

Aviation Advisory Board Meeting Minutes

February 15th, 2023

Juneau, AK

And Virtual via Microsoft Teams

Meeting was called to order 9:34 by Lee Ryan

Present: Steve Strait, Adam White, Dennis Parrish, Gideon Garcia, Frank Neitz, Marilyn Romano, Mike Reeve, Lee Ryan, Dave Wilson, Jim Dodson, Bob Hajdukovich

Others Present: DC John Binder (DOTPF) Craig Campbell (AIA), Anige Spear (AIA) Dylan Blankenship (DOT), Jeremy Worall (DOTPF) Troy LaRue LaRue (DOT), Bryn Hiner (DOT), Kristi Warden (FAA)

Public

Tom George– Fairbanks

Merle Acers – Anchorage

Minutes and Agenda: Steve Strait motioned to approve the agenda, seconded by Jim Dodson. Steve motioned to adopt the minutes, seconded by Jim. Both adopted unopposed.

Commissioner

Commissioner Ryan Anderson of the Department of Transportation & Public Facilities (DOT&PF) discusses various topics related to transportation and infrastructure in Alaska. The Commissioner mentions that the department is focused on providing transportation services to Alaskans through land, sea, and air. They highlight five key investment areas: safety, state of good repair, economic development, resiliency, and sustainability.

The Commissioner mentions the upcoming release of an amended budget that will outline allocations for highways, aviation, and marine highways. They emphasize the importance of investing in infrastructure and seeking federal funding opportunities. The Commissioner also discusses ongoing discussions with the Roads and Highways Advisory Board, exploring the use of airport equipment for ice roads and evaluating the organization of the rail system to better serve rural Alaska.

Challenges in labor relations and workforce management are addressed, with the Commissioner noting the need to attract and retain workers. They mention the use of incentive programs and the upcoming discussions on contractual obligations and potential alternative options. The Commissioner also highlights the focus on the FAA reauthorization and seeking more decision-making power for Alaska to invest funds in economic development airports.

Lastly, the Commissioner emphasizes the importance of economic development and attracting people to Alaska. They introduce a new initiative called "The Last Frontier," aimed at promoting outdoor activities and investing in infrastructure to support tourism and recreational activities. This includes the development of waste sites, parking areas, trailheads, and airport enhancements to enhance the overall experience for visitors and residents alike.

The board members express their support and appreciation for the Commissioner's report. They discuss various topics related to infrastructure and funding challenges in Alaska. The Roads and Highways

Advisory Board requests more information and discussions on contracting and consistency issues between rural and different regions. The governor is supportive of exploring solutions that make sense.

There is a mention of the FAA reauthorization, with frustration expressed over the limitations and constraints imposed on Alaska. The participants offer their support and willingness to assist in any way possible to address these issues.

The importance of safety, state of good repair, economic development, resiliency, and sustainability is highlighted. They discuss the need for proper maintenance and management of airports, including gravel spec and certification processes. The participants emphasize the importance of making aviation safer and more reliable in Alaska.

FAI Update

Ange Spear, the FAI Manager, provided an update on various projects and challenges at Fairbanks International. Here is a summary of the key points:

- The general aviation apron and taxiway reconstruction project is moving forward, but bids have been higher than expected. Additional funding has been secured, and there are plans to increase pull-through electrical tie downs after project completion.
- Tie-down rates have not increased in over 15 years, and discussions about potential rate changes are ongoing.
- The Don minute shooting range project is progressing, with clubhouse demolition and hydroseeding planned for the spring.
- The project is expected to be completed below budget due to effective internal management and limited external support.
- The airport is participating in the Environmental Mitigation Pilot program, focusing on on-site treatment technologies for contaminated materials.
- The construction of a new parking and rental car facility is underway and expected to be open in 2025.
- HMS Host has completed capital improvements, including updating facilities and revamping the menu to offer more Alaska-themed options.
- Staffing remains a challenge, with pay rates below the market average. The airport continues to experience employee turnover, and vacancies in skilled positions, such as equipment operators, electricians, and plumbers.
- Efforts to hire additional equipment operators and electricians have been unsuccessful, resulting in overtime costs.
- Approval is pending for seven additional equipment operator positions, which would enable 24/7 coverage.
- The airport has implemented a new lost and found program, allowing real-time reporting and searching for lost items.

- The number of diversions to Fairbanks International increased significantly in 2022 compared to previous years, particularly in December. Staffing challenges during after-hours and weekends are impacting operations.

The following conversation to this update mention challenges faced during a snow event, the value of communication between Anchorage and Fairbanks, parking issues, crew changes, and difficulties in handling the pressure on the airport. There is also a mention of outstanding mission critical incentive pay and equipment operator payments, with a focus on the disparity between Fairbanks and Anchorage. The conversation ends with a discussion about sending letters to the governor and the support from signatory carriers regarding staffing, hiring, and wages.

ANC Update

Craig Campbell the ANC Airport Manager discussed the following

Control Tower Relocation: No change from last report. Project Team formed. Project initiated.

Environmental underway. Construction expected 2025-2027. Expected operational date in 2029.

- General Aviation Parking Relocation: No change from last report. With new control tower being relocated to an area where 39 existing GA parking space currently exist, the control tower project is funding relocation of the 39 parking positions. Proposed relocation site is to expand Echo Parking at Lake Hood. FAA is conducting the environmental process for this project.
- Lake Hood Aircraft Drive and Lakeshore Drive Repairs: No change from last report. Planned for 2023 at \$3.3 Million. No aircraft parking relocation required.
- Future Lake Hood Wheeled Parking Relocation: No change from last report. Project to relocate GA parking on west side of gravel strip to construct access road/taxiway separation planned for 2025/2026. \$22.0 Million project.
- Lake Hood Algae Control Management: Lake Hood is experiencing significant lake algae growth which is creating issues with floats and rudders. There is one contractor in state that has an Aquatic Certified Pesticide Applicator and uses environmentally approved products. In discussions with the contractor with plans to implement in summer 2023.
- Lake Hood K-Lot, LLC Hangar Development: Following public notice, another proposal was submitted for this property on the east side of the Lake Hood gravel strip. A competitive bid process is being initiated to meet Title 17 requirements. This will include a public notice of ANC proposed lease action prior to finalizing lease agreement.
- TLC Lake Hood Development – ANC initiated conversations with TLC to establish a revised development timeline, expected to be extended to December 2023. The area has substantial PFAS contamination, which must be addressed by the lease holder prior to development starting. Still in discussions with lease holder on development plans.

- Spenard Beach Park: No change from last report. Initiated discussions with the Municipality of Anchorage to update current maintenance agreement and add up to four additional floatplane parking positions to the Spenard Lake north shore.
- Lake Hood Transient Parking Fee: Implemented a transient parking fee at Lake Hood for floatplanes using the four designated transient positions at Spenard Lake. Republic Parking is managing the program. Cost changing from \$10.00 per day after 72 hours to \$10.00 per day.
- Lake Hood Federal Funding: No change from last report. Due to the fact that the last scheduled carrier has relocated from Lake Hood to ANC, annual federal entitlement funding for Lake Hood will be reduced from \$1.0 Million to \$150,000 in FY23.
- Notice to Air Missions (NOTAM) Outage: On January 11th the FAA experienced a nation-wide NOTAM failure that grounded flights for about a three-hour period. Return to service was slow and delays and cancellations continued for most of the day. Because outage started about 3:00 am AK time, there was a very small impact on ANC operations. Some delays throughout the day as NOTAM service was restored.
- ANC Runway Safety Issue: Due in part to the inexperience of new hires, ANC experienced a significant safety event on December 31, 2022. At 0730 Runway 7L/25R was closed for a planned closure. Runway closure markers (X's) were incorrectly placed at the end of Runway 07R. A FedEx aircraft on final conducted a missed approach procedure and proceeded to land on RWY 33. The individuals who placed the runway closure "X" on the wrong runway were relatively new employees, unfamiliar with the procedure. They thought they had placed the "X" on the correct runway. They were immediately removed from the airfield.

A report was filed with the Federal Aviation Administration (FAA), the individuals have been restricted from airfield driving and are being re-trained on airfield operations. Internal procedures were revised to improve safety on the airfield. Employees with low exposure to operational procedures would be escorted while on the Airport Operations Area (AOA).

- Aleutian Airways started service to Dutch Harbor on November 16th, now twice daily service.
- Northern Pacific Airways – Initial start-up pushed to mid/late summer 2023.
- NorthLink progressing with NEPA process. No change from last report. DEC conducting PFAS study of development area to determine PFAS plume area from old fire pit.
- West Side 6A Development: Lease terminated. Appealed to Commissioner. DOT supported termination. 6A has appealed to Superior Court.
- Staffing: Mission Critical Incentive Pay (MCIP) approved at 30% of base pay for heavy equipment operators, electricians, mechanics, HVAC technicians, facility maintenance construction specialists, plumbers, and IT electronics specialists. Staffing has improved in airfield maintenance with a MCIP implementation. Using lots of overtime to meet heavy snow removal challenges. Dispatch services are still split between ANC and FAI, as MCIP just recently approved for ANC. Police and Fire staffing fairly good, but Building Maintenance remains at a critical low level.
- Workforce Climate Assessment: Assessment process was completed on January 20th. Analysis started.

- Airport Vehicle Parking: Short-term, Long-term, and Employee parking have reached capacity at certain periods. Most reserved parking in the short-term parking garage has been relocated to accommodate the traveling public. Contracted out snow removal services for parking garage/lots this winter. Master Plan team is going to address long term solution, which will include options for expansion.

The following comments and questions ensued

Bob H inquired into Mission Critical Incentive pay and who has the authority to engage it. DC binder responded it is several people and all are working hard to get it through, but no one person has direct agency over it.

Disputes and lawsuits are mentioned, specifically regarding the redevelopment of the East Air Park area and lease extensions.

Changes in policies and agreements are being considered to better accommodate leaseholders and current customers.

An FAA land audit is planned for the East Air Park area to determine appropriate land use.

Public Input:

Mearle Acres from the public and online stated the following.

He was displeased with the public notice of the meeting, and it didn't tell the time or year. He is upset with Criag Campbell for not sharing contents of this presentation with the flying public in Anchorage.

He thinks it is a shame the meetings aren't public.

He is upset with the FAA's plan for the new ANC tower

Chairman Lee then thanked Mearle for his input and said public outreach is on the meeting later.

Statewide Update:

- The aviation internationals program is highly praised, with positive feedback from various departments and a focus on its effectiveness as a one-stop shop.
- The budget outlook for the rural side suggests a flat budget with no significant increases anticipated, although further negotiations and adjustments are expected.
- The governor's proposal includes an 11 million increase in funding for internationals, which is not taxpayer money, but the Internationals own money the increase is simply an authority granted.
- Revenue challenges for the state have led to the need for maintaining flight operations within the allocated budget, limiting flexibility to respond to changes in costs or unexpected revenue.

- The 11 billion increase in funding for internationals is seen as crucial to overcome limitations and ensure the program's success, including meeting regulatory requirements and addressing salary and benefits issues.
- The decision by airlines to no longer fund Sitka as an alternate destination will result in a budgetary impact of approximately 6 to 700,000 dollars, with a need to assess alternatives and manage the transition.
- The Department of Environmental Protection's finalized process and timeline for transitioning to a new fuel type is still pending, with considerations on how to dispose of the old fuel and the associated costs.
- Contaminated soil at various airports poses challenges for airport projects and private developments, potentially impacting runway projects and requiring resolution either through eligibility for federal funding or involvement in the Superfund issue.
- Efforts are underway to secure the reauthorization of a bill related to infrastructure, focusing on safety, repairs, economic vitality, resiliency, and sustainability, while eligibility for federal funding and workforce considerations are being addressed.
- The vacancy rate for operators in rural locations is significant, with some areas experiencing severe shortages, particularly in key positions, which necessitates strategic planning to ensure adequate staffing levels.
- Mechanic efficiency is also a concern, with a current fleet out of service and a need for proper maintenance and safety considerations in remote areas.
- Ongoing discussions and potential funding requests are underway to address workforce challenges and facilitate the transition process associated with infrastructure and workforce requirements.
- The impact of contaminated soil and the potential for expansion in funding eligibility and resiliency efforts are being considered.
- Specific examples of workforce and efficiency challenges are mentioned, such as a significant reduction in efficiency for mechanics and a shortage of operators in certain locations.

Adam W. brought up the states matching program which no longer exists. DC Binder elaborated that looking at bringing the program back is an option, but the hard question is how to equitably distribute match funds.

The conversation continued into Compliance regarding small operations.

- Participants mention the increasing involvement of commercial operators in the 135 category and the need for oversight in such operations.
- There is a discussion about the expectation of oversight for various types of operations, such as guided operations, operations near residential areas, or operations related to tourism.
- Different responses are mentioned regarding the existence of oversight mechanisms, ranging from positive affirmation to skepticism.

- The conversation explores the question of what happens in the event of accidents or incidents involving aircraft, such as crashes into houses or cars.
- The need for some form of oversight and safety mechanism is emphasized, considering factors like the size of the operation and the flexibility involved.
- Government inspections, insurance requirements, and the importance of a professional level of safety are discussed.
- The conversation touches on the Part 91 G8 operations and their relevance to the topic at hand.
- The issue of minimum insurance levels and the current challenges in obtaining insurance are raised.
- The cyclic nature of the insurance industry and expectations of rates coming down in the future are mentioned.
- The minimum insurance requirements for commercial purposes are discussed, specifically focusing on bodily injury or death coverage.
- The mention of unmanned systems being registered and their increasing capabilities is made, highlighting the need for addressing insurance requirements for such systems.
- The idea of involving someone from the insurance sector or the unmanned systems industry in the conversation is suggested.
- Concerns are raised about the reputation of the state of Alaska regarding regulatory actions and the impact on commercial activities.
- The importance of being "open for business" and the need for regulatory authority to support industry growth is emphasized.
- The committee's role in bringing forward points for discussion and involving operators in finding solutions is highlighted.
- The possibility of implementing a self-insured program by the state, offering minimum liability coverage for registered commercial drone operations, is proposed.
- The analogy to third-party liability coverage in aircraft insurance is drawn, emphasizing the importance of covering damages to third parties.
- The need to frame the discussion in terms of how to encourage registration of operations in the state or registering all drone operators is raised.

AAM

- There has been a significant increase in aviation for unmanned systems, with 30 to 20% average growth from last year, but there are still many drone operators who have not registered their drones.
- The lance system is mentioned as a tool used for authorizing aircraft operations, even in areas with existing assets on the ground.

- Alaska has a high per capita rate in aviation, with a 1 to 81 ratio, due to its population and the use of unmanned systems.
- The growth of large-scale aircraft operations is on the horizon, and other states like Hawaii and Utah are expected to follow.
- A lab within Dougherty has been rebranded as a one-stop-shop for remote sensing, drone technology, outreach, and field support.
- The lab aims to provide transparency, gather data, support operators in the field, and facilitate next-gen operations.
- The use of drones for avalanche mapping and monitoring in remote sites is mentioned, highlighting the potential for autonomous systems to gather data in challenging environments.
- Data gathered from various sources, including drones, FAA, and program funds, can be integrated into a GIS dashboard for real-time visualization and problem identification.
- Airports like Dead Horse are adopting digital field systems, allowing for real-time monitoring and information sharing.
- The development of advanced air mobility and the integration of traffic, remote towers, Leo over stations, and other services are being explored, aiming to create a secondary service for data distribution and backup in case of FAA service disruptions.
- The lab's role is crucial in extending, testing, implementing, and putting a stamp on technology to bring positive changes.
- The lab's funding comes from various sources, including IGF, federal projects, and marine highways, enabling support and access to technology for statewide agencies and user groups.
- The potential to purchase and test various systems and technologies, such as ADS-B, is mentioned, with the goal of sharing data with the FAA.
- The focus of the discussion is on GIS integration and addressing various questions related to it.
- An update is given on the airport resiliency study, which is part of the system plan.
- The study is in phase three and is primarily focused on conducting tests and reports related to the rural airport system.
- The team has narrowed down the scope of the study to about 30 airports in western Alaska, with a focus on identifying factors contributing to airport success or challenges.
- Consultants are exploring practices in other regions, such as Canada, with similar weather conditions to gain insights.
- The study is more engineering-focused, with a team consisting of engineers and planners.
- The goal is to provide a comprehensive update on findings and recommendations in the future.
- There is mention of the 20 to 80 program, but further details are not provided.
- Some information is shared regarding the funding and allocation of grants for airport projects.
- Mention of inflation impacting project costs and equipment procurement.
- The availability of dashboards and data visualization tools for tracking airport projects and investments.

- Possibility of setting up alerts or notifications for dashboard updates.

The board stopped for lunch, meeting was resumed 1:05

FAA Update:

- The office has increased its staff and aims to foster partnerships with the board and talented staff in planning, finance, and operational regulatory areas.
- Their priorities align with the board's, particularly regarding the upcoming FAA reauthorization and favorable initiatives that could impact eligibility and funding.
- The office mentions being liquid with entitlement funds for airports and upcoming discretionary funding, but notes that carryover from previous years by some airport sponsors may limit discretionary funding.
- They emphasize their advocacy for Alaska and their willingness to acquire unused funding from other regions to support projects.
- Construction costs have increased, affecting the number of projects that can be undertaken, but the additional resources are appreciated.
- The office has been involved in the FAA Alaska Aviation Safety Initiative (FASSI) and has collaborated with stakeholders to identify priorities and produce a roadmap.
- They mention the need for additional funding to implement the recommendations outlined in the FASSI initiative.
- The speaker discusses the challenges of funding and implementing initiatives and highlights ongoing discussions regarding exemptions and appropriations for Alaska.
- There is mention of considering the possibility of utilizing airport assets on highways and the need for specific funding mechanisms to address unique challenges in Alaska.
- The office has partnered with Alaska DOT and FAA to take over maintenance and operation of certain units, but difficult decisions must be made regarding resource allocation.
- The speaker acknowledges the pressure to prioritize different airport development needs and the struggle to balance resources and maintain usable airports.
- The funding issue is connected to the development of precision approaches and weather systems at airports, with discussions ongoing to find a balance and sustain airport operations.

Alaska Excel

- They have an aviation program and provide classes for credit recovery to supplement education for seventh to 12th graders.

- The program also focuses on social skills, especially for rural students interacting with people outside their community.
- The aviation program starts with introductory courses at 15 years old and has a 100% success rate so far.
- The program benefits students even if they don't pursue aviation careers.
- Students who excel in the aviation portion can move on to private pilot training, starting in their senior year of high school.
- The program offers real-life experience through working on the ramp and making industry connections.
- They are working on a ground handling certificate to provide entry-level job opportunities for students.
- In addition to aviation, they offer construction, heavy equipment, medical, and other career-driven programs.
- The program serves rural school districts in Alaska, partnering with 11 districts and aiming to serve around 900 students per year.
- They provide soft skills training and employability skills to help students succeed.
- The organization is exploring ideas to build a new campus in Juneau to accommodate more students.
- They are looking for support and sponsorships to expand their programs.
- The organization facilitates college, military, and job placement opportunities for seniors through the CTM pictures event.

Board Discussion

- Resolution 22-3-In support of Competitive wages
There is a discussion about a letter or resolution concerning an unspecified issue related to wages and labor.
- The issue is considered important and urgent, affecting the entire state of Alaska.
- The resolution is intended to address the issue and provide recommendations for resolution.
- There is a mention of it being postponed for further work.
- The resolution aims to support the concept and highlight the issues at hand.
- There is a focus on the labor aspect and the need for proper job descriptions and HR involvement.
- The discussion revolves around the competitiveness of wages and the need for fair compensation.

- The impact on the state budget is mentioned, emphasizing that it is difficult.
- The discussion includes comparisons between wages in different locations and job descriptions such as Bethel.
- The need for a comprehensive and long-term solution is emphasized.
- There is a mention of negotiations and the need to address the specific challenges faced by aviation.
- The unique funding structure of the international airport system is highlighted.
- The importance of sustainable solutions for both international and statewide aviation is stressed.
- The involvement of the governor and the legislature is discussed, with questions about their roles and authority.
- The need to convince the governor to include the resolution in the budget is mentioned.
- The issue of funding caps and the need for legislative approval is raised.
- The importance of considering more than just monetary aspects in addressing the issue is emphasized.
- The conversation then became focused on the International System as the lack of employees is the most urgent, and weather is should be a port authority to alleviate wage issues.
- Craig C. brought up it has been studied a few times in the past. It is a huge hurdle to overcome.

It is decided that rather than a resolution a letter to the governor shall be written

- There is a need to determine the proper governance structure and address personnel and funding issues.
- The idea of a Port Authority has been turned down in the past, possibly due to concerns about management and focus.
- There have been multiple studies highlighting structural problems in the state's airport system.
- The need for a study to evaluate the governance structure is mentioned, but funding eligibility is a concern.
- The approval of the Federal Aviation Administration (FAA) is necessary for any structural changes.
- Safety is emphasized as a key consideration, particularly in remote operations.
- Hiring speed and urgency are raised as important factors, with a focus on safety.
- The governor's letter should address safety, economic development, resiliency, and sustainability.
- The current budget and its potential impact on addressing the issues should be considered.

- The importance of reviewing the budget and its allocation before making specific requests is mentioned.
- The issues aside from just wages are discussed, such as having to abide by statewide hiring policies that sometimes fail to recognize aviation specific experience
- Fairbanks Airport is specifically mentioned as a data point for these issues.
- The letter should inform the Governor of these issues, and point the previous studies that all had similar conclusions

Legislative preparation

Chairman Lee gave direction to the board as to how and when they would meet with various legislators

Public Outreach and Communications Standards

- There was an issue with a typo in the previous OPN
- Lee recommended mimicking the style of Marine and Highway advisory boards.

Public Comment

Mearle stated he believes that state staffers are making decisions about lakehood without public input. He stated that AIAS should be an elected body of leadership.

The meeting was motioned to be adjourned by Steve and seconded by Gideon