

Aviation 2018

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Alaska Department of Transportation & Public Facilities Airport Project Evaluation Board / Aviation Projects

Deputy Commissioner John Binder

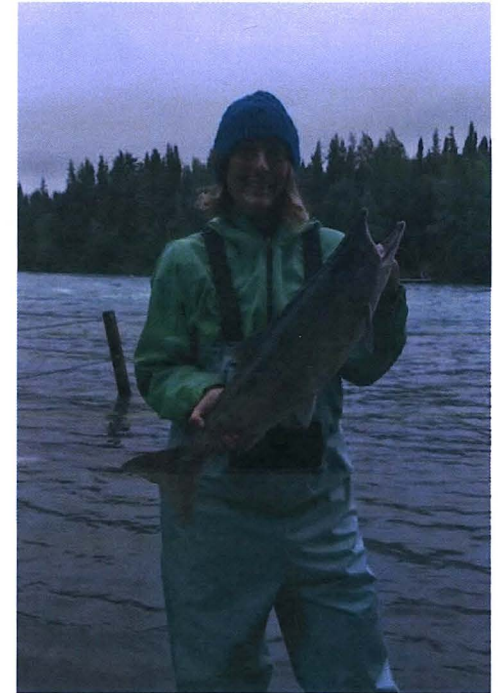
February 6, 2018

Keep Alaska Moving through service and infrastructure

Our People

Alaskans Serving Alaskans

- **Darcey Perry**
 - **Sergeant, Anchorage International Airport Police and Fire**
 - **B.A. Criminal Justice**
 - **Born and raised in Anchorage.**
 - **In 12th year serving DOT&PF**
- **Lead instructor for the Firefighter Academy.**
- **Organized the first ever Aircraft Rescue Fire Fighting (ARFF) conference in Alaska with participants as far away as Canada, Denmark, and Switzerland.**
- **Project manager for the DOT-wide ARFF training videos which earned Alaska the National Innovation Award from the National Association of State Aviation Officials.**
- **Lead for Critical Incident Stress Management (CISM) Team, providing stress management for public safety members statewide in coordination with Alaskan Chaplains Ministry.**





Mission Statements

DOT&PF

“Keep Alaska moving through service and infrastructure”

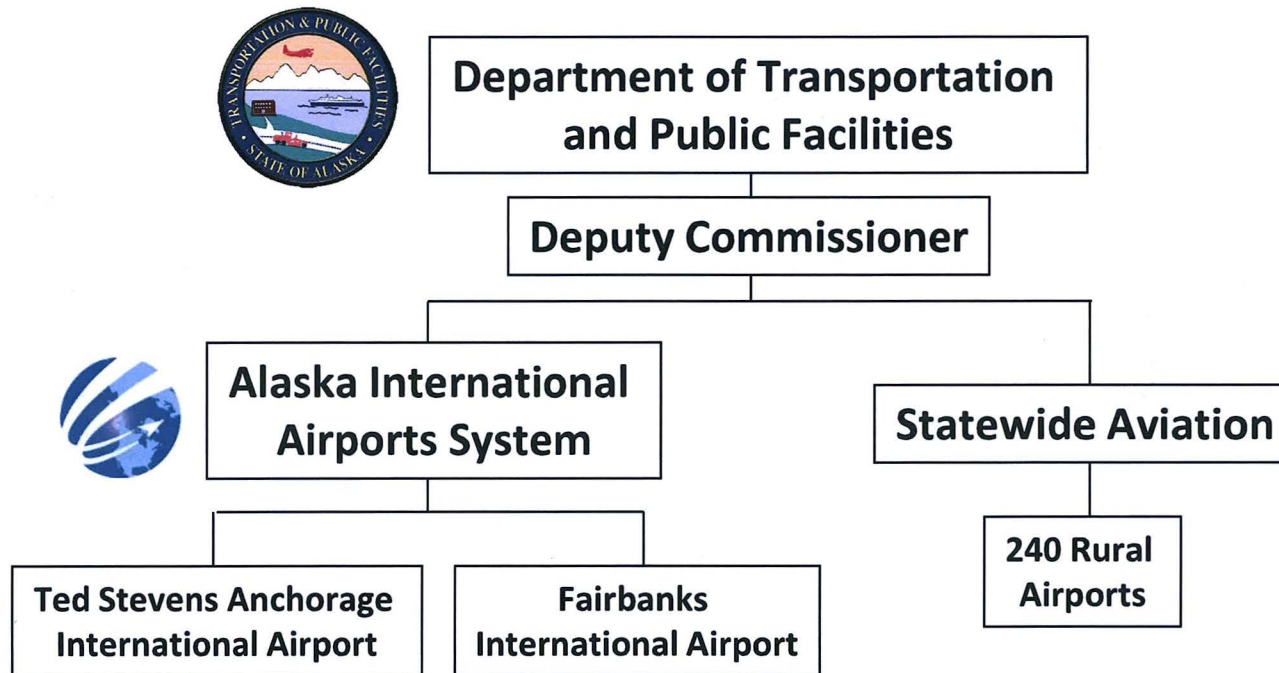
Alaska International Airports System (AIAS)

“To keep Alaska flying and thriving”

Statewide Aviation (SWA)

“To sustain and improve the quality of life throughout Alaska”

Organization/Leadership





AIAS Structure

Created over 50 years ago by Ch88 SLA 1961 -
(AS 37.15.410-550)



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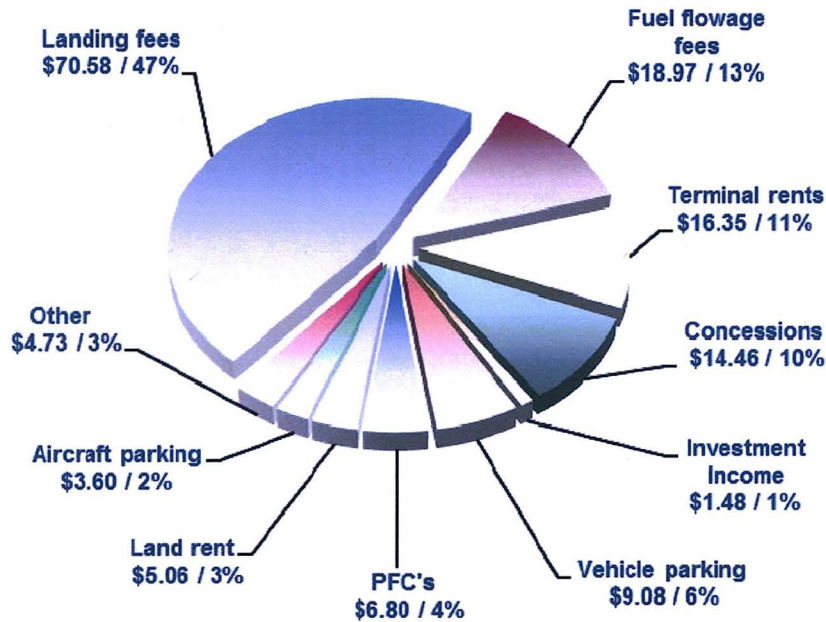
Alaska
International Airport
System
"AeroNexus"®



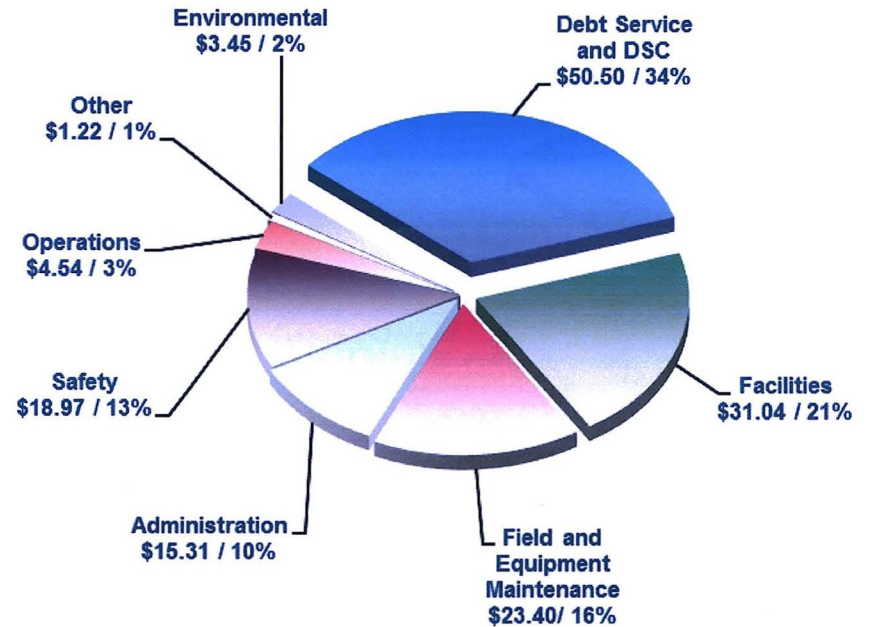
Annual Operating Revenues and Operations, Maintenance and Debt Costs

- Funded from Customer Charges -

**AIAS FY2017 Revenue Sources*
(\$151.11 Million)**



AIAS FY2017 Annual Operating Costs and DSC
(\$148.43 Million)**



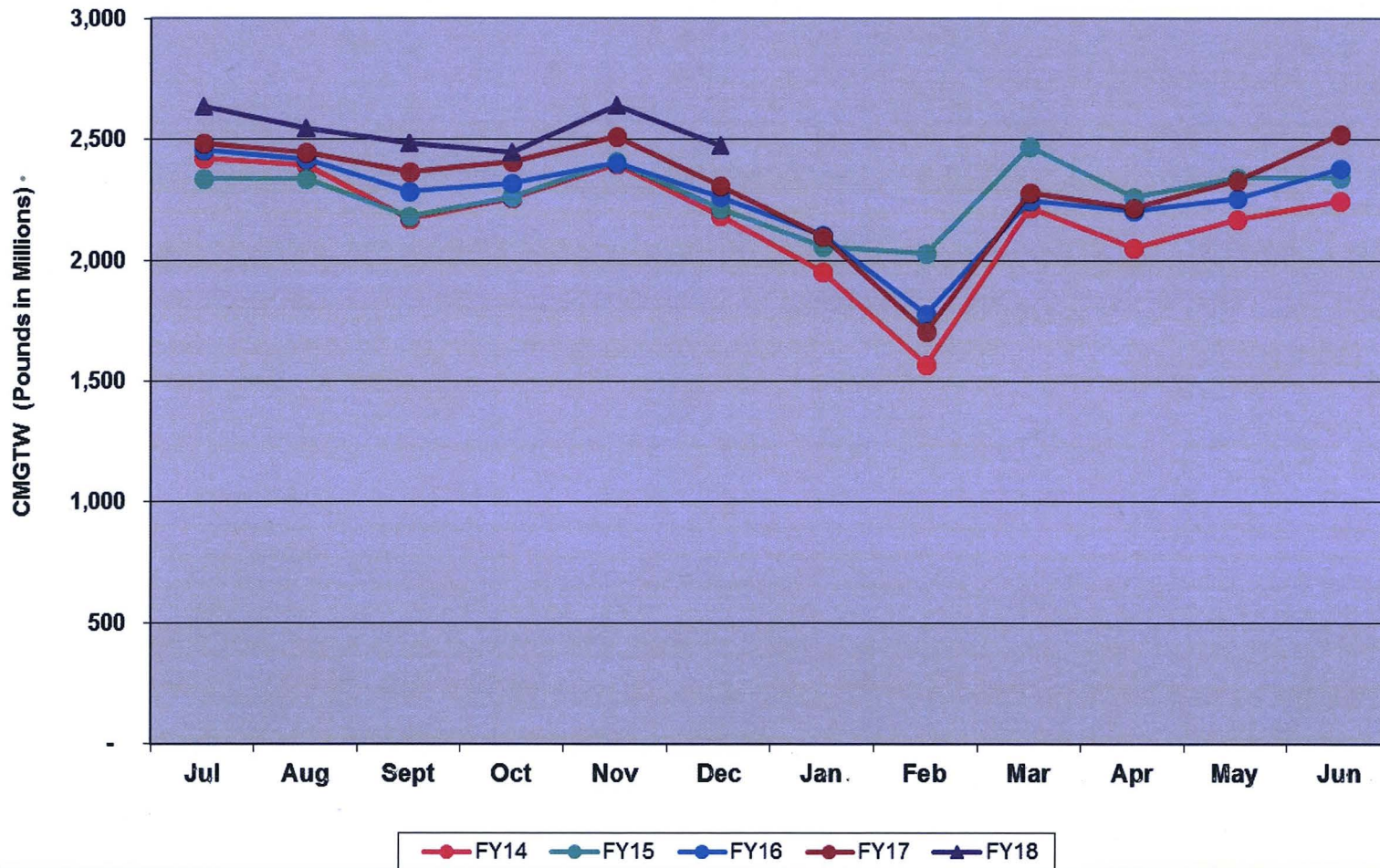
* Revenues from Airline & Tenant Customers

** Expense does not include rates & fees funded capital costs

Primary Revenue Driver - Airfield Activity (CMGTW): Up 2.1% FY17 / Up 4.8% FY18 ytd



AIAS
FY14 - FY18 YTD
Monthly Reported Combined Cargo - Pax CMGTW
As of December 31, 2017





Capital Funding

Airport Improvement Program (AIP)

FFY2017

	<u>Discretionary</u>	<u>Entitlements</u>	<u>Total</u>
ANC	\$25.4M	\$17.5M	\$42.9M
FAI	\$0.0M	\$4.2M	\$4.2M

Anticipated FFY2018

	<u>Discretionary</u>	<u>Entitlements</u>	<u>Total</u>
ANC	\$26.0M	\$17.0M	\$43.0M
FAI	\$0.0M	\$1.7M	\$1.7M



Statewide Aviation



Rural System Scope and Scale

- **240 DOT&PF owned/operated airports & seaplane bases**
- **173 gravel & 46 paved airports; 23 Sea Plane Bases & 1 heliport**
- **20 Part 139 certificated airports**
- **Primary access for 82% of Alaskan communities off the contiguous road system**
- **Rural System is primarily funded by GF (\$37M), some revenue via leases (\$5.3M) and aviation fuel tax (\$4.5M)**




Rural System Budget

FY17

- **Operating Cost = \$42M** **(+\$7.0M federal funds)**
- **Revenue = \$5.3M** **(Fuel Tax to GF = \$4.5M)**

System Sustainability

- **Cost reductions/efficiencies**
 - **Sand/Chemical optimization**
 - **Maintenance conversion to federal program**
 - **After-hours service agreements**
- **Revenue generation options**
 - **Fuel Tax**
 - **User/Registration Fee**
 - **Landing Fees**



AIP Rural System Funding FFY'14 through FFY'17

Federal Capital Funding

- **Rural System AIP annual average FFY'14 -'16 = \$136.7M**
- **FFY'17 AIP = ~\$130.6M**

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**

Airport Improvement Program (AIP) for DOT&PF Airports in FFY'17

FAA airport capital improvement project funding program (~\$177.7M)

- **Cargo Entitlement (\$12.8M)**
 - Earned by airports with more than 100 million pounds landed weight
- **Primary Passenger Entitlement (\$34.2M)**
 - Earned by airports with more than 10,000 passengers (enplanements) and scheduled commercial service
- **Non-Primary Passenger Entitlement (\$14.5M)**
 - Earned by airports with fewer than 10,000 passengers annually
- **State Apportionment (\$22.4M total less Muni Sponsors = \$22.4M)**
 - An area/pop. formula used after cargo/passenger entitlements calculated
- **Alaska Supplemental (\$21.3M total less Muni Sponsors = \$16.2M)**
 - Legislative amount based on 1980 amounts
- **Discretionary (\$111.2M less Muni Sponsors = \$77.6M)**
 - What remains – divided among 50 states

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

Pavement Rehab

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

Rural Access

- Aniak
- Holy Cross
- Kiana
- Kivalina
- Kotlik
- Kwigillingok
- Newtok
- Pilot Station
- South Naknek
- Toksook Bay
- White Mountain

Buildings

- Brevig Mission
- Buckland
- Homer
- 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**



Scoring Criteria

Airport Improvements (16):

- Safety
- Health & Quality of Life
- Economic Benefits
- Community Support
- Community M&O Contribution
- Local capital contribution
- Maintenance & operations
- Security / Certification
- Aviation Alternatives
- Community Trans Alternatives
- Runway length needed
- Runway surface condition
- Avigation hazards
- Erosion / flooding
- Other factors not considered
- Cost Effectiveness

Buildings (8):

- Safety of current structure
- Needs
- Project conditions
- Appearance
- Weather conditions
- Airfield safety
- Land ownership status
- Other factors not considered



Aviation Challenges – Future

- **Fleet Changes**
 - International wide-body aircraft
 - In-state changes (SAAB 2000, 737 freighter, Q-400)
- **Climate Change**
 - Increasing number of freezing rain/ice events
 - Rural runway subsurface maintenance
 - Coastal erosion
- **Ever-increasing federal compliance requirements**
 - Access controls/ID management
 - Friction requirements
 - NEPA determination requirements for non-AIP development
- **Potential Legislative Changes**
 - Bypass Mail
 - Essential Air Service



Thank you!

Questions?