

## ATTACHMENT #3



February 23, 2023

Patty Wahto  
1873 Shell Simmons Dr.  
Juneau, AK 99801

Via Email

Dear Patty,

I wanted to reach out to you and thank you for taking the time to discuss the upcoming FY2024 budget and next steps in the budgeting and capital programs. I have reviewed the Board Meeting Packet, including the Budget and proposed changes to the Airport Rates & Fees Regulation. It is my understanding that these rates have not been updated since July 2016 when the proposed 2020 updates were put on hold due to COVID-19.

Alaska Airlines supports the proposed Draft Airport Rates & Fees Regulation (Attachment #5) changes. The proposed new rates and fees are in line with our goals of working with airports to be fiscally responsible while ensuring that needed capital and operating programs are supported.

We truly value the partnership with the airports and communities we serve and look forward to continuing to work together.

Regards,

  
Amy Fuller Lyman  
Portfolio Manager, Airport Affairs

## ATTACHMENT #3



### COASTAL HELICOPTERS, INC.

8995 Yandukin Dr. Juneau, AK 99801  
907-789-5600 Fax 907-789-5528  
mwilson@coastalhelicopters.com

March 3, 2023

Patty Wahto and the Juneau International Airport Board

RE: FY 2024 proposed Rates and Fees increase

First of all, thank you for your consideration of rent abatement for FY 2024. As you are all aware the transportation and tour industries suffered greatly during the COVID-19 pandemic shutdown. We are struggling to get our business and financial situation back to pre-pandemic levels. We are fighting the availability and cost of employees and the continuing supply chain problems causing delays in completing required maintenance. The cost of insurance, materials and components have increased exponentially in last 2 years. Now we are faced with increased cost of operating at the Juneau International airport.

Fall 2019 and Winter 2020 we were involved with the discussions to increase the airport Rates and Fees. These increases were deemed fair and practical at the time, and I believe the Board, in your efforts to continue to support local businesses on the airport, should consider a few approaches to the extreme rate increases.

First, as we all discussed during the 2019/2020 finance process, the operating budget finance model (85% 121 operators/15% 135 operators and GA) should be reviewed and modified to meet the current operating division, I believe it is closer to 90/10.

Second, the proposed Fuel Flowage Fees in the new Rates and Fees proposed increase should be reduced to \$0.27/gallon as was agreed in the 2019/2020 budget process.

Third, we would like to see the airport explore more revenue streams, such as cargo and GSE that are not currently in the JNU Rates and Fees. This was brought up during the recent Finance Committee meeting and should be considered and revisited often, at least annually.

I suggest revisiting the Rates and Fees annually so we can make small adjustments to keep up with the true operational costs of the airport compared to making large changes to the Rates and Fees that cause tenants to have to significantly adjust rates to customers all at once.

**Michael H  
Wilson**

Digitally signed by Michael H Wilson  
DN: cn=Michael H Wilson, o=Coastal  
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email=mwilson@coastalhelicopters.co  
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Michael Wilson  
General Manager  
Coastal Helicopters, Inc.

## ATTACHMENT #3

**From:** Tom Williams <Tom@wardair.com>

**Sent:** Friday, March 3, 2023 7:43 PM

**To:** Airport Board <airportboard@juneau.gov>

**Cc:** Patty Wahto <Patty.Wahto@jnuairport.com>; Edward K. Kiesel <Ed@wardair.com>; Mike Wilson (MWilson@CoastalHelicopters.com) <MWilson@CoastalHelicopters.com>; Kent Craford (KentCraford@hotmail.com) <KentCraford@hotmail.com>

**Subject:** Proposed CBJ Airport Rates and Fee Changes

**Importance:** High

Dear CBJ Airport Board Members:

As I testified at your February 9, 2023 Airport Board meeting, Ward Air does not object to the proposed changes to the Airport's rates and charges, with one exception. For the several reasons I explained at that Board meeting, we recommend and request you adopt a flowage fee rate for signatory aircraft of 12,500 lbs. or less of \$.26 per gallon (up from the current \$.22 per gallon) to be effective July 1, 2023 and not increasing the fuel flowage fee to \$.30 per gallon until at least July 1, 2024.

I was recently reminded that back in 2020 or 2021 the Airport Manager had identified a problem with the Airport financial model that over several years resulted in the Part 135 operators contributing more to the Airport's revenues than what they should have. This is an additional reason why we think you should support our request to increase fuel flowage fees evenly over two years instead of one.

As I also recall, rather than conduct an audit of the discovered overcharges, it was the intention of the Airport instead to have their financial model re-designed to allow more transparency as well as making it easier to use and understand for both airport staff and tenants, thereby avoid such problems prospectively. To do that the relationships between the cost centers and the allocation formulas imbedded in the model needed some clarity and transparency. As I recall the tenants wanted to be involved in the formulation of an updated model. However, I do not recall that occurring. In addition, as part of that process, I believe the agreed allocation of costs between the Part 121 carriers and the Part 135 operators were to be reviewed and amended as appropriate.

I realize I may have missed a Board Finance Committee meeting or meetings where a new model was presented to the Board and tenants. Nevertheless, at the upcoming Board meeting we would appreciate it the Manager would provide the Board and tenants an update (or perhaps in my case, just a reminder) of the status of the attempt to simplify the Airport's financial model.

Thank you for your consideration. I will look forward to this coming Thursday's Board meeting.

Sincerely,

**Tom Williams**  
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*"Communication is the lifeblood of every organization and relationship."*