

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Transportation/Public Facilities  
Ted Stevens Anchorage International Airport  
Budget Request Unit

## **Ted Stevens Anchorage International Airport Budget Request Unit**

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### **BRU Mission**

The mission of the Ted Stevens Anchorage International Airport (AIA) is to safely, effectively, and efficiently operate and maintain the airport in a manner consistent with Federal regulatory requirements, high service standards, sensitivity to user needs, and awareness of community goals.

### **BRU Services Provided**

- Snow removal and ice control on runways, taxiways, parking areas, and roadways.
- Repair and maintenance of all pavement areas, terminal buildings, parking garage, airport equipment, and other airport state-owned buildings.
- Provision for fire fighting, emergency medical services, and law enforcement within the airport area.
- Traffic control on arrival and departure ramps.
- Physical and policy planning.
- Property management, financial management, and marketing to maximize revenues used to fund the costs of all AIA's services.

### **BRU Goals and Strategies**

AIA is responsible for providing high quality airport facilities and services that meet the needs of the traveling public for domestic and international airlines on a 24 hour, 365 days per year basis in compliance with all applicable local, state, and federal regulations.

### **Key BRU Issues for FY2001 – 2002**

- Continuing work on twenty year Airport Master Plan.
- Promulgation of revised Title 17 airport regulations.
- Gateway Alaska and Airport Terminal Redevelopment Program.
- Alaska Railroad Airport terminal development.
- Planning for growth in cargo operations, passengers and airport infrastructure requirements and listening to community concerns.
- FAA approval of Part 150 Noise Mitigation Plan and implementation, authorization to implement Passenger Facility Charges (PFCs).
- Aircraft de-icing and Lake Hood discharge limits.
- Negotiate a new operating agreement with airlines.
- Applied for 10 year wetlands permit from the Corps of Engineers.

### **Major BRU Accomplishments for FY2000**

- Comprehensive planning and coordination enabled the construction of a new temporary check-in facility to offset the loss of the upper arrival ramp. Despite this major construction impact on airport traffic and operations, passengers were able to smoothly check-in and access the terminal. Opened new upper ramp and inbound lanes on June 17, six weeks ahead of schedule.
- Overall cargo growth for FY2000 was 12.7%.
- Delta Airlines began daily non-stop service between Anchorage and Atlanta on June 1, 2000.
- Alaska Airlines commenced daily non-stop service to Chicago.
- China Airlines increased passenger operations through Anchorage for the summer season with additional ten new flights per week between Taipei, and on to New York.

- LTU direct flights commenced three flights per week from Dusseldorf for summer months.
- JAL added summer Tokyo/Germany charters plus All Nippon Airlines added charters from Tokyo.
- Met with FAA and their technology center representatives to establish a technology program at AIA for Group VI (larger than 747 aircraft) to collect and review aircraft taxi data for taxiway design criteria.
- Partnering initiative with FAA resulted in accelerated installation of new Mark 20 instrument landing system (ILS) on runway 6L. This upgrades runway 6L to a Category I capability (and improves instrument landing minimums from 400 to 200 foot ceiling).
- Completed successful Y2K compliance program to ensure all potential Y2K problems were corrected or eliminated.
- Conducted extremely successful "Top of the World Cargo Conference" which brought together key airline and cargo personnel and marketed Anchorage.
- Re-direction of project dirt haul and disposal program resulted in dirt being used to correct Federal Aviation Regulations (FAR) 139 safety discrepancies instead of being disposed in dump area. Cost savings of approximately \$100,000.
- In-house creative design and installation of a new drainage system in the safety area of the approach end of runway 24R, corrected a major FAR 139 report discrepancy and avoided a major CIP project with a cost savings of approximately \$500,000.

## Key Performance Measures for FY2002

**Measure: The International Airports shall maintain an average pavement condition index of fair for all runways , taxiways and aprons.**

*(Revised from Legislature's FY2001 version.)*

### Current Status:

AIA operates 24 hours per day, 365 days a year. Runway closures could occur for a number of reasons such as weather (low visibility or snow), maintenance (structural or lighting), navigation aids or other factors. Last year, the Airports maintained operational capability of at least two runways at Anchorage an estimated 99% of the time.

### Benchmark:

Full airport closure is an extremely rare event. Standards are published in the Federal Aviation Administration (FAA) Advisory Circulars, Airport Certification Manual and Federal Aviation Regulations (FARs). The standard goal is to keep airports open at all times and support aircraft scheduling requirements when maintenance, construction or other conditions mandate temporary runway closures.

### Background and Strategies:

The Airport's Pavement Management System represents a method of assessing and managing the condition and maintenance of runways and other airport movement areas. It is our goal to maintain the Airport's required operational capability through effective staffing, equipment, maintenance and management practices. When planned maintenance or other actions require individual runway closures, these actions should be coordinated in advance to minimize impact on operational traffic. Weather closures are to be avoided through effective application and execution of the snow management plan.

**Measure: Reduce the number of International Airports airfield deficiencies in the next fiscal year to zero major discrepancies and less than 25 minor discrepancies.**

*(Revised from Legislature's FY2001 version.)*

### Current Status:

Historically, AIA receives approximately 50 annual discrepancies and FIA receives less than three, including numerous minor deviations from FAA standards.

### Benchmark:

There is no established standard or quantitative measure for FAA certification inspections. Both airports attempt to provide the safest, most efficient service to airlines and traveling public.

**Background and Strategies:**

The International Airports are inspected at least annually by the FAA to ensure safe and standard airfield operations and compliance with its FAR 139-certification requirements. These inspections cover a broad range of areas including Airport Rescue and Fire fighting (ARFF), safety, lighting, markings, runway incursions (interference with aircraft during takeoff and landing) and a number of other operating standards.

The Airports goal is to improve compliance with FAA's FAR 139 program. This can be achieved by the proper identification of deficiencies by maintenance, operations, and safety personnel. This information, in turn, must be detailed into a maintenance management program with all maintenance and training actions completed prior to annual inspections by the FAA.

These inspections note deficiencies for a broad range of inspection criteria and differ each year depending on FAA focus. Other areas that should be monitored are the existence of repeat discrepancies and attaining 100% correction of deficient areas that do not require a CIP project.

**Measure: Whether the department achieves a five percent annual increase in cargo landings at the international airports measured on a three-year rolling average.**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

FY 99 cargo landings remained constant over FY 98 due to the Asian economic crisis. We saw the landings bottom out and begin to increase in February 1999. FY 00 cargo landings vs. FY 99 landings showed a growth rate of 12.7%. 3 year rolling average for Anchorage showed a growth rate of 6.9%. FY 01 is on track to meet the performance measures.

**Benchmark:**

There are limited established or quantitative measures for evaluating cargo growth against other airports. Boeing World Air Cargo Forecast estimates overall growth in the air cargo industry to average 6.4% over the next 10 years.

**Background and Strategies:**

Cargo growth at Anchorage continues to track upward with the world demand for air cargo. Alaska's unique position has made AIA a key player in the international cargo industry. Anchorage has historically been a transit stop between markets generally due to lack of range of the aircraft.

As the world air cargo market continues to expand and the range of the aircraft grows, the key strategy for Anchorage remains to convert existing transit stops to value-added stops. With the advent of two more of our international carriers beginning transfer operations recently, 57% of our international carriers now provide some value-added service while on the ground, either in terms of transloading or enplaning and deplaning freight. This strategy of anchoring these airlines allows us to retain our current level of business, work to expand the services offered by our current carriers and continually attract new carriers to the ever-growing marketplace.

**Measure: Whether the department completes the Gateway Alaska Terminal Redevelopment Project by September 1, 2004.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

The Terminal Redevelopment Project intends to complete on schedule by fall of 2004. The design of the remaining renovation work in the existing building is scheduled to start this winter.

**Benchmark:**

There is no established standard or benchmark in which to compare the project against.

**Background and Strategies:**

The Gateway Alaska Terminal Redevelopment Project is dedicated to completing the project as planned.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> <li>Whether the department maintains the pavement condition index (PCI) at 70 for runways and 60 for taxiways and aprons at every applicable airport 99 percent of the time.</li> </ul>					X
<ul style="list-style-type: none"> <li>Whether the department maintains the 100 percent pass level of annual federal airport certification inspections for response and safety standards set out in federal aviation regulations.</li> </ul>					X
<ul style="list-style-type: none"> <li>Whether the department achieves a five percent annual increase in cargo landings at the international airports measured on a three-year rolling average.</li> </ul>		X			
<ul style="list-style-type: none"> <li>Whether the department completes the Gateway Alaska Terminal Redevelopment Project by September 1, 2004.</li> </ul>		X			

**Ted Stevens Anchorage International Airport  
BRU Financial Summary by Component**

*All dollars in thousands*

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b>												
None.												
<b>Non-Formula Expenditures</b>												
AIA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6,313.0	6,313.0
Administration												
AIA Facilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9,674.3	9,674.3
AIA Field & Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8,727.5	8,727.5
Maint												
AIA Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,167.6	2,167.6
AIA Safety	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5,907.3	5,907.3
<b>Totals</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>32,789.7</b>	<b>32,789.7</b>

## Ted Stevens Anchorage International Airport

### Proposed Changes in Levels of Service for FY2002

AIA has seen growth in cargo and international airplane activities and in requirements placed upon it by federal regulatory agencies. The FY02 budget request reflects increases essential to meeting the safety, maintenance, operation and environmental concerns with those additional responsibilities. Total increase requested is \$681,500 in International Airport Revenue Funds. This increase adds the following:

One Leasing Officer III for Concession monitoring for the new retail area in the South Terminal and Title 17 oversight. Contractual Services increase for Dept. of Administration Chargeback, Department of Law RSA, Consultant to help implement the Concession Master Plan. A Data Professional consultant technical support related to the PWDS/MUFIDS implementation.

One custodian to help with the south terminal bathrooms and janitorial duties

One maintenance specialist electrical journey position to maintain additional systems

One maintenance general sub-journey position for additional maintenance, repair, and painting

Contractual Services for HVAC charcoal air filter IAQ system and plumbing maintenance repairs.

Logic controllers, mechanical, pumps, extractors and other small replacement equipment

Seasonal personnel for winter snow events as well as routine snow removal activities

## Ted Stevens Anchorage International Airport

### Summary of BRU Budget Changes by Component

#### From FY2001 Authorized to FY2002 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Adjustments which get you to start of year:</b>				
-AIA Administration	0.0	0.0	46.5	46.5
<b>Adjustments which will continue current level of service:</b>				
-AIA Administration	0.0	0.0	-484.1	-484.1
-AIA Facilities	0.0	0.0	149.0	149.0
-AIA Field & Equipment Maint	0.0	0.0	55.5	55.5
-AIA Operations	0.0	0.0	95.9	95.9
-AIA Safety	0.0	0.0	5.8	5.8
<b>Proposed budget increases:</b>				
-AIA Administration	0.0	0.0	306.6	306.6
-AIA Facilities	0.0	0.0	309.0	309.0
-AIA Field & Equipment Maint	0.0	0.0	88.0	88.0
<b>FY2002 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>32,789.7</b>	<b>32,789.7</b>