



# ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

## Questions on Draft Aircraft Registration Regulations

(updated 11/15/17)

### 1. Why is DOT&PF registering airplanes?

- There is an FAA requirement to provide annual updates indicating where aircraft are based within the state's aviation system. Registering aircraft will enable DOT to fulfill this requirement.
- Knowledge of where aircraft are based will also support airport system planning and help prioritize M&O at state airports.
- The new database of based aircraft will be combined with the required state insurance compliance program. The database will also create a mechanism for reaching stakeholders as needs and issues arise in specific areas.

### 2. How were the fees determined? What is the rationale for a fee structure of \$150 for non-commercial and \$250 commercial?

- The state operates and maintains 240 airports at a cost of approximately \$40M. Revenue generated by leasing fees and aviation fuel tax amounts to ~\$10M, leaving approximately \$30M to be made up with funds from the state's general fund.
- The money generated by the registration fees will be used to help fund the safety, security and system planning costs associated with the rural airport system.
- It's common practice for most airports nationwide to have aircraft owners and operators help cover the costs of operating an airport. These registration fees are comparable to what other aviation departments charge nationwide.
- Commercial aircraft rates have been set higher as they have a more demanding use of the airfields and require the state to maintain them daily for their airline/air taxi operations at a higher standard.

### 3. How will the money be used and how much is the fee expected to generate?

The funds that are raised will be used to help fund the safety, security and system planning costs associated with the rural airport system. ADOT&PF anticipates \$1.3-1.5 million in funding from the aircraft registration program.

- 4. What is legal justification (statutes/AG opinions) for DOT jurisdiction over aircraft registration when aircraft do not use state airports or state facilities in a 12 month period? For example: Plane located on private property and once airborne plane is operating in national airspace outside jurisdiction of state. What legal argument does DOT have when citing 17 AAC 41.010 (a) A person may not operate or authorize the operation of an aircraft in Alaska unless..... What about registration jurisdiction on Native and tribal lands.**

The opinion of the attorney general's office is that the following provisions of the Alaska Statutes give DOT the authority to enact the proposed regulation regarding registration of aircraft, and is not dependent upon whether or not an aircraft utilizes state-run airports or facilities: AS 02.10.010; AS 02.15.010; AS 02.15.020; AS 02.15.190; AS 02.15.220; AS 02.15.230; AS 44.42.020; and AS 44.42.030. Aircraft registration will be required unless an aircraft is exempt, or has received a waiver.

- 5. The "Exemptions from registration requirements" in proposed 17 AAC 41.030 (a) (1) exempt "aircraft operating primarily in commerce between this state and: (A) any other state in the US....." This clause would appear to offer exemptions to Alaska Air, Delta, United, American and others who provide mail, general freight or passenger service originating outside Alaska or leaving Alaska.**

US DOT requires air carriers to report their flights including origin and destination airports. If an air carrier claims an exemption for an aircraft from registration, DOT&PF would verify that aircraft's flight history with the US DOT database.

- 6. Why was 180 Alaska days chosen to determine aircraft registration is required. DMV uses Zero days unless vehicle is registered out of state, then it's a 60 day register rule. Washington State uses a 90 day rule for aircraft in state. 180 days seems to exempt many commercial carriers operating only in summer months.**

The National Based Aircraft Inventory Program, as defined by FAA, states that a based aircraft is an aircraft that is operational and airworthy and that is typically based at a facility for the majority of the year; 180 days captures aircraft in-state longer than a short visit in the summer.

- 7. Under the proposed Protest 17 AAC 41.900 (a) an aircraft owner may only appeal DOT registration decisions by filing protest with the department. Does this cut off appeals of owners to their legislator, governor or seeking legal redress through courts?**

No. Owners may still contact their legislators and/or the Governor with concerns. The outcome of a protest under proposed 17 AAC 41.900 can be appealed to the DOT Commissioner, and the Commissioner's decision can be appealed to the courts.

**8. What is the estimated cost and annual revenue goal for this regulation program in years 1-5? What enforcement mechanisms exist, if any, and what penalties for failure to register?**

The anticipated revenue is between \$1.3M and \$1.5M per year. The program will be available online and will cost ~\$5K per year to administer. There are no penalties currently associated with this proposal. Should noncompliance become a significant factor then establishing a penalty may become necessary.

**9. What is DOT's forecast of economic effects, if any, that this registration program will have on general and commercial aviation in Alaska?**

There are several advantages of this program starting from a planning focus as well as to help the SOA pay for the system. The majority of forms of transportation already require registering in the state (vehicles, boats, trailers, RVs, ATVs) and implementing an aircraft registration fee is a common requirement across other states in the country as well. Creating a database of aircraft locations will not only assist in the planning for Alaska's aviation system, but will also create a mechanism for reaching stakeholders as needs and issues arise in specific areas. FAA does not currently have any mechanism for tracking aircraft basing information.

**10. What current airlines, aircraft type, internationals, non-profits and quantity does DOT project will be exempt from registration program?**

At this point, state and federally owned aircraft, including military and inoperable/unflyable aircraft are the only exemptions. According to estimates, less than 1% of the total aircraft registered in Alaska in FAA's database are military, state, or federally owned.

**11. Are non-profit organizations exempt from registration fees?**

No.

**12. DMV registration: Effective January 15th, 2014 residents over 65 years old and/or disabled will receive permanent vehicle registration license plate stickers/tabs. Is a similar provision being considered by DOT registration?**

This is not being considered at this time.

**13. What are projected enforcement costs to this program? What will be the cost to owners not complying with registration program?**

There is currently no enforcement costs or penalties associated with this proposal. Should noncompliance become a significant factor then establishing a penalty may become necessary.

**14. What is the anticipated breakout of revenue between commercial and non-commercial aircraft?**

Non-commercial aircraft @ \$150/plane = \$1,357,050  
Commercial aircraft @ \$250/plane = \$52,250  
Estimated Total = \$1,409,300

**15. Aircraft operating “primarily in commerce between this state and any other state in the United States” are exempt under this proposed regulation. How will DOT establish this criterion? For example, does a commercial aircraft that flies FAI-ANC-JNU-SIT-SEA qualify under this provision?**

US DOT requires air carriers to report their flights including origin and destination airports. If an air carrier claims an exemption for an aircraft from registration, DOT&PF would verify that aircraft’s flight history with the US DOT database.

**16. How is the revenue from this program protected to ensure it comes back to airports, as opposed to road repair, or non-transportation related state spending?**

Registration fee revenue will be classified as Statewide Aviation program receipts and will flow directly to Statewide Aviation to help fund the safety, security and system planning costs associated with the rural airport system.

**17. What level of staffing, and associated cost, is anticipated to address this program, including initial registration, processing exemptions, protests and appeals?**

Almost all of the initial costs, which will be ~\$51,000, will be paid by FAA planning grant funds. The on-going costs for website maintenance will be \$5,000. The online registration system is highly automated and no increase to staff levels is anticipated.

**18. If government aircraft are exempt, what is the benefit of having them “voluntarily register” with the State?**

The State of Alaska cannot require the federal government to register their aircraft in Alaska, so DOT&PF will request that federal agencies register their aircraft. The benefit to the State of Alaska will be to know where those aircraft are based for airport planning purposes, and to comply with the FAA’s requirement to report where aircraft are based.

**19. There are options for permanent motor vehicle registrations, why is there not that option for aircraft?**

This option had not been considered previously but will be assessed for feasibility as draft regulation work continues.

**20. Why are there no charitable exemptions like there are for motor vehicles?**

This option had not been considered previously but will be assessed for feasibility as draft regulation work continues.

**21. How does DOT define Commercial/Non-commercial? Will DOT's definition contradict the FAA's definition?**

Alaska Statute 02.40.020. Certification of Compliance of Air Carriers defines commercial aircraft as those aircraft "used in air commerce," which has been defined as aircraft with an FAA Part 135 certificate and/or a Part 121 certificate. Aircraft that operate under Part 91 are not considered to be "used in air commerce."