

17 AAC Ch45 Rates & Fees Regulations

INQUIRY: Is there an actual schedule for how much the rural airport fees would increase under the proposal released today?

RESPONSE: Individual fee increases are detailed in the proposed regulations.

INQUIRY: I assume airports not listed are not impacted by these changes?

RESPONSE: Airports not specifically named fall under the rate schedules that are determined by airport type. These rate schedules have been printed in the Alaska Administrative Code Title 17, Chapter 45 since 2002.

INQUIRY: Can you provide a map showing the location and extent of the land that is affected under 17 AAC 45.127(a)(1)?

RESPONSE: The proposed rates and fees are applicable to all airport property in the 240 airports in the statewide rural airport system.

INQUIRY: Who collects the fees?

RESPONSE: Maintenance and Operations staff collect fees from the iron rangers for transient tie-downs and access cards. Statewide Aviation Leasing collects all other fees.

INQUIRY: What is the definition of unauthorized parking at a rural airport?

RESPONSE: Parking of a vehicle or aircraft in an area not designated for parking, or parking of a vehicle or aircraft left longer than signed/ permitted time limit.

INQUIRY: What is the effect of “impound and storage” at a rural airport?

RESPONSE: The effect of impound and storage is that personal property is removed from its unauthorized location and stored on state property until the owner pays the fees and removes their property.

INQUIRY: What is the definition of “special event” at a rural airport?

RESPONSE: Special Event is defined under 17 AAC 45.990 (94)

INQUIRY: What is the definition of “transient aircraft parking” at a rural airport?

RESPONSE: Transient Aircraft is defined under 17 AAC 45.990(102) and Transient Aircraft Fee Parking is defined under 17 AAC 45.990(103).

INQUIRY: What is considered “violation of transient aircraft parking” at a rural airport?

RESPONSE: It would be a transient aircraft as defined by 17 AAC 45.990(102), in violation of 17 AAC 45.115 *Unauthorized parking and impound*.

INQUIRY: In 17 AAC 45.115.(e)(1) what does “regardless of whether transient aircraft parking fees otherwise apply at the airport or parking location” mean in the context of rural airports?

RESPONSE: Many rural airports have a transient tie-down program with associated fees and other airports do not. You can find the list at <http://dot.alaska.gov/stwdav/tiedown.shtml>.

INQUIRY: In 17 AAC 45.115(e)(2) what is the implication at a rural airport?

RESPONSE: Fees will be increased for impounded vehicles or other personal property.

INQUIRY: In line item (6) of the Notice, what rural airport land is subject to rental fees? How is it identified on the ground by the user? Where is it identified on a map which will allow the user to identify the location on the ground? Where does the user obtain the map?

RESPONSE: All land at every airport in the statewide rural airport system is subject to rates and fees charges. Contact information for Statewide Leasing staff is located here:

<http://dot.alaska.gov/stwdav/staff.shtml>

INQUIRY: What is the definition of “boundary crossing” at a rural airport? How does the user identify the boundary on the ground or in some other manner at a rural airport?

RESPONSE: Boundary Crossings are explained in 17 AAC 45.174. Users should access the airport from designated state owned or state maintained airport infrastructure, including roads. The airport boundary would be of significance to users who wish to access the airport directly from private property. Adjacent property owners should call Statewide Aviation Leasing

<http://dot.alaska.gov/stwdav/staff.shtml> to submit an application for an airport boundary crossing.

INQUIRY: In 17 AAC 45.127(j), how does one determine if agricultural use is permitted at a rural airport?

RESPONSE: Contact Statewide Aviation Leasing <http://dot.alaska.gov/stwdav/staff.shtml> to submit an application.

INQUIRY: For 17 AAC 45.127(l), please provide a specific example of where these charges will be incurred that the Pedro Bay airport (4KO).

RESPONSE: This regulation is applicable to boundary crossing permit fees at any airport in the statewide rural airport system.

INQUIRY: Does 17 AAC 45.127(o) apply to fuel flown-in to 4KO if the fuel is used off-airport?

RESPONSE: 17 AAC 45.127(o)(2) and 17 AAC 45.127(o)(3) state that fuel onboard an aircraft as cargo and fuel off-loaded for use off airport is not subject to fuel flowage fees.

INQUIRY: What is the justification for a five-fold increase for application for a new lease, concession or other interest?

RESPONSE: Over the past 53 years, the land agreement application rate has only increased \$90.00, which is not commensurate with the expenses incurred by DOT&PF to process applications. The proposed rates are reflective of DOT&PF’s costs as well as rates charged by other government and quasi-government agencies performing similar services. The initial land use application is generally a one-time fee of \$500 and renewal applications are \$250.00.

INQUIRY: What is the definition of “other interest”; please provide an example?

RESPONSE: In the case of 17 AAC 45.200, other interest is a right, claim or privilege in real property.

INQUIRY: What is an “assignment processing” fee? What is the justification for a nearly four-fold increase?

RESPONSE: The fee associated with processing an assignment application. The proposed rates are closer to (but remain considerably less than) DOT&PF’s costs and are reflective of other government and quasi-government agencies performing similar services.

INQUIRY: What is a “security assignment processing” fee? What is the justification for a nine-fold increase?

RESPONSE: The fee associated with processing a security assignment application. The proposed rates are closer to (but remain considerably less than) DOT&PF’s costs and are reflective of other government and quasi-government agencies performing similar services. Security Assignment applications are typically the most complex and time consuming applications to process.

INQUIRY: What services are provided by DOT in regard to a building permit? What is the justification for a nearly four-fold increase?

RESPONSE: The building permit is an approval to construct on an airport. DOT&PF processes and approves building permit applications. This process includes the review and determination by the following DOT&PF sections: Aviation Leasing, Aviation Design (engineering), Planning, Right of Way, Maintenance and Operations and Safety and Security. A building permit application may also require the review of local, state and federal government permits. This process ensures all construction, temporary or permanent, has been reviewed and approved by the Airport Sponsor (DOT&PF) and is in compliance with state and federal airport requirements. The proposed rates are closer to (but remain considerably less than) DOT&PF’s costs.

INQUIRY: What is the definition of a new “airport boundary crossing permit” in the context of a rural airport? Please provide a specific example of where one is required at 4KO.

RESPONSE: A new airport boundary crossing permit is defined in 17 AAC 45.285 and the applicability is the same at 4KO and any other statewide rural airport.

INQUIRY: Why do I have to pay an entrance (boundary crossing) fee to public infrastructure like an airport? I don’t have to pay a “boundary crossing fee” to access the Parks or Glenn Highway in Southcentral Alaska!

RESPONSE: DOT&PF receives federal funding for the majority of airports in the statewide rural airport system. 17 AAC Title 17 Chapter 45 is in alignment with the Federal Aviation Administration’s Grant Assurances, which require the Airport Sponsor (DOT&PF) to charge for the use of land to make the airport as self-sustaining as possible under the circumstances existing at the particular airport.

INQUIRY: How does a pilot determine if there are transient and assigned spaces at a rural airport? Who is in charge of enforcement and fee collection if such space is available?

RESPONSE: Transient and assigned parking are listed on DOT&PF’s website at http://dot.alaska.gov/stwdav/tiedown_faqs.shtml. Maintenance and Operations staff provide enforcement. Payment for assigned tie-down spaces can be made over the phone (907) 451-2217 or online at http://dot.alaska.gov/stwdav/eLeasing_Welcome.shtml. Payment for transient tie-down spaces should be made at the onsite iron ranger.

INQUIRY: What appraisal information is available for both the named and unnamed airports subject to the proposed lease rate increases?

RESPONSE: The appraisals and the rates and fees study are public information and are available at 4111 Aviation Avenue, Anchorage, Alaska 99519.

INQUIRY: What entity or ADOT division is mandating the lease rate and other fee increases?

RESPONSE: Almost all statewide rural airport system rates are below Fair Market Rent and need to be increased to comply with the FAA Grant Assurance #24 *Rate and Fee Structure*, which requires airports to be as self-sustaining as possible given the conditions at the airport. Aviation Leasing, under the

section of Statewide Aviation, has increased lease rates to arrive at Fair Market Rent for the past 26 years. At many airports, the rental rate will continue to be well below Fair Market Rent even after the proposed implementation of scheduled rent increases.

INQUIRY: What is the justification for the other fee increases? Is there any documentation available for the public to view?

RESPONSE: The justification and determinations for rates and fees increases are in the Rates and Fees Study. This is public information and is available at 4111 Aviation Avenue, Anchorage, Alaska 99519.

INQUIRY: How do the increases work with the budget?

RESPONSE: The proposed rates and fees increases are independent of the DOT&PF or the State's budget. Almost all statewide rural airport system rates are below Fair Market Rent and need to be increased to comply with the FAA Grant Assurance #24 *Rate and Fee Structure*, which requires airports to be as self-sustaining as possible given the conditions at the airport.

INQUIRY: What do you use to determine Fair Market Value?

RESPONSE: Appraisals and a mathematical formula, based on appraisal information that has been used to set rates since 1991.

INQUIRY: Are all airports below Fair Market Value?

RESPONSE: Most airports in the statewide rural airport system are below Fair Market Rent. By 2022, at the completion of the proposed schedule of rate increase, only 6 airports will be at 2015 Fair Market Rental rates. The certificated airports have the biggest discrepancy between current rates and Fair Market Rent.

INQUIRY: Does this study include after-hours fees or landing fees?

RESPONSE: No. The study includes administrative fees, user fees and land rental rates.

INQUIRY: Why are you treating the statewide rural airport system as a profit center?

RESPONSE: The statewide rural airport system does not produce a profit. In fact, the system operates at an annual deficit of (\$33,500,000) million dollars.

INQUIRY: What appraisal information is available for both the named and unnamed airports subject to proposed lease rate increases?

RESPONSE: The airport appraisals and the Rates and Fees study are public information and copies are available upon request at 4111 Aviation Avenue, Anchorage, Alaska 99519.

INQUIRY: What entity of ADOT division is mandating the lease rate or other fee increases?

RESPONSE: The Division of Statewide Aviation is implementing the lease rate and fee increases. The FAA requires DOT&PF to be in compliance with Grant Assurance #24 *Rate and Fee Structure*. Compliance with Grant Assurance #24 requires DOT&PF to perform periodic studies to update existing rates and fees. The rate tables in existing regulations ended in 2015 and were out of date.

INQUIRY: What is the justification for the other fee increases? Is there any documentation available for the public to view?

RESPONSE: The Rates and Fees study is public information and it contains the supporting justification for other fee increases. Copies of the Rates and Fees study are available upon request at 4111 Aviation Avenue, Anchorage, Alaska 99519.