

**Aviation Advisory Board  
June 26, 2003  
Summary Minutes**

Board Members

Paul Landis  
Ken Lythgoe  
Richard Wien  
Mike Salazar  
Jim Dodson  
Bob Jacobsen  
Felix Maquire  
Dan Klaes

Wilber O'Brien was not able to attend

Others

Mike Barton, DOT  
Kip Knudson, DOT  
Mort Plumb, ANC  
Jim Fiorenzi, FAI  
Byron Huffman, FAA  
John Steiner, DOL  
Frank Richards, DOT  
Sammy Zeid, AIAS  
Mike Marting, ANC  
Jennifer Payne, ANC  
Chris Birch, ANC  
Greek Taylor, DOT  
Bob Norton, DOT  
Cliff Argue, Alaska Airlines

10:30 am: Welcome by Chair  
Introductions  
Minutes Approved

RW: Request change in Page 5, Paragraph 2 of the Charter from "shall appoint" to "may appoint". JD moved to make the change and PL seconded. PL moved to approve the charter and MS seconded. Charter approved.

John Steiner provided overview of types of organizations for consideration but told the board that, as a State AG, he could not at this time provide legal counsel to the Board. There are several organizational structures: State, State Authority, Regional Authority, Local Authority, etc. Federal grant assurances require airport revenues be spent on (at) the airport. FAA accepts the Alaska State airport systems: Rural and AIAS. The current organizational structure is does not encourage as much public involvement than others, but is probably more efficient than an Authority. There are a variety of ways to put commissioners on an Authority, some more political than others. There may be constitutional issues with a free standing Authority. SB 235 (Sen. Cowdery) does not appear to involve constitutional issues, creating a quasi-governmental body within DOT. Creating an Authority would involve examining the Bond rating.

KL: Need to time our schedule so that we have a recommendation for the Governor before the next Legislative session.

KK and RW will get together and create a time line.

JD: Kenai and Juneau are talked about as successful models. We need to find out about them to be able to determine whether or not they are good models.

Cliff Argue: Suggest the Board spend time determining "Why" they should recommend change. Create a vision first. He discussed several recent models for creating Authorities: Philadelphia; Detroit; San Diego. All have common themes:

- Create governance that allows business-like approach
- Procure needed supplies, etc., more efficiently
- Have own dedicated labor force outside of local government
- Create independent authority with independent financing

Cliff believes that an Authority provides more consistency, qualified management, financial independence, would remove impediments to tenants, be relieved of government rules, would have marketing focus and business mentality.

KL, CA, RW: Labor is a big issue. John Steiner indicated that SB 235 states that existing agreements would transition and when expired would need negotiations. Labor would still get PERS but it does take you out of the State Labor Rates.

Cliff: It is problematic to compare fees between airports because of the individual nuances of operating agreements, etc.

BJ: Cliff, please provide your information in written format.

RW: Who thinks substantial change is needed? Six raise hands.

BJ: Change the organizational structure back to a centralized structure.

DK: Local community input on rural airports is needed.

FM: There are resources that can help us: UAA Transportation/Aviation map and AACC 5 year plan for rural airports.

PL: Unhappy with fees and services. There is a disconnect between signatories and Airport Management. The AIP runs pretty well but the signatories input on CIP is not valued.

KL: Need more information, is there a summary of State airports and revenues?

KK: Yes, will provide.

Greek Taylor did a power point presentation on Title 17 (provided in the Board Member packets).

RW: Were the old regulations in effect when DOT tried to rewrite them before?

GT: Yes, the old regulations were not replaced until 2001 (International) and 2002 (Rural).

RW, DK, FM, MP: Leasing is dysfunctional – regulations are being applied differently by different leasing officers. We need a subcommittee to address Title 17.

BJ: Haven't read the new regulations in detail, however, I'd rather lease at a State-owned airport than Juneau. The leasing officer seminar was good.

KL, BJ, KK, RW: General discussion of leasing reporting directly to KK. KK will discuss with Commissioner and report back to the Board.

FM, KL and DK will be on the subcommittee researching the Title 17 and leasing issues.

King Salmon Tower Issues: KK reports that he recommends the State fund operations for another year at King Salmon. However, the recommendation can be changed. The FAA Contract Towers does not direct traffic, they are advisory only. Further discussion resulted in KK direction to re-state the former position to the FAA that there will be "no net loss of infrastructure". The FAA shall keep the contract tower open or re-install the Flight Service Station.

KK: Other issues: Proclamation declaring June 21 Aviation Appreciation Day; new fee structures at AIAS; stopped Whittier Master Plan, will hold public meetings to notice closure while FAA installs cameras on both sides of pass; statewide level of AIP Discretionary funding about half of last year's.

JD: FYI, North Pole has AIP grant to do a Master Plan to purchase a private air strip. Proposal is controversial but facility would be good to have.

Next Meeting: August, 2003. Agenda items: FAA (written paper on governance issues from the FAA perspective); PL will provide written paper on Kenai (what works, what doesn't); BJ will do same for Juneau; discuss labor issues. Postpone for later meetings: TSA issues (rural and International), get AEDC and Mayors involved.

Meeting Adjourned 4:45 pm.