

**Aviation Advisory Board Teleconference Meeting Minutes
May 16, 2016**

Meeting called to order by Chairman Lee Ryan at 10:05 a.m.

PARTICIPANTS:

Board Members: Jim Dodson, Tom George, Lee Ryan, Steve Strait, Frank Neitz, Dennis Parrish, Bob Hajdukovich, Earl Samuelson, Mike Stedman, Marilyn Romano,
Excused: Dale Shaw

DOT&PF: John Binder, Troy LaRue, Linda Bustamante, Marc Luiken, Verne Skagerberg, Megan Byrd

FAA: Kristi Warden

AGENDA and MINUTES – Steve moved to accept agenda, Dennis seconded. Steve moved to accept minutes, Dennis seconded. Motions passed unanimously.

Chairman Ryan – Welcomed all to the meeting and introduced new board appointment Earl Samuelson, replacing Tom Nicolos, filling the public seat.

Commissioner Luiken Comments –

The department has been working hard this legislative session to educate legislators with data that better shows what the department does and what the costs are. This approach is paying off and hopefully the final operating and capital budget will reflect it. The DOT Leadership Team is meeting again next month to review the department's organizational structure and to set strategic goals. Commissioner Luiken has already consolidated two management positions - the M&O Chief with the Southcoast Region Director position and the Public Facilities Director with the Central Region Director.

Deputy Commissioner Binder Remarks –

- AIAS statistics show passenger activity up 5 ½ % over last year. TSA security screening could see 45 minute delays at ANC. ANC cargo is slightly down from 2015 due to a boost from Seattle port closures. Cargo activity has stabilized in line with projections.
- Airport System Workshops are being scheduled to assess the state's airports and ensure limited resources are being prioritized appropriately. The workshops will be held on June 6th in Anchorage and June 7th in Juneau. Invitations are being sent to borough representatives and stakeholder groups. This is the first of many workshops to be held.
- 2016 airport construction activity was reviewed including future plans for the Hooper Bay and Aniak Airports. There is concern from the Board about the Alaska State Trooper post located at the airport in Aniak and if the project will require moving or demolishing the

trooper buildings. Board requested to be kept updated as project moves forward. Mike Stedman also requested an update on the Kake Airport project.

- AIAS and Statewide Aviation 2016 Strategic Plans were reviewed.

AIAS Projects include:

- Airport System Optimization (ROI analyzed for identified optimization projects)
- Leading Market Indicators (identify, track, and report of market indicators)
- Revenue-Expense Optimization (prioritize list of revenue-expense opportunities)
- Process Improvement Opportunities (process improvement projects initiated)
- Regulations Structure Review (review regulations and alternate construct explored)

SWA Projects include:

- State/Federal Policy Initiative (federal/state policy decisions that impact rural airports)
 - Rural Community Engagement (airport safety & security outreach)
 - System Sustainability (standards for resource allocation)
 - Standards for Unattended Airports (O&M standards for unattended airports)
- Rates and Fees – Attempts to develop a working formula for rural fair market rates and fees has been unsuccessful and current methodology will continue to be used for the next rates and fees update to Title 17. Aircraft registration – Aviation System Plan is working on getting aircraft tail numbers at base locations as required by the FAA. Board appointed a subcommittee to be involved with aircraft registration program discussions and/or meetings to meet FAA’s based aircraft reporting requirements (Steve Strait, Mike Stedman, Tom George, and Lee Ryan)
 - FAA Reauthorization Bill – the bill passed and the reauthorization act runs through 2017. Key provisions include adding Little Diomed into the Essential Air Service program, and increasing the Airport Improvement Program (AIP) funding to \$3.75 billion.
 - Statewide Badging System – A request for proposals was extended due to the complexity of the contract, and will now close July 10th. The new system will include the rural and international airports. Pilots will no longer need to be badged at individual state operated airports, which should show a savings to both the state and to carriers.

FAA Update – Kristi Warden

- Provided the Board a handout that reviews AIP funding and a breakdown of the three types of funding (Apportionments, discretionary, and apportionment/discretionary hybrid)
- FAA will be holding a workshop in Anchorage on June 1st and 2nd

Board Discussion

- Deadhorse Airport – today’s operations require overtime to accommodate a late commercial flight.
- Fuel costs in rural Alaska are high and any increase to motor fuel tax will impact rural Alaska.

- Alaska Airlines is upgrading its 11 terminals across the state over the next 3 years at a cost of approx. \$32M. Alaska Airlines will also be building a new hangar at the Anchorage Airport for approx. \$50M.
- AAB Election of Officers - the board formalized a policy for the election of the Chairman and Vice-Chairman. A vote was taken to fill both positions resulting in the unanimous reelection of Lee Ryan as Chairman and Jim Dodson as Vice-Chairman.
- Chairman Ryan will coordinate with Dennis and Marilyn to facilitate a Board trip to Deadhorse in August.

The next meeting is tentatively scheduled for August, 2016.

Meeting adjourned at 11:39 a.m.