

Governor's Aviation Advisory Board
December 17, 2003
Summary Minutes

Board Members

Jim Dodson
Paul Landis
Ken Lythgoe
Felix Maguire
Wilbur O'Brien
Mike Salazar
Richard Wien

Attendees

Mike Barton, DOT
Andrew Niemiec, DOT
Walt Sheridan, DOT
Frank Richards, DOT
Jesse VanderZanden, FIA
Mort Plumb, ANC
Chris Birch, ANC
Rich Wilson, ANC
John Steiner, AG
Byron Huffman, FAA
Deb Roth, FAA
Michael Kean, AEDC
Rebecca Hultberg, Gov

Bill Fowler, Bob Jacobsen and Dan Klaes were not able to attend

Chair Richard Wien opened the meeting at approximately 11:30 AM.

Wilbur O'Brien moved to accept the minutes from the last meeting. Seconded.
Approved by consent.

John Steiner presented statutes from Minnesota and Minneapolis Airport Commissions and the Detroit Airport Commission as examples of airport authority enabling legislation. Questions and discussion followed.

The Chair requested the board formalize their position, supporting an authority as agreed to at the November meeting. After much discussion, motions and friendly amendments, the following position was adopted. It has been summarized by John Steiner at the request of the chairman in the form of a resolution;
(attached)

Paul Landis reported that Paul Fuhs and Jerry Mackie are trying to work with five air carriers to push SB 235 airport authority through the Legislature. They want the five large air carriers to fund the lobbying effort. This action will pit large air carriers against small air carriers and organized labor. Alaska Airlines and United Airlines at this point have not agreed to participate in funding the effort.

The Chair indicated he and Jim Dodson have discussed the boards position on an authority for Anchorage and Fairbanks with the interior delegation, and suggested board members brief Legislators in their respective areas on the current position.

Commissioner Barton thinks Senator Cowdery would consider amending SB235. The Governor is aware this Board is looking into an authority, but is not briefed on the details. He offered the following concerns for consideration:

- What Legislative changes would cause this Board to reconsider its position
- What is the added cost of an authority
- Concerned , that if FAI were to be operated as independent airport, whether FAI would have the financial capability and demonstrated financial history to be able to sell revenue bonds. May have to sell General Obligation bonds instead.

The Chair indicated he has met with members of AEDC and also key Fairbanks people. He commented the composition of the board will be an issue, but he thought that it could be worked out. He commented it would really come down to the type of person selected for the Authority and the charter may help mediate issues between the communities.

Ken Lythgoe said there is an inherent equalizer. The need to meet business needs of communities will mean good economic decisions.

Paul Landis said how the Board is populated will influence directions. Air carriers favor different emphasis – passenger vs. freight vs. general aviation. May need to expand board when Part 139 airports are considered.

John Steiner said the Minneapolis board has business people with no airport background. There is a learning curve for these people on airport business. Minnesota found variety of people on their board works for them. Charter should spell out purpose of group and provide broad guidelines.

Ken Lythgoe said a charter is needed to define the purpose, to be independent.

The Chair said one of the main issues will be the marketing of the airports. The authority could look at what is appropriate marketing, so airports don't work against each other. Marketing should be focused to get and keep business in the State, as the real issue is the competition from out side the State. Airlines will decide which airport best meet their needs. However each community should be free to put their best foot forward.

Wilbur O'Brien said the Authority rather than the Legislature should develop their policies and procedures.

Paul Landis said Signatory Agreement is good till 2006 and asked if the Authority would deal with the existing agreement. Commissioner Barton responded that he assumed the Authority would take over from DOT with the agreement intact. It could be an opening for renegotiation.

The Chair commented we need to go to the Governor and the Legislature with a clear sense of direction from this Advisory Board.

Commissioner Barton said he looked at minutes of past Board meetings. He found one place discusses independence from politics as being critical, and another considered politics as essential to the airports' success. Dissention during discussion is normal, but suggested the Board be certain its recommendations reflected consistent desires of the Board as a whole. He said he looked at problem identification in past minutes. Local input is needed to identify extent of the problem. As an example rural airport leasing will be centralized on January 1, 2004. Other issues discussed were no advocate for aviation. We feel that the Governor designed the current organization to address the issue. Regarding airport fees, the Commissioner referred to the sheet comparing current fees. There was some discussion that the comparisons were not equal, i.e. the lowest cost tie down in Fairbanks does not compare in quality to the lowest cost tie down at Anchorage Intl. The chart would be more meaningful to compare paved and non paved parking at both locations.

Commissioner Barton continued with problems identified in the minutes. Insurance claims against leaseholder insurance have resulted in 5 claims over 30 years. We are looking at eliminating leaseholder insurance. We are also looking into local sponsor's participation in the State pool for operational insurance. This may require some legislation to enable Local Sponsors to participate. Regarding aviation issues, the focal point is the Commissioner's Office who will look into issues in conjunction with the Deputy Commissioner for Aviation. It would be good if the Board can come to consensus on any particular issue they want to elevate to the Commissioner's Office.

Jim Dodson suggested the authority should work with DOT to meet needs.

Ken Lythgoe asked what system will look at all airports statewide.

Deb Roth stated the FAA funded a comprehensive System Plan in 1996 with annual updates to specific problem issues each year since then.

Carl Siebe Volunteered to summarize system planning efforts as an IOU to the board.

Ken Lythgoe Do we need a separate "board" to look at rural airport issues? Discussion resulted in the consensus that this Board should have that task.

Discussion of aviation as an equitable transportation system did not result in specific action.

Discussion of the recently implemented rural tie down program is arbitrary and not equitable.

Ken Lythgoe requested a map showing all airports, Part 139, municipal, other.

There was discussion that the group is not ready to make a specific recommendation on rural airports without more briefings.

Carl Siebe Suggest a subsequent February or March meeting for a briefing. Staff will prepare a report on rural airports including the capital and operational processes. This will free the Board for working AIAS issues at the January meeting.

Closing Roundtable:

Paul Landis: How will we address SB 235.

Discussion – we will substitute our resolution in lieu of SB235.

Felix Maguire: There is a Title 17 leasing issue at Fairbanks Intl.

Response – VanderZanden made a decision and solved the issue.

Byron Huffman – Suggests looking at severing legislative authority for the new airport authority with regard to authorizing capital projects.

Andy Niemiec – Suggests that someone needs to rewrite SB235.

Jesse Vanderzanden – Suggests this Board consider the connectivity between the Internationals and DOT in deliberations.

Deb Roth – Excited to be able to educate the Board on how the rural system works.

The meeting adjourned at approximately 4:30 PM.