

**State of Alaska
FY2016 Governor Amended Operating
Budget**

**Department of Transportation/Public Facilities
International Airports
Results Delivery Unit Budget Summary**

International Airports Results Delivery Unit

Contribution to Department's Mission

The mission of the International Airports RDU is to “Keep Alaska Flying and Thriving” by the safe, effective and efficient operation and maintenance of Ted Stevens Anchorage International Airport (ANC) and Fairbanks International Airport (FAI) in a manner consistent with good business practices, federal regulatory requirements, high customer service standards, sensitivity to user needs, and awareness of community goals.

Core Services

- Plan, design, and construct airport infrastructure.
- Plan, organize, direct and control airport functions.
- Develop and implement strategic management plans and airport operating and capital budgets.
- Implement effective and appropriate internal controls and policies
- Promote and support all levels of airport training and education.
- Maintain compliance with federal and state regulations.
- Negotiate and administer airline operating agreements, leases and other agreements.
- Manage airport lands, facilities, and buildings.
- Provide uniform rate and fee structures for airport facilities and services as required under federal grant assurances.
- Promote Alaska International Airports System (AIAS) in domestic and international markets.
- Facilitate advancements in aviation safety.

Major RDU Accomplishments in 2014

- Completed the AIAS Planning Study and Forecast Report which is the basis for Master Plan projects at both airports.
- Completed the AIAS Strategic Business Plan and the AIAS Economic Development study to help guide current and future business retention and expansion efforts.
- Identified metrics to measure improvements to operational effectiveness in the areas of cost, revenue, operations, communications, and employee development.
- Increased the usage of the Common Use Passenger Processing Systems, which allows gates to be used by any airline.
- AIAS business development; updated marketing plans with new database of customer information.
- 24-hour availability of both airports with no interruption to service.
- Improved airport access for largest category of aircraft (design group VI).
- Completed ANC and FAI Master Plans

Key RDU Challenges

- Cargo aircraft traffic continues on a slow decline resulting in increases in landing fees – long term this could constrain activity levels causing a pattern of decreased revenues.
- Re-development and leasing of Kulis property to provide a source of revenue to offset property maintenance.
- ANC terminal costs are greater than revenue generated; causing a negative balance that will need to be addressed.
- Improving communication on information technology components of non-airport owned projects for smoother transition from development to production.
- Upgrading network infrastructure to keep pace with advances in aircraft wireless, tenant and airline business needs and while maintaining continuity between businesses and AIAS.
- Using a new, more expensive pavement de-icing chemical as required by the Environmental Protection Agency.
- Continued improvements and upgrades to airport infrastructure to accommodate increased number of large aircraft, such as B747-8.
- Supporting continually expanding training requirements levied by federal agencies, especially Transportation Security Administration and FAA under Part 139.

Significant Changes in Results to be Delivered in FY2016

No significant changes are anticipated.

Contact Information
<p>Contact: John Binder, Deputy Commissioner Phone: (907) 269-0730 Fax: (907) 269-0489 E-mail: john.binder@alaska.gov</p>

**International Airports
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2014 Actuals				FY2015 Management Plan				FY2016 Governor Amended			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
International	0.0	1,164.3	0.0	1,164.3	0.0	2,205.2	0.0	2,205.2	0.0	2,220.2	0.0	2,220.2
Airport Systems												
AIA Administration	0.0	8,208.8	0.0	8,208.8	0.0	7,996.9	0.0	7,996.9	0.0	7,229.5	0.0	7,229.5
AIA Facilities	0.0	20,891.7	0.0	20,891.7	0.0	21,963.8	0.0	21,963.8	0.0	22,831.8	0.0	22,831.8
AIA Field & Equipment Maint	0.0	17,682.8	0.0	17,682.8	0.0	17,739.6	0.0	17,739.6	0.0	18,335.3	0.0	18,335.3
AIA Operations	0.0	5,123.8	0.0	5,123.8	0.0	5,819.1	0.0	5,819.1	0.0	5,911.1	0.0	5,911.1
AIA Safety	0.0	8,855.5	521.1	9,376.6	0.0	9,603.5	1,270.5	10,874.0	0.0	10,186.6	573.1	10,759.7
FIA Administration	0.0	2,008.9	0.0	2,008.9	0.0	2,322.0	0.0	2,322.0	0.0	2,183.5	0.0	2,183.5
FIA Facilities	0.0	3,719.6	0.0	3,719.6	0.0	4,220.5	0.0	4,220.5	0.0	4,220.5	0.0	4,220.5
FIA Field & Equipment Maint	0.0	4,383.1	0.0	4,383.1	0.0	4,179.0	0.0	4,179.0	0.0	4,432.1	0.0	4,432.1
FIA Operations	0.0	976.3	0.0	976.3	0.0	995.0	0.0	995.0	0.0	1,014.5	0.0	1,014.5
FIA Safety	0.0	4,251.9	160.8	4,412.7	0.0	4,024.8	325.6	4,350.4	0.0	4,063.3	201.3	4,264.6
Totals	0.0	77,266.7	681.9	77,948.6	0.0	81,069.4	1,596.1	82,665.5	0.0	82,628.4	774.4	83,402.8

International Airports
Summary of RDU Budget Changes by Component
From FY2015 Management Plan to FY2016 Governor Amended

All dollars shown in thousands

	<u>Unrestricted</u> <u>Gen (UGF)</u>	<u>Designated</u> <u>Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal</u> <u>Funds</u>	<u>Total Funds</u>
FY2015 Management Plan	0.0	0.0	81,069.4	1,596.1	82,665.5
Adjustments which continue current level of service:					
-International Airport Systems	0.0	0.0	15.0	0.0	15.0
-AIA Administration	0.0	0.0	-1,040.2	0.0	-1,040.2
-AIA Facilities	0.0	0.0	16.0	0.0	16.0
-AIA Field & Equipment Maint	0.0	0.0	10.9	0.0	10.9
-AIA Operations	0.0	0.0	36.6	0.0	36.6
-AIA Safety	0.0	0.0	583.1	-497.4	85.7
-FIA Administration	0.0	0.0	-138.5	0.0	-138.5
-FIA Field & Equipment Maint	0.0	0.0	3.1	0.0	3.1
-FIA Operations	0.0	0.0	19.5	0.0	19.5
-FIA Safety	0.0	0.0	38.5	1.3	39.8
Proposed budget increases:					
-AIA Administration	0.0	0.0	272.8	0.0	272.8
-AIA Facilities	0.0	0.0	852.0	0.0	852.0
-AIA Field & Equipment Maint	0.0	0.0	584.8	0.0	584.8
-AIA Operations	0.0	0.0	55.4	0.0	55.4
-FIA Field & Equipment Maint	0.0	0.0	250.0	0.0	250.0
Proposed budget decreases:					
-AIA Safety	0.0	0.0	0.0	-200.0	-200.0
-FIA Safety	0.0	0.0	0.0	-125.6	-125.6
FY2016 Governor Amended	0.0	0.0	82,628.4	774.4	83,402.8