



AVIATION AND TRANSIT COMMISSION MINUTES
Tuesday, January 8, 2019

The Aviation and Transit Commission met in the Administration Conference Room at the Billings Logan International Airport on Tuesday, January 8, 2019. Those in attendance included:

Aviation and Transit Commission Members

Peggie Gaghen, Chair
Dan Farmer, Vice Chair
Ken Behling
Ron Spence
Chuck Tooley
David Hummel, Jr.

City Staff and Guests

Kevin Ploehn, Director of Aviation & Transit
Shane Ketterling, Assistant Director of Aviation & Transit

PUBLIC COMMENT PERIOD

A public comment period was offered. No public comments were received.

ANNUAL ELECTION OF OFFICERS

Commission Chair Gaghen was nominated and voted in for another year. Vice Chair Farmer was also nominated and voted in for another year.

ANTONOV AN-124 OPERATIONS UPDATE

Mr. Ketterling provided the Commission with a PowerPoint Presentation that included pictures, aircraft information, and a summary of what took place during this special event. Airport Operations coordinated five flights of one of the largest aircraft in the world (Antonov 124) between December 14 and 22, 2018. The aircraft landed at Billings Logan International Airport to pick up large loads of building materials that were then transported to Saipan to rebuild a community that was devastated by Typhoon YuTu. The building and roofing materials were supplied by Bridger Steel, which was critical as most of the structures were demolished by the Category 5 Typhoon that passed directly over the island. Unfortunately, Airport staff was the last to be notified, and had to immediately react and coordinate all of the logistics within a matter of 48 hours. The aircraft was parked in the middle of the airfield on Taxiway Juliet, which was closed during each operation for approximately 14–16 hours, in order to load supplies and for crew rest. These operations were funded by FEMA, contracted out to Radiant, who was utilizing Volga-Dnepr Aircraft to move the materials. There were many challenges surrounding this heavy cargo operation, some of which included nighttime operations, unique parking requirements, providing escorts and security, coordinating with numerous agencies, complying with special crew/loadmaster requests, and many schedule changes. Overall, our staff did an excellent job and we are very proud of them!

LEGISLATIVE UPDATE – AVIATION RELATED BILLS

Mr. Ploehn informed the Commission that there are a few pending bills being proposed for the upcoming Legislature that have the interest of the Montana commercial service airports. He explained that there are two bills to fund the Montana Aeronautics Division, House Bill HB-81 and proposed Bill LC 1526. Both are seeking funds for Montana Aeronautics to support small general aviation airports for their capital needs. Current law requires a four-cent tax on aviation fuel with a

two-cent rebate option for commercial service airlines serving the State. HB-81 proposes removing the rebate option and returning the funds to the general fund, and then reallocating the aircraft registration fees from the current 10% to Montana Aeronautics and 90% to the general fund, to 70% to Montana Aeronautics and 30% to the general fund. LC 1526 is still in the draft stage, but we have been told that it includes a 10-cent increase to the aviation fuel tax.

The commercial airport group has drafted a letter to HB 81 sponsor, Willis McCurdy, that pointed out that Montana's seven commercial airports are fortunate to have the service they do and that service should not be taken for granted; the aircraft stage lengths to Montana are significant and the airlines do incur more fuel costs to serve Montana. It is estimated that the removal of the rebate would cost the airlines over \$500,000. This is basically a redistribution of funds from the larger airports to the smaller airports, and while the larger airports are sympathetic to the funding plights of Montana Aeronautics and the smaller airports, that funding should not be a redistribution that comes from the fuel taxed at larger airports; and that the larger airports have spent significant time and money to bolster their air service, and the sentiment is that the State should not jeopardize that with what would be higher operating costs to fly to our State.

AIRPORT AND TRANSIT ADMINISTRATIVE/OPERATIONS REPORTS

- ▶ Mr. Ploehn reported that the Federal shutdown has not resulted in any impacts that are overly noticeable to date. Locally, the TSA officers are coming to work even though they will not be getting paid this week. Friday will be the date of the first missed paycheck for many of the TSA. This is also impacting the FAA Air Traffic Control Tower, which is also very important to have staffed. Mr. Ploehn feared that as the shutdown extended, the impacts would be more severe and he was hopeful the shutdown would not drag on. He pointed out that another issue is the ability to apply for Federal grants for both Transit and the Airport. Mr. Ploehn felt there was a good chance that getting this year's Federal grants may be delayed.
- ▶ Mr. Ploehn shared with the Commission that this Spring, construction on North 27th Street would begin. The City's Public Works Department will start with a water and sewer line replacement project from March to roughly July, and the State Department of Transportation will start a total road rebuild in July. The project is from the Airport to the Interstate Highway, and will include sidewalks, curb cuts, and a total rebuild of the asphalt surface. Subsequently, many of the bus benches along this corridor will need to be removed. Additionally, this will probably impact the service to the Airport on MET. Mr. Ploehn pointed out that on the positive side the Airport was working with the City's Information Technology (IT) Department to possibly place a fiber conduit in the road right-of-way while it is all torn up. A City owned fiber conduit would open up a number of opportunities for the Airport.
- ▶ Mr. Ploehn informed the Commission that on December 17, 2018, the City Council approved a two-year extension to the Airport's Wi-Fi Agreement with Boingo Wireless to allow time to finish the Terminal Expansion design and get underway with construction before proceeding with a Request for Proposals (RFP) for a new Wi-Fi agreement that included the new concourse. He mentioned that a second amendment is in the works for Boingo to provide free Wi-Fi service in the Terminal for the two-year extension, and per the requirements of Amendment One, that service will need to be in place within 90 days.
- ▶ Mr. Ploehn mentioned that while they are still compiling the year-end statistics and waiting for the final numbers to be reported, it appears the Airport will set a new record for reported cargo and very possibly a new passenger record.
- ▶ Mr. Ketterling provided an update on construction. New air makeup units and a cooling tower were lifted onto the roof of the Terminal and are being installed by the contractor. Additionally, the Airline Support Facility is in place and ready for use. Unfortunately, a final inspection must be conducted by the Food and Drug Administration and the inspectors are furloughed; therefore, this will not take place until the government reopens.

- ▶ Mr. Ketterling mentioned that staff members in MET Transit are currently preparing for a Tri-annual Federal Transit Authority audit of their operation.
- ▶ Mr. Ketterling explained to the Commissioners that the Airport conducts a Safety, Security and Operational (SSO) Meeting on the second Tuesday of every month for all of our tenants, to include the airlines, car rentals, and many others. At the SSO Meeting this morning he provided the group with information on the Terminal remodel, construction phasing, and a tentative parking plan for all of the aircraft. The meeting was well attended and the group appeared to understand the complexity involved with this project including how it will affect all of them over the next three years.
- ▶ Mr. Ketterling finished by showing pictures and video of an accident involving a fixed route bus and a vehicle on Grand Avenue during a recent ice and snowstorm. Although the driver of the pickup was at fault and the bus was damaged, fortunately, neither the passengers on the bus or driver were injured.

ITEMS FROM THE COMMISSION

- ▶ Commissioner Spence asked how American Airlines was performing. Mr. Ploehn reported that while he has not seen any recent numbers for October or November, he said that American made money based on the way the agreement was set up during the Summer months, and would have made money in September if not for the fuel adjustment.
- ▶ Commissioner Spence followed up by asking if American added new passengers or were they just taking business away from the other airlines. Mr. Ploehn thought that the answer was probably a mixture of both. All the airlines were up over last year's numbers, even with American for the full year.

There being no further business, the meeting was adjourned.

KP:mdb

cc: Aviation and Transit Commission
Chrono
City Administrator
Mayor
City Clerk