

Aviation Advisory Board

Meeting Summary

October 8 & 9, 2008 in Ketchikan, Alaska

Meeting called to order by Chairman, Lee Ryan in the Ketchikan Chamber Office at 111 Stedman Street, Suite 201 at 2:37pm.

Roll call present: Lee Ryan, Mike Salazar, Ken Lythgoe, Bob Jacobsen, Al Orot, Wilbur O'Brien, Tom George. Jim Dodson on teleconference. Board Members Not in attendance: Dan Klaes, Jack Barber.

Others in attendance: Mike Carney, Tom Middendorf, Pat Burden, Frank Richards, Mary Siroky, Christine Klein, Becky Iles, Becky Cronkhite, Jeff Stark, Steve Pavish.

Lee Ryan opened the meeting by reading though sections 2 of the Board Charter, paragraphs a – h. Lee expressed a desire for the Board to develop a mission statement to focus the members. Bob Jacobson moved to approve, Ken Lythgoe seconded. Unanimous approval.

- Board to develop mission statement.
- Board Tabled approval of minutes as they were not in the packet.

Pat Burden, Northern Economics, presented the Alaska Aviation System Plan progress on the Economic Impact Study. Tom George requested a list of the 82 airports and the telephone survey. Other suggestions were to email questions to the Board, add a question about other modes of travel, add health group travel, pull ANC and FAI out of rural airport information and present separately. Consultant will review suggestions and adapt where possible while still meeting their contract deadline to have materials ready by January.

Jeff Stark Attorney General's Office briefed the board prior to the Title 17 update. This is not a public meeting for the purpose of the Title 17 Rural Leasing Regulations process and therefore members wishing to comment on the regulations should attend the Title 17 Public Meeting at 6pm that evening in Ketchikan. Becky Iles, Acting Chief of Statewide Leasing distributed a packet of information and reviewed the handouts that would be available at the public meetings. It was clarified that the public process gathers comments and no decisions will be made until after the process is complete.

Becky Cronkhite reviewed the US Postal Hub Process to date, provided copies of the last USPS presentation and restated the State's position that postal hubs should not be designated unless the runway, taxiways and ramp are suitable. The Alaska ASP will be working to define the needs and make recommendations. Joy Journey and the Alaska Air Carriers are helping by providing representatives of

the different carriers affected. The Alaska ASP Postal Hub work group will meet on October 28th in Anchorage at the DOWL offices. The Board agreed that this issue as well as other ASP technical working group issues critical to the future of aviation and they would like to be kept updated on the progress, upcoming technical meetings, and any decisions or recommendations of the workgroup so that they may attend if available.

- Statewide Aviation (SWA) staff will copy the Board on ASP related technical meetings and updates so that they may attend if interested and available.

Deputy Commissioner Christine Klein distributed the AAAE white paper Energy / Air Service Task force Report. Christine reported that she had worked on the development of this paper along with other aviation industry leaders and the report has a great deal of information and policy issues for the board to be aware of from both a national and regional perspective in educating the public on aviation.

Meeting Adjourned at 5:45pm to allow board members to attend the Title 17 Public Meeting.

Thursday October 9, 2008

Meeting called to order at 9:00am on October 9th by Chair Lee Ryan.

Roll call present: Lee Ryan, Mike Salazar, Ken Lythgoe, Bob Jacobsen, Al Orot, Wilbur O'Brien, Tom George. Jim Dodson on teleconference. Board Members Not in attendance: Dan Klaes, Jack Barber.

Others in attendance: Mike Carney, Christine Klein, Becky Cronkhite, Judith Cummings, Steve Pavish.

Discussion of energy policy paper distributed by Deputy Commissioner Klein continued. Chairman Lee Ryan requested the Board also review the DRAFT board letter on a proposed energy relief plan. Tom George reported that he met with Randy Ruaro in the Governor's office and he suggested that the Board comments be directed to Steve Haggenson, Executive Director Alaska Energy Authority. Mr. George reported that he had followed up and spoken to Steve Haggenson and that Mr. Haggenson had not thought of aviation specifically. **After a lengthy discussion it was agreed that Christine would put together a fact sheet and distribute it to the Board.

- SWA will produce and distribute a fact sheet of cost impacts of fuel on aviation.

Mary Siroky, Special Assistant / Legislative Liaison gave the Board a presentation on the Alaska Legislative Process; how a bill is developed, many steps and approvals that can occur, legislative committee activities and actions, and the process of approvals that a bill must go through along the way

to passage; and how to read a BASIS Bill History on-line to keep track of the progress of a bill. Mary expressed her willingness to work with the Board and stated that the primary goal of the Department is to provide a coordinated message.

Deputy Commissioner, Frank Richards P.E. gave a presentation on the DOT&PF budget and discussed the FY10 highway and aviation budget issues and priorities. Frank stated that the goal is for DOT&PF to put forward the needs of the system and the legislature will prioritize. The Board requested a complete list of all deferred airport maintenance projects and any projects or trend lines that might be available. **Frank will have Mike Coffey provide the list to Christine.

- Board is to be provided a list of all airport deferred maintenance projects.

Chairman Lee Ryan, on behalf of the entire Board, thanked both Frank and Mary for taking time from their busy schedules to provide briefings, information and discussion with the Board.

Tom Middendorf, DOWL Engineers, provided the board with an update on the Alaska Aviation System Plan and the status of upcoming technical work group committee meetings. (The economic impact study briefed on the previous day is also part of the Alaska ASP.)

Lunch Break

Meeting resumed at 1:30pm

Steve Pavish, Northern Horizons presented an update on another task under the Alaska ASP which is the Statewide Aviation Assessment. Steve explained the process of comparing the structure and function in Alaska to other states and producing a report that will outline the differences and possible improvement strategies that may be options for the state to consider for Statewide Aviation.

Christine updated the Board on the status of the Alaska International Airport System (AIAS) operating agreement negotiations. The AIAS goal is to keep rates and fees flat, however this will be very difficult under the current economic situation causing decreases in traffic but the AIAS team continues to work at reductions and other ways to ensure efficiency. All of the Operating Agreement main negotiating points have been completed and a contract has been drafted and is under review by staff and legal prior to distribution to the signatory airlines

Christine briefed the Board on the history of the Alaska International Airport System established in 1961 and how the system was designed and intended to work, as well as how other similar airport systems work in other states in the country to maximize their competitiveness. The role of the AIAS Executive Director was reviewed and the need for a stable, professional executive rather than a strictly political appointee was discussed. Discussion continued, and at an undetermined point in the conversation Mr. Dodson disconnected and did not call back in. Christine provided an overview of the AIAS Executive Director recruitment and selection process, and requested the board's assistance in reviewing

applications and shortlisting of viable candidates to forward to the interview and selection committee.

Judith Cummings of The Growth Company has been contracted by the State to assist in the search for an AIAS Executive Director. Judith was introduced to the board and gave a status report on what the position recruiting process steps and general responses had been. She reported that a search for this level executive position is generally a long process and it is not uncommon to do several searches to find the right match. She mentioned that this particular search has been greatly complicated by the fact that the State pay structure does not allow for a salary that is competitive in the national market.

Judith reported that 59 applications were received, of those, 20 did not meet basic qualifications. The remaining 39 applicant were sent detailed questionnaires to assist in determining if they had the minimum and desired qualifications. Only 19 questionnaires were returned. Judith discussed the process that would be utilized as the Board is reviewing personal information, and how it would be necessary to maintain confidentiality, and review the applications in Executive Session.

The Board will meet later in the evening in Executive Session where they will discuss the details of the applicants and forward their recommendations to the Interview and Hiring Committee.

The final discussion item was the Aviation Advisory Board member open positions that need to be filled. The board discussed several possible candidates and agreed that the Governor would not likely make an appointment until after the November elections. The group discussed the need for active and engaged members who will support and advocate for airports and aviation. Christine mentioned that several names had been verbally passed along to her; however, it is important that the individuals who are interested in serving on the board need to make an effort to apply if they are sincerely interested—and to do that requires sending in their letter of interest and resume directly to the boards and commissions office. There is an application form on-line and **Becky will forward a link to the Board members.

- SWA will forward the link to the boards and commissions contact to the board members.

Board moved to adjourn and moved into Executive Session for the purposes of discussing personnel matters.

Meeting adjourned. After the Executive Session the Board agreed to forward the top 8 applicants for the AIAS Executive Director position to the Interviewing and Hiring Committee . This short list would be for interviews to further shortlist potential candidates. The Board members will also provide their individual rankings to Christine for the top 8 applicants for additional assistance and further consideration for the in-person interviewing by the Hiring Committee.

End of Report.