

**State of Alaska  
FY2004 Governor's Operating Budget**

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

## Fairbanks International Airport Budget Request Unit

**Contact: Jim Fiorenzi, Assistant Airport Manager**

**Tel:** (907) 474-2507 **Fax:** (907) 474-2513 **E-mail:** jim\_fiorenzif@dot.state.ak.us

### BRU Mission

The mission of the Fairbanks International Airport (FAI) 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
- Aggressively market FAI as the gateway to unusual attractions such as winter aurora borealis viewing, and the commercial advantages of FAI as an aircraft cold weather test facility
- Provide a safe airport environment for both air and ground operations
- Become a model facility demonstrating environmentally sound practices and employee safety.
- Meet all federal security requirements with the least disruption and inconvenience to the traveling public.
- Plan for future needs.

### Key BRU Issues for FY2003 – 2004

- Post-September 11 security requirements include the accommodation of new TSA and Customs inspection staff and equipment. This will significantly affect terminal operations from space lost that was originally designed and currently used for passenger hold areas, and for office space designed to accommodate air carriers.
- Eight new positions were approved for the Safety and Operations components in response to increased security requirements, with the expectation that federal funds would absorb the costs. At the present time there is little prospect that the federal government will approve such funds for the current year, much less for future years. Nevertheless, the staffing requirement remains.
- Work continues on an update to FAI'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. A preferred alternative has been selected and we expect the plan to be completed and published in the near future. Given the age of the current terminal building, significant decisions will need to be made regarding its future.

### Major BRU Accomplishments in 2002

- FAI responded quickly to national security requirements imposed on commercial airports last year. Staff negotiated and worked with the Transportation Security Administration (TSA) and various consultants to redesign the screening point, plan for the addition of twelve Explosive Detection Devices (EDD) in front of passenger ticket counters, and accommodate as many as ninety new TSA employees in the Terminal. The EDD equipment was installed in the fall of FY 03. Airport Safety Officers have been stationed at the screening point about twenty hours every day since April 2002.
- New security requirements resulted in closing the short-term public parking lot, which is within 300 feet of the Terminal. A portable guard shack was built, and after negotiations with the TSA to reopen short term parking, a supplemental agreement was entered into with Republic/Aurora Parking. Under this agreement Republic/Aurora provides vehicle inspections for the short-term lot whenever required by national security levels.

- Widening and lengthening the general aviation runway 1R/19L and relocating the winter ski strip is complete, including expanding the float pond to include about fifty new slips and a floatplane ramp. The new runway will eliminate thousands of crossings of the main air carrier runway 1L/19R by smaller commuter aircraft, eliminate a two-mile round trip taxi, increase safety, and free the main air carrier runway for increased use by large aircraft. This project demonstrated its utility in October 2002 when a mid-size aircraft's landing gear collapsed midway down the large air carrier runway. Other aircraft of similar size were seamlessly diverted to the 6,500 foot runway for the hour and a half that the main runway was closed.
- For the second consecutive year, FAI welcomed Condor German Airlines' non-stop summer service to Hamburg, Germany.

### Key Performance Measures for FY2004

**Measure:**

**The percentage of change in cargo landings at certified maximum gross take-off weight (CMGTW) at the international airports during the last three years**

Sec 150(b)(5) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

The table below displays cargo landings for Fairbanks International Airport and the percentage change from one year to the next, and the CMGTW of landed aircraft and change. The large jump in FY01 landings was due to a correction of under-reporting by a small cargo carrier; in fact, landings have remained steady. At the same time, however, the CMGTW of landed aircraft increased as shown in the far right column, and landing fees paid to the Airport are based upon this weight. In other words, over the period shown larger aircraft represent a greater proportion of cargo landings.

	Cargo Landings	Year-to-Year Change	Cargo Landings CMGTW	Year-to-Year Change
FY00	6,485	0.6%	1,320,422	4.5%
FY01	8,444	30.2%	1,440,600	9.1%
FY02	8,376	-0.8%	1,514,286	5.1%

**Benchmark Comparisons:**

For CY2000, the Federal Aviation Administration ranked FAI 30<sup>th</sup> for qualifying cargo airports total gross landed weight. There are limited established or quantitative measures for evaluating cargo growth against other airports. From the Boeing World Air Cargo Forecast:

Long-term air cargo growth is expected to average 6.4% per year. Growth in markets linked to Asia will continue to lead the rest of the industry at rates exceeding the world average. The Intra-Asian freight market will grow fastest among all world markets and is expected to display growth of nearly 8.6% per year. Asian markets will account for more than 50% of the world market by 2019.

**Background and Strategies:**

The international airports have some strategic advantages as an international cargo stopover based simply on geographic location. Air carriers make decisions on such stops based on a number of reasons, some of which are within airport control, and others that are not. The high level of international cargo activity at both 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 Airport's marketing division works hand-in-hand with the Fairbanks business community to attract and keep cargo

carriers because these operations have a considerable positive economic impact.

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

*All dollars in thousands*

	FY2002 Actuals				FY2003 Authorized				FY2004 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	13.2	1,544.4	1,557.6	0.0	0.0	0.0	0.0	0.0	0.0	1,640.8	1,640.8
FIA Facilities	0.0	0.0	2,276.1	2,276.1	0.0	0.0	0.0	0.0	0.0	0.0	2,392.6	2,392.6
FIA Field & Equipment Maint	0.0	0.0	2,688.6	2,688.6	0.0	0.0	0.0	0.0	0.0	0.0	3,067.6	3,067.6
FIA Operations	0.0	0.0	1,198.4	1,198.4	0.0	0.0	0.0	0.0	0.0	0.0	1,499.8	1,499.8
FIA Safety	0.0	155.9	2,536.5	2,692.4	0.0	0.0	0.0	0.0	0.0	293.7	2,954.8	3,248.5
<b>Totals</b>	<b>0.0</b>	<b>169.1</b>	<b>10,244.0</b>	<b>10,413.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>293.7</b>	<b>11,555.6</b>	<b>11,849.3</b>

**Fairbanks International Airport  
Proposed Changes in Levels of Service for FY2004**

No service changes.

**Fairbanks International Airport  
Summary of BRU Budget Changes by Component  
From FY2003 Authorized to FY2004 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Adjustments which will continue current level of service:</b>				
-FIA Administration	0.0	0.0	10.5	10.5
-FIA Field & Equipment Maint	0.0	0.0	1.4	1.4
-FIA Operations	0.0	-313.6	326.0	12.4
-FIA Safety	0.0	-460.0	460.7	0.7
<b>FY2004 Governor</b>	<b>0.0</b>	<b>293.7</b>	<b>11,555.6</b>	<b>11,849.3</b>