

ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES



ALASKA INTERNATIONAL AIRPORT SYSTEM



BIANNUAL REPORT

Quarters 1 & 2 2025



AIR SERVICE BUSINESS DEVELOPMENT

As of July 1, the reorganization of the Alaska International Airport System has been fully implemented. Over the past six months, the transition was carefully phased to maximize operational efficiencies while minimizing disruption. This deliberate, step-by-step approach ensured a smooth implementation process and allowed staff and stakeholders to adjust effectively. Socialization efforts have also been successful, including targeted engagements with airline partners—ranging from overviews presented to airline executives to localized briefings with station managers. These collaborative efforts have supported strong alignment and understanding throughout the transition.

PASSENGER SERVICE

AIAS Passenger Performance

Fairbanks International Airport (FAI) saw a 0.6% increase in passenger traffic during the January through June winter season compared to the same period last year. This growth reflects the continued appeal of Fairbanks as a premier winter destination, especially for travelers eager to witness the world-famous Aurora Borealis. With its unique charm and remote beauty, Fairbanks continues to captivate visitors seeking unforgettable Alaskan adventures.

Ted Stevens Anchorage International Airport (ANC) experienced a 7.1% decrease in passenger traffic, as shown in Table 1. Several factors contributed to this decline, including unseasonably low snowfall in Anchorage, which led to the relocation of the Iditarod restart to Fairbanks, shifting some travel demand north. Additional contributing factors included increased average airfare prices and a reduction in intra-Alaska air service.



Airport/ System	2025 thru June	2024 thru June
ANC	2,432,315	2,618,485
FAI	556,548	553,151
AIAS	2,988,863	3,171,636

Table 1-AIAS Passenger Activity
Source: Airline Certified Activity Reports



New Passenger Routes and Service

In addition to the new passenger routes noted in the last development report (Alaska Airlines direct to JFK and SAN from ANC, Delta Air Lines direct to DET from ANC and United Airlines direct to DC from ANC and to DEN from FAI), several new and expanded service passenger routes were added to the schedule for ANC:

- WestJet, a Canadian airline serving Alaska for the first time, has begun service between ANC and Calgary, marking a brand-new international destination.
- Alaska Airlines has launched a new direct service to Sacramento as well as restarting service to Detroit.
- Delta Air Lines has added direct service to Los Angeles and expanded its Atlanta route—previously summer seasonal—to year-round service from ANC.
- Hawaiian Airlines has started summer peak-season service from ANC to Seattle (June to August) using a widebody A330 aircraft.
- Aleutian Airways began direct flights from ANC to Kenai on June 6, 2025.
- Kenai Aviation has introduced new routes from ANC to Seward and Unalakleet, both scheduled as year-round services.

At FAI, several new and expanded passenger service routes were also added to the schedule:

- Alaska Airlines added daily summer seasonal service to Portland, OR (PDX).
- Delta Air Lines added daily summer seasonal service to Salt Lake City, UT (SLC).
- United Airlines expanded its service to Denver, CO (DEN) to daily this summer.





Passenger Service Initiatives

ANC continues to pursue new route expansions, with primary targets including Spokane, Boise, and Boston. We are also working to strengthen our existing route network by encouraging up gauging (larger aircraft with more seats), increasing flight frequency (more flights per day), and engaging additional carriers to serve key routes.

Efforts are also underway to extend seasonal routes to year-round service. Building on the successful expansion of Delta Air Lines' Atlanta route to year-round service, there is continued focus on enhancing connectivity to better support travel demand and key industries such oil and gas development.

Internationally, ANC continues to support summer seasonal service to Frankfurt, Germany, operated by Condor and Discover Airlines. Additionally, ANC continues to actively work with airline and airport partners to establish a direct route to Asia, with a focus on launching service to South Korea and Japan. And as noted above, WestJet's new service to Calgary adds a fresh international connection, and we're optimistic about the route's long-term potential.

FAI recently accepted and signed the award with a U.S. Department of Transportation (USDOT) Small Community Air Service Development Grant Program (SCASDP) for scheduled service to Dallas, TX. This grant is offered to small and non-hub airports that have either very high fares and/or are underserved. FAI intends to use the funds to offer risk mitigation incentive to secure the new seasonal service DFW/DAL. FAI has received this grant twice previously, leading to the introduction of new service.

FAI is also working to establish charter service with Kenai Aviation from FAI to Kenai and with a Japanese tour operator from Japan to Fairbanks in the winter of 2025/26 for aurora viewing tours. Additionally, FAI continues to seek information regarding the need for passenger service to Deadhorse, Alaska to support the oil and gas industry.

ANC Summer Map



ANC Winter Map



FAI Map





CARGO SERVICE

AIAS Cargo Performance

AIAS cargo operations have seen a strong increase in tonnage of approximately 3%, as shown in Table 2; however, AIAS continues to be a vital participant in the air cargo industry.

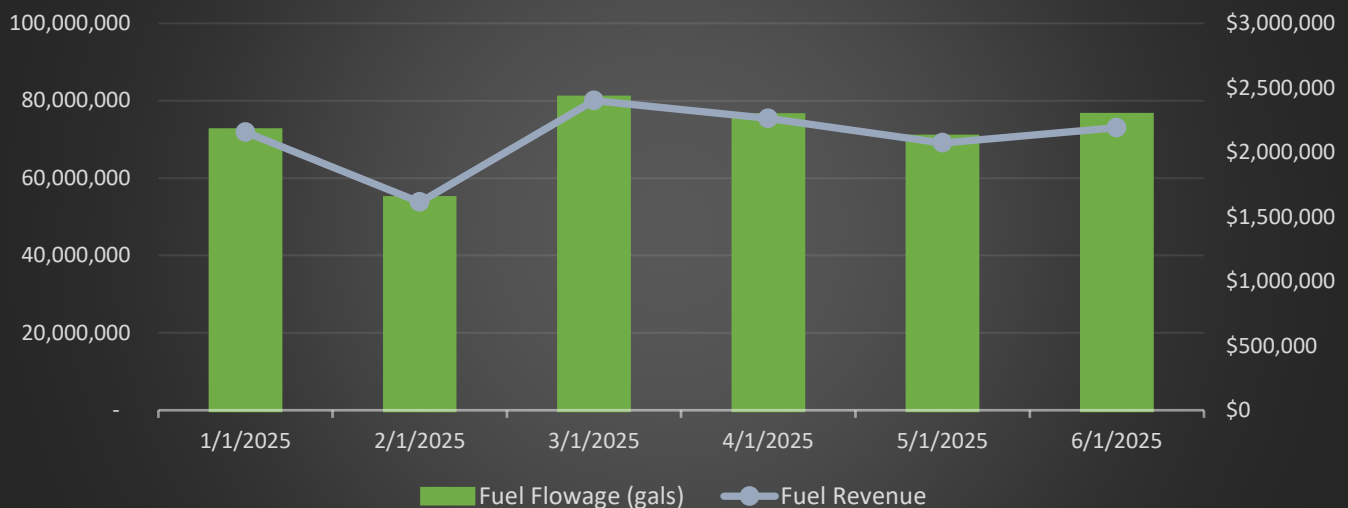
Airport/System	2025 thru June	2024 thru June
ANC	16,450,071	15,956,860
FAI	100,016	88,214
AIAS	16,550,087	16,045,073

Table 2-AIAS Cargo Tonnage January thru June

Over the past several months, evolving tariff policies have been a notable consideration for cargo activity across the Alaska International Airport System. While cargo throughput remains strong, shifts in global trade dynamics—particularly in the trans-Pacific market—have prompted some adjustments by carriers and freight forwarders. These developments have reinforced the importance of maintaining operational flexibility and strong industry partnerships to navigate a changing international landscape while continuing to support AIAS’s role as a vital cargo hub.



AIAS Fuel Flowage and Revenue





The previous chart clearly illustrates the revenue generated from fuel flowage fees across both airports, highlighting the direct relationship between operational activity and revenue growth. As the international airports continue to look for opportunities to maximize revenue streams, one key area of focus in our strategic planning efforts is increasing operational activity.

Prospective Carrier for New Service:

Cargojet: Currently Cargojet operates 5 weekly flights between YVR and HGH, all of which perform a tech stop in NRT. Discussions were held to discuss pricing as they look at the possibility of transferring the NRT stop to ANC with their B767-300. This would mean 10 stops per week in ANC—4.

Airline meetings and tours:

Nippon Airlines: Executive delegation from Nippon Airlines met with AIAS leadership to provide key operational updates on service network and aircraft usage. Nippon Airlines continues to be a strong partner and holds 7% of the AIAS market share.

Cathay Pacific: The Vice President of Air Cargo and the Cargo Director engaged with AIAS leadership to discuss continued collaboration and partnership. ANC provided updates on the AIAS structure reorganization, winter storm study, sustainable aviation fuel efforts, and renewal of Cathay's preferential hardstand permit for the winter season. Cathay Airlines continues to strengthen their presence at ANC and expects to see operational growth over this coming winter.

AIAS Cargo Carrier Meeting: AIAS reinstated the cargo carrier meeting with the commitment to holding them twice a year. This meeting was well received by the carriers and provided a common platform to discuss topics such as summer construction phasing and departmental updates.

WestJet Airlines: Representatives from ANC and the Alaska International Airport System (AIAS) met with WestJet Airlines' Regional Manager ahead of the carrier's inaugural Anchorage–Calgary flight on June 29. As ANC's newest airline partner, WestJet is operating seasonal summer service from June through September. The visit centered on final preparations, including logistics, ground handling, and customs coordination, ensuring a smooth launch of the new route.





Airline Collaboration and Regional Growth

ANC leadership frequently engages in strategic discussions with airline carriers to review current operations and explore opportunities for future growth. These carriers contribute significantly to ANC's overall revenue, underscoring the importance of maintaining strong partnerships and ensuring operational efficiency as regional demand continues to rise. To support a smooth transition during the AIAS organizational restructuring, individual one-on-one meetings are being held with airline station managers and AIAS leadership to continue to foster relational equity and reinforce collaboration across all levels.

LEASING AND COMMERCIAL DEVELOPMENT UPDATES

A robust terminal and aeronautical/non-aeronautical land lease development program supports AIAS in keeping its rates and fees low relative to other airports with which it competes for air carrier operations. The Leasing Departments at both airports are actively identifying new opportunities and collaborating with service providers to bring them to fruition, enhancing the economic impact of the Alaska International Airport System (AIAS) across the state.

FAIRBANKS AIRPORT

Concessions and Terminal Leases

- **Host International Inc.:** A new food & beverage concession agreement (ADA-90905) was executed in 2025, formally separating the Anchorage and Fairbanks agreements. As part of this transition, Host installed a Grab-and-Go kiosk in the terminal offering hot food and cold drink items to-go, enhancing passenger convenience and concessionaire offerings. The new concession agreement mirrored the old agreement with a few updates to obligations. This new agreement will allow for a better relationship with the tenant directly and adding the Grab and Go kiosk will enhance the food and beverage options and increase customer experience.
- **Echo Lake Superior Meats:** A vending offering Alaskan meats and cheeses was installed pre-Security in the passenger terminal in 2025. This has been very successful, and we hope to see another location soon.
- **Tanana Chiefs Conference:** Executed 5-year Terminal Lease ADA-90983 to install an informational kiosk supporting tribal community engagement and passenger education. This space serves as a meet-and-greet station for guests and has created an opportunity to provide resources to rural communities that are seeking medical assistance while in Fairbanks.





Alaska Channel: Installed a Fat Truck display exhibit near Bag Claim 2 in the Passenger Terminal to promote off-road mobility products in Alaska. This space has created a great photo opportunity for passengers as well as created additional revenue through Alaska Channel's concession.



Land Leases and Developments

- **Turo Peer-to-Peer Vehicle Sharing Permit:** A new permit ADA-90980 was executed and became effective January 15, 2025, allowing authorized Turo operations from Airport property. Since the start of this agreement on January 15, 2025, this permit has resulted in \$36,734 of non-aeronautical revenue for FAI.
- **ConRAC Solutions LLC:** Ongoing negotiations are underway for a proposed carport facility covering rental cars and a portion of short-term paid parking. The facility would improve customer experience and vehicle protection, pending lease execution and design approval.
- **Copper River Rentals, LLC:** Executed Supplement ADA-90841 for Block 3, Lot 19, restoring square footage removed due to a fire in January 2024. A building permit has been submitted to support the reconstruction of a new facility.
- **Worry Free Alaska, LLC:** Applied to extend their gravel pit operations onto adjacent airport land near the Mitchell Expressway and Van Horn Road. The request is pending review by the Land and Resource Committee (LARC).

ANCHORAGE AIRPORT

Concessions and Terminal Leases



- **Sweet Caribou:** A new airport tenant and long-time beloved local restaurant joined ANC's South Terminal Concession Program in June 2025, enhancing the dining options with locally owned and operated offerings.
- **Pizza Hut:** This favorite fast-food venue is scheduled to open in the C Concourse this Fall, providing quick-serve meals to meet high passenger demand.
- **Alaska Native Tribal Health Consortium (ANTHC):** 5-year terminal lease was executed for an Airport Liaison desk in the South Terminal baggage claim area. The space serves as a meet-and-greet station for guests traveling to Anchorage for medical appointments and as a check-in spot for the Alaska Native Medical Center (ANMC) shuttle.



Land Leases and Developments

- **Airplane Hangers INC.:** This Lake Hood tenant signed a 50-year Aeronautical use Successive Lease in April 2025 for a \$7 million dollar investment in their lease lot located near the LHD Echo Parking Tiedowns. This development is for two new structures containing 10 hangars, which began construction early Summer 2025. This successive lease at \$0.12 / sq ft has resulted in an additional annual revenue of \$9,201.36.
- **Alaska Cargo and Cold Storage:** A 55-year, aeronautical land lease was signed January 2021 for a \$75 million development at North Airpark, including hardstands and a cold storage facility. Following the FAA's Final Environmental Assessment and Finding of No Significant Impact/Record of Decision, draft building permit plans are anticipated this winter, with construction expected to begin in summer 2026. This lease, at \$0.18 per sq ft has resulted in additional annual aeronautical revenue of \$227,862.
- **NorthLink Aviation LLC:** This South Airpark cargo development broke ground in 2023 and had limited construction in 2024. The developer's focus has been to secure additional customers, which resulted in Cathay Pacific Airlines becoming an anchor tenant. Construction has not begun this summer at the writing of this report, but the tenant is on track to have the first phased hardstand development well underway in the summer of 2026. This 55-year, aeronautical lease, at \$0.18 per sq ft has resulted in additional annual aeronautical revenue of \$924,736.
- **FedEx Express Corporation:** This North Airpark Signatory Carrier began construction on a \$42 million domestic sorting station, directly south of their current land lease, in 2024. This addition to FedEx's existing leasehold, at \$0.18 per sq ft, has resulted in additional annual aeronautical revenue of \$165,877. Expected completion is slated for summer 2026.
- **Chugach Electric:** This 50-year lease was executed 6/23/2025 for a 62,500 square foot land lease to accommodate a new substation at the corner of Raspberry and Sand Lake. This non-aeronautical lease is being charged fair market value of \$0.352, determined through appraisal, and will result in additional annual nonaeronautical revenue of \$22,000.





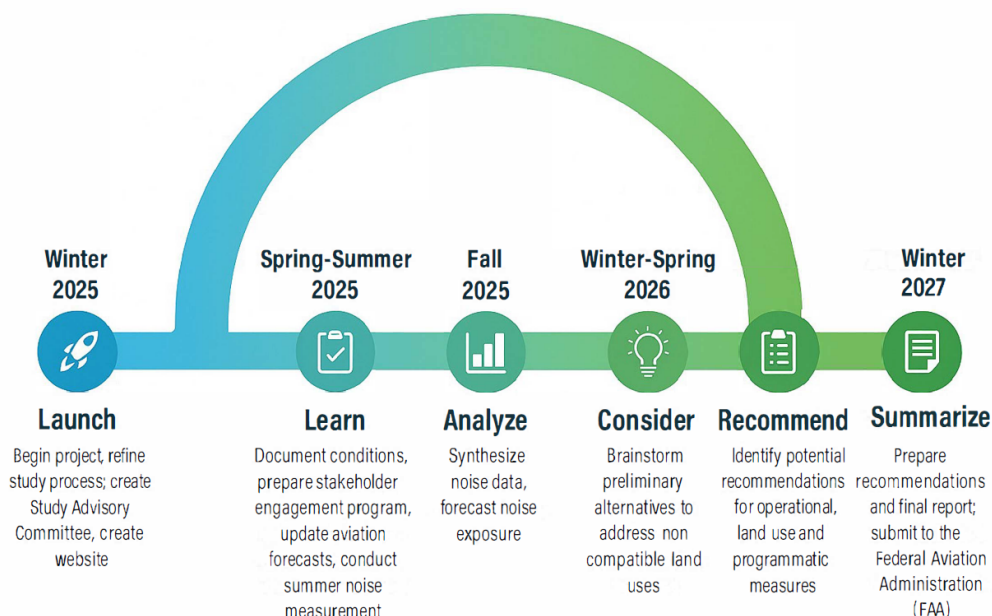
Investments in Operational Efficiency

In addition to industry partners, the airports work with State and Federal partners to improve the operational efficiency of each airport to benefit its customers—the airlines and the traveling public.

- **FAA Air Traffic Control Tower:** At ANC, the land lease is currently in a 30-day public notice period, with the project expected to progress to the next phase after community feedback and final approvals. In Fairbanks, FAI has issued an advanced right of entry permit for FAA to perform geotechnical investigation, land survey, geophysical survey, and architectural design survey on the proposed location for FAI's new Air Traffic Control Tower.

Investments and Improvements for Travelers

- **Master Planning:** ANC's Master Plan Update (MPU) is in the final stages of completion. All report chapters have been finalized, and minor revisions are underway on the Airport Layout Plan (ALP) ahead of its submission to the FAA. FAA acceptance of the plan and approval of the ALP is a critical step, as the ALP is required to secure Airport Improvement Program (AIP) grant funding. All published materials are available at: <https://ancmpu.com>.
- **Part 150 Noise Study:** ANC has launched the update to its FAR Part 150 Noise Study, last completed in December 2015. This FAA-funded study includes updated Noise Exposure Maps (NEMs) and a Noise Compatibility Program (NCP) to identify strategies for reducing aircraft noise and address incompatible land uses around the airport. The project team, led by Mead & Hunt, has initiated technical work and stakeholder engagement with the first Study Advisory Committee meeting and Public Open House held on May 20th. Additional information and published materials are available at: <https://anc150noisestudy.com/>.



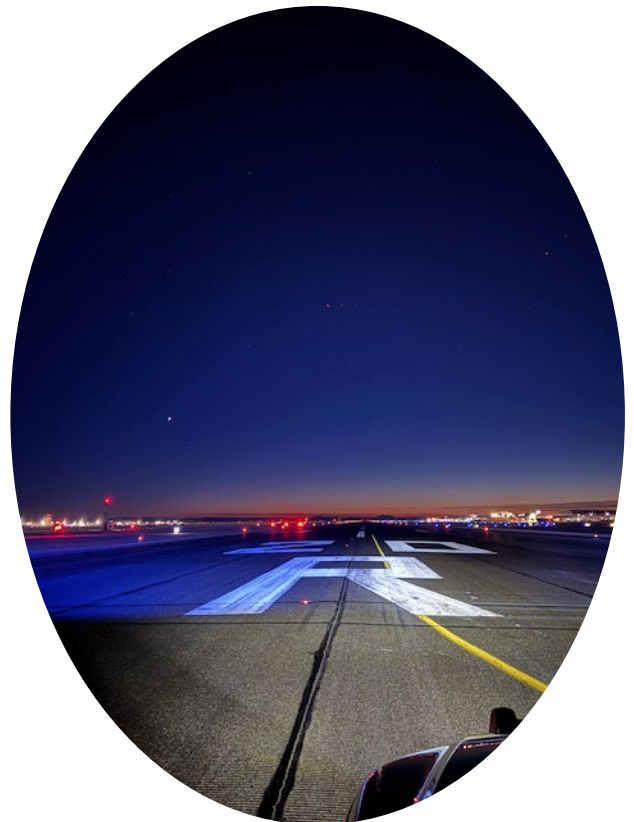


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- **Sustainability Planning Study:** ANC has prepared an RFP for an airport sustainability plan, which is planned to launch in 2025 with federal grant funding from the Airport Improvement Program (AIP). The study will focus on enhancing ANC's economic viability, improving operational efficiency and resilience. Before moving forward, further review will take place to assess potential overlap with existing State-level sustainability efforts and identify opportunities for coordination. This process will help ensure the project complements other initiatives and uses available resources efficiently.
- **Sustainable Aviation Fuel (SAF) Study:** AKDOT&PF is continuing its study on the feasibility of producing, transporting, storing, and using SAF at ANC. The effort includes two main tracks: a Biomass Assessment and a Production, Blending, and Storage Analysis. A technical report is underway to evaluate Alaska's potential for SAF development, drawing on findings from both areas. Initial information from the study was shared at the Alaska Sustainable Energy Conference held the first week of June. The project aims to leverage Alaska's resources and strategic location to support the U.S. goal of net-zero aviation emissions by 2050.





FEDERAL GRANT FUNDING

Table 3- Summary of Federal Grants for Federal Fiscal Year (FFY) 2025

Airport/System	Airport Improvement Program (AIP)	Bipartisan Infrastructure Law (BIL)	Other	TOTAL
ANC/LHD	\$54,423,725	\$20,413,408	\$5,644,005	\$80,481,138
FAI	\$3,160,824	\$2,375,000		\$5,535,824
AIAS	\$57,584,549	\$22,788,408	\$5,644,005	\$86,016,962

Airport	Airport Improvement Program (AIP)	
ANC	Taxilane E and Taxilane M Improvements	\$40,701,815
ANC	RON 12-14 Rehabilitation	\$3,133,823
ANC	Taxilane V Gate Reconstruction	\$1,414,582
ANC	Equipment 2025	\$1,603,584
ANC	Airport Sustainability Plan	\$1,316,400
ANC	Aircraft & Lakeshore Drive Rehabilitation	\$1,603,584
ANC	Airport Sustainability Plan	\$1,316,400
LHD	Aircraft & Lakeshore Drive Rehabilitation	\$3,333,537
FAI	FIA Runway 2L/20R Lighting Rehabilitation	\$2,354,189
FAI	FIA Snow Removal Equipment Replacement	\$806,635
TOTAL		\$57,584,549

Airport	Other (Supplemental & Resilient Infrastructure Discretionary)	
ANC	North Terminal Combined Heat & Power	\$2,326,921
ANC	Airport Lighting Control System (ALCS) Resilience & Reliability	\$3,317,084
TOTAL		\$5,644,005

Airport	Bipartisan Infrastructure Law (BIL)	
ANC	Kilo Tug Road Improvements	\$6,257,288
ANC	QT132 Quick Turn Facility Renewal	\$3,115,480
ANC	West Perimeter Road	\$2,194,000
ANC	Passenger Boarding Bridge Replacement B6	\$2,545,040
ANC	Passenger Boarding Bridge Replacement N3 & N5	\$6,301,600
FAI	FIA Passenger Boarding Bridge Gate 3	\$2,375,000
TOTAL		\$22,788,408



In addition to regular AIP funding, both airports have pursued additional monies through other federal sources to include projects such as:

- **ANC ALCS Resiliency and Reliability Project:** This project was selected for funding through the Resilient Infrastructure Discretionary Grant Program and is designed to enhance the operational resilience of the airfield at ANC. The primary objective is to ensure the continued safety of aircraft, ground service equipment (GSE), and personnel under all operating conditions. The proposed scope includes the installation of a comprehensive system featuring a flywheel generator, regulator control, vault regulator banks, and integrated control software. These components are intended to provide reliable, uninterrupted power to the airport's lighting system—particularly critical during adverse weather, periods of reduced visibility, and natural disasters, which are of heightened concern in Alaska. The project has been advertised as a Design-Build procurement and is currently in the contract evaluation phase. Construction is anticipated to commence next summer.
- **ANC North Terminal Combined Heat and Power (CHP) Project:** This project was selected for funding through a Supplemental Discretionary Grant and is aimed at improving energy efficiency at the facility. The project involves the on-site generation of electrical power using a natural gas-fueled micro-turbine generator equipped with an integrated exhaust heat recovery system. The project has been advertised as a Design- Build procurement and is currently in the contract award phase. Construction is anticipated to begin this fall.
- **CRRSA Concession Relief Grant:** ANC and FAI both applied for and received CRRSA Concessions Rent Relief grants through FAA's COVID Program. These grants provided Concessionaires with approximately \$600,000 in rent relief.





AIAS AIRPORTS IN THE NEWS

Links to Various Media Coverage

- **Solo Flight to Circle the World: One Teen Pilot's Journey Lands in Anchorage.**
<https://www.alaskasnewssource.com/2025/05/22/solo-flight-circle-world-one-teen-pilots-journey-lands-anchorage/>
- **Angie Spear Airport Magazine Interview.**
<https://online.flippingbook.com/view/276415034/20/>
- **Grandson of Alaska Flag Designer Benny Benson to Accept Honorary Doctorate on His Behalf.**
<https://www.alaskasnewssource.com/2025/04/25/grandson-alaska-flag-designer-benny-benson-accept-honorary-doctorate-his-behalf/>
- **Air France Flight Makes Emergency Landing in Anchorage.**
<https://www.travelandtourworld.com/news/article/air-france-flight-makes-emergency-landing-in-anchorage-after-medical-emergency-and-airspace-challenges-complicating-long-haul-journey-from-tokyo-to-paris-new-update-travelers-need-to-know/#gsc.tab=0>
- **Not your average welcome home: Air Force officer saves a life at the airport.**
<https://www.dvidshub.net/news/492956/not-your-average-welcome-home-air-force-officer-saves-life-airport>
- **Aleutian Airways to Launch Kenai-Anchorage Flights.**
<https://www.kdll.org/local-news/2025-02-28/aleutian-airways-to-launch-kenai-anchorage-flights>
- **Deputy Chief Daniel Juarez Appointed New Chief of Anchorage Airport Police and Fire Department.**
<https://www.aviationpros.com/airport-business/security-safety-compliance/press-release/55273096/deputy-chief-daniel-juarez-appointed-new-chief-of-anchorage-airport-police-and-fire-department>
- **Former Anchorage mayor Bronson takes lead manager job at airport.**
<https://www.alaskasnewssource.com/2025/01/18/former-anchorage-mayor-bronson-takes-lead-manager-job-airport/>
- **Angie Spear Named Director of Alaska International Airport System.**
https://www.newsminer.com/business/angie-spear-named-director-of-alaska-international-airport-system/article_113d81a0-cfa6-11ef-8a1c-43cedffb62a8.html
- **New Flight Added Between Fairbanks and Salt Lake City.**
<https://www.alaskasnewssource.com/2024/11/09/new-flight-added-fairbanks-salt-lake-city/>
- **Federal Grant to Support Revenue Guarantee for Air Carrier Offering Non-Stop Service Between Fairbanks Airport and New Domestic Hub.**
<https://www.webcenterfairbanks.com/2024/11/08/federal-grant-support-revenue-guarantee-air-carrier-offer-non-stop-service-between-fairbanks-airport-new-domestic->



Alaska State Library - Historical Collections





SUMMARY AND OUTLOOK

As of July 1, the Alaska International Airport System (AIAS) successfully completed its organizational reorganization, implementing a phased transition that prioritized efficiency and stakeholder engagement. Passenger service trends varied across the system, with Fairbanks International Airport (FAI) experiencing a modest 0.6% growth driven by continued interest in winter travel and northern lights tourism. Conversely, Ted Stevens Anchorage International Airport (ANC) saw a 7.1% decrease, attributed to fare increases, reduced intra-Alaska service, and the Iditarod restart relocation.

New and expanded passenger routes at both airports highlight positive developments, including WestJet's inaugural ANC-Calgary service, Delta's expanded routes, and new seasonal and daily offerings from Alaska Airlines, Aleutian Airways, and others. FAI's SCASDP grant award will support a proposed seasonal Dallas route. Both airports continue to pursue opportunities to grow connectivity, extend seasonal routes, and attract new carriers.

AIAS cargo volumes continue to grow in 2025, despite evolving tariff policies and fleet adjustments. Engagement with carriers such as Nippon Airlines, Cathay Pacific, and Cargojet, WestJet, along with the reinstatement of cargo meetings, underscores AIAS's continued focus on strategic cargo growth.

Commercial and leasing developments across FAI and ANC remain strong, including concession and terminal offerings FAI, multiple land lease expansions, and significant progress in major infrastructure investments such as FedEx's new domestic sort station. The ANC Part 150 Noise Study, Master Plan Update, and Sustainability Study are also progressing, reflecting the system's commitment to operational resilience and environmental stewardship.

AIAS secured over \$86 million in federal funding for FY25 through Airport Improvement Program (AIP), BIL, and supplemental discretionary. These funds support critical infrastructure projects, including lighting system upgrades, boarding bridge replacements, and terminal energy improvements, further enhancing safety, efficiency, and customer experience at Alaska's international airports.



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