



Alaska Department of Transportation & Public Facilities

“AIAS 101”
Updated March 2016

Airports 101 Outline

- Nationwide
- Statewide
- AIAS
- ***Your Airport and You***
 - Anchorage
 - Fairbanks





Nationwide

Nationwide

Federal Aviation Administration (FAA): Safety

- 14 CFR Part 139 prescribes minimum airport safety standards
- Airport Certification Manual: how we meet them
- Airport Operating Certificate: tells us we meet them
- Airport Improvement Program (AIP): funds airport capital improvement projects (up to 93.75%)
- Grant Assurances: “contracts” airports must abide by if they receive AIP funding, i.e., not diverting revenue
- Snow and Ice Control Plan: “no worse than wet”





Nationwide

Transportation Security Administration (TSA): Security

- 49 CFR 1542 prescribes minimum airport security standards
- Airports DO NOT manage TSA personnel – they are federal
- Airport Security Coordinator: airport contact for all security issues
- Airport Security Program: how the airport complies with federal regulations
- Secure Areas v. Non-Secure Areas
- Badging and Escort Procedures





Statewide

Statewide

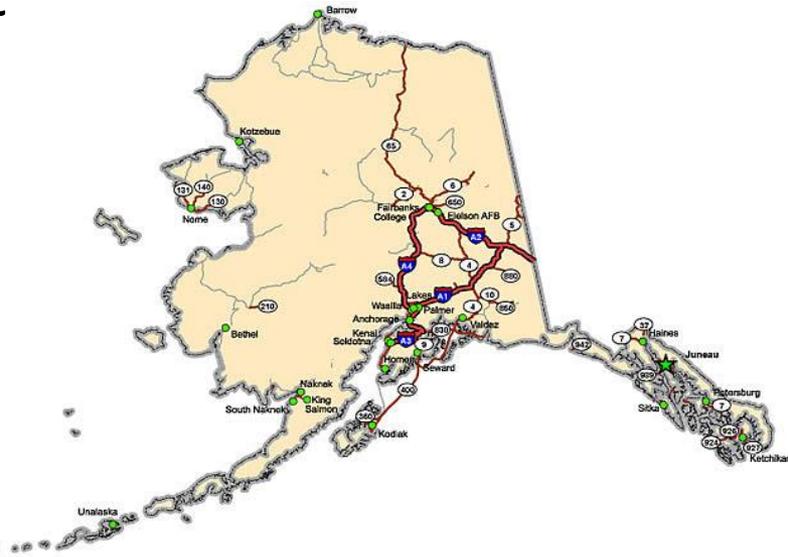


- 19,299 airports in the U.S.
- Over 700 registered airports in Alaska
- 249 are State owned

Statewide

Aviation is a necessity in Alaska!

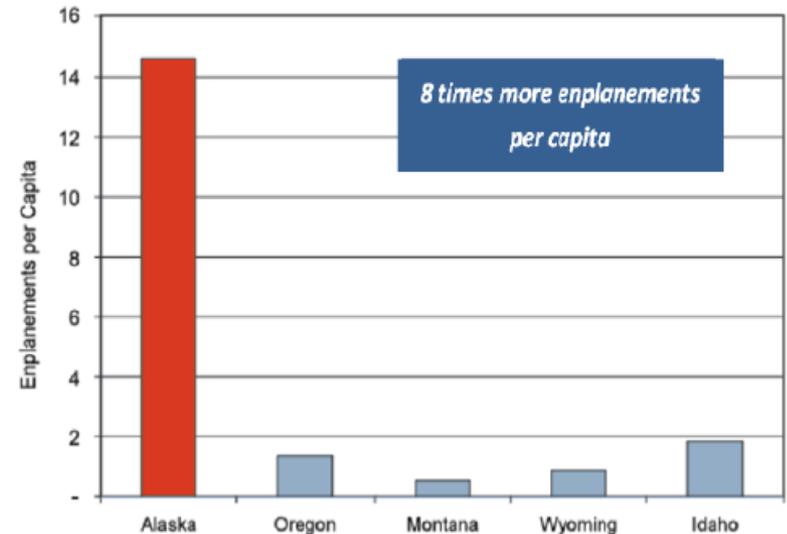
- 82% of Alaskan communities are not connected to the road system, relying entirely on air service
- Only 2% of Alaska's land area is accessible by roads
- Only one road to the Lower 48...and it's 2435 miles from ANC to SEA, the same as a flight from SEA to N.Y.



Statewide

Aviation is Business!

- 8 times more enplanements per capita than any other state
- More pilots per capita than any other state
- Aviation accounts for approximately 8% of Alaska's GDP and 10% of all jobs
- 1 in 10 jobs in Anchorage
- 1 in 20 jobs in Fairbanks



Source: Alaska Department of Transportation and Public Facilities.
2009 Statewide Aviation Annual Report.



AIAS

Alaska International Airport System

SINCE 1961

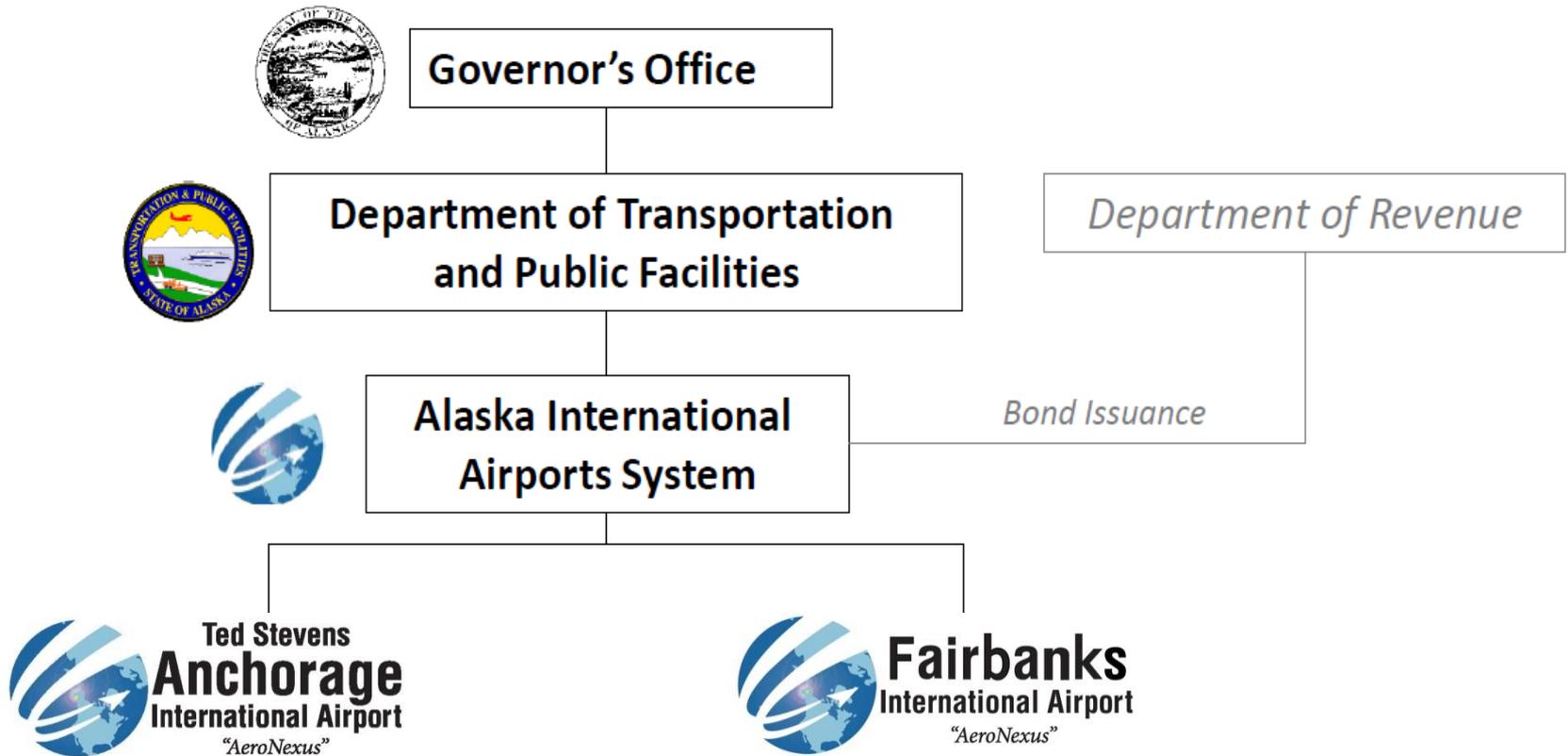


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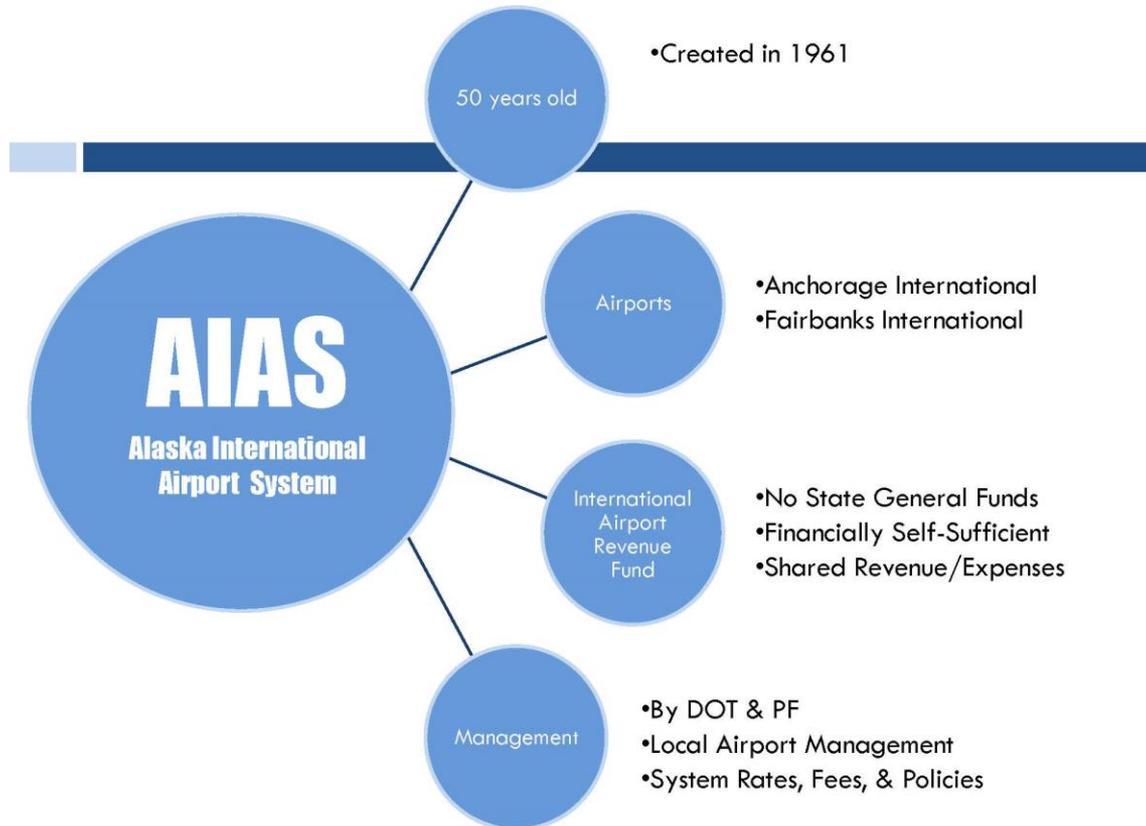
Two airports under one self-sustaining enterprise fund
To Keep Alaska Flying and Thriving

AIAS State Government Structure



AIAS is funded and operates by authority provided in Alaska Statutes

Facts and Figures



\$85m Operating Budget

Capital Program

- “Buckets”
- Majority In Interest

About 450 employees

- 100 Fairbanks
- 350 Anchorage



Purpose & Values

Purpose:

To keep Alaska flying and thriving

Core Values:

Integrity: Honesty, dependability, unity, and a high ethical standard

Enterprising: Innovative, proactive, pioneering, business-centric airport system

Excellence: Commitment to improve and a passion to provide superior service and infrastructure

Respect: Professional regard for colleagues and customers



Vision

By 2030, AIAS is the global nexus for aviation-related commerce

- We will be a model government-owned enterprise, adaptive and agile
- We will proactively address global changes and world markets
- We will operate safely while striving for efficiency
- We will be a coveted place to work
- We will optimize our contribution to Alaska's economy and quality of life
- We will involve, value, and balance the interests of stakeholders

Location

28 Passenger Destinations Served from AIAS
51 Cargo Destinations Served From AIAS
9.5 Hours from 90% of Industrialized Northern Hemisphere



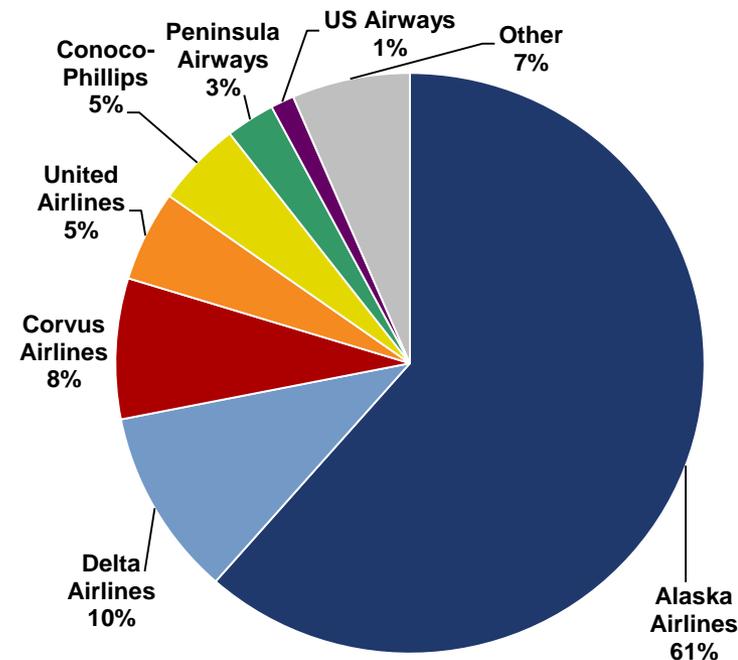
Passenger Customers

Passenger Airlines

- 40-Mile Air
- Air Canada
- Air North Charter & Training
- Alaska Airlines
- American Airlines
- China Airlines¹
- Condor Flugdienst²
- Conoco/Phillips¹
- Delta Air Lines
- Eva Airways Corporation²
- Grant Aviation
- Guardian Flight¹
- Hageland Aviation Services
- Japan Airlines¹
- Jetblue Airways
- North American Airlines¹
- Omni Air International¹
- Peninsula Airways
- Ravn Alaska
- Security Aviation¹
- Sun Country Airlines
- Transnorthern, LLC¹
- United Airlines
- US Airways
- Warbelow Air Ventures
- World Airways¹
- Wright Air
- Uzbekistan Airways¹

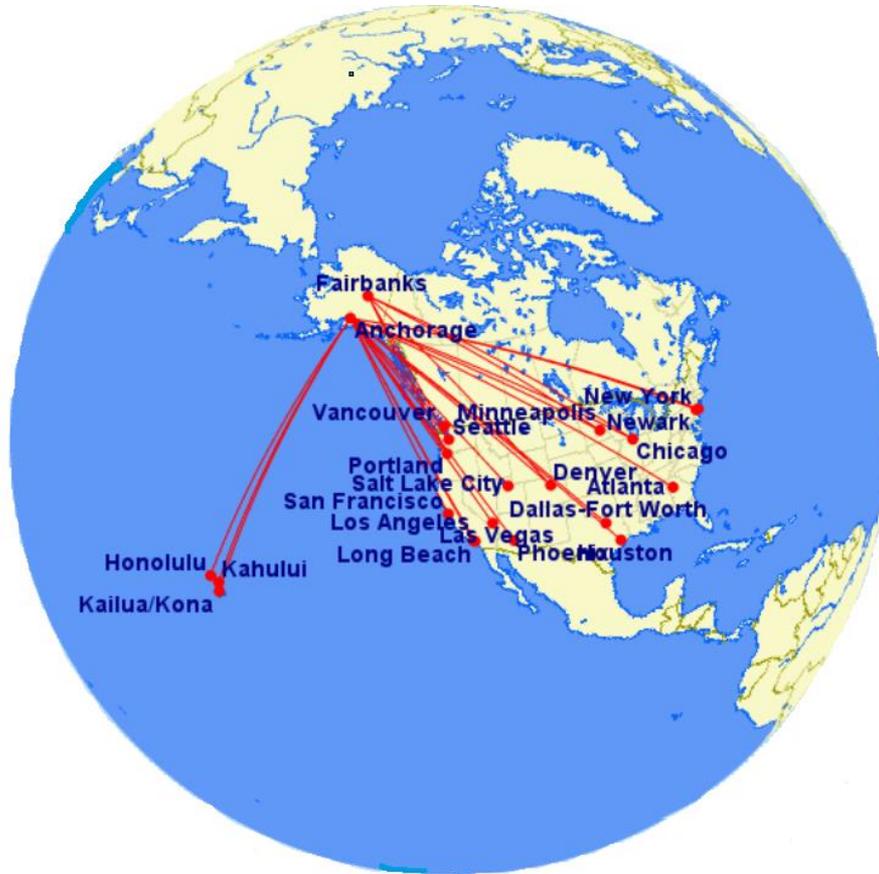
1. Charter.
2. In-Transit Only.

FY15 AIAS Enplanements by Carrier
(3.18 million total)



Passenger Markets

Domestic and International Gateways



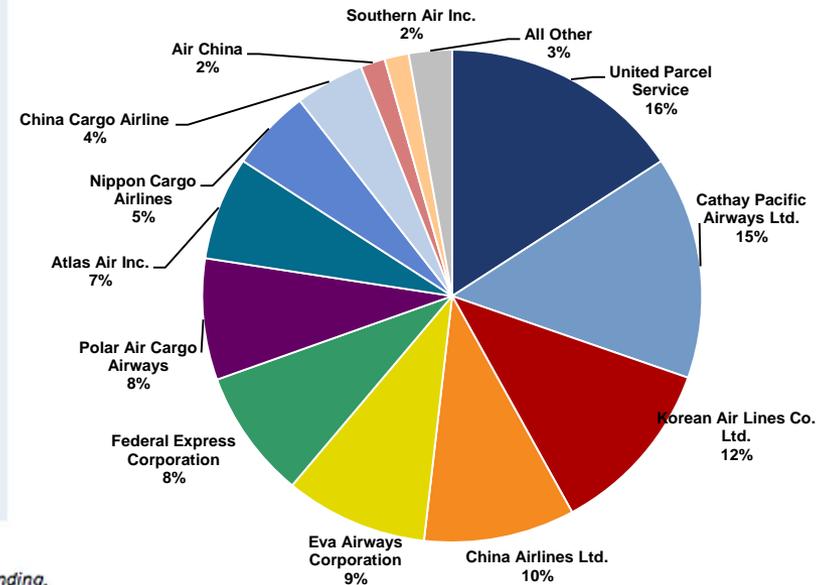
Cargo Customers

AIAS Cargo Operators

<ul style="list-style-type: none"> • ABX Air, Inc • Air China Cargo Company • Alaska Airlines • Alaska Central Express • All Nippon Airways Co • Antonov Design Bureau • Asiana Airlines • Atlas Air • Cathay Pacific Airways • Cargolux Airlines International • China Airlines • China Cargo Airlines • China Southern Airlines • Desert Air • Empire Airlines • Eva Airways Corporation 	<ul style="list-style-type: none"> • Evergreen International Airlines • Everts Air Cargo • Everts Air Fuel • Federal Express • Frontier Flying Service • Hageland Aviation Services • Kalitta Air • Korean Airline • Lyndon Air Cargo • Nippon Cargo Airlines • Northern Air Cargo • Omni Logistics • Peninsula Airways • Polar Air Cargo Worldwide • Ravn Alaska Cargo Service 	<ul style="list-style-type: none"> • Singapore Cargo Airlines • Southern Air • Tatonduk Outfitters • Transnorthern Aviation • United Parcel Service • Volga-DNEPR Cargo Airlines • World Airways • Wright Air Service • Yakutia Air • Yangtze River Express Airlines
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- International cargo hub for FedEx, UPS, Korean Air, Nippon, China Airlines, Polar Air Cargo and Atlas Air
- Cargo-related revenues account for nearly two-thirds of AIAS revenues

AIAS Cargo Carrier Market Share in FY2014



(1) Bureau of Transportation Statistics, T-100 Segment data through October 2012. Totals may not add due to rounding. Bold type indicates Signatory Airlines of the Operating Agreement.

Cargo Markets

- Air cargo shippers face a trade-off between fuel cost, time and aircraft carrying capacity
- Economics favor refueling at AIAS with heavier payload than bypassing AIAS with lighter payload
- Strategic link to Asia and the Pacific Rim
- AIAS is a major sorting and transfer hub for domestic and international carriers



	Nautical Miles
Beijing	3,431
Seoul	3,286
Singapore	5,792
Tokyo	2,983
Frankfurt	4,064
London	3,902
Moscow	3,778
Honolulu	2,413
Los Angeles	2,037
Washington DC	2,916
Caracas	4,646
Mexico City	3,281

Stevens Amendment

Allows non-US airlines to carry international cargo between US points as part of an interline itinerary if and only if the interline connection occurs in Alaska.

US DOT Exemption Authority

Special US DOT exemption authority makes it advantageous to use Alaska as a cargo hub for:

- Flexible on-line transfers (multiple origins / destinations)
- Change-of-gauge (including “starburst”)
- Commingling US international cargo with non-US
- US and non-US carriers can transfer cargo freely with each other where origin and destination are outside the US
- Any non-US carrier serving the US allowed to serve Alaska
- Carriers invited to apply for new routes to the US provided new points to be served will be served via Alaska

US/Global Air Cargo Airport Rankings

Rank	City
1	Memphis
2	Anchorage
3	Louisville
4	Miami
5	Los Angeles
6	Chicago
7	New York
8	Indianapolis
9	Cincinnati
10	Newark

Rank	City
1	Hong Kong
2	Memphis
3	Shanghai
4	Anchorage
5	Incheon
6	Dubai
7	Louisville
8	Tokyo
9	Paris
10	Frankfurt

Data from Airports Council International CY2015 metric tons cargo.

Cargo Transfer

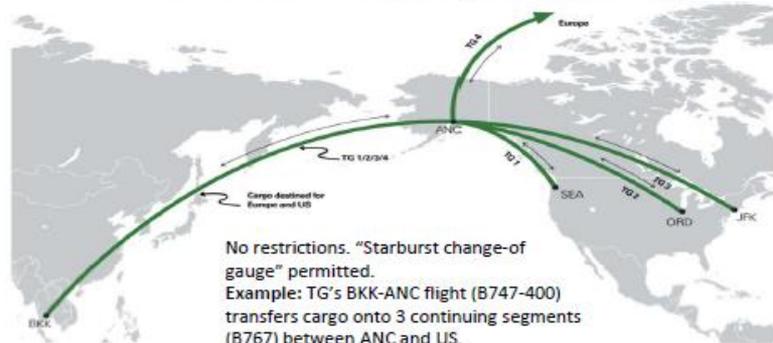
Liberal cargo transfer rules expand markets

Sample Global Approaches to Using AIAS Location and DOT Exemptions

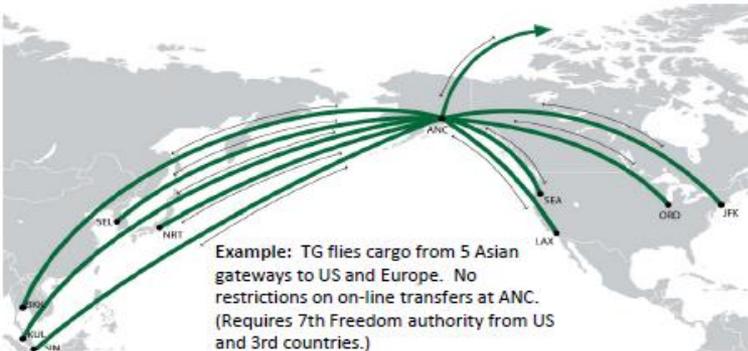
Technical Stops in ANC Can Be Completed in 1-2 Hours



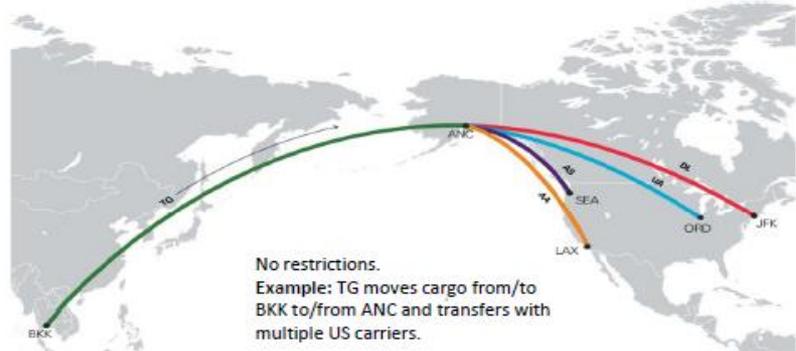
On-line Transfers: Starburst / Change of Gauge



On-Line Transfers: Multiple Origins and Destinations

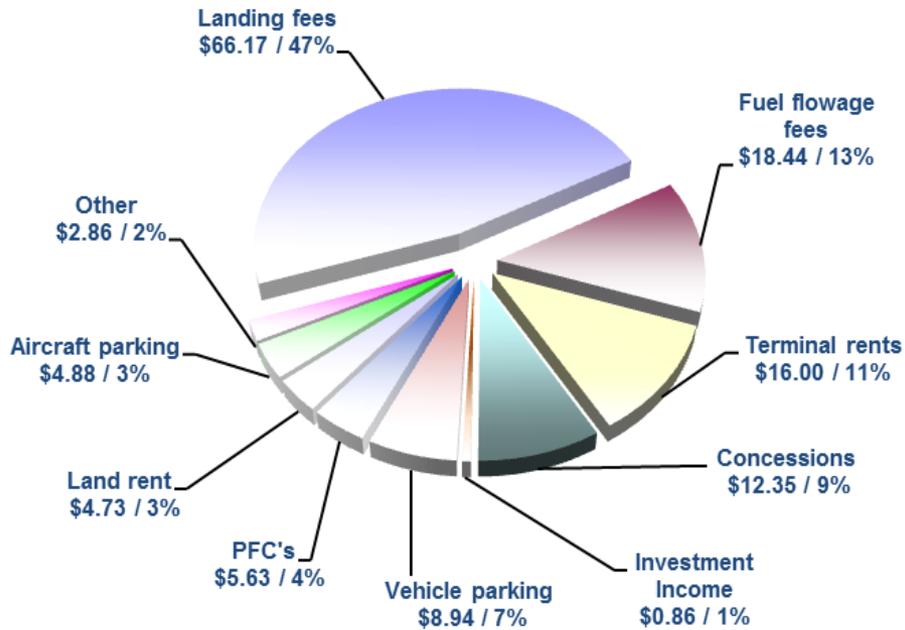


Interline to/from US: Non-US carrier to/from US carrier

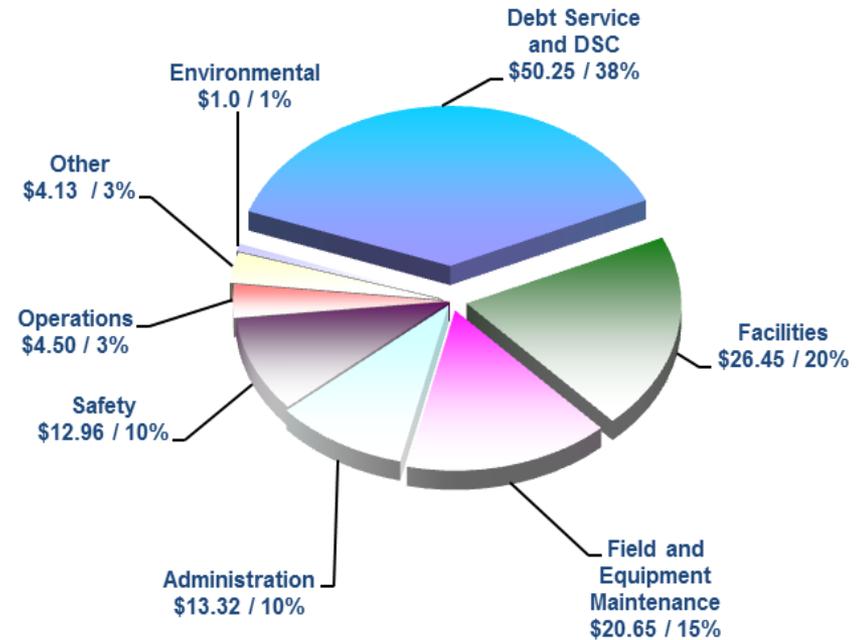


Annual Revenues / Operations, Maintenance and Debt Costs - Funded from Customer Charges -

AIAS FY2015 Revenue Sources (Millions)



AIAS FY2015 Annual Costs and DSC (Millions)





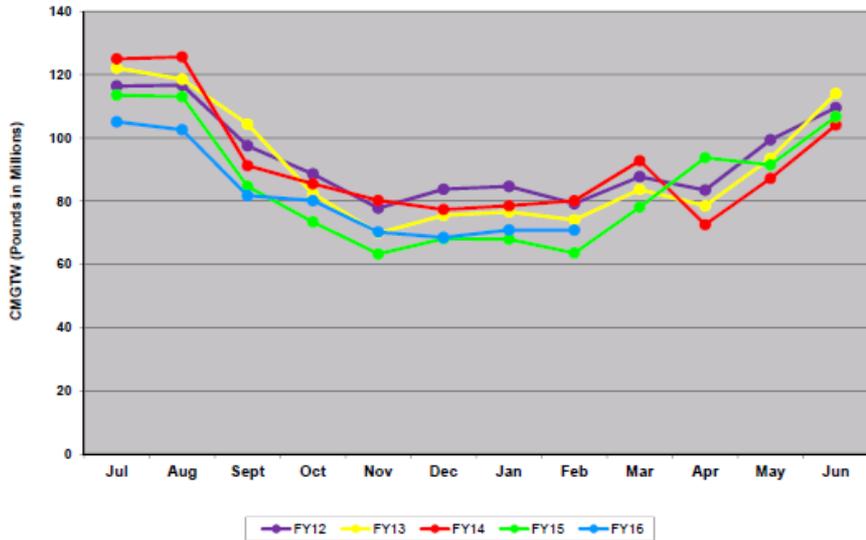
Other Rates and Fees

Examples:

- Commercial vehicles, badging, parking, GA tiedowns, land rents
- Always refer to the [current](#) Rates and Fees Schedule before quoting
- Most rates and fees are consistent between ANC and FAI

Combined Pax/Cargo CMGTW & Pax Enplanements

FAI
FY12- FY16 YTD
Monthly Reported Combined Cargo - Pax CMGTW
As of February 29, 2016

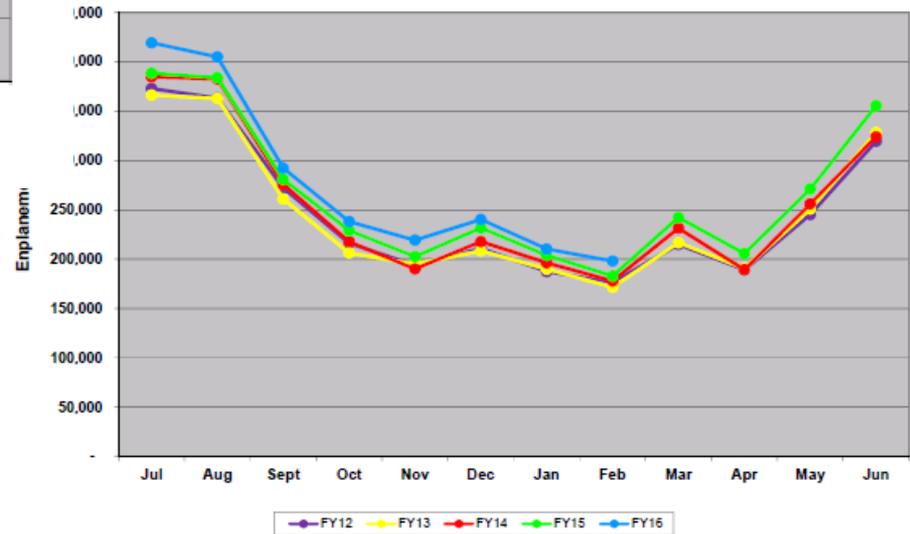


Cargo - Stable

Pax Enplanements:

Highly Seasonal / Steady Growth

AIAS
FY12 - FY16 YTD
Monthly Enplanements
As of February 29, 2016





Alaska International Airports System Operating Agreement Signatory Airlines

29 Signatories

- **Air Canada**
- **Air China Cargo**
- **Alaska Airlines**
- **Alaska Central Express**
- **American Airlines**
- **Asiana Airlines**
- **Atlas Air**
- **Cathay Pacific Airways**
- **Cargolux Airlines**
- **China Airlines**
- **China Cargo Airline**
- **China Southern Airline**
- **Condor Flugdienst**
- **Corvus Airline**
- **Delta Air Lines**
- **Empire Airline**
- **Eva Airways**
- **Federal Express**
- **Kalitta Air**
- **Korean Airline**
- **Lynden Air Cargo**
- **Nippon Cargo Airlines**
- **Northern Air Cargo**
- **Peninsula Airways**
- **Polar Air Cargo**
- **Singapore Airlines Cargo**
- **Tatonduk Outfitters**
- **United Airline**
- **United Parcel Service**

Updated March 1, 2016



Incentive Programs

Incentive programs exist for:

- **New or Expanded Regional, Domestic, and International Passenger Service**
- **New or Rescheduled Cargo Service**
- **Refer to Business Development**

CATEGORY 1 - Passenger Service

New, direct, non-stop, scheduled passenger service between an AIAS airport and a city that has not been directly served as either an origin or destination city by any airline during the thirteen months prior to initiation of service.

New service must be for at least 3 months with a minimum of 1 flight per week.

For Category 1 flights, all Landing Fees will be waived for a 12 month period if an approved application is for new service for at least 12 months.

For Category 1 flights, Landing Fees will be waived for the first 13 eligible flights for any approved application of less than 12 months.

CATEGORY 2 - Passenger Service

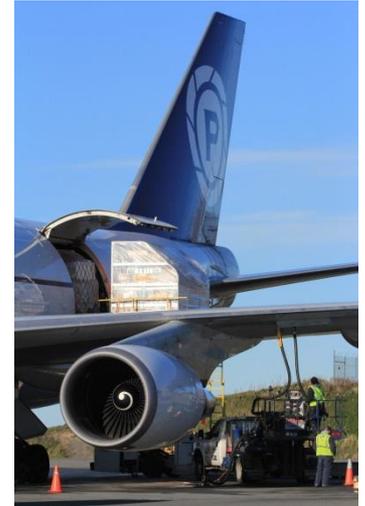
Expanded, direct, non-stop, scheduled passenger service between September 16 and May 14 from an AIAS airport and a city that has not been directly served as either an origin or destination city by any airline between September 16 and May 14 during the thirteen months prior to initiation of service. This applies to expansion of existing service which occurred only between May 15 and September 15.

Expanded service must be for at least 8 months with a minimum of 1 flight per week.

For approved applications for Category 2 flights, Landing Fees will be waived for the 8 month period of expanded service (September 16 – May 14).

ANC

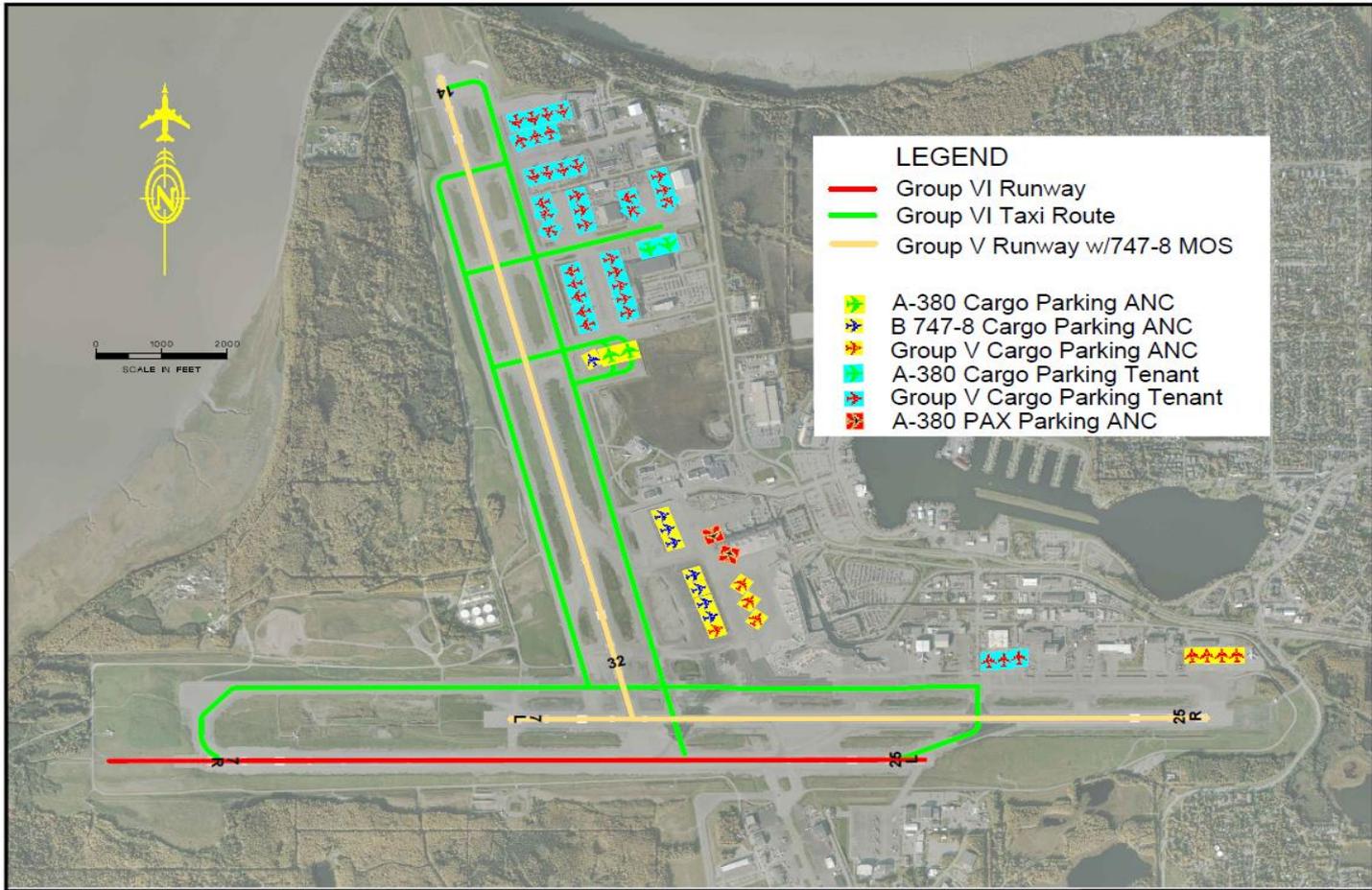
- Opened in 1953
- State owned and operated
- Over 350 employees
- Over 500 Wide Body Cargo landings/week
- 4,612 Acre complex





ANC

- Three > 10,500 foot (3,200 m+) runways
- CAT IIIb ILS
- 60 plus aircraft parking positions
- 95% VFR
- 24-7-365 Immigration, Air Traffic, Customs
- Ground service, deicing, catering for all size aircraft
- Multiple fuel suppliers – competitive prices
- In-state refinery and Sea Port = ample fuel supply
- Fuel hydrant system for quick turns





ANC

- Lake Hood:
 - Largest Sea Plane Base in the World
 - Vital Connection to rural Alaska
 - Locus of tourist activity
 - 500 Slips, Almost 70,000 Operations per year
 - 10 Year waitlist for the slips





FAI

- Opened in 1951
- State owned and operated
- 100 employees
- 3,551 Acre complex





- One > 11,800 foot runway
- CAT IIIb ILS
- 30 plus aircraft parking positions
- 97% VFR
- 24-7-365 Immigration, Air Traffic, Customs
- Ground service, deicing, catering for all size aircraft
- A convenient 1,065,800-square-foot Cargo Apron





- Vital Connection to rural Alaska
- Popular winter tourism destination
- Active GA area of the airport with multiple surfaces including a 6,000 ft. runway, a ski strip in the winter, a gravel strip in the summer, and a float pond water strip

