

Aviation Advisory Board Meeting Minutes

October 27th, 2022

6450 Airport Way, Fairbanks, AK 99709

And Virtual via Microsoft Teams

8:00 am – 2:00 pm

Meeting was called to order at 8:31 pm by Steve Strait Straight

PRESENT: Steve Strait, Adam White, Dennis Parrish, Gideon Garcia, Frank Neitz, Marilyn Romano, Mike Reeve, Lee Ryan, Dave Wilson

Excused: Jim Dodson

OTHERS IN ATTENDANCE: DC John Binder (DOTPF) Craig Campbell (AIA), Anige Spear (AIA) Dylan Blankenship (DOT), Jeremey Worall (DOTPF) Troy LaRue LaRue (DOT), Bryn Hiner (DOT), Jodi Gould, (AIA), Megan Peters (AIA), Kristi Warden (FAA), Melissa Osbourn, Patrick Cotter (RESPEC)

Public

Tom George– Fairbanks

Merle Acers - Anchorage

MINUTES&AGENDA: Motion: Steve Motioned to approve the agenda, with no objections the agenda was approved. Dennis moved to approve minutes. Seconded by Gideon. Motion passed unanimously.

Opening:

The board began by discussing their visit to ACUASI, and what the future of the UAS might look like.

Notable observations by the board:

- The amount of interaction ACUASI has with not just the FAA, but the Federal Communications Commission (FCC).
- That they respect ACUASI and its contributions, but are worried about the delivery of UAS operations, as it might end up as government competing with private industry
- They are impressed with ACUASI being on the cutting edge and are proud it is here in Alaska

Follow up: Chairman Lee discussed having an AAB meeting in Kodiak, to tour the space facility there. Perhaps partnering with the other Advisory Board

Public Comment #1:

Steve opened the meeting to public comment at 8:42 The following introduced themselves but had no commentary at this time

Aaron Hughes from Central Region Design (DOTPF)

Paul Khera (DOTPF)

Andy Mills (DOTPF)

Jason Sakalaskas (DOTPF)

Fairbanks Update:

Angie opened with announcing that because of Ryan Marlow and the SWA team, they will be testing a robotic dog later this winter.

Angie then moved on to some of the larger projects that are happening at the at the airport. "We're working on our general aviation apron and taxiway reconstruction project, and we're hopeful to start that process and fiscal year 23 complete in fiscal year 24. We are wrapping up our Don Bennett firing range remediation projects. So that's been a huge project for us. There's been a lot of EPA input and delays, but yet they're keeping us on a very tight timeline. So, we got all of our final results back. With the exception of the clubhouse and we are able to complete all of the remediation work with the exception of removal of the clubhouse by this month. So we're really proud of that. We have been working through the fall when you consider that we weren't approved by the EPA to start until September 6th, pretty miraculous. What we've been able to do and you'll see the berms going down and everything nice and flat and level out there will be hydroseeding and removing the clubhouse in spring and working on a full closure. So that's our goal for the site.

The board asked why this needed to be done, Angie replied that it had lead and PFAS contamination. As it was a training range for local law enforcement.

Steve asked what prompted the closing of the firing range, Angie replied it was a very strong concern from the FAA and the Airlines. It was its location, not the noise.

Angie continued into the new Environmental Mitigation Pilot Program, which has received funding from the FAA. The program will begin next year, and its purpose is to test on-site PFAS mitigation technology. Right now the only option for PFAS removal is physically removing contaminant and shipping it out of state. FAI and SWA were nationally recognized for this effort.

Angie continued into development of the Airport.

Summer 2022 numbers were 10% below 2019. Load factors were strong, but this was mainly due to overall less seats in the market.

Load numbers were good, but due to airlines being more conservative, they were 2-10% below 2019.

North Pole coffee continues to have very positive numbers, and have been a great addition to the airport. They are operating much better than the Starbucks they replaced.

FAI met with Conrack, which is the facility that manages the parking at Ted Stevens International. They will be building a similar parking structure at Fairbanks, albeit simpler than ANC. It will house both public, and rental car parking.

Melissa Stepovich has put work into developing new routes at an event in Canada, which so far has yielded positive feedback. There have been a lot of airlines gaining success at ANC and FAI hopes to capitalize on this.

Omni logistics sold their lease to Michelle's. They took over and expanded. Omni built the new hangar, while across the way they had another facility which they sold to Benroth. Benroth now has assignment of Block 3 lot 12, which was Bernie Hall's final piece of airport lease property.

Andrew Anderson took assignment of block 101 from Christy Braun.

Fedex has done some improvements around their facility, including asphalt and interior work.

Wrights air and Super have been doing a lot of improvements at block 10 lot 1 and block 1 lot 8.

GBA is installing some electric utilities for block 99 on the GA side.

Lastly is the issue of employment challenges. Pay is well below the market average across the board. Vacancies are at 50% across administrative offices.

Skilled labor is an ever bigger challenge. Currently FAI has only 3 electricians. One position has been vacant for over 300 days.

Equipment operators are also challenging to employ. Fairbanks right now only has enough equipment operators to operate Monday through Friday 16 hours a day, anything past 16 hours a day or on the weekends is overtime.

FAI put in for emergency incentive critical pay, like ANC, however it has not been approved yet which has been difficult for morale.

A positive is FAI hired a new communications manager who is focusing all their efforts on recruitment.

Bob H. asked if the funding allows for a contracting approach rather than a full time employee.

Angie replied, they are utilizing that however due to union rules it is not allowed on the runway.

Dennis asked for clarification that the funding was available for the positions, the challenge is just filling them. What would a full staff look like?

Angie replied if she had all positions filled there would be 24 hour coverage M-F, only be dependent on overtime for the weekends.

A question was asked from an unknown, non-board attendee if Fairbanks is facing a weekend where they would have to close because of this.

Angie responded it is possible as they rely on voluntary overtime, employees cannot be compelled to show up, or if they had a beer with dinner they would not be able to work. Injuries are another real issue when it comes to this question.

Adam W. asked how effective would a resolution from a board be, and what can the board do?

Steve S. Added that the timeline is favorable, as we are in the middle of a budget cycle.

Dennis P. asked DC Binder, when budgets are submitted, it is assumed all positions are filled correct? DC Binder replied that is correct.

DC Binder continued, stating that the budget is based on current LTC contracts, which reflect a wage that is far too low. He then briefed the board on what actions are being taken. Firstly ANC and the AACA submitted a letter to the governor stating the crisis of labor.

Next is the Mission Critical Incentive Pay (MCIPD) this started out in Bethel and it had reasonable success. This has been something tried Statewide, however the Governor's office is very concerned, as it is designed to be in places with demonstratable emergencies. It has been implemented at ANC. You can imagine what that does to the rest of the state. Anchorage Highway operators, which are identical ranges and positions now make 30% less than ANC operators. Now there are moral issues.

The Union has been a challenge in their interactions with labor relations. Once we submit something, it is out of our hands and goes between Labor Relations and the Union. What we see come out is not similar to what we put in.

Angie S. added that moral has been hit at FAI due to ANC receiving MCIP. One thing they are not taking into consideration in regard to the MCIP is they are not considering 24/7 365 operation. If they were the vacancy rate would be 48%

Chairman Lee commented that he agrees that labor is a major issue. We (rural operators) are used to it, but now these issues have hit the internationals. When crafting a resolution we should ensure that we try and get a solution that helps both the internationals and the rural airports across the state.

Marylin R. commented that the conversation is if ANC or FAI get a major snow event, due to short staffing it could shut down operations for 8 hours. Which would be devastating. **She asked if the letter from AAAC could be shared with the board.** She continued saying she and the board need to know what the ask is, because there is a large difference between funding to continue overtime, and funding to actually fix the problem.

Angie S. reminded the board that MCIP is not a permanent solution either, as it can be revoked at any time.

DC Binder added that it is too late in the funding cycle to really add additional positions to the airports this year, and we need to start preparing for next year. Currently the state is really focused on incentivizing overtime to combat this.

Dave W. briefed the board on maintenance at rural airports. He informed the board that many well built runways are deteriorating because contractors are only allowed to do routine maintenance and not preventative maintenance because of funding. This compounds into a huge issue, because communities that rely on the airport for their connection begin to disappear as the runway deteriorates. So what we have in Alaska is communities that disappear because we are not able to do preventative maintenance on runways. **He believes the board needs to address this.**

Mike R. asked Angie is there is still an ongoing issue of lack of vendor services at FAI, including the bar. Angie S. responded that unfortunately yes, it still is. They do bill the vendor when they are unable to meet the contract requirements, but there is a labor shortage and so there is not really a solution in sight. The coffee vendor however is now fixed and providing promised service.

Chairman Lee then motioned the following resolution: ***A resolution to: address the State of Alaska airport system's (including International Airport System) ability to maintain minimal life-safe levels of service due to the inability of the State to attract and retain staff in today's economic and employment environment.***

Steve S. then asked the vote on this resolution be delayed, until more information can be gathered such as the letter from the signatory carriers. Perhaps weave that into a common thread, form a committee and vote on the resolution via email.

Chairman Lee agreed and rescinded the motion.

The board went on record, stating that work will begin on the above resolution and will be voted on in the future.

The committee is as follows: **Dennis Parrish, Adam White, Marylin Ramano, Gideon Garcia and Steve Strait.**

Steve S. then commended FAI on their PFAS mitigation and opened it up for public comment. Hearing none he moved onto the ANC portion of the Agenda.

Ted Stevens Anchorage International Airport Update:

Craig C. began by addressing the concern of ANC closing. He said it has been addressed, and for this winter it will not be closed down for any abnormal amount of time given predictable weather events. Staffing has stabilized due to the incentive pay. Additionally we've probably stabilized it to the point where if we run full shifts on days and swings and minimum shift on mids but utilize overtime by having the swing shift stay over 4 hours and the day shift come in four hours early which they've agreed they are going to do voluntary overtime that the team is excited actually about being able to flex during storm periods. We then can have the full staffing on mid shift by using the overtime between the two. The day shift and the swing shift so it's not optimum. I'm not trying to tell you we solved the problem that I'm trying to tell you. Just the opposite. We have a serious problem. Similar to Fairbanks, the pay does not meet the industry standard, making it hard to recruit.

Craig C. continued, stating that he is sending out an email clarifying the meeting which carriers understood the airport would be shutting down due to storms. But that doesn't mean that there are not problems. Dispatch is down 66%. Thank you to Fairbanks as they are picking up some of ANC's dispatch responsibility.

Continuing on, due to staffing the parking snow removal has been contracted out.

Control Tower relocation, the FAA is building a new ATC tower in ANC. It will be the largest building in Alaska at 23 stories high. It will be going in at Mike's position at the airport, on the airport side. It will displace 39 general aviation wheeled positions. Those 39 positions, we're doing an EA to provide those over by Lake Hood. On the North satellite there's a large concrete apron called the ECHO parking. We're going to expand that and put those 39 spots over there and then the control tower is going to go up. Next when at Lake Hood, when it comes to the gravel strip on the West side of the gravel parking area, we're going to be putting a full parallel taxiway on the West side that gives separation. Currently it doesn't have adequate separation, so we're going to it moves a little bit further to the West, which means one row of aircraft parking on the gravel parking strip at Lake Hood would be relocated and that will probably be about a three to four year project.

Next the South end of the gravel strip over on the east side, there's the vacant area and there's a proposal for the hangar facility in there that will probably go up to competitive bid because we've had a lot of interest in it.

There's an area on Lake Spenard. This carved out for the municipality. Have a park. We've had a maintenance agreement that expired 15 years ago. I've asked that we reengaged with the municipality to renegotiate that maintenance agreement. As nobody swims in the lake anymore, the hope is to add four more float plane slips.

Lastly Lake Hood's federal entitlement is changing significantly. Due to a scheduled operator moving to the anchorage side, the FAA has changed the entitlement from \$1,000,000 to \$150,000

Numbers at ANC are good, but not as good as 2019. ANC is down about 6% in PAX and 2% in cargo.

Aleutian Airways is starting service to Dutch harbor November 16th. They're doing a Saab 2000. They're negotiating now out of the A concourse. And I'm not sure which gates are going to operate out of it. I'm

thinking it may end up being a 11, but one flight a day to start, they're going to try to expand to two flights a day after Christmas.

The other new carrier, Northern Pacific Airway is anticipating a spring launch. We are staying flexible with them, but will make sure the terminal is ready when they are.

Alaska airline is expanding their lounge, taking over an old meeting room and expanding their lounge by 30%.

Signature has a new facility on the Colest base. It will be a very nice facility with a kitchen and a restaurant. It should be operational in a month or so. It is unclear if they are shutting down their previous one.

Cargo developments, Northlink is in the environmental process of building 15 hard stands west of the south airpark. They are doing the PFAS mitigation currently.

On the west side of the airport where the old fuel tanks are, there was the 6A consortium development. The lease has been terminated. It is being appealed to the Commissioner, who supported the termination and it is now in court.

Next the reserved spots are going through changes. Firstly the elimination of 35, with an additional 10. The reserved spots will also be moved further from the entrance to the airport. Parking around the airport is reaching capacity and options are being reviewed.

Lastly the master plan has began. Currently in the inventory stage, the forecast will start with committee meetings right after the first of the year. There will be two committees, a technical one made up of users, and an advisory one made up of community councils.

FAA Update

Kristi W. began with Faa reauthorization, there is quite a bit of work being done on another reauthorization bill. The FAA is very pleased with the AIP program nationally, and in Alaska. With 290+ million to Alaska.

We are aware that bids are coming in extremely high, and are in discussions about that.

The SWA and state planners have made the process of getting federal funding to airports smooth and easy.

The office has organizationally made some changes, to allocate resources to each DOTPF region. For example we've got project manager, planner, Environmental Protection specialist allocated to Northern Region, Central region, South Coast region and to our non Alaska dot sponsors.

Staffing challenges remain a problem across the nation, but the FAA office in Alaska has gone from 22 to 28 positions, funded via the BIL

In the past, we needed approximately six months of authorization and appropriation so that we can run the AIP formulas and make my office liquid with traditional AIP funding. We need an appropriation and an authorization through April 30th to do that. But as of today, we have grant recoveries that we are putting the money back out to the sponsors. We have BIL funds and just a couple of days ago was the deadline for terminal project grant application. 750 were received nationally.

139 airport inspections are back in 2023, with a three month hiatus in March.

Kristi then opened it up to questions.

Troy L. asked about the possibility of removing property from AIP airport property for the use of community development.

Kristi W. responded that no that is not possible.

Adam White asked if there were any mechanisms to untie land, however after much discussion the only mechanism aside from letting the grant assurances expire would be to go congressional.

Board Discussion

Adam W. brought up a program in the past, where the state would help community owned airports match funds in order to obtain funding, and if this was a program the state would consider bringing back.

DC Binder responded that the challenge is how they would choose sponsors not necessarily the funding. The state would talk about this internally.

ACUASI

ACUASI was briefly revisited. The board discussed both the positives and the negatives of UAS coming to the state. While many benefits were noted, the main concern that was discussed was UAS replacing local operators in the state.

Another issue discussed in regard to UAS was the commercial aspect of it, and how the state is to oversee that. The certificate of compliance, used for carriers currently was brought up as an example. As the state maintains the airspace, UAS will need some oversight in the near future. The board decided that it is less about the system used, and more of the definition of commerce, and if a UAS operator is engaging in air commerce.

DC Binder did state that if it was in the board's interest air commerce and certificates of compliance would be a good topic to advise on in the future.

Dennis P. asked what the state vision of involvement is.

DC Binder responded that he will talk internally and address is next meeting. There are two aspects, the rapid expansion of UAS within the state, and certificate of compliance.

Public Comments

Mearle Acres addressed the board he was concerned about the FAA control tower, and how it would impact traffic patterns at Lake Hood. He was displeased that there had not been any public meetings about it yet. He was also displeased that he didn't get the names of the board.

Mike R. informed him there will be a public meeting Thursday November 10th.

Craig C. responded that the control tower is an FAA project, and Mearle might want to ask the FAA as it is outside of DOTPF control.

Board Comments

Bob H.

Wanted clarification on the resolution about labor discussed earlier. He believes the board needs to support this, and thought that ANC receiving MCIP and not FAI was an issue.

Craig C.

Stated in the resolution that's put together, emphasis should be made for when it comes to the airport system that Anchorage and Fairbanks are together and really need to be treated the

same as one system.

Frank N.

Frank brought up how there is an Avgas shortage in Bethel, and in Kotzebue they are using substandard avgas, and the price of Avgas is becoming untenable.

Dennis P. agreed, and stated we might want to discuss this at a future meeting as it is a canary in the coal mine for something that could cripple rural aviation.

The board continued to discuss this, and decided to do some fact finding before further action is taken.

The meeting was adjourned at 1:23 PM by Steve S.

DRAFT