

**State of Alaska  
FY2003 Governor's Operating Budget**

**Department of Transportation/Public Facilities  
Fairbanks International Airport  
Budget Request Unit Budget Summary**

## Fairbanks International Airport Budget Request Unit

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### BRU Mission

The mission of the Fairbanks International Airport (FIA) is to provide to Fairbanks and Interior Alaska a safe, efficient, convenient, and economical aviation facility to meet the needs of both the traveling public and the aviation industry in a manner consistent with Federal and State Regulatory requirements.

### BRU Services Provided

See components

### BRU Goals and Strategies

Work toward financial self-sufficiency

Increase operational efficiency

- Exercise prudent management practices and necessary fiscal constraints
- Maximize the life and use of existing facilities and equipment
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Provide a safe airport environment for both air and ground operations

Become a model facility demonstrating environmentally sound practices

- Plan for future needs.

### Key BRU Issues for FY2002 – 2003

- The Operating Agreement that establishes and defines the financial relationship between the airport and air carriers expired June 30, 2000. New agreements were executed with major air carriers at both international airports effective July 1, 2001. The agreement sets the methodology for calculating terminal rental rates, landing, docking fees, and other charges.
- Work continues on an update to FIA's master plan and noise study. Master plans define goals and objectives for the airport, forecast passenger and operations growth, assess future fleet mixes, and outline alternatives to meet that future growth. However, the recent and dramatic changes to airport security requirements will have great impact on long range planning and design. Consultants are gathering new information that will be incorporated into significantly revised master plan alternatives.
- Construction has begun on the long-awaited maintenance facility, and we expect to occupy the building before the end of FY02.
- Widening and lengthening the general aviation runway 1R/19L and relocating the winter ski strip should see construction completed by fall of 2002. The new runway is expected to eliminate thousands of crossings of the main air carrier runway 1L/19R by smaller commuter aircraft, thereby eliminating a two-mile round trip taxi, increasing safety by reducing the opportunity for runway incursions, and freeing the main air carrier runway for more use by larger air carriers. The float pond will expand to connect to a gravel pit excavated in support of several other projects in recent years, including shaping the shoreline and tiedown areas, building access roads, taxilanes, and a new floatplane ramp.

### Major BRU Accomplishments in 2001

See individual components.

## Key Performance Measures for FY2003

### Measure:

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  
Sec 150(b)(4) Ch 90 SLA 2001(hb250)

### Alaska's Target & Progress:

Historically, FIA receives less than three noted discrepancies during the annual airport certification inspection. These inspections note deficiencies for a broad range of inspection criteria that differ each year depending on FAA focus. During the 2000 certification inspection, no actual discrepancies were noted. The Certification Inspector did recommend five areas for review including, for example, the driver's training program, updating the non-standard signage on the general aviation side of the airport, and revising the certification manual to include the bird management program. Changes have been made, and the update to the manual is in progress. FIA does not expect that these topics will need to be addressed again in the 2001 inspection.

### Benchmark Comparisons:

There are no established standards or quantitative measures for evaluating FAA certification inspections.

### Background and Strategies:

Both airports attempt to provide the safest, most efficient service to airlines and the traveling public. 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 other operating standards.

The Airports' goal is to continually improve compliance with FAA's FAR 139 program. This can be achieved by the proper identification of deficiencies by maintenance, operations, and safety personnel. Any instances of repeat discrepancies require special attention and it is our goal to attain 100% correction of deficient areas that do not require a CIP project.

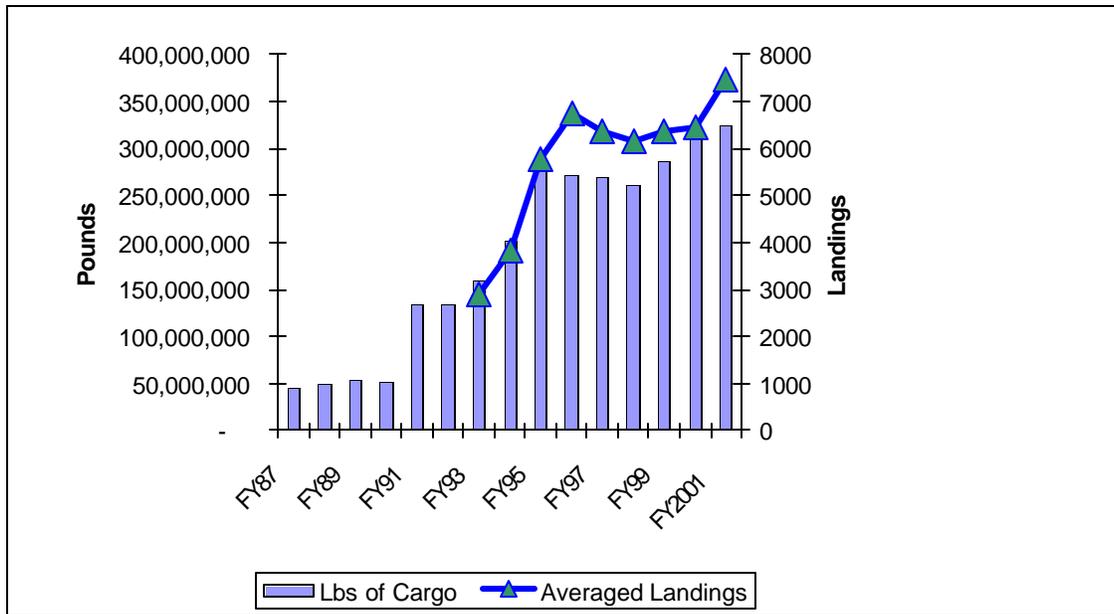
### Measure:

The annual increase or decrease, expressed as a percentage, in cargo landings at the international airports measured on a three-year rolling average.  
Sec 150(b)(5) Ch 90 SLA 2001(HB250)

### Alaska's Target & Progress:

Cargo landings have been tracked since FY93. Over these years, Fairbanks International Airport has achieved a three-year rolling average of about 12% annual growth, due mostly to large jumps in the early years. For the last four years growth has averaged around 2%. At the same time, however, growth in pounds of cargo throughput has increased about 5% per year.

In FY2001 international cargo landing fees accounted for half of total landing fees collected at FIA. International routes can be very volatile and are subject to changing economic and political conditions worldwide. For example, Air France added four more flights per week for October, 2001 because of conditions in Tashkent, Uzbekistan. We were also informed that Lufthansa might route more flights here depending upon the situation in the Middle East.



**Benchmark Comparisons:**

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. The International Air Transport Association, which originally projected slightly lower growth rates, is updating their five-year projections in light of the September 11 attacks.

**Background and Strategies:**

The international airports have some strategic advantages as an international cargo stop over based simply on geographic location. However, air carriers make decisions on such stops based on a number of reasons, some of which are within the airport's control, and others that are not. The high level of international cargo activity at both the Anchorage and Fairbanks International Airports results in a fairly low landing fee by industry standards. However a reliable source of reasonably priced fuel is an equally important factor. Fortunately, that condition also exists at both Anchorage and Fairbanks and continues to attract and retain international cargo activity.

The Fairbanks business community continues to vigorously support FIA in its efforts to attract and keep cargo carriers because these operations have a considerable positive economic impact on the community.

**Fairbanks International Airport  
BRU Financial Summary by Component**

*All dollars in thousands*

|  | FY2001 Actuals |               |                |                | FY2002 Authorized |               |                 |                 | FY2003 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><u>Formula Expenditures</u></b>     | None.          |               |                |                |                   |               |                 |                 |                 |               |                 |                 |
| <b><u>Non-Formula Expenditures</u></b> |                |               |                |                |                   |               |                 |                 |                 |               |                 |                 |
| FIA Administration                     | 0.0            | 0.0           | 1,457.1        | 1,457.1        | 0.0               | 0.0           | 1,561.2         | 1,561.2         | 0.0             | 0.0           | 1,630.3         | 1,630.3         |
| FIA Facilities                         | 0.0            | 0.0           | 2,218.0        | 2,218.0        | 0.0               | 0.0           | 2,287.2         | 2,287.2         | 0.0             | 0.0           | 2,516.5         | 2,516.5         |
| FIA Field & Equipment Maint            | 0.0            | 0.0           | 2,558.5        | 2,558.5        | 0.0               | 0.0           | 2,822.3         | 2,822.3         | 0.0             | 0.0           | 2,942.3         | 2,942.3         |
| FIA Operations                         | 0.0            | 0.0           | 1,022.3        | 1,022.3        | 0.0               | 0.0           | 1,145.4         | 1,145.4         | 0.0             | 0.0           | 1,173.8         | 1,173.8         |
| FIA Safety                             | 0.0            | 0.0           | 2,324.5        | 2,324.5        | 0.0               | 0.0           | 2,386.7         | 2,386.7         | 0.0             | 0.0           | 2,469.6         | 2,469.6         |
| <b>Totals</b>                          | <b>0.0</b>     | <b>0.0</b>    | <b>9,580.4</b> | <b>9,580.4</b> | <b>0.0</b>        | <b>0.0</b>    | <b>10,202.8</b> | <b>10,202.8</b> | <b>0.0</b>      | <b>0.0</b>    | <b>10,732.5</b> | <b>10,732.5</b> |

**Fairbanks International Airport  
Proposed Changes in Levels of Service for FY2003**

See components

**Fairbanks International Airport  
Summary of BRU Budget Changes by Component  
From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>0.0</b>           | <b>0.0</b>           | <b>10,202.8</b>    | <b>10,202.8</b>    |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -FIA Administration  | 0.0                  | 0.0                  | 69.1               | 69.1               |
| -FIA Facilities  | 0.0                  | 0.0                  | 33.8               | 33.8               |
| -FIA Field & Equipment Maint                                     | 0.0                  | 0.0                  | 84.7               | 84.7               |
| -FIA Operations  | 0.0                  | 0.0                  | 28.4               | 28.4               |
| -FIA Safety  | 0.0                  | 0.0                  | 74.7               | 74.7               |
| <b>Proposed budget increases:</b>                                |                      |                      |                    |                    |
| -FIA Facilities  | 0.0                  | 0.0                  | 195.5              | 195.5              |
| -FIA Field & Equipment Maint                                     | 0.0                  | 0.0                  | 35.3               | 35.3               |
| -FIA Safety  | 0.0                  | 0.0                  | 8.2                | 8.2                |
| <b>FY2003 Governor</b>   | <b>0.0</b>           | <b>0.0</b>           | <b>10,732.5</b>    | <b>10,732.5</b>    |