

**01/26/2017**  
**Airport**  
**Improvement**  
**Program**

<TARGET><BILL></BILL><SUBJECT>01-26-2017 Airport  
Improvement Program</SUBJECT><COMM></COMM></TARGET>



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

## Department of Transportation and Public Facilities

OFFICE OF THE COMMISSIONER  
Marc Luiken, Commissioner

3132 Channel Drive  
P.O. Box 112500  
Juneau, Alaska 99811-2500  
Main: 907.465.3900  
dot.state.ak.us

January 30, 2017

The Honorable Bert Stedman  
Alaska State Senate  
State Capitol Building, Room 30  
Juneau, Alaska 99801

Dear Senator Stedman:

Thank you for the opportunity to present on the Department of Transportation & Public Facilities' Airport Improvement Program (AIP) during the January 26, 2017, meeting of the Senate Transportation Committee. In response to questions posed by committee members, the following information is provided:

➤ ***Are there any reciprocal agreements in place related to the State of Alaska's international fuel tax exemption?***

DOT&PF was unable to locate any reciprocal/bilateral agreements in place between foreign nations and either the U.S. or the State of Alaska related to aviation fuel taxes. While the fuel farm at Anchorage International Airport is a foreign trade zone (FTZ) and affects certain federal import/excise taxation, its FTZ status does not affect the State's aviation fuel tax policy.

➤ ***Are there any other airports in the vicinity of Toksook Bay that could be used instead of doing a runway project?***

Toksook Bay is roughly 6 miles from Tununak and 15 miles from Nightmute with no road connection to either community. In 2013, the Alaska Aviation System Plan study studied the cost of construction of a road system versus an airport system in the YK Delta area. A road from Toksook to Tununak was estimated at \$20M and a road from Toksook to Nightmute was \$50M. Neither cost includes annual road maintenance. In general, the geotechnical and environmental conditions encountered in rural Alaska translate to airports and aviation transportation being more affordable than highway construction.

➤ *Has the erosion problem at Kivalina been resolved or are there other airports available for the community's use?*

There are no other airports available in the area of Kivalina for the community to use. The upcoming \$7M Kivalina airport project will install permanent beach erosion control at the Kivalina Airport to help it withstand beach erosion from ocean storm events. Temporary erosion control measures (supersacks) were put in place in response to the 2005 west coast storm disaster.

I look forward to working with the Senate Transportation Committee during this legislative session. If you or your committee members have further questions, please feel free to contact Mike Lesmann at (907)465-4772.

Sincerely,



Marc Luiken  
Commissioner

Cc: Darwin Peterson, Legislative Director, Office of the Governor  
Mike Lesmann, Legislative Liaison, DOT&PF



# Alaska Department of Transportation & Public Facilities Airport Improvement Program (AIP)

Deputy Commissioner John Binder

Jan 26, 2017

*Keep Alaska Moving* through service and infrastructure

# Our People

## Alaskans Serving Alaskans

### Kristen Patterson – Fairbanks International Airport (FAI)

- Accounting Technician I
- Joined FAI in 2016 and is responsible for processing incoming invoices, placing orders for supplies, and facilitating capital project funding & accounting. She also works closely with the airlines to ensure that FAI receives accurate landing statistics.
- Kristen attended Purdue University where she studied Aviation Management and received an endorsement in Air Traffic Control. Her eyesight prevented her from pursuing a career as a controller but her aviation enthusiasm led her to apply for three different positions at FAI until she was hired. Her current position inspired her to pursue her Bachelor's in Accounting where she will graduate from Ashford University in November 2017.
- Kristen fell in love with aviation as a child because her father, a Delta Private Jets aircraft mechanic, would, “jump out of perfectly good airplanes for recreational fun.” She would get to be the co-pilot even though her feet couldn't reach the pedals. From that point she knew that she wanted to work with airplanes but without the grease.
- She and her husband have a beautiful two-year-old daughter Olivia who is full of life and love, and whom Kristen feels is her best accomplishment. As a family they love to play outside, go for walks, play at the beach, fish, hike, and watch the latest princess movies in the theaters.





# Overview

- **FAA Airport Improvement Program**
- **Alaska's benefit**
- **Aviation capital needs determination**
- **Airport project prioritization process**

# Airport Improvement Program (AIP)

- **Funded by Airport & Airway Trust Fund**
- **Depends upon continued Congressional authorization and annual appropriations**
- **Federal grants to eligible airport sponsors for eligible projects**
- **Strict rules governing eligibility, procurement, and implementation. Sponsors accepting grants must abide by grant assurances**



# Airport and Airway Trust Fund (AATF)

- Created by the Airport and Airway Development and Revenue Act of 1970 to finance aviation programs
- Revenues are derived from aviation-related excise taxes on passengers, cargo, and fuel
- Provides the majority of appropriated funding for the Federal Aviation Administration
  - Operations (also funded by the General Fund)
  - Facilities and Equipment (F&E)
  - Research, Engineering, and Development
  - Grant-in-Aid for Airports (AIP) – Provides funding for capital improvements to the U.S. airport system



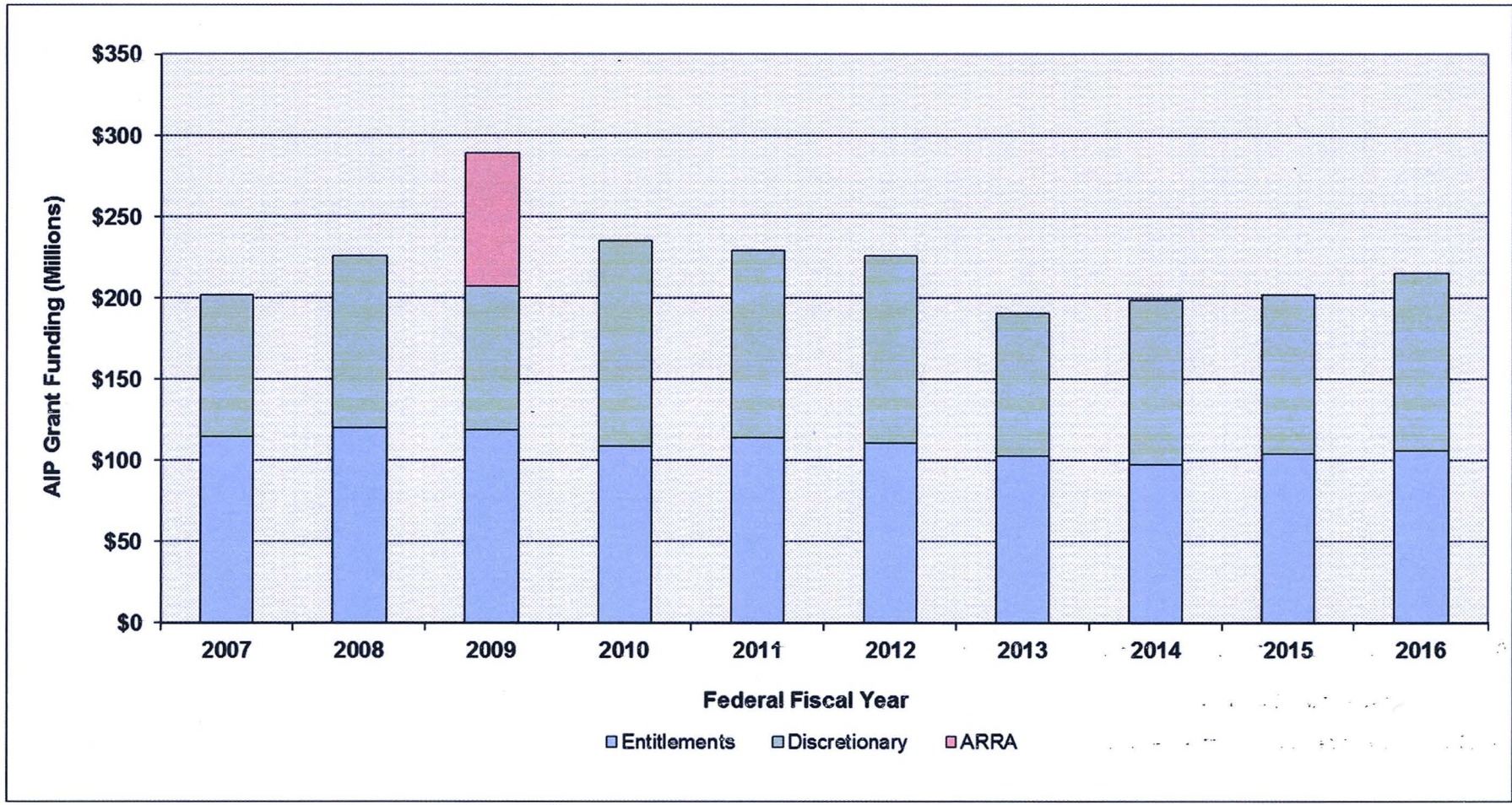


# Alaskan Region Airport System

- Medium Hub Primary Airports = 1
  - Small Hub Primary Airports = 2
  - Non-Hub Primary Airports = 26
  - Commercial Service Airports (CS) = 58
  - General Aviation (GA) = 169
- TOTAL = 256**

\* National Plan of Integrated Airport Systems (NPIAS)

# Ten Year History of AIP in the Alaskan Region





# **AIP Apportionment / Entitlements (DOT&PF Airports in FFY'16)**

**FAA airport capital improvement project funding program (~\$169.8M)**

- **Cargo Entitlement (\$12.7M)**
  - **Earned by airports with more than 100 million pounds landed weight**
- **Primary Passenger Entitlement (\$29.2M)**
  - **Earned by airports with more than 10,000 passengers (enplanements) and scheduled commercial service**
- **Non-Primary Passenger Entitlement (\$11.7M)**
  - **Earned by airports with less than 10,000 passengers annually**
- **State Apportionment (\$22.3M total less Muni Sponsors = \$17M)**
  - **An area/pop. formula used after cargo/passenger entitlements calculated**
- **Alaska Supplemental (\$21.3M total less Muni Sponsors = \$17.8M)**
  - **Legislative amount based on 1980 amounts**
- **Discretionary (\$109.2M less Muni Sponsors = \$80.7M)**
  - **What remains – divided among 50 states**



# **AIP Legislative Authority**

**Authorization: Public Law 114-190, “FAA Extension, Safety, and Security Act of 2016”**

- **Timeframe: through September 30, 2017**
- **AIP Levels: \$3.35 billion**
- **Congressional Reauthorization required in FY2018**

**Appropriation: Public Law 114-254 prorated through April 28, 2017**



# **National Goals & Objectives Emphasized by the FAA**

- 1. Providing a safe and secure airport and airway system.**
- 2. Minimizing airport noise impacts on nearby communities**
- 3. Developing reliever airports, cargo hub airports, and intermodal transportation.**
- 4. Protecting natural resources**
- 5. Reducing aircraft delays**
- 6. Converting former military air bases to civil use or improving joint-use airports.**
- 7. Carrying out various other projects to ensure a safe and efficient airport system.**



# Alaska Regional Goals

Because of the unique nature of the aviation system in the State of Alaska, the FAA (Alaskan Region) has a subset of “targeted” goals and objectives for the AIP within Alaska

## 1. Rural Access

- ✓ Provide and enhance safe aeronautical access for rural Alaskan communities

## 2. Pavement Condition

- ✓ Preserve and enhance the condition of paved airport surfaces

## 3. Safety & Security

- ✓ Enhance safety and security of airports



# Rural Access

## Noteworthy Projects:

- **Angoon “Construct New Airport” (community of 440)**
- **Aniak “Construct New Runway” (community of 500)**
- **Kiana “Extend and Reconstruct Runway” (community of 360)**
- **Atkasuk “Rehabilitate Runway” (community of 230)**



# Pavement Condition

## Noteworthy Projects:

- Fairbanks Int'l; Rehabilitate Taxiway B
- Dillingham; Rehabilitate Runway 01/19
- Anchorage Int'l; Rehabilitate Taxiway Y
- Palmer; Rehabilitate Runway 16/34



# Safety & Security

## Includes:

- Runway Incursion Mitigation (RIM) Measures
- Security Gates
- Aircraft Rescue and Fire Fighting (ARFF) Equipment
- Snow Removal Equipment
- Wildlife Hazard Assessments & Mitigation



# AIAS Capital Funding

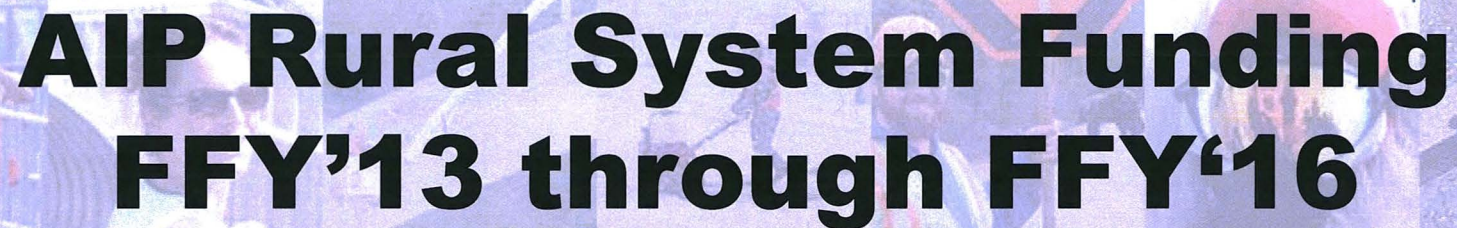
## Airport Improvement Program (AIP)

FFY2016

	<u>Discretionary</u>	<u>Entitlements</u>	<u>Total</u>
ANC	\$11.7M	\$15.7M	\$27.4M
FAI	\$0.0	\$4.1M	\$4.1M

Anticipated FFY2017

	<u>Discretionary</u>	<u>Entitlements</u>	<u>Total</u>
ANC	\$24.5M	\$18.2M	\$42.7M
FAI	\$4.5M	\$3.0M	\$7.5M



# **AIP Rural System Funding FFY'13 through FFY'16**

## **Federal Capital Funding**

- **Rural System AIP annual average FFY'13 -'15 = \$133.2M**
- **FFY'16 AIP = ~\$138.2M**

## **Rural Airport System State Match Required**

- **Generally 6.25% of project eligible costs**
- **A few Essential Air Service airports in designated economically distressed communities qualify for a 5% match of project eligible costs**
- **Annual airport match ~\$11M**

**\* Note: AIAS match is paid by International Airport Revenue Funds (IARF), not state general funds**

# Major Rural System AIP Construction Projects Expected to be Funded in FFY'17 & '18

## Pavement Rehab

- Bethel
- Dillingham
- Galena
- Gambell
- Haines
- King Salmon
- Unalaska

## Rural Access

- Aniak
- Deering
- Kivalina
- Kotlik
- Newtok
- Point Hope
- Seward
- South Naknek
- Toksook Bay

## Buildings

- Buckland
- Kobuk
- Kotlik
- Toksook Bay

- **Alaska Airport Needs Directory published**

<http://dot.alaska.gov/airport-portal-newsres.shtml>



# **Airport Project Evaluation Board (APEB)**

## **Board Members**

- **Deputy Commissioner, Regional Directors, SWA Division Manager, Director of Program Development**

## **Project Evaluation Board Process**

- **Needs list development – conducted by regional planners**
- **Project nominations to the board**
- **Project scoring – criterion for airports (16) / buildings (8)**
- **Regular review**

## **Airport Spending Plan Development**

- **Multi-year rolling plan**



**Thank you!**

**Questions?**