

**Aviation Advisory Board Teleconference Meeting Minutes
November 23, 2015**

Meeting called to order by Chairman Lee Ryan at 1:30 p.m.

PARTICIPANTS:

Board Members: Jim Dodson, Tom George, Lee Ryan, Steve Strait, Frank Neitz, Dennis Parrish, Bob Hajdukovich, Tom Nichols, Mike Stedman, Dave Karp, Dale Shaw

Public: Marilyn Romano, Alaska Airlines, Kristi Warden, FAA

DOT&PF: John Binder, Troy LaRue, Linda Bustamante, Marc Luiken, Jeremy Worrall, Jeff Roach

AGENDA and MINUTES – Dennis moved to accept agenda, Dave seconded. Steve moved to accept minutes, Dennis seconded. Motions passed unanimously.

Chairman Ryan – Welcomed all to the meeting and introduced new board appointment Dennis Parrish, replacing Ken Lythgoe, filling the non-Airline tenant seat.

Commissioner Luiken – Welcomed Dennis to the Board. Discussed the costs for providing 24 hour service at the Deadhorse Airport. He requested the Board and DOT work together to augment the revenue needed to maintain the Alaska aviation system.

Deputy Commissioner Binder Remarks –

The Alaska International Air Cargo Summit was recently held in Shanghai and was a successful meeting with good turnout from Chinese air cargo executives. The one day conference included a session for air freight forwarders from the Shanghai International Freight Forwarders Association – they handle 30% of all of the cargo in/out of China. In addition to the Summit, a Memorandum of Understanding between the Alaska International Airport System and the Shanghai Airport Authority was signed. The MOU will build a partnership and provide a framework to work together on projects.

Statewide Aviation Reorganization – Internal restructuring within DOT is underway that will help standardize processes across the department. Five positions that previously reported to region headquarters are now working under the Division of Statewide Aviation; they include three Safety and Security Officers, Airport Supervisor and Administrative Asst.

Airport Leases – The Department is currently undergoing a rates and fees study that will assist with determining fair market value/fair market rent for aeronautical and non-aeronautical leases at state owed airports. The state was divided into zones, and appraisals conducted in each to create rates adapted to that part of the Alaska. If a long-term lease is issued today, and it is determined after this study that the rates are below fair market value (FMV), the Department has the established processes to make incremental adjustments to bring the lease rate into FMV.

New Board Member - DC Binder welcomed Dennis Parrish to the Board.

AIAS Airport Manager Appointments - The board requested DOT come up with a defined process to consult with the board, as is required by statute, prior to appointing airport managers for the Alaska International Airport System.

Airport Revenue – DC Binder discussed the short-term need for revenue to cover 24 hour operations at Deadhorse Airport and reviewed the aircraft registration revenue model asking the board for feedback. Questions were raised about what airports were required to report based aircraft to the FAA, and how the proposed registration would impact municipal or other non-DOT owned airports. Concerns were expressed about adding this additional revenue stream, and its potential impact on the fuel tax recommendation already endorsed by the board.

Board Discussion – There was much discussion about the Deadhorse Airport’s current operations, why the need for additional 24 hour staffing, and how landing fees at this airport would impact rural communities served by this hub airport. Several members indicated they expected operations at Deadhorse to decrease in the future due to the price of oil and changes on the North Slope.

The board does not support charging landing fees at the Deadhorse Airport. If it’s a short term problem of revenue shortfall to maintain 24 hour staffing at Deadhorse they suggest DOT request supplemental revenue in the budget process or consider charging a special assessment to carriers that require after-hours staffing.

The board has submitted a letter to the Governor supporting an increase in motor fuel tax to increase revenues for the Alaska aviation system.

The Commissioner thanked the Board for their recommendations. DOT will discuss these revenue options and look at all alternatives going forward.

Steve Strait would like to add board elections to the next meeting’s agenda.

Dave Karp advised this is his last meeting and that he will be retiring from the board. He will remain engaged with issues. The Commissioner thanked Dave for his service and said he’ll be missed.

The next meeting is tentatively scheduled for January 26-28, 2015, in Juneau.
Meeting adjourned at 3:52 p.m.