

Aviation Advisory Board Meeting Minutes

July 14, 2020

Webex Meeting

Meeting called to order by Chairman Lee Ryan at 1:38 p.m.

PARTICIPANTS:

Board Members Present: Steve Strait, Lee Ryan, Gideon Garcia, Mike Reeve, Frank Neitz, Bob Hajdukovich, Mike Stedman, Marilyn Romano

Excused Absences: Bob Kaufman, Dennis Parrish, Jim Dodson

DOT&PF: Deputy Commissioner John Binder, Division Operations Manager Troy LaRue, , Development Specialist Linda Bustamante, ANC Airport Manager Jim Szczesniak, Statewide Aviation Policy Planner Rich Sewell

FAA: Kristi Warden, Director Alaska Region Airports

OTHERS: Tom George, Aircraft Owners and Pilots Association (AOPA); Adam White, Alaska Airmen's Association; Dan Knesek, Grant Aviation; Mary Bondurant, Kenai Airport Mgr.; Rick Morrison, ANC Tenant; Jim Pefanis, ANC Tenant; Jeremy Zidek, SOA Division of Homeland Security and Emergency Management; Nils Andreassen, Executive Director Alaska Municipal League

AGENDA and MINUTES – Steve Strait moved to accept agenda; Marilyn Romano seconded. Steve moved to adopt March meeting minutes; Mike Reeve seconded. Motions passed unanimously. Approved minutes [posted](#) to website.

DC Binder Update

- Airport CARES Act Funding – AIAS (FAI and ANC International Airports) received ~\$30M which will offset the projected \$8-10M budget shortfall at these airports for FY20. The remaining funds will be used to offset budget shortfalls in FY21. Rates and fees at both airports will not change through September 30, 2020. Rural airports received \$49M. There is a four year performance required for CARES Act funds.
- Essential Air Service - EAS is a federally funded and managed program put in place after the airlines deregulation act passed in 1978, giving airlines total freedom to determine which markets they wanted to service and what fares they needed to charge. DC Binder added the EAS program was put in place to guarantee small communities receive a minimal level of scheduled air service. Alaska DOT&PF does not make recommendations for air carrier selection or schedules.
- Rural Airport Maintenance Directive – Portage Creek is the only airport receiving a lesser level of maintenance. The department continues to review the reduction of maintenance at rural airports where it makes sense.
- ANC Revenue and East Air Park long-term leases – AIAS (both ANC & FAI) – 60% of the AIAS budget comes from aviation related revenue such as landing fees and fuel flowage fees, and 40% comes

from passenger related activity such as concessions, parking, car rentals. Cargo activity is up about 20% helping to offset passenger revenue shortfalls. The Anchorage Airport will conduct an East Air Park study this fall to look at future airport development needs and long-term lease agreements.

Current ANC East Air Park tenants, Rick Morrison and Jim Pefanis commented on the impacts of delays with renewing long-term leases and how disruptive this has been to Alaskan airport businesses and unfair to tenants.

Airport Manager Jim Szczesniak stated the airport wants to preserve its ability to look at East Air Park and not be locked into long-term agreements in order to maximize development for the airport's benefit.

The board pressed Anchorage Airport Manager on disruption to business at East Air Park caused by nonrenewal of long term leases and the impacts on commerce at the airport. The board requested the Airport Manager reconsider his new policy of only short term or nonrenewals to prevent a downturn in future airport investments focused on serving Alaska's airport system. The board requested an update from the Anchorage Airport Manager in the next 60 days about actions on the long-term leases at East Air Park and financial relief for airport tenants and concessionaires.

Steve Strait read a letter from ANC airport business and board member Bob Kaufman. Tenants and concessionaires at the ANC airport are waiting to hear what the airport will propose in the form of rent abatement and contract extensions. Businesses are operating at a loss and some will be set back 2-3 years due to the pandemic.

Airport Manager said he appreciated the letter and the airport is very interested in looking into this issue. He also needs to review contract extensions from a legal perspective.

Public Comment

Tom George commented on the FEMA cloth face coverings sent to airports for distribution to essential air workers and passengers. DOT&PF and numerous airports across the state received mask shipments. Tom thanked the department and Anchorage Airport for coordination and distribution of the masks.

Board Discussion

Community Mandates and Mask Requirements

Jeremy Zidek with State of Alaska Division of Homeland and Security and Emergency Management advised the board there is a webpage on the state's COVID website with a link to community provided travel restrictions - <https://covid19.alaska.gov/local-borough-resources/>. Additional community information or recommended changes can be made by contacting Jeremy – Jeremy.zidek@alaska.gov

The board and aviation stakeholders discussed the difficulties of rural community travel restrictions that are current, and easily located. It was stated that if the State is going to allow individual groups and communities to come up with their own travel mandates there needs to be a vetting process and central clearing house. All agreed there is a need for a standard template and central location.

Jeremy Zidek said he will work on creating a standard template with an online widget. Nils Andreassen said early on in the pandemic AML had been active in collecting emergency declarations and travel restrictions from communities that were then transferred to the Unified Command. He would be willing to collaborate with communities to help get current information to the U.C. He also said he could add this topic to the agenda at the next AML meeting.

Chairman Lee Ryan gave a recommendation to the Alaska Air Carriers Association recently to have all Alaska commercial airlines require passengers to wear a mask. Dan with Grant Aviation supports this requirement and said it helps travelers feel safer and more comfortable in smaller aircraft and it sends an important safety measure in this current climate.

Essential Air Service

Chairman Lee Ryan talked about the history and difficulties of the regional 121 airlines serving the state. Many have experienced bankruptcies. The EAS program is a bright spot for some essential routes where there might not be air service including routes out of Anchorage. In western Alaska the bypass mail program helps communities receive service numerous times a day from multiple carriers. Rich Sewell added there are RFP's for EAS out today for both Unalaska and St. Paul Airports. Rich and the Office of Aviation Analysis (USDOT) met with the Association of Village Council Presidents in Bethel about the EAS program earlier this year. EAS provides a "safety net" for communities concerned with lack of air service. There are 60 active EAS sites in Alaska and 235 eligible sites. Rich talked about the efforts to get Little Diomedes added to the EAS eligible list and that today Little Diomedes is receiving one flight a week in a helicopter from Nome.

Chairman Ryan asked for a motion to send a resolution to the Governor recommending a standard template for communities to upload their travel restrictions into a central repository or website and also a recommendation for all passengers traveling on airlines in Alaska to wear a mask. Gideon moved to make this motion. Steve Strait seconded. Motion carried.

Southwest Alaska Runway Concerns

Chairman Lee Ryan brought up southwest Alaska runway concerns. Over the years the Bethel area airports have had lots of issues with freeze/thaw conditions, however, this year is a little bit different. He's received multiple calls from local airlines requesting more attention to some very difficult and problem airports to operate in specifically Kipnuk, Scammon Bay, Chefornak, Tununak, and Nightmute. These are the primary airports of concern that were reported to him as having significant service issues because of lack of maintenance. He added he's not aware of many airports in this region having received any preventative maintenance this summer.

Bob Hajdukovich mentioned a lawsuit against an air carrier for a hard landing because the airline knew the runway was bad since they had notified the community of the runways condition and yet continued to operate in it. He said this has been a concern for years. If the state doesn't take it under its purview to maintain these airports to a minimum standard how should an air carrier best pursue notifying a community in order for it not to be used against them.

Lee noted that the local airport contractors are not allowed to do any preventive maintenance on the runways and he feels this is a gap that needs more discussion.

DC Binder said the department is aware of the runway issues and is doing the best it can. Troy added that the Bethel Airport is currently half staffed, the airport manager is retiring in September, and it's very difficult to recruit employees there.

Chairman Ryan pointed out that these airports are the communities lifeline and the department needs to figure out how to ensure access is maintained to a minimum standard. Solutions need to be found - can't let airports degrade.

Meeting adjourned 3:35 p.m.