

**Aviation Advisory Board Teleconference Meeting Minutes
October 9, 2019**

Meeting called to order by Chairman Lee Ryan at 1:32 p.m.

PARTICIPANTS:

Board Members: Jim Dodson, Steve Strait, Lee Ryan, Gideon Garcia, Mike Reeve, Marilyn Romano, Frank Neitz, Bob Hajdukovich, Dennis Parrish

EXCUSED ABSENCE(S): Mike Stedman, Bob Kaufman

DOT&PF: Deputy Commissioner John Binder, Division Operations Manager Troy LaRue, Communication Director Meadow Bailey, Development Specialist Linda Bustamante, AIAS Transportation Planner Alex Moss.

OTHERS: Tom George, Aircraft Owners and Pilots Association (AOPA); Adam White, Alaska Airmen Association (AAA); Gina Ritacco, Director, State of Alaska (SOA) Boards & Commissions; Tavish Logan, Executive Assistant SOA Boards & Commissions, Merle Akers, Lake Hood Tenant.

AGENDA and MINUTES – Steve Strait moved to accept agenda, Gideon Garcia seconded. Dennis Parrish moved to adopt last meeting minutes, Mike Reeve seconded. Motions passed unanimously. Approved minutes [posted](#) to website.

Chairman Lee Ryan Remarks

Welcomed and thanked all for participating in the board meeting. Commissioner unable to attend due to another meeting with [AASHTO](#). Lee discussed [letter](#) sent to Governor from Greater Fairbanks Chamber of Commerce supporting state transportation boards. The AAB board supports this effort.

DC Binder Statewide Aviation Update

- Rural Airport Maintenance - department is still reviewing a list of airports that may be impacted by less maintenance or reclassified. There will be a public engagement process with users of airports and public before finalizing any changes.
- Alaska International Airport Authority – a draft report was submitted with recommendations. Final report due by October 31, 2019. Jim Dodson asked if the board could review the draft copy.
- Ground Transportation Study – reviewing TNC (Uber & Lyft) fees and assessing infrastructure needs at both International Airports. Initial findings will be provided October 22nd
- Federal Airport Improvement Program (AIP) funds have been fully executed for this fiscal year. Rural Airports received \$140M and the International Airports received \$40M. The AIP program is approx. \$5M less than last year due to less discretionary funding.
- Certificate of Compliance – SWA is reviewing insurance requirements currently in the [statute](#) language for [Certificate of Compliance](#), and if Unmanned Aerial Systems (UAS) aka drones should also be required to have this insurance. Board requested a briefing and more information at next meeting.

- UAS coordinator [position](#) will be hired by Statewide Aviation to manage and direct the statewide UAS program. More information on this position will be provided to the Board at the next meeting.
- Aviation revenue generation options – previous board discussed revenue generation options included a motor fuel tax; landing fees at Certificated Airports (hubs); and registration fees for aircraft located in Alaska.

Board Discussion

The Board asked if there was an initiative today from the Governor’s office to implement any of these options. DC Binder advised there is not one today but that all options have been provided to the Administration as potential future options.

The Board recommended looking at alternatives to new revenue, taxes, and fees. Statewide Aviation should examine how funds are generated today at rural airports and look for business development opportunities. The farm located at the Bethel Airport was used as an example of a creative way to raise revenue. The Board would like to continue to understand and discuss new revenue options while simultaneously talking about maximizing current revenue streams.

The Board requested Tom George provide an updated aviation fuel tax comparison. He confirmed he will. The Board suggested SWA work with regional commercial land developers/real estate agents for ideas on how to develop state land located around airports.

Adam White reiterated that any new taxes generated with an aircraft registration program should not be used for revenue generation instead strictly used to administer the program. In order for him to discuss this type of tax with the general aviation community there needs to be clear intent, lead time, and course of action.

Tom George asked about the rural airport maintenance program. At the last board meeting he requested the department have a suitable definition of what “backcountry” means and also that organizations such as AOPA, AAA, AACA, and RAF (Recreational Aviation Foundation) be included in the public involvement phase of airport maintenance reduction discussions. Troy advised today the department defines “backcountry” as airports receiving no maintenance and not eligible for a federal project. Tom will discuss this more with Statewide Aviation planning.

Boards and Commissions (B&C)

Gina Ritacco, Director of B&C, thanked the board for their time and efforts and noted they are very much appreciated by Governor Dunleavy. Both Gina and Tavish are available to the board for any assistance and requested they be copied with board reports. Gina also requested that the Chair and/or Department make sure to notify current board members when their appointments are nearing expiration so they can notify B & C if they are interested in reapplying.

Real ID

Marilyn Romano discussed the Real ID requirement. Alaska Airlines will be at AFN to distribute information to travelers and remind them of the TSA requirements. It’s recommended that the board work together to distribute information and flyers to air carriers across the state so that all travelers are aware of the program and required documentation.

Socio-Economic Study – at the May meeting Lee Ryan asked if the Alaska Aviation System Plan could provide a socio-economic impact study that would show how rural airports benefit the international airport

system. Lee formed a subcommittee to help frame a discussion and provide input on what the study should include. The group consists of Lee Ryan, Steve Strait, and Jim Dodson.

Lake Hood (LHD) Update

Steve Strait and Gideon Garcia met with TSAIA staff Tim Coons, Alex Moss, and John Johansen to review Lake Hood policies and procedures and opportunities for creating efficiencies and providing recommendations. The meeting covered a wide range of subjects with two issues coming to light.

- New regulations worked from 2016-2017 have not yet gone into effect. Many LHD stakeholders who worked on regulation drafting are unaware the process came to a stop when prior TSAIA position became vacant in 2017. To restart the LHD regulation process a new round of Stakeholder meetings and public noticing of regulation changes will be needed. As of September 2019 there was no timeline to start the regulation update process.
- Accounting software issues caused delayed billing and aircraft oversight for several years. The issue has recently been resolved.

The Lake Hood Pilots Association is being reorganized and anticipate new officers will be in place by the end of this year. This should restart dialog between TSAIA and Lake Hood seaplane users.

Board Discussion

Statewide Aviation's FY18 Rural Aviation System Budget Costs:

\$35.6 M to cover maintenance and operations at rural airports

\$6.7M to pay statewide aviation and planning staff.

\$7M Surface and Obstruction Removal Maintenance (AIP Funded)

Total costs ~ \$49.3M

Fund sources utilized by the rural airport system:

\$6.8M leasing receipts

\$4.5M fuel tax

\$7M Federal AIP funds used for surface and obstruction removal maintenance.

Certificated Airports:

Of the \$35.6M, the department spends \$20M to maintain certificated airports (hubs/large aircraft airports).

Landing fees were instituted at Sand Point Airport. The additional certification cost was estimated to be \$68,000 a year, though revenue to date has already exceeded this amount. However, contractor challenges at Sand Point are requiring additional DOT&PF involvement and likely to drive operating costs above the initial budgeted amount. Costs and revenue will be reassessed at the 1-year point and appropriate adjustments considered at that time.

Board Discussion on generating revenue:

- Only certificated airports generate commerce. The smaller "outlier" airports will never pay for themselves.
- Aircraft registration fees are being collected by Municipality of Anchorage and is an easy way to generate some revenue.

- Lake Hood's float plan slips are 100% full with a dozen commercial spots available today for temporary usage.
- Broad base solutions needs to be fair/equitable.
- Board recommendations need to be in line with what the Governor wants. Suggestion that Board reach out directly to Governor now instead of having a new funding stream being dictated. The Board has discussed fuel tax, landing fees, and a/c registration fees. There may be additional suggestions/ideas from legislators.

Public Comment

Merle Akers is a tenant at Lake Hood and noted that there are less permitted parking spots now more than ever before. He said apparently a lease to an air taxi generated more airport revenue than the 16 parking permitted spots that are now no longer available. Public Comment needs to be solicited before these types of leasing decisions are made.

The board would like to meet next during the week of January 13th. A Doodle Poll will be sent to determine best date for majority of board to meet.

Meeting adjourned at 4:04 p.m.