



Alaska Department of Transportation & Public Facilities

Rural Aviation Funding

Deputy Commissioner John Binder

April 3, 2018

Keep Alaska Moving through service and infrastructure

Our People

Alaskans Serving Alaskans

Sherry Cole

- Administrative Assistant, DOT&PF, Ted Stevens Anchorage International Airport
- Alaskan resident for more than 30 years
- Worked in DOT&PF since 2003
- Provides administrative support to the airport staff as well as customer service to the traveling public
- Sherry has two daughters, Shantay and Taylor, who live outside of Alaska with their families. She has three wonderful grandchildren and enjoys every opportunity to spend time with them.
- She is grateful to be a part of DOT for the better life she's been able to provide for her family and her service to the State is invaluable.





Mission Statements

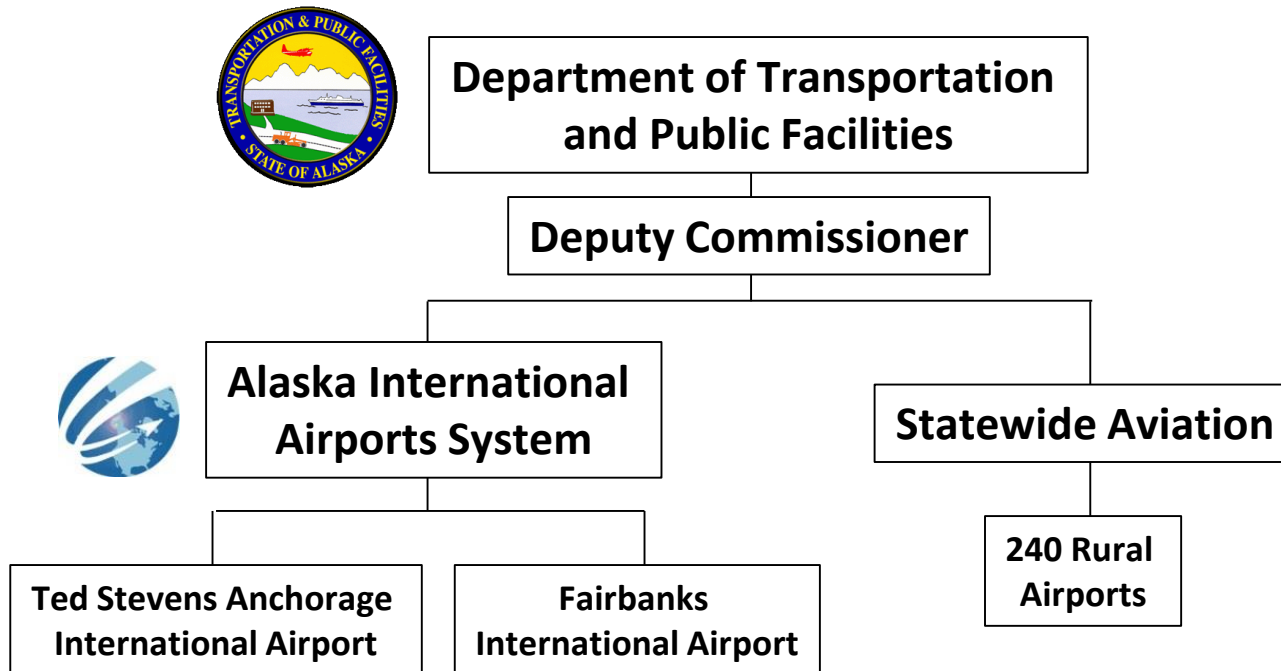
DOT&PF

“Keep Alaska moving through service and infrastructure”

Statewide Aviation (SWA)

“To sustain and improve the quality of life throughout Alaska”

Organization/Leadership





Rural System Scope and Scale

- **240 DOT&PF owned/operated airports & seaplane bases**
- **173 gravel & 46 paved airports; 23 Sea Plane Bases & 1 heliport**
- **20 Part 139 certificated airports**
- **Primary access for 82% of Alaskan communities off the contiguous road system**
- **Rural System is primarily funded by GF, some revenue via leases**



FY17 Rural System Budget

Cost:

Regions

- Maintenance & Operating Cost = \$37.0M (H&A UGF)

Statewide Aviation

- Safety / Security /Property Mgt = \$4.5M (Other)

Federal Funds

- Maintenance = \$7.0M (AIP*)
- Aviation System Planning = \$725K (AIP)

Revenue:

- Leasing Revenue = \$5.3M (Other)
- Aviation Fuel Tax = \$4.5M (Other)
(Jet Fuel - \$4.1M, Av Gas - \$.4M)

* AIP – FAA’s Airport Improvement Program grant funding

FY17 Rural System Budget

FY17

- Operating Cost (state funds) = \$41.5M
 - Revenue (fuel & leasing) = \$9.8M
- Total \$31.7M (H&A UGF)

20 Certificated airports (“hubs”) - \$22.8M
220 remaining - ~ \$42K each

- * Cert airports are DOT&PF staffed/operated
- * Remaining are generally contractor maintained



Rural System Budget

System Sustainability

- Cost reductions/efficiencies
 - Sand/Chemical optimization
 - Maintenance conversion to federal program
- **Revenue generation options**
 - Fuel Tax
 - User/Registration Fee
 - Landing Fees



Rural System Capital Funding

FFY'14 through FFY'17

Federal Capital Funding (AIP – Airport Improvement Program)

- **Rural System AIP annual average FFY'14 -'16 = \$136.7M**
- **FFY'17 AIP = ~\$130.6M**

Rural Airport System State Match Required

- **Generally 6.25% of project eligible costs**
- **A few Essential Air Service airports in designated economically distressed communities qualify for a 5% match of project eligible costs**
- **Annual airport match ~\$11M**

Major Rural System AIP Construction Projects Expected to be Funded in FFY'17 & '18

Pavement Rehab

- Bethel
- Dillingham
- Galena
- Gambell
- Haines
- King Salmon
- Nome

Rural Access

- Aniak
- Holy Cross
- Kiana
- Kivalina
- Kotlik
- Kwigillingok
- Newtok
- Pilot Station
- South Naknek
- Toksook Bay
- White Mountain

Buildings

- Brevig Mission
- Buckland
- Homer
- Kobuk
- Kotlik
- Toksook Bay

- **Alaska Airport Needs Directory published**

<http://dot.alaska.gov/airport-portal-newsres.shtml>

Airport Improvement Program (AIP) for DOT&PF Airports in FFY'17

FAA airport capital improvement project funding program (~\$177.7M)

- **Cargo Entitlement (\$12.8M)**
 - **Earned by airports with more than 100 million pounds landed weight**
- **Primary Passenger Entitlement (\$34.2M)**
 - **Earned by airports with more than 10,000 passengers (enplanements) and scheduled commercial service**
- **Non-Primary Passenger Entitlement (\$14.5M)**
 - **Earned by airports with fewer than 10,000 passengers annually**
- **State Apportionment (\$22.4M total less Muni Sponsors = \$22.4M)**
 - **An area/pop. formula used after cargo/passenger entitlements calculated**
- **Alaska Supplemental (\$21.3M total less Muni Sponsors = \$16.2M)**
 - **Legislative amount based on 1980 amounts**
- **Discretionary (\$111.2M less Muni Sponsors = \$77.6M)**
 - **What remains – divided among 50 states**



Aviation Challenges – Future

- **Fleet Changes**
 - In-state changes (SAAB 2000, 737 freighter, Q-400)
- **Climate Change**
 - Increasing number of freezing rain/ice events
 - Rural runway subsurface maintenance (thawing permafrost)
 - Coastal erosion
- **Ever-increasing federal compliance requirements**
 - Access controls/ID management
 - Friction requirements
 - NEPA determination requirements for non-AIP development



Thank you!

Questions?