWTH & CHANGE

1989-96 Growth Trends





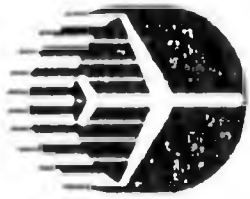
Flight Operations Exceed National Averages

- 7 Times - air carrier operations
- 9 Times - air taxi operations
- 5 Times - general aviation ops
- 3 Times - passenger boardings
- 48 Times - freight
- 520 Times - mail



Alaska's Key Passenger Hub

- High volume terminal
 - Steady growth greater than nat'l avg
(1/2 million pax growth in past 4 yrs)
Tourist growth 5-7% annually
- Superior international & domestic connections
- Planning for terminal expansion



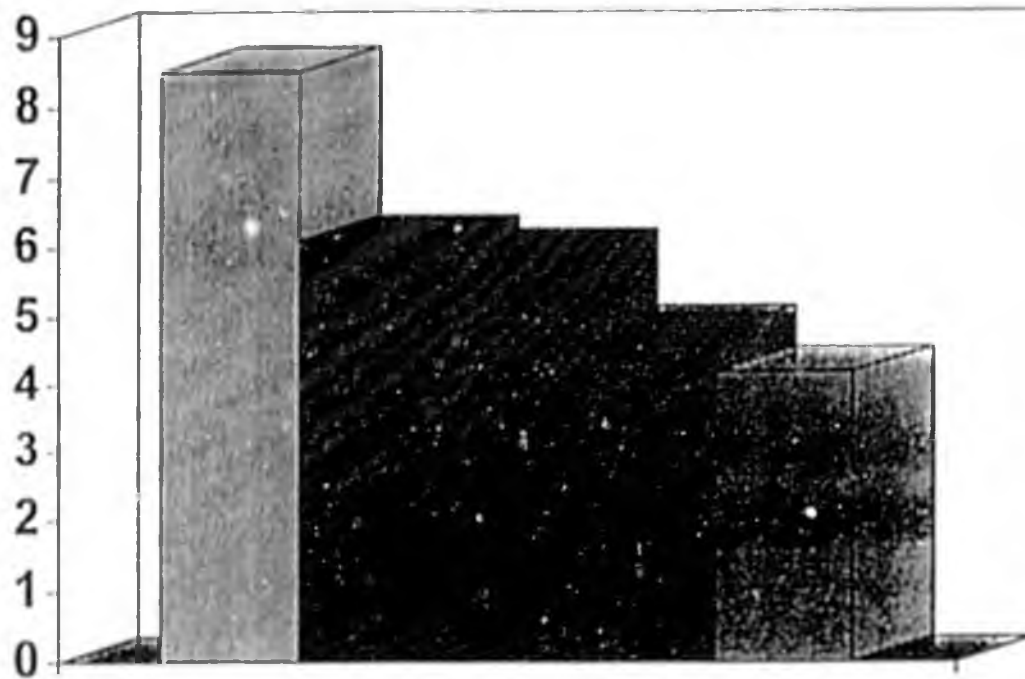
Key International Cargo Hub

- Longest commercial runway in Alaska
- Heavy jets (747s) can use all runways
- 2 precision instrument runways
- State-of-the art fueling system
 - 36 widebody hydrant fueling positions
- Direct cargo flights to 40 cities in Asia, Europe and North America
- Exceptional growth: +10% landings
+20% freight



AIA #1 in All-Cargo Aircraft Landed Weights

Billions of Pounds

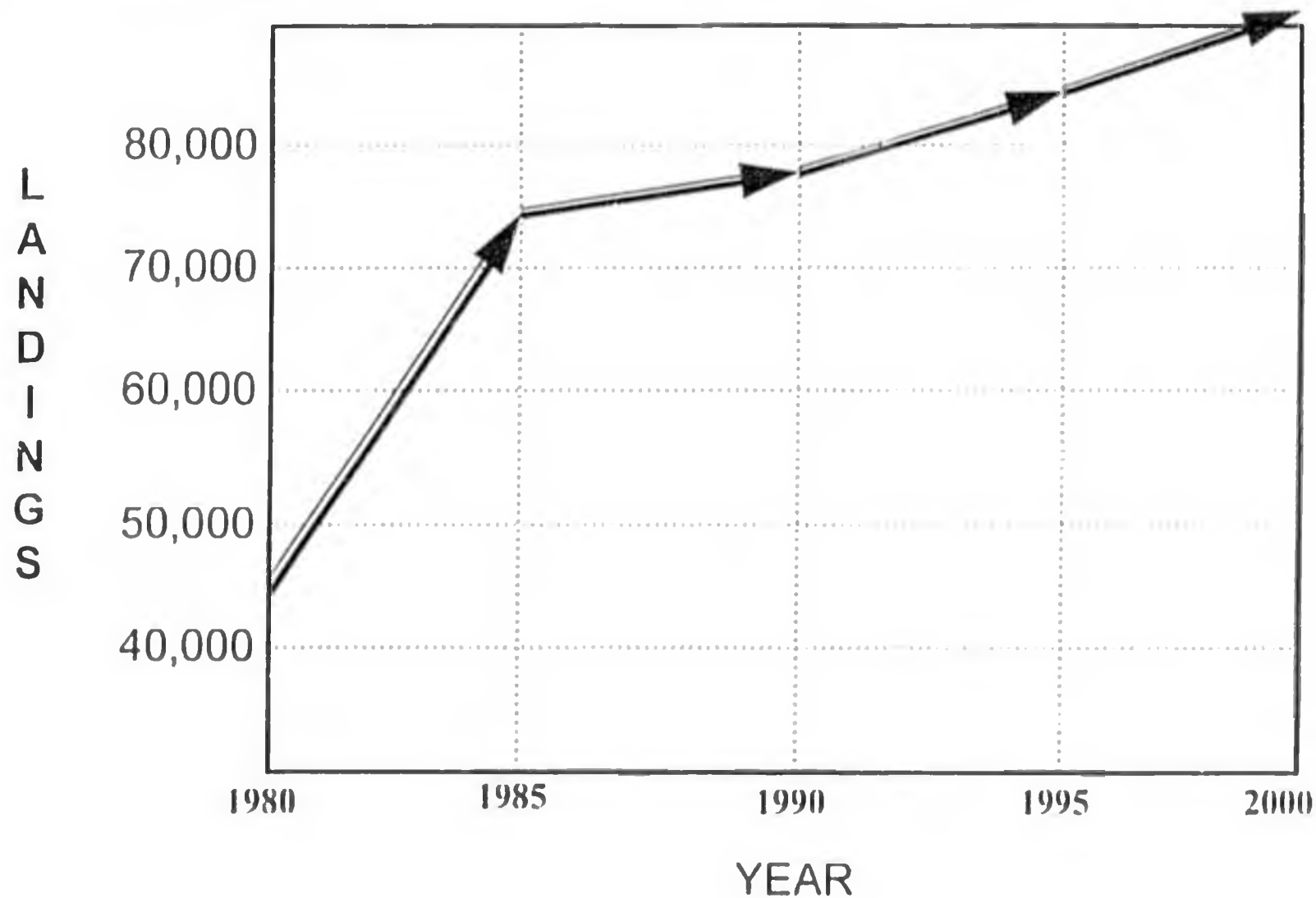


- Anchorage
- Louisville
- Memphis
- Chicago
- Honolulu

All Cargo
Landed
Weights



Strong Growth in Revenue Landings





Major Economic Engine for Alaska

- Jobs

- Nearly 11,000 total jobs
(6,650 direct & 4,300 indirect)

- Payroll impact

- \$244m for airport jobs
- \$72m for community jobs



Proactive Environmental Programs

- Hazardous waste reduction
- Storm Water & Pollution Prevention
- Tenant education efforts
- Wildlife management
- Lake Hood water quality



Major Marketing Success

- AIA teamed with AEDC & AIDEA
- FedEx & UPS expansion
- USDOT granted foreign carriers' local traffic rights
- Led AIA/FIA/JIA joint effort to attract additional in-state air carrier service



Major Marketing Initiatives

- Alaska-Japan & Alaska-Europe scheduled year-round passenger service
- In-bond cargo transfer authority
- Pursuing establishment of multi-tenant cargo facilities
- Transform passenger “technical stops” to local passenger stops



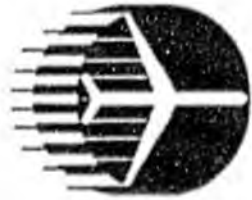
AIA Staff Excellence

- Exceptional commitment, professionalism & motivation
- Strong staff and labor continuity
- Excellent team spirit



Passenger Facility Charge Program

- Federal Airport Improvement Funds (AIP) being reduced
- PFC Program offers opportunity to “capture” funds and provide for future airport capital projects



2020 Vision

- Growth areas: cargo, international & domestic passenger traffic
- Poised for continued expansion
- Master Plan
 - Terminal
 - Airfield
 - Air Cargo
 - General aviation



Summary

- Record of success
- Met challenges of growth & change
- committed, professional employees
- Key role in Alaska's growth and economic viability

4/2/96

My name is Clarence Bolden and I live at 1234 Hillcrest Drive in Anchorage. I am speaking in opposition to SB 313.

Speaking as a person who uses the airports of Anchorage and Fairbanks in addition to those in smaller communities (Sand Point, Kodiak, Dutch Harbor, Bethel, Kotzebue, etc.), I am concerned that this bill will create an Authority to oversee the operations of Anchorage and Fairbanks.

I appreciate the Commissioner of Transportation's comment that we should not "fix something that is not broken". The system works well, it generates revenue for the State as presently operated and the present arrangement allows for management who is responsible to a commissioner who is reachable by citizens if something is amiss at the airports.

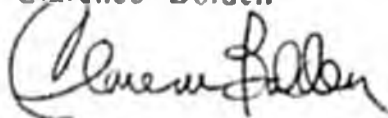
I am also concerned that the quality of the smaller airports will suffer because the revenue may not be available with this Authority operating the facilities. Money which goes into the general treasury may not be directed there under this Authority.

We do not need an additional Board or Authority between the citizens and the management of these vital facilities.

I urge the Committee to vote "do not pass" on SB 313.

Thank you for your attention to my concerns.

Clarence Bolden



Post-It™ brand fax transmittal memo 7671		# of pages • 1	
(S) Transportation		From	Anc 610
Co.		Co.	
Dept.		Phone #	
Fax #	465-2069	Fax #	