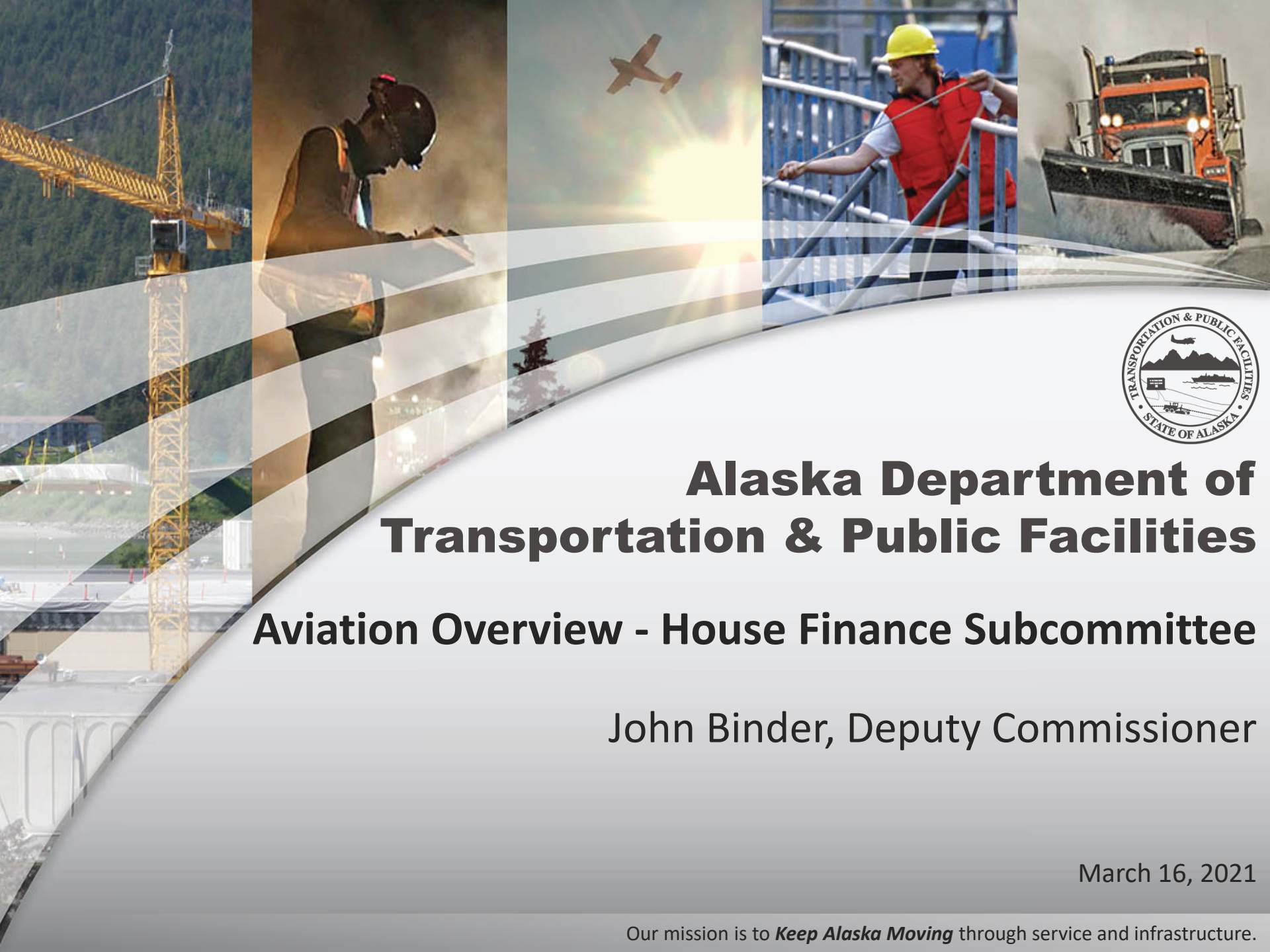




# Alaska Department of Transportation & Public Facilities

## Aviation Overview - House Finance Subcommittee

John Binder, Deputy Commissioner

March 16, 2021

Our mission is to ***Keep Alaska Moving*** through service and infrastructure.



# Mission Statements



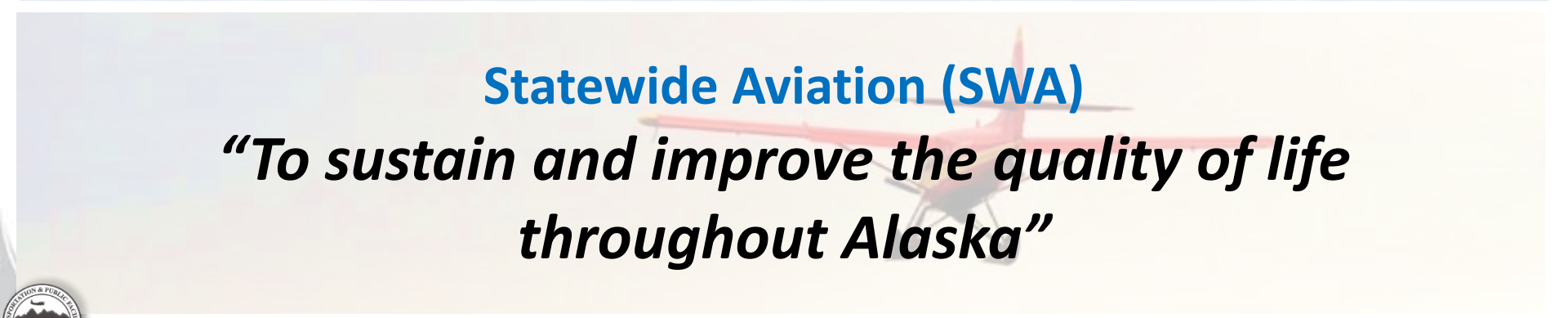
## Alaska DOT&PF

***“Keep Alaska Moving through service and infrastructure”***



## Alaska International Airports System (AIAS)

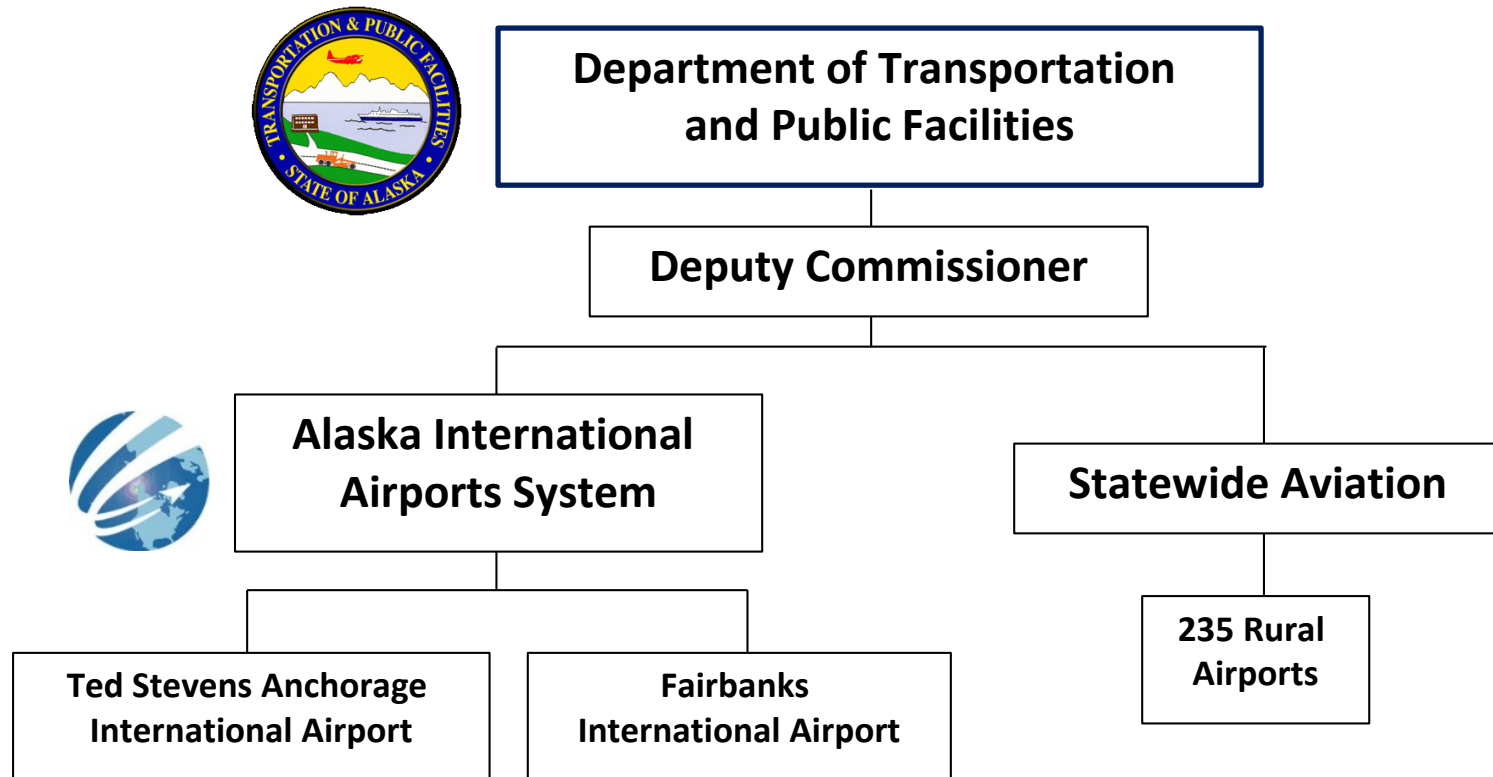
***“To keep Alaska flying and thriving”***



## Statewide Aviation (SWA)

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

# Organization/Leadership





# Alaska International Airport System



Fairbanks International Airport



Ted Stevens Anchorage International Airport



# AIAS Structure

Created over 50 years ago by Ch88 SLA 1961 -  
(AS 37.15.410-550)



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# Operating Agreement with Carriers

**10-year Operating Agreement July 1, 2013 – June 30, 2023**

## **35 Signatory Carriers**

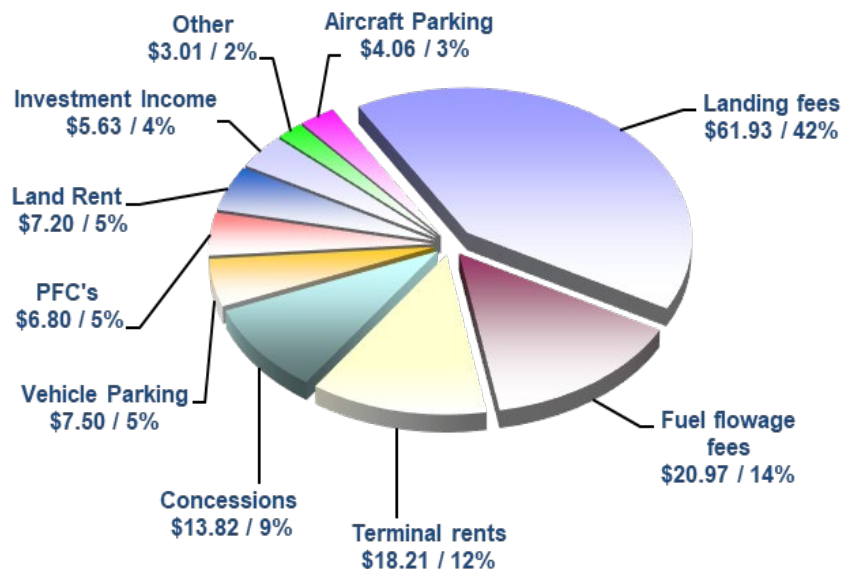
- Share financial risk in exchange for capital and operating input and discounted fees
- Signatory Carriers organize and engage AIAS as Airline Airport Affairs Committee (AAAC)
- Co-chairs are representatives from UPS and Alaska Airlines

**AIAS issues general airport revenue bonds (GARBS) through State Bond Committee (\$990.6m issued since 1999 with \$333.4m outstanding at 6/30/20); *Fitch A+ / Moody's A1***

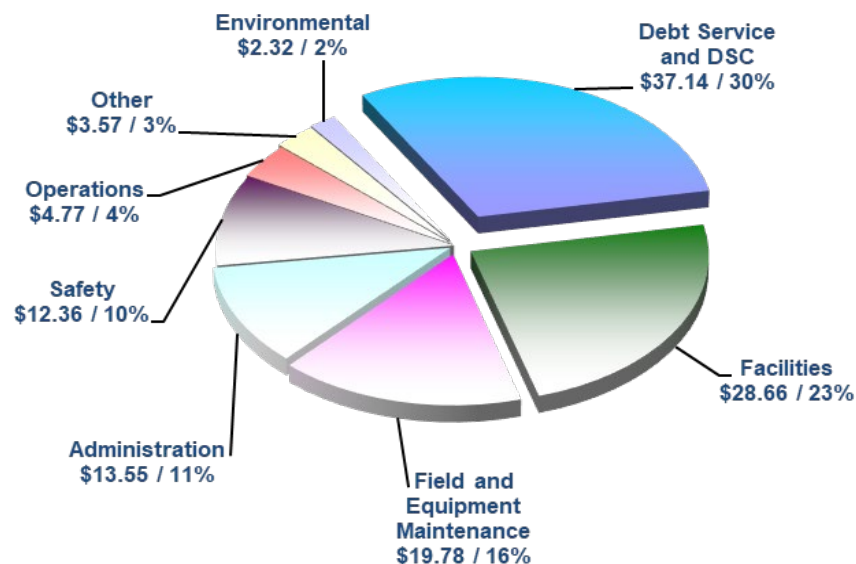
# Annual Revenue and Operations, Maintenance and Debt Costs

- Funded through Customer Charges -

**AIAS FY2020 Revenue Sources\***  
(\$149.13 Million)



**AIAS FY2020 Annual Operating Costs and DS&C\*\***  
(\$122.15 Million)



\* Operating, passenger facility charge, and interest revenues.

\*\* Expense does not include rates & fees funded capital costs or depreciation.

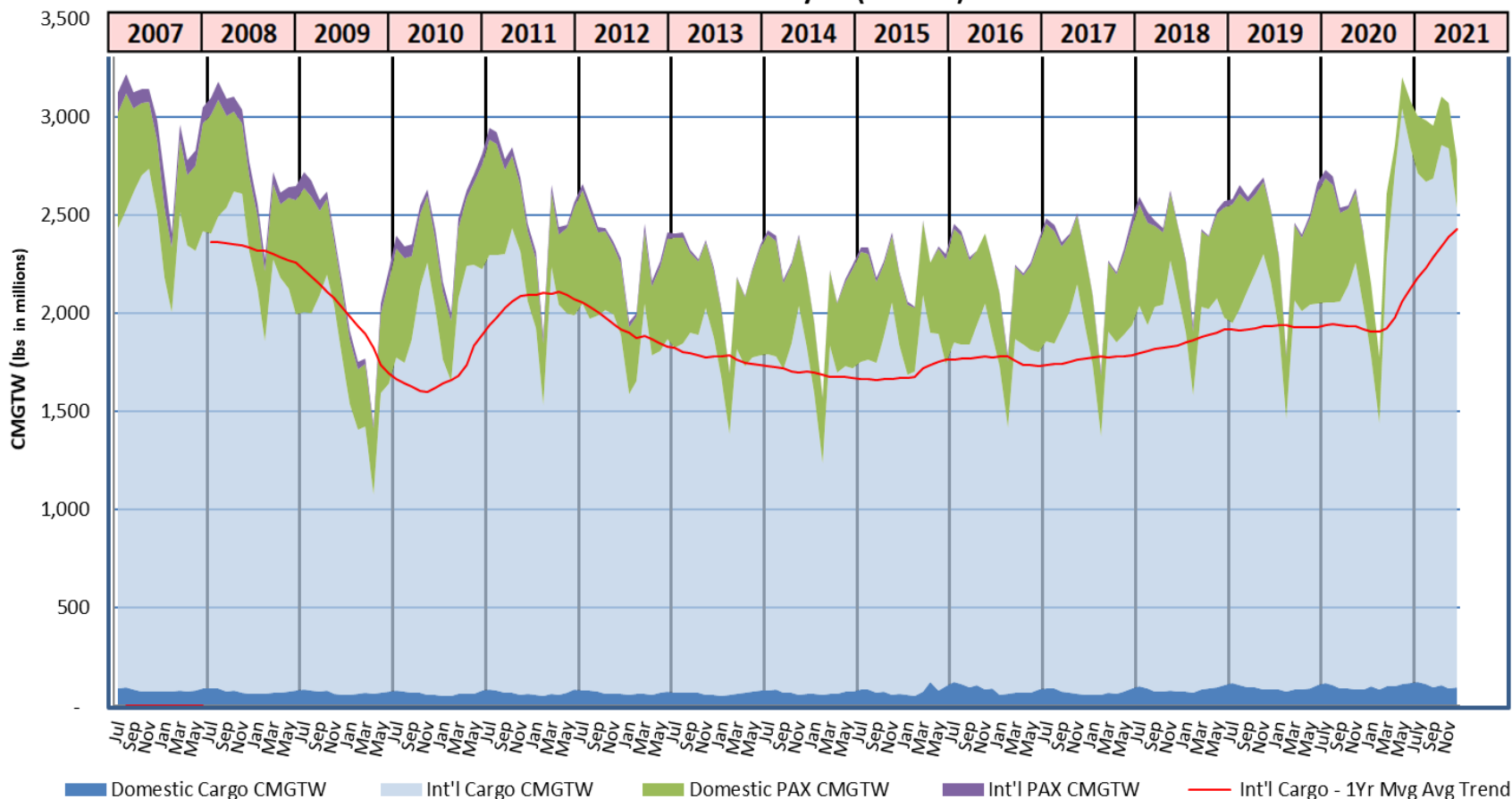
# Cargo/Pax Activity

AIAS

Monthly Cargo & PAX CMGTW

- Domestic & Int'l -

FY07 - FY21 ytd (Dec '20)

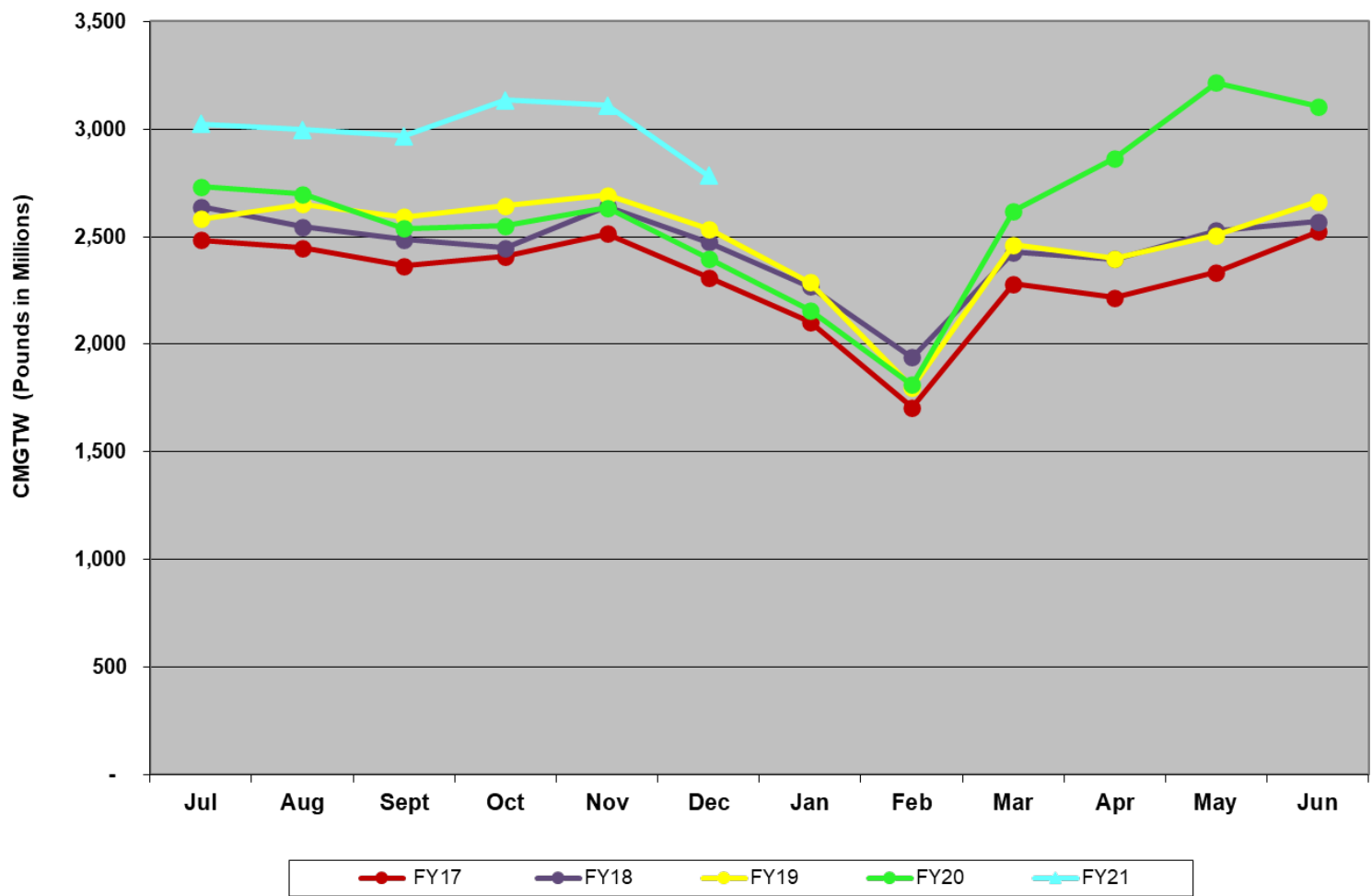


# Primary Revenue Driver - Airfield Activity (CMGTW):

Up 5.0% FY20 / Up 15.8% FY21 YTD



AIAS  
FY17 - FY21 YTD  
Monthly Reported Combined Cargo - Pax CMGTW  
As of December 31, 2020

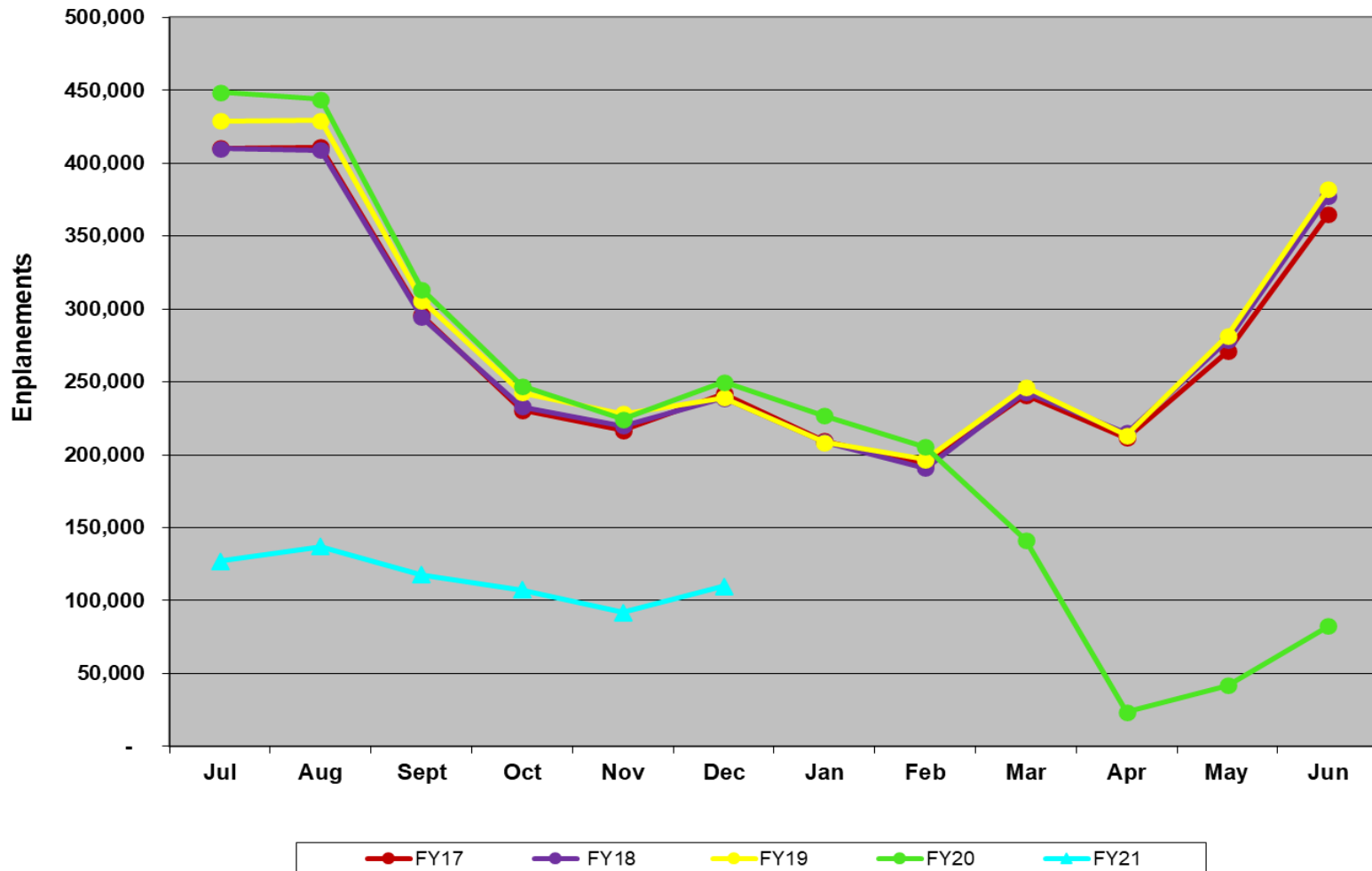


# Passenger Activity

**Down 22.2% FY20 / Down 64.2% FY21 YTD**



AIAS  
FY17 - FY21 YTD  
Monthly Passenger Enplanements  
As of December 31, 2020



# Capital Funding

## Airport Improvement Program (AIP)

FFY2020

|     | <u>Discretionary</u> | <u>Entitlements</u> | <u>CARES Act</u> | <u>Total</u> |
|-----|----------------------|---------------------|------------------|--------------|
| ANC | \$0.4M               | \$15.0M             | \$2.2M           | \$17.6M      |
| FAI | \$3.7M               | \$ 7.1M             | \$0.7M           | \$11.5M      |

## Anticipated FFY2021

|     | <u>Discretionary</u> | <u>Entitlements</u> | <u>Supplemental</u> | <u>Total</u> |
|-----|----------------------|---------------------|---------------------|--------------|
| ANC | \$31.7M              | \$16.4M             | \$10.0M             | \$37.9M      |
| FAI | \$ 0.3M              | \$ 1.0M             | -                   | \$ 1.3M      |

# Economic Opportunities



**\$1B+ in private development**



**New passenger transfer rights**



**Seafood export to Asia**



**FAI recognized as UAS Hub for Alaska**



**Air service expansion**

# Statewide Aviation

*Yakutat Airport on a snowy winter morning.* By Anthony Latzel, Alaska DOT&PF



# Rural System Scope and Scale

**235 DOT&PF-  
owned and  
-operated  
airports &  
seaplane  
bases**

**173 gravel &  
46 paved  
airports;  
17 Seaplane  
Bases & 1  
heliport**

**Primary  
access for 82%  
of Alaskan  
communities  
off the  
contiguous  
road system**

**Rural System  
is not self  
sustaining;  
primarily  
funded by GF,  
some revenue  
via leases**

**21 Part 139 certificated airports (jet hubs)**

# Rural System Operating Budget

## SFY 2020

- Operating Cost = \$40.7M (\$14.2M in FFY 2020 AIP federal funds)
  - A CARES Act grant for \$49.4M was received and applied to Rural Airport operational costs for FFY 2020 and beyond.
- Revenue = \$11.9M (\$6.9M Leasing + \$5.0M fuel taxes)
  - Fuel Tax to GF = \$5.1M less \$.1M shared with Local Sponsors

## System Sustainability

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

# **AIP Rural System Capital Funding FFY 2016 through FFY 2020**

## **Federal Capital Funding**

- Rural System AIP annual average FFY 2016 - 2019 = \$132.9M
- FFY 2020 AIP = ~\$198.9M

## **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
- Most FFY 2020 project matches were 100% CARES Act funded

# Major Rural System AIP Construction Projects Expected to be Funded in FFY 2021 & 2022

## Pavement Rehab

- Bethel
- Homer
- Unalaska

## Rural Access

- Angoon
- Bettles
- Brevig Mission

## Rural Access

- Chevak
- Ekwok
- Kaltag
- Kongiganak
- Metlakatla
- New Stuyahok
- Newtok
- Noorvik
- Saint Mary's

## Rural Access

- Seward
- Togiak

## Buildings

- Cold Bay
- Cordova
- McGrath
- Napaskiak

Alaska Airport Needs Directory: [dot.alaska.gov/airport-portal-newsres.shtml](https://dot.alaska.gov/airport-portal-newsres.shtml)





# Unmanned Aircraft Systems (UAS)



*DOT&PF Unmanned Systems Coordinator, Ryan Marlow, assisting NOAA when a Gray Whale was stuck in the 20-Mile River. By Troy LaRue, Alaska DOT&PF*

# UAS in Alaska

**\$22.5 Million Committed to date for CY 2021 for UAS Research and Development**

- **Funding Sources**
  - Federal grants
  - Private investments
- **Partnerships**
  - ACUASI
  - DOT & PF
  - Local
  - Federal
  - Private Industry



**ACUASI**



# UAS Benefits Alaskans



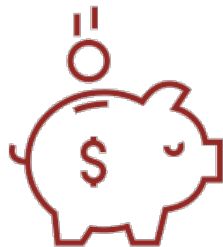
- **Jobs** – UAS operators, remote infrastructure development



- **Safety** – Fly cargo with UAS--not pilots, wildlife mitigation, search and rescue

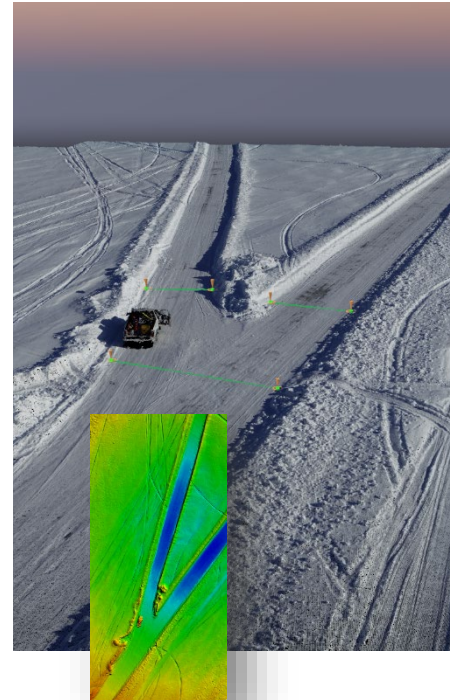
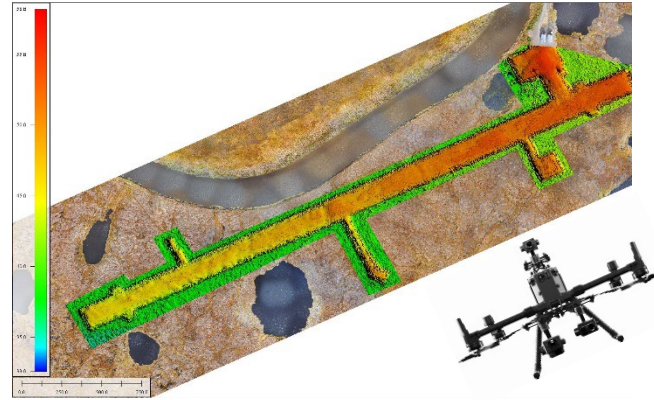


- **Reliable deliveries** – Able to launch and land in poor weather conditions

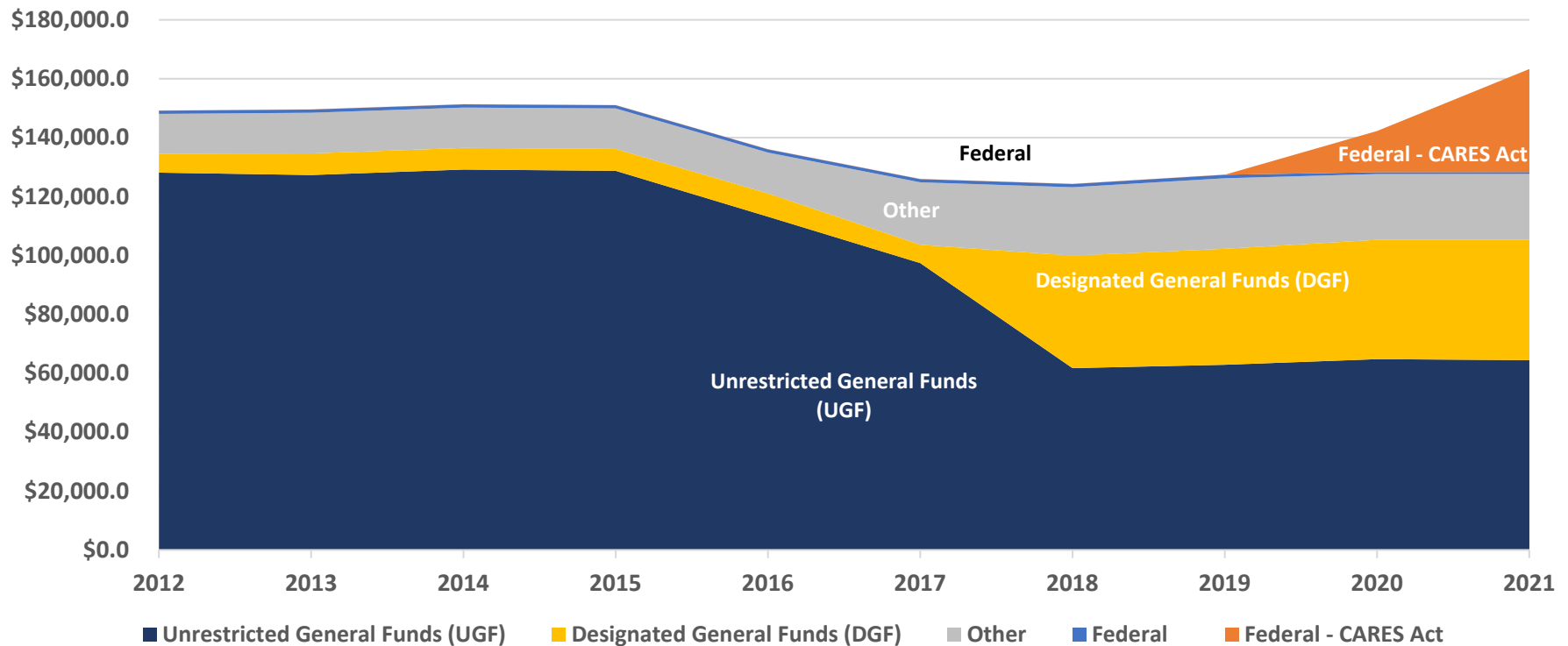


- **Cost savings** – UAS able to perform remote inspections, mapping, natural resources monitoring

# UAS Applications NOW!



# Regional Highways & Aviation



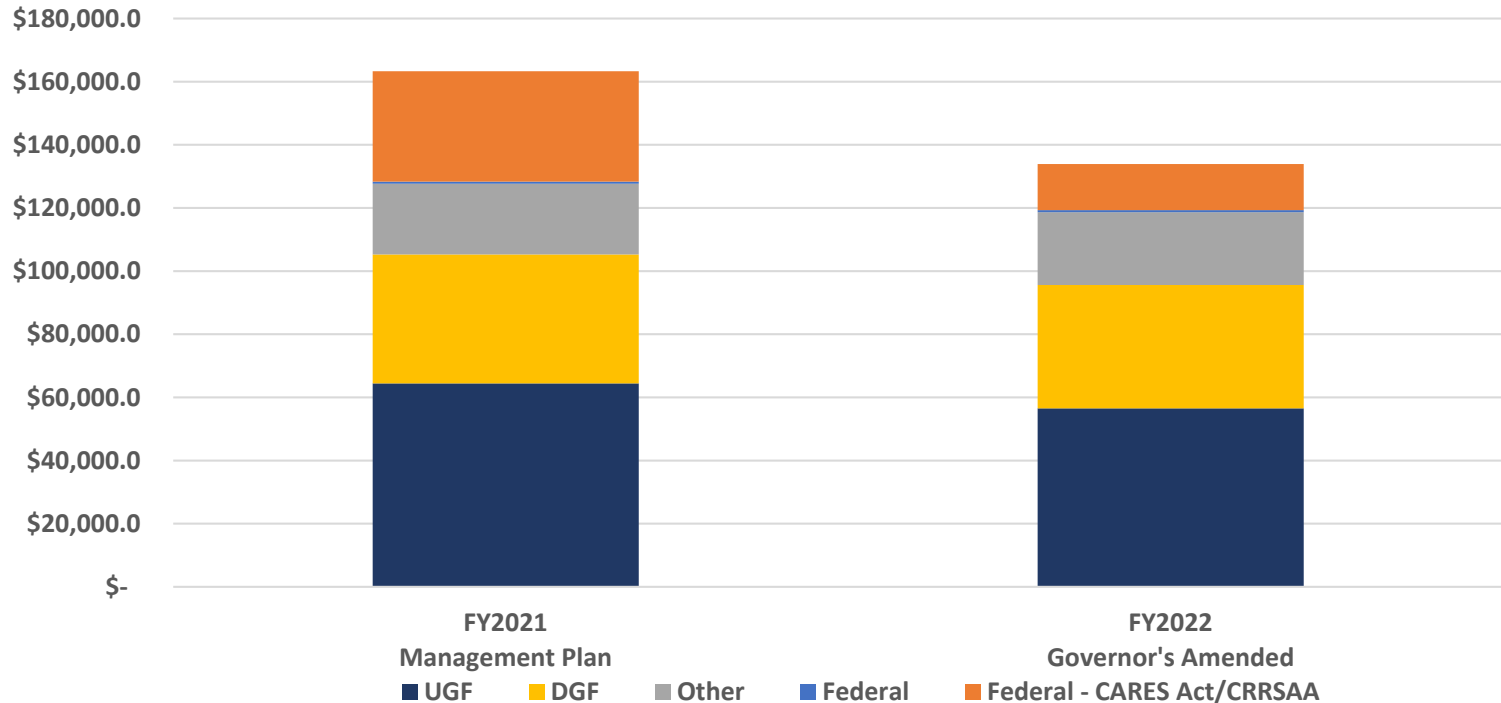
|                                  | 2012               | 2013               | 2014               | 2015               | 2016               | 2017               | 2018               | 2019               | 2020               | 2021               |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Unrestricted General Funds (UGF) | \$128,114.1        | \$127,300.1        | \$129,146.9        | \$128,728.9        | \$113,145.6        | \$97,396.1         | \$61,715.6         | \$62,852.1         | \$64,799.1         | \$64,440.9         |
| Federal - CARES Act              | \$0.0              | \$0.0              | \$0.0              | \$0.0              | \$0.0              | \$0.0              | \$0.0              | \$0.0              | \$14,000.0         | \$35,000.0         |
| Designated General Funds (DGF)   | \$6,441.7          | \$7,358.2          | \$7,371.6          | \$7,447.9          | \$7,904.4          | \$6,222.9          | \$38,225.4         | \$39,407.3         | \$40,513.9         | \$40,822.7         |
| Other                            | \$13,509.8         | \$13,798.8         | \$13,684.7         | \$13,739.0         | \$13,876.2         | \$21,204.7         | \$23,213.6         | \$23,956.2         | \$22,302.5         | \$22,401.6         |
| Federal                          | \$1,102.4          | \$1,086.1          | \$1,091.8          | \$1,094.3          | \$1,094.3          | \$1,092.1          | \$1,094.5          | \$1,163.4          | \$649.0            | \$650.1            |
| <b>Total:</b>                    | <b>\$149,168.0</b> | <b>\$149,543.2</b> | <b>\$151,295.0</b> | <b>\$151,010.1</b> | <b>\$136,020.5</b> | <b>\$125,915.8</b> | <b>\$124,249.1</b> | <b>\$127,379.0</b> | <b>\$142,264.5</b> | <b>\$163,315.3</b> |

Budgeted, Management Plan – FY2020 and FY2021 include FAA CARES Act RPL authority

\$ in Thousands (1,000)

# FY2022 Operating Budget Comparison

## Regional Highways & Aviation



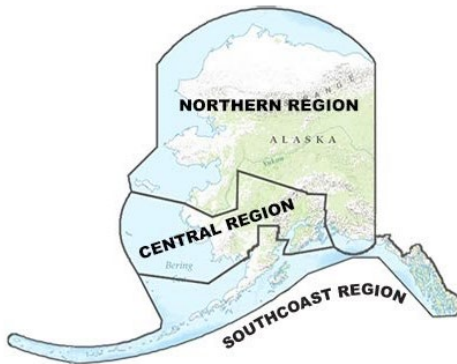
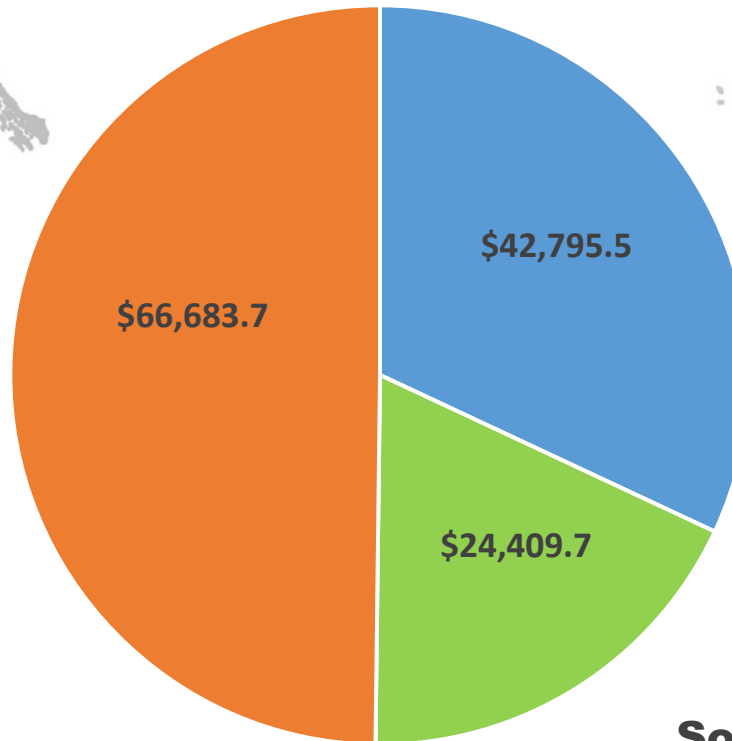
| Fund Types                 | FY2021 Management Plan | FY2022 Governor's Amended | \$ Difference Between FY2021 & FY2022 | % Difference Between FY2021 & FY2022 |
|----------------------------|------------------------|---------------------------|---------------------------------------|--------------------------------------|
| UGF                        | \$ 64,440.9            | \$ 56,514.2               | \$ (7,926.7)                          | -12.3%                               |
| Federal - CARES Act/CRRSAA | \$ 35,000.0            | \$ 14,579.7               | \$ (20,420.3)                         | -58.3%                               |
| DGF                        | \$ 40,822.7            | \$ 39,090.8               | \$ (1,731.9)                          | -4.2%                                |
| Other                      | \$ 22,401.6            | \$ 23,054.1               | \$ 652.5                              | 2.9%                                 |
| Federal                    | \$ 650.1               | \$ 650.1                  | \$ -                                  | 0.0%                                 |
| <b>Total</b>               | <b>\$ 163,315.3</b>    | <b>\$ 133,888.9</b>       | <b>\$ (29,426.4)</b>                  | <b>-18.0%</b>                        |

\*Budgeted, Management Plan – FY2021 includes FAA CARES Act RPL authority

\$ in Thousands (1,000)

# FY2022 Governor's Amended Operating Budget

## Regional Highways & Aviation (\$133,888.9)



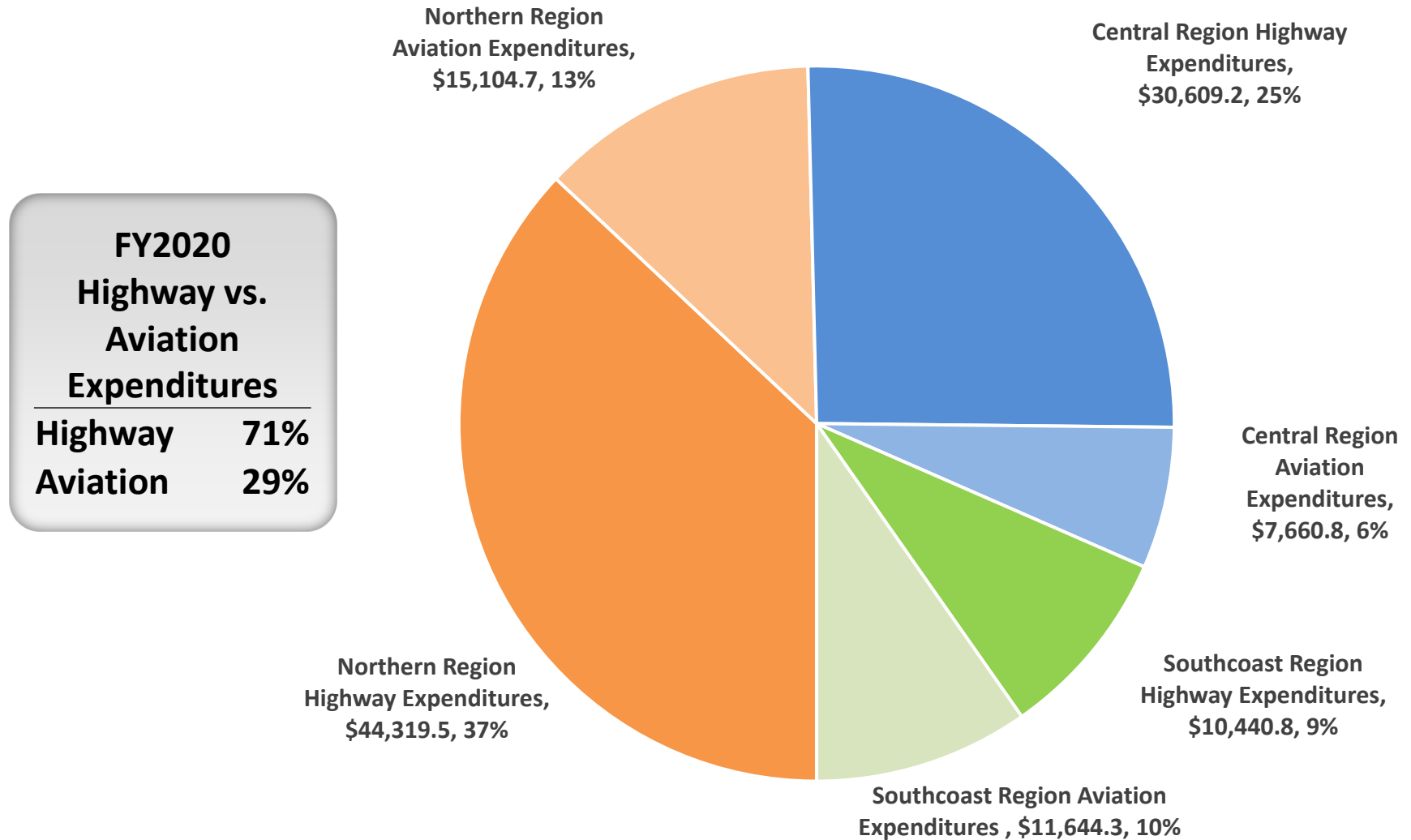
\$ in Thousands (1,000)



# FY2020 Regional Highways and Aviation Actual Expenditures

## All Fund Sources

(\$119,779.3)



\$ in Thousands (1,000)

# FY2022 Aviation Budgetary Actions

Fund Source Swap to Utilize  
Federal Aviation Administration  
CARES Act Funding and Displace  
Unrestricted General Fund  
(14,600.8 Fed / -14,600.8)

One-time Use of FAA CARES  
Act Federal Funding to Cover  
Aviation Fuel Tax Shortfall  
(276.4 Fed – CARES / -276.4 Other)

Delete Unrealized Aviation  
Fuel Tax Authority  
(-32.8 Other)

Maintenance and Operations  
Funding for Rural Airport  
Paint Striping  
(2,302.3 Fed – CARES)

\$ in Thousands (1,000)



# Thank You. Questions?

**John Binder**

Deputy Commissioner

(907) 465-3900

[John.Binder@Alaska.gov](mailto:John.Binder@Alaska.gov)

