

Governor's Aviation Advisory Board
February 4, 2004
Summary Minutes

Board Members

Jim Dodson
Bill Fowler
Bob Jacobsen
Dan Klaes
Paul Landis
Ken Lythgoe
Felix Maguire
Wilbur O'Brien
Mike Salazar
Richard Wien

Attendees

Mike Barton, DOT
Pete Carlson, JNU Airport
Commission
Art Chance, DOA
Jim Clark, Governor's Office
Mia Costello, Governor's Office
Jim Fiorenzi, FIA
Tom George, AOPA
Allan Heese, JNU
Rebecca Hultberg, Governor's Office
Jeannie Johnson, JNU Airport
Commission
Hank Meyers, Aviation Consultant
Governor Murkowski
Andrew Niemiec, DOT
Senator Donny Olson
Mort Plumb, ANC
Representative Ralph Samuels
Jesse VanderZanden, FIA

Chair – Opened the meeting at 10:30 am on the 11th Floor of the State Office Building in Juneau. Summarized his meeting the previous day with the Governor on the topic of an airport authority. The Governor is willing to commit to the concept of both ANC and FAI being included in a proposed authority, but otherwise is willing to take direction on the other details and approach from the Advisory Board.

Maguire – There might be a few items in the Advisory Board's recommendation that could be compromised on, but some that are absolutes.

Landis – Signatory group is interested in the authority being outside the Executive Budget Act, and having the power to exercise eminent domain. During the most recent signatory airline executive committee meeting, 10 of 11 representatives supported the authority concept as outlined by the board. One of the ten did not support the combination of ANC and FAI.

Dodson – Moved to accept 12/17/03 minutes, which included the draft resolution on the authority issue.

Maguire – Seconded motion.

Chair – Asked that typo be fixed in Section D (add the word “least” after first word “At.”) As well, discussion produced a friendly amendment to alter Section D to allow “at least three from the Municipality of Anchorage,”. The minutes and resolution were adopted unanimously.

Maguire – Has inquired from the Commissioner an explanation of the various tie-down fees at state airports. He specifically did not advocate by his question that fees at FAI should be raised.

Knudson – Took the segue to hand out a proposed tie-down fee increase schedule for FAI. He welcomed any comments on the proposed fees.

Chance – Discussed the world of employee relations relative to a proposed airport authority. Specifically he addressed the precedent of successor rights implicit in the existing state employee contracts and the Alaska Public Employee Relations Act (PERA). Enabling legislation for the authority could create a separate employee relations statute, as the railroad has, or utilize the existing PERA. He feels that PERA is a strong law, but takes courage to use. As well, PERA does not subject state labor organizations to the same regulations that unions operate under in federal law. Once an authority is established, the unique items that people are interested in relating to labor relations will have to be negotiated during contract talks. He feels that any legislation creating a new organization for public employees will have to include a “will not impair” clause in order to garner enough votes.

Niemiec – Presented his paper on the public involvement process used by planning, design and construction staff to build or improve an airport. With a desire to complete projects on a shorter time-line, sometimes the public involvement process is burdensome.

George – Noted that the involvement process lacks continuity. The environmental process affords the most public comment, but that is already too late for the initial options discussion. Users are not served well by the existing involvement process.

Niemiec – Concurred, and noted that most comments are reserved until a negative impact is perceived.

Maguire – Emphasized that the short list of aviation interest groups in the state should automatically be notified during comment periods.

Chair – Noted that public involvement is an age-old challenge and urged that the conversation should continue so that the Board can make a recommendation.

Maguire – Added that in total, aviation infrastructure has improved dramatically.

Lythgoe – The public involvement process and its shortcomings are symptomatic of the DoT organization as a whole.

Chair – Directed staff to quantify shared resources and outline the division structure.

Klaes – Asked that a map of how equipment (AIP or GF) is allocated also be provided.

George – Asked that the division structure clearly identify who the “airport managers” are.

Jacobsen – Reminded that accurate cost accounting of airport M&O is an ongoing requirement.

Governor Murkowski and Commissioner Barton joined the meeting at this point. The Governor outlined the big-picture budget challenge, noting that he wants to limit the CBR draw to \$400 million. The Conference of Alaskans will discuss some of the tools to address the long-term issue. The alternative to the Percent-of-market-value proposal is reduced spending and additional revenue.

Specific to the international airports, ANC has become too complex for DoT/political management. That then raises the question of what to do with FAI. He feels that the revenue sharing arrangement has lessened the incentive in FAI to develop business opportunities.

Private sector developers tend to avoid land managed by DoT, further complicating future development at the two international airports. Landing fees have to be kept competitive at the internationals, and the financing of the ANC renovation of the A and B concourses, as well as the FAI terminal renovation, will make that difficult.

Given these considerations, the Governor will support a reasonable recommendation forwarded by the Advisory Board. At this point the Governor had to move on to another meeting.

Lythgoe – Prefers to make a fresh start with the authority bill, and wants to know if the DoT will assist in that effort.

Barton – DoT will provide all assistance on drafting a bill.

Jacobsen – Is a Governor bill better than a friendly sponsor?

Chair – AEDC perceives that Senator Cowdery wants to work with FAI interests as well.

Landis – Feels that SB 235 might have too many years of history to be a good vehicle for the Board's language.

Lythgoe – Need to determine who the sponsor should be.

Chair – Noted that section E of the resolution was the important language. FAI did not urge the creation of the Alaska International Airport System, rather the airlines did. The Fairbanks community does not relish the position they are in now relative to the debate on the creation of an authority.

Fowler – Recommendation to Governor is complete, now next step is to draft a bill, and the final step is plan strategy of getting legislation passed.

Barton – The Governor agrees in principle with the resolution. DoT will draft the legislation, and then he urges a subcommittee review the draft, and have the full board approve it.

Jacobsen – Urged drafting an entirely new bill.

Chair – Also requests a sectional analysis and a summary of how the draft addresses the resolution.

Landis – Urged the Chair to talk with Senator Cowdery about Board actions.

Barton – Presented an issues brief. Adak is transferred to the state with \$10 million from the Navy, and a Congressional pledge of \$13.5 over four years. On the rural aviation side, he promises that a common understanding will be achieved by the Board about the current structure and operation. Then the Board should identify problems and develop solutions. Rural Airport Leasing is consolidated. ANC's C concourse is to be operational in June of this year. The Governor continues to express concern about proceeding with renovation of A and B concourses.

Chair – Expressed concern with this position. A deal was cut with the airlines to renovate A and B. The Governor appears to be questioning that deal.

Barton – The completion of A & B hinges on a successful resolution of the authority issue.

More discussion ensued on legislative timing. Barton estimated that a draft bill could be ready for review in mid-March.

It was agreed that the adopted resolution should be sent to the Governor under a cover letter, and in combination with a final version of the Walter Sheridan piece.