

**Aviation Advisory Board Meeting Minutes
Juneau, Alaska
January 25, 2017**

Meeting called to order by Chairman Lee Ryan at 9:06 a.m.

PARTICIPANTS:

Board Members: Jim Dodson, Tom George, Lee Ryan, Steve Strait, Frank Neitz, Dennis Parrish, Marilyn Romano, Gideon Garcia, Mike Stedman, Bob Hajdukovich, Earl Samuelson

DOT&PF: John Binder, Linda Bustamante, Troy LaRue, Marc Luiken, Amanda Holland, Mike Lesmann, Tom Renninger, Megan Byrd.

OTHERS: Lynne Woods

AGENDA – Chairman Ryan updated the agenda adding UAS and adjusting times to discuss motor fuel tax. He also advised phone participants that public comments would be taken throughout the day. Steve Strait moved to accept agenda, Jim Dodson moved to approve previous meeting minutes. Motions passed.

Commissioner Luiken Remarks:

Commissioner discussed the department's Results Based Alignment effort and how this looks at the organization from a service standpoint using performance measures to report on efficiency and effectiveness of the services the organization delivers. DC Binder is leading the effort to build a Statewide Aviation organization that consolidates and shares resources throughout the regions.

There was discussion about the new Congress in Washington DC and how this could benefit Alaska. If the trillion dollar infrastructure plan goes forward and funds are made available to Alaska what DOT&PF airport projects are identified and ready? The board would also like a copy of any DOT aviation issues sent to Alaska's congressional delegation.

Deputy Commissioner Binder Update:

DC Binder updated the board on the Alaska International Airport cargo and passenger enplanements activity. He also discussed the impact to the budget with the aviation fuel tax fund and will provide the Board another budget slide with more detail.

- After hour services at DOT airports to cover overtime costs is moving forward with One more meeting with air carriers before starting the regulatory process. Board will be advised of all when scheduled.
- Certification of the Sand Point Airport should not cost the state additional funds and will accommodate the larger aircraft that PenAir will be operating, and that the community desires to receive service.
- The timeline of the Kwigillingok Airport project was reviewed. The board will be updated with progress reports.
- The St. Mary's Airport project was discussed. The board would like to make sure that larger aircraft (Airport category C3) will continue to be accommodated at this airport.

- The Aniak Airport project is of concern to the Board because of the high dollar amount and concern over the necessity of the project.

Amanda Holland Presentation:

Amanda provided the board an overview of the department's Results Based Alignment presentation that will be given to the legislature and also posted online. The board recommended additional information be added to the presentation such as the number of people served by the various modes within DOT and a slide that shows cost versus what revenue is being generated for all modes, especially the AMHS. This information would help the board when discussing DOT's overall budget. There was discussion about the operating budget and how DOT prioritizes road maintenance. The board would like similar information on how airports stack up in the priority queue, to help manage expectations as the department heads into the "results driven" approach, including a depiction on an interactive map similar to what is available for the road system.

Mike Lesmann Update:

DOT&PF legislative liaison Mike Lesmann provided the board information on the 30th Alaska Legislature; a list of House and Senate Transportation and Finance Committees; DOT&PF's legislative priorities; information on how to testify before a committee; and useful websites and information on how to look up bills and stay current on the bill's status. He is available throughout the session to assist the board with any questions.

Byron Huffman, FAA Airports Presentation:

Byron Huffman was asked to provide an overview to the board of the FAA's Airport Improvement Program. In reviewing the rural access projects, a discussion about the Aniak Airport project ensued. This airport was listed on the congressional noncompliance list. DOT was focused on repaving the runway but the FAA required that the object free area also be addressed which resulted in a much larger project now requiring the runway be shifted. The latest cost estimate is \$54 million. There is a process with the FAA to formally submit a petition for exemption if the community or others don't want this project to proceed as planned.

Board Discussion

- The Board discussed and amended Resolution No. 2017-1 Supporting Revenue Enhancement for the Rural Alaska Aviation System. Tom George moved to adopt the final resolution and Jim Dodson seconded. The motion passed with eight board members voting yes and two voting no.
- There was discussion about international fuel sales at the Anchorage Airport and the exemption of foreign flights from the state's motor fuel tax. The board asked that there be some analysis on the potential impact of altering that exemption, including the potential impact if cargo carriers opted to overfly to avoid additional cost. The board asked that an analysis include the impact on business in the International Airport System. The board would also asked DOT to review the sales tax charged on aviation fuel at Kotzebue, to determine if it meets current FAA grant assurances.

- The board has formed a committee comprised of Steve Strait, Bob Hajdukovich, and Gideon Garcia to examine aviation issues related to the rising use of heroin and opioid abuse in rural Alaska. The committee is to interface with other state government stakeholders, and will report at future board meetings and it was recommended to sunset the committee on January 31, 2018.
- The Drone UAS Task Force expired June 30, 2017 but the website is still active. Steve Strait will give a final committee report at our next meeting.
- The Board reviewed legislative appointments for the next day.
- Meeting adjourned at 4:20 p.m.
- Copies of previous meeting minutes and resolutions can be found online at this link: <http://dot.alaska.gov/stwdav/AAB.shtml>