

**Aviation Advisory Board Meeting Minutes
April 5-6, 2011**

Meeting held in Lake Spenard Room, Millennium Hotel, Anchorage, AK

Meeting called to order by Chairman Lee Ryan at 9:33 a.m.

PRESENT: Lee Ryan, Jim Dodson, Tom George, Steve Strait, Ken Lythgoe, Dave Karp, Judy McKenzie, Frank Neitz, Mike Stedman, Bob Hajdukovich

EXCUSED ABSENCE: Tom Nicolos

OTHERS IN ATTENDANCE: Marc Luiken (DOT&PF) Steve Hatter (DOT&PF), Rebecca Cronkhite (DOT&PF), Jeff Roach (DOT&PF), Mike Coffey (DOT&PF), Becky Iles (DOT&PF), Judy Chapman (DOT&PF), Joy Journeay (AACA), Linda Bustamante (DOT&PF), Jeff Roach (DOT&PF), Trudy Wassel (DOT&PF), Roger Maggard (DOT&PF), Rich Sewell (DOT&PF), Don Fancher (DOT&PF), Butch Douthit (DOT&PF), Tina Schimschat (DOT&PF), Mary O'Connor (CDC/NIOSH), Jim Lomen (FAA), Jessica Della Croce (DOT&PF), Colonel Greg Bell (JBER), Lt. Col. Howard Hunt (JBER), Jane Dale (AK Airports Association), and via teleconference - Jeannie Johnson, Juneau Airport Manager.

MINUTES: Motion: Steve Strait moved to approve minutes. Seconded by Ken Lythgoe. Motion passed unanimously with request to update minutes on website.

Chairman Ryan – Welcomed all to meeting and introduced new board members Dave Karp and Bob Hajdukovich. He reviewed agenda and asked to have public comment time added just before the lunch break and recess. **Motion:** Steve Strait moved to accept agenda changes. Seconded by Tom George. Motion passed unanimously.

Commissioner Luiken – Welcomed all to meeting and thanked the board for their time commitment noting the importance of aviation to our state. He reviewed his mission, vision and value statements for DOT&PF and advised that he will be bringing the department's leadership team together later this month to discuss long-term goals for the department, organizational improvements, and to formulate a mission statement that defines department expectations with a focus on transportation. Commissioner Luiken has also sent a survey to all DOT&PF employees asking for feedback on their departmental core values to include where they feel the department is headed. He said that he is impressed with the level of professionalism, expertise and dedication of DOT&PF employees and sees great opportunities ahead.

Deputy Commissioner Hatter – Welcomed all to meeting and added a special welcome to new board members Dave Karp and Bob Hajdukovich noting that both men bring a wealth of aviation expertise to the board and represent airlines with a long and rich history in our state.

AGENDA:

Statewide Aviation Issues: Deputy Commissioner Hatter updated the board on the following key topics with ensuing questions and comments noted:

- Little Diomed Community Access – the state has an obligation to help this community find service and one of the challenges is determining available funding. DOT&PF has an RFP to study logistics and infrastructure at Wales to support service to Little Diomed. DOT&PF has provided a heliport for the community but cannot guarantee air service. It was suggested that a grass roots approach with community stakeholders should be part of the process.
- Essential Air Service (EAS) – EAS is important to Alaska where 44 communities receive federal EAS subsidy. This program was recently under attack and the Alaska Congressional Delegation put forth good effort representing Alaska and the importance of EAS to communities.

Motion: Jim Dodson moved to have AAB draft a resolution that expresses the need to continue to defend the Alaska EAS program. Seconded by Steve Strait. Motion passed unanimously.

- Bethel Airport 24/7 Airport Operations – The funding (\$900K) for this additional level of service at the Bethel airport has been added to the budget. Chairman Ryan thanked the board for moving this request forward with the legislature. Don Fancher (DOT&PF) noted that a new master plan is underway for Bethel Airport.
- Ketchikan Airport (KTN) – Due to fiscal hardship, the Ketchikan Gateway Borough (KGB) proposed to terminate their lease and turn the Ketchikan Airport back to the state to operate. The state is pursuing options and working with KGB Manager and KTN Airport Manager looking at sustainable revenue enhancements, cost containment measures and possibly a new lease agreement.

Board discussion ensued with questions about the classification of airports. The Alaska Aviation System Plan has information about the classification of airports that will be available to the public in approx. 6 weeks. It was also requested that airport ownership and management be made available on this website. In addition, Bob Hajdukovich would like to know about local government fuel sales tax, specifically in Bethel. He noted that the cost of fuel is once again on the rise in rural Alaska and would like to know taxes are legal and who can tax what and when? Becky Cronkhite advised she has a detailed white paper on this and will provide it to the board. Today, FAA regulations say that new taxes must be applied to the M&O of the airport. It was requested that this be an agenda item for the next meeting.

- Joint Pacific Alaska Range Complex (JPARC) – this is a DOD initiative that will train the military to modern battlefield challenges and threats. Alaska lends itself to this type of training and the board noted that 20% of Alaska's payroll comes from the DOD.

The State is interested in being a facilitator with all interested parties recognizing that there are competing interests in shared airspace. Colonel Bell and LTC Hunt

participated in the discussion and advised they are now able to communicate directly with special interest groups. DC Hatter reiterated that the bottom line is that competing interests can find middle ground with the right communication.

- Fuel – there was a fuel shortage in 2009 at the Anchorage Airport that caused Anchorage Fueling and Service Company (AFSC) to initiate efforts to increase storage at ANC to ensure adequate storage capacity. AFSC executive committee has met and will recommend 16M gallon additional storage at ANC in additions to upgrades to the pipeline from the Port of Anchorage. Four additional tanks at ANC are proposed to be operational by fall 2012.
- AIAS Organizational Study – The primary objective of the AIAS Organizational Study is to ensure that AIAS is self sustaining and develops an overall strategic and business plan. The study also includes an H/R study.

Boards and Commissions:

Linda Bustamante (DOT&PF) reviewed the history of the Aviation Advisory Board, its operating charter and function. It was requested that at the next meeting there be a discussion about municipal airport representation on the board. Jim Dodson reviewed history of the board and efforts spent on AIAS airport authority. Steve Strait would like an update on the AIAS H/R study in the fall noting that may provide discussion for considering an AIAS airport authority, again. This topic should be added to the AAB fall meeting agenda.

Alaska Aviation System Plan Status Update:

Jessica Della Croce (DOT&PF) provided the board handouts and an update on past and ongoing AASP work efforts. She reviewed work that will begin under the current authorized work group task – M&O and Aeronautical Surveys – and noted that in the next couple of months additional work is proposed to include an economic study of the bypass mail process, airport needs vs. funding evaluation, implementation of the communication plan, an AGIS white paper, completion of the airport emergency plan updates and work groups that may address such topics as the 5010 program, airports in the NPIAS, pavement classifications, and an EAS study. The DOT&PF organizational chart was distributed and it was noted that this will be published online. Tom George asked if the functions on this org. chart map to the matrix provided at the last board meeting. It was also asked if a pictorial of regional boundaries could be added to the final publication. Jessica agreed that the map showing regional boundaries will be added to the org chart, and both the org chart and the matrix will be published on the AASP website (www.AlaskaASP.com).

FAA Emphasis on Compliance and/or Steps to Self-sufficiency:

Jim Lomen (FAA) provided the board a power point presentation reviewing the FAA's increased emphasis on compliance and a handout of the latest grant assurances for airport sponsors. He reminded all that it is the FAA's job to guarantee that grant assurances are

followed. The state is required to charge fair market value for non-aviation leases at airports. Item 21 in the grant assurance handout reviews requirements for Compatible Land Use including the adoption of zoning laws. The board requested that airport zoning laws be added to the next AAB meeting agenda and Rich Sewell advised he will provide information that includes the attorney general's opinion on zoning.

Airport Maintenance & Operations Report:

Mike Coffey (DOT&PF) provided a power point presentation that included how the department funds rural airport capital and maintenance needs and the distinction between deferred and routine maintenance. He provided a list of FFY'11 – 15, pavement improvements at DOT&PF airports and an overview of pavement condition standards. He explained how the 2008 \$98M deferred maintenance list included facilities and two paving projects that ended up becoming capital projects. The current deferred maintenance list does not include facilities. Comments from the board included the need to find an easy way for pilots to let state M&O know the issues out at rural airports, in addition to NOTAMS. DC Hatter emphasized the need for regions to provide a standardized way to identify airport M&O requirements.

Public Comment: No public comment.

Meeting Recessed at 4:50 p.m.

April 6, 2011

Meeting called to order by Chairman Lee Ryan at 9:10 a.m.

Excused absence: Mike Stedman, Dave Karp and Tom Nicolos

Agenda:

Chairman Ryan produced and presented an awesome video of airports, airplanes and historical aviators from around the state.

US Postal Service:

The U.S. Postal Service proposed changes to by-pass mail service will impact rural communities and air transportation throughout Alaska. Recognizing that postal service changes and cost reductions are imminent, the board has recommended that the State should be more engaged with the issue and suggested the state form a task force to better understand the impacts of these changes and to determine what the State's role and obligations are to rural communities. Federal subsidies through the U.S. Postal Service or EAS program are constantly being scrutinized and the state needs to have a position on its responsibility to the Alaska aviation transportation system should they be eliminated or reduced. It was noted by the board that the state does subsidize the marine highway system for southeast Alaska residents.

Aviation Advisory Board Resolutions:

All AAB resolutions to date were reviewed with a request to have an annual review of resolutions and to brief by exception. Bob Hajdukovich requested that the resolution concerning the Bettles Airport and pavement recommendation be reconsidered since this airport is located on the North Slope and serves as an important alternate for carriers that operate there. The resolution concerning the federal by-pass mail service program prompted more discussion about the need to have a state task force to review the impact to rural communities and highlight the importance of the problem with changes.

Motion: Bob Hajdukovich moved that the board issue a resolution requesting Governor Parnell to create a task force to include the rural subcabinet, along with the DOT&PF and DHHS to examine ramifications, benefits and risks of potential changes to the USPS bypass mail process, including the hub expansion proposal with the State of Alaska's transportation system. Seconded by Judy McKenzie. Motion passed unanimously.

Motion: Jim Dodson moved that the board write a letter thanking Richard Wien for his vision and efforts to establish the Aviation Advisory Board and note resolutions that board has supported over the years. Seconded by Ken Lythoge. Motion passed unanimously. Draft letter for Jim Dodson with signatures by all including Commissioner and Deputy Commissioner.

Alaska Military Force Advocacy and Structure Team (AMFAST):

Jim Dodson advised that there is to be a meeting the following day and that he will advise more about AMFAST and concerns about fuel availability in Alaska.

Greater Fairbanks Chamber of Commerce Resolution:

GFCC sent a letter to the Fairbanks Airport Manager requesting that DOT&PF officially recognize the outstanding contributions of Mr. Clifford Evert's long association with the Fairbanks aviation community by dedicating the newly constructed East Ramp entrance at the Fairbanks Int'l. Airport in his honor.

Motion: Jim Dodson moved that the board send a letter to DOT&PF supporting the request of the GFCC. Seconded by Tom George. Motion passed unanimously.

Board Comments:

The board reviewed and discussed the information provided at the two-day meeting with the following requests:

1. Email board with handout documents 5 days prior to board meeting. (Steve Strait)

2. ISER report on People, Economy & Resources was shared with board with the suggestion that ISER could produce a similar document on understanding transportation in Alaska. (Tom George)
3. Alaska Air Carriers Association have the following priorities: (Bob Hajdukovich)
 - Deterioration of rural airports and increased risk to aircraft and crews.
 - Government aircraft competing with private commercial carriers.
 - Eielson AFB open for airlines to use as an alternate airport and efforts to make process easier.
 - Medallion Foundation and importance of obtaining long-term, sustainable funding to support this worthwhile aviation program.
4. Additional training and education for rural village contractors would provide long-term benefits. (Lee Ryan)
5. Continue to build relationship with UAA's Aviation Technology Division (ATD) and look for ways that UAA could assist with research projects. Suggestion to have incoming Chancellor Tom Case and ATD Director Rocky Capozzi attend future AAB meeting.

Public Comments:

Jane Dale, Chair, Alaska Airports Association expressed interest in the Board requesting an additional seat for airports representation (municipal airports, airport advisory board, statewide airport group)

Next Meeting and Adjournment:

The board is planning to hold their next meeting in Bethel from June 27-29, 2011.

Motion: Steve Strait moved to adjourn. Seconded by Frank Neitz. Motion passed unanimously.

Meeting Adjourned at 4:00 p.m.