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PROJECT: AIAS Winter Storm Efficiency Study – Task 5 Assessment of Operating and Lease Agreements

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## Operating & Terminal Lease Agreements – Task 5

### Introduction

The Alaska International Airport System (AIAS) requested the DOWL team, with Landrum & Brown, to perform a Winter Storm Efficiency Study (WSES) at Ted Stevens Anchorage International Airport (ANC) and Fairbanks International Airport (FAI). As part of that study Landrum & Brown (L&B) evaluated one lease and two permits to determine if additional or edited provisions would enable ANC to better handle adverse weather conditions or other emergencies. The following documents were evaluated.

- *Alaska International Airports System Operating Agreement and Passenger Terminal Lease*
- *Ted Stevens Anchorage International Airport, Land Use Permit, Atlas Air Inc, 32608*
- *Ted Stevens Anchorage International Airport, Business Activity Permit ADA-32488 for Aircraft Ground Handling*

This memorandum includes considerations and changes that can be made to future leases or agreements or to amend existing leases and agreements, to improve ramp availability during periods of high congestion.

### Operating Agreement and Passenger Terminal Lease

The “Operating Agreement and Passenger Terminal Lease” (Terminal Lease) is an agreement between the Department of Transportation and Public Facilities (DOT&PF) and an airline for use of facilities at either ANC or FAI. L&B evaluated the master document agreement, not an executed lease with any specific tenant. Below are the areas of the lease that could use further refinement.

- Article 6 – During this WSES project, as part of an analysis of Aircraft Control Mechanisms (Task 2), L&B recommended implementing the use of Aerobahn Software. This software provides access to data that is currently unavailable, creates reports needed to properly analyze ramp activity, and provides real-time monitoring of the airfield during snow events. As part of Article 6, Capital Projects of the Terminal Lease, clarification is needed to determine if an Aerobahn software purchase reaches cost thresholds requiring a Signatory Airline vote or if it could be purchased with funds allocated to the GCP allowances or even purchased outright with Airport funds.
- Article 7 – DOT&PF should evaluate adding language to allow the airport to lease back an unused or underutilized portion of a leasehold. This space would be used as temporary or

seasonal snow storage as needed by the airport. The trigger of “unused” or “underused” would need to be defined. The recommendation should be included on all leases where the clause may be applicable.

- Article 11 – Regarding the potential for collecting OOOI (In, On, Off, Out) times, poll each cargo carrier or their appropriate ground handler, for their ability to capture those times and provide them on a Certified Activity Report (CAR). Section 11.01 G. 3. requires OOOI times be reported on their. Can this be enforced?
- Article 17 - Section 17.02 – Inducements (free or reduced landing fees and parking fees) should be analyzed to have cargo tech stop flights utilize FAI instead of ANC. This can help reduce congestion in snow emergencies at ANC and reduce unplanned diversions. Today, the only incentive available is for non-signatory carriers to fly into FAI is that they get to pay signatory landing fees.

## Ted Stevens Anchorage International Airport Land Use Permit

Agreement number ADA-32608 between ANC and Atlas Air was evaluated. This document creates a “Preferential Use” agreement for remote parking spots R7, R8, and R9 by Atlas Air. The Preferential lease gives the leaseholder preferential use of the Airport administered parking spots based on the flight schedules submitted to operations. These positions can be used by other airlines when the preferential leaseholder is not using them. Recommended changes are described below.

- Article III, B. 1. and Article VI, B. 1. – Requires airport approval for aircraft to be parked at an Airport administered parking location longer than four hours. According to Airport operations, the common duration of a tech stop is 60 to 90 minutes. Consider reducing the maximum allowable parking time from four hours to two hours to increase throughput during congested periods. Requiring airport approval for aircraft to park longer than two hours should be made to all leases and regulatory documents including the Airport Operations Manual.
- Article VI, B. 3. – Allows the airport to utilize spots R7, R8, and R9 if Atlas has not used the remote parking spots for over four hours and other airport administered parking is not available. Consider reducing the unused gate time from four hours to two hours. This will allow ANC to be able to access these spots two hours quicker in cases of severe congestion.
- Article VI, L. – ANC may use the preferential remote parking spots when needed by the airport and the space hasn’t been used by Atlas Air for at least four hours. Upon ANC reclaiming temporary use, it may be necessary for ANC to perform snow removal to allow aircraft access to these spots. It is recommended to include the following clause in the permit to ensure ANC’s right to perform snow removal: “Permitter shall have the right to remove snow, to allow others the use of the premises while not in use by Permittee”.

- The AIAS Winter Storm Emergency Plan defines a winter weather emergency when precipitation or accumulation exceeds the airport's ability to effectively support passenger, cargo, medivac, or general aviation operations. It is recommended that AIAS add a clause to allow Permittee (Airport) to discontinue the preferential use of the premises when a snow emergency has been declared. However, careful consideration should be given to including this clause as it is understood that having access to preferential spaces during inclement weather is one of the key benefits to Atlas of having this lease.

## Ted Stevens Anchorage International Airport Business Activity Permit

Agreement number ADA-32488 is a Business Activity Permit between ANC and Integrated Deicing Services, LLC for aircraft ground handling services. Below are recommended changes to this (and similar) permits to address congestion during winter storm events.

- Section 3.01, A. – During severe weather events, aircraft hold over times (HOTs) may become an issue. HOTs are the amount of time the pilot has from the start of the final round of deice until the deicing is no longer effective. If the pilot has not taken off prior to the HOT expiration, the aircraft must undergo deice procedures again. HOTs vary depending on precipitation and temperature. One of the primary causes of severe congestion occurs when there is insufficient time to deice the aircraft, taxi to the runway and take off before the HOT expires. When this happens, the departures cease and cannot restart until the weather improves. One option to combat this is to reduce the amount of time it takes to deice the aircraft, thereby allowing additional time to taxi and takeoff before the HOT expires. Increasing the number of deice trucks used to deice the aircraft will decrease the total deice time. AIAS should evaluate changes to the Operations Manual to *require* ground handlers use multiple trucks, if sufficient space exists, to deice aircraft when aircraft departures are inhibited due to inadequate HOTs. The last two lines of Section 3.01, requires ground handlers to follow "...all Airport Directives promulgated by the Airport Manager."
- Section 4.02, A.2.e. – This section describes the information to be included on the Certified Activity Report (CAR) that is submitted monthly. It is recommended to include a new subsection that would require the exact OOOI times be included in the CAR. "Out" is when the pilot releases the aircraft brakes, "Off" is when the aircraft takes off the runway, "On" refers to the time the aircraft touches down, and "In" refers to the time the pilot sets the brakes. This information could potentially be used for future analysis of remote parking spot utilization.
- Section 5.01, A.3. This section requires that "Permittee will maintain adequate staff and use the utmost skill and diligence in the operation of business." The airport should document instances when permittee does not have adequate staff to perform required services in a safe and efficient manner. The airport should then follow up with the permittee as needed to ensure adequate staff is maintained.
- Section 5.01, A.7. This section requires permittee to notify the airport when non-routine or non-scheduled aircraft maintenance is expected to take more than two hours to accomplish. It also states that permittee will perform any non-routine or non-scheduled maintenance activity at an approved location. It is recommended to require the ground handler to tow aircraft to the North



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Terminal, as directed by the airport, for maintenance in excess of two hours. This is especially pertinent when non-routine or non-scheduled aircraft maintenance will affect the utilization of the remote parking spots during a significant winter weather event or a winter weather emergency, as defined in the AIAS Winter Storm Emergency Plan.