



Mark Gordon
Governor

WYOMING Aeronautics Commission

DEPARTMENT OF TRANSPORTATION

Sigsbee Duck, Chairman

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K. Luke Reiner
Director

MEETING MINUTES

I. CALL TO ORDER

A meeting of the Wyoming Department of Transportation (WYDOT) Aeronautics Commission was held via videoconference on January 24, 2023. Chairman Sigsbee Duck presided, calling the meeting to order at 1:31 p.m.

II. PLEDGE OF ALLEGIANCE

Chairman Duck led the attendees in the Pledge of Allegiance.

III. ROLL CALL

The following commission members were present, constituting a quorum.

Anja Richmond, Commissioner, District 1

Steve Maier, Commissioner, District 5

Jerry Blann, Commissioner, District 2

Randy Harrop, Commissioner, District At-large

Bruce McCormack, Vice Chairman, District 4

Commissioner Bill DeVore and Director Reiner were absent.

The following WYDOT staff and guests were present and participated in the business meeting.

Brian Olsen, Aeronautics Administrator

Sheri Taylor, Unmanned Aircraft Systems (UAS)
Manager

Mariah Johnson, Air Service Development
Manager

Mike Kahler, Senior Assistant Attorney General

Phillip Hearn, Engineering & Construction
Manager

MacKenzie Sewell, Assistant Attorney General

Cheryl Bean, Planning & Programming Manager

Kimberly Chapman, Commission Secretary

Caitlin Casner assisted with virtual meeting management.

IV. ADJUSTMENTS TO AGENDA

There were no adjustments to the agenda.

V. APPROVAL OF MINUTES

Commissioner Maier proposed a correction to page four of the education session minutes to change the federal biennium budget total to \$45 million. It was moved by Commissioner Harrop, seconded by Commissioner Maier, and unanimously carried to approve the minutes from the December 14, 2022, business meeting and the December 13, 2022, education session as amended.

VI. UPDATES/DISCUSSIONS

A. CHAIRMAN’S UPDATE

Chairman Duck reported that Commissioner Blann recently attended the American Association of Airport Executives (AAAE) Aviation Issues Conference in early January. He invited Commissioner Blann to share his insights from the conference.

Commissioner Blann shared that AAAE has 900 airport members, including several Wyoming airports. Many of the conference sessions addressed Federal Aviation Administration (FAA) reauthorization with discussions focused on the Airport Improvement Program (AIP), the passenger facility charge, and Essential Air Service (EAS) program funding.

While the pilot shortage remains a nationwide issue, staffing shortages are affecting all segments of the aviation industry. Recruitment is a challenge for many agencies and airlines.

The FAA’s safety notice system crashed on January 11, 2023, while Commissioner Blann was attending the conference. During a conference presentation Tim Arel, Chief Operating Officer of the FAA's Air Traffic Organization, stated that the notice to air missions (NOTAM) system needs more adequate funding to allow for proper upgrades and maintenance.

Commissioner Blann reported that the air service meeting was well attended. Small markets across the country continue to struggle to maintain air service, and many communities have lost service altogether. The Capacity Purchase Agreement (CPA), which has allowed Wyoming to avoid the worst of the schedule reductions, is the envy of several other states.

B. DIRECTOR’S UPDATE

Administrator Olsen presented a brief Director’s Update.

State Updates

2023 General Session

The 2023 General Session convened on Tuesday, January 10th. Approximately four hundred bills have been introduced, and WYDOT is actively tracking about 60 bills that could potentially impact the department. Committee bills developed during the interim are progressing well through the legislative process. House Bill 43, which sought to impose stiffer penalties on travelers who willfully ignored winter road closures, failed in the House on its first reading.

C. ADMINISTRATOR’S UPDATE

Administrator Olsen presented the Administrator’s Update.

Federal and National Updates

FAA Reauthorization

Mr. Olsen reported that initial committee hearings on reauthorization are expected soon. WYDOT will support Senator Lummis if she remains on the U.S. Senate Committee on Commerce, Science, and Transportation.

Major issues that need to be addressed in reauthorization include Non Primary Entitlement (NPE) funds, the EAS program, and Advanced Air Mobility. NPE funds are granted to general aviation (GA) airports to complete qualifying projects. Even though the funds may carry over and accumulate for four years, the amounts granted do not allow GA airports to complete larger-scale projects.

National Association of State Aviation Officials (NASAO) Legislative Conference

Mr. Olsen will attend NASAO's Legislative Conference at the end of February in Washington D.C. This conference runs concurrently with the American Association of State Highway and Transportation Officials' Washington Briefing. WYDOT will meet with Wyoming's Congressional staff while in Washington.

Wyoming Airports Coalition members will travel to Washington D.C. later in March or early April. Mr. Olsen reported that he works closely with the airports to craft a consistent message on aviation issues for legislators.

Fiscal Year (FY) 2023 Omnibus Appropriations Bill

Congress passed the FY 2023 Omnibus Appropriations Bill on December 23, 2022. The aviation provisions were similar to previous years, with no significant changes. Some supplemental discretionary funds were included, but a large portion may be allocated to earmarked projects. The priority for the remainder of the funds is currently unknown. The division will work with the airports to submit quality projects to compete for the supplemental discretionary funds.

Fire-fighting Foam Standards

On January 12, 2023, the Department of Defense (DOD) and the U.S. Navy released new performance standards for fluorine-free foam fire extinguishing agents. This development will allow Wyoming's commercial service airports to transition to foam free of per- and polyfluoroalkyl substances (PFAS), hopefully by the end of 2023. With the release of standards, manufacturers may submit products for testing and certification. Certified products are added to the DOD's Qualified Products Database to assure buyers that items comply with all standards.

Following a question from Commissioner Blann, Mr. Olsen clarified that the DOD standards outline requirements for PFAS-free foam but do not specify a specific product for use. The FAA supports the standards.

State Legislative Updates

Mr. Olsen reported that the Governor's budget includes a proposal for Phase II of the employee compensation plan. There have not been any challenges to the proposed pay increases thus far, and the department is optimistic it will be approved by the legislature. Competitive salaries would help WYDOT recruit and retain quality employees.

Mr. Olsen updated the commission on aviation-related bills. House Bill 40, an act to allow local governments to establish airport districts, has failed to gain support and may not pass out of committee. Senate File 34, an act creating the crime of trespass by small unmanned aircraft

(drones), passed third reading in the Senate and was referred to the House. Industries and businesses that use drones are concerned that this bill could impact daily operations even though the onus is on the landowner to prove that the trespass “substantially interfered with the landowner’s use and enjoyment of the land.” The department will continue to monitor the bill as it moves through the legislative process.

House Bill 202, an act to provide financial assistance to Wyoming students obtaining commercial pilot licenses, was introduced this week. It is intended to address the nationwide pilot shortage, and Mr. Olsen believes it would be a good program. The division will continue to monitor this and other aviation-related bills.

D. AIR SERVICE DEVELOPMENT PROGRAM UPDATE

Ms. Johnson presented the Air Service Development Program Update.

General Matters

December Traffic

Ms. Johnson reported that December load factors increased notably over previous months because of high demand for holiday travel. The load factors for Gillette and Rock Springs were 89 and 86 percent, respectively. Cheyenne and Sheridan each had load factors of almost 80 percent for the month.

Future Bookings

Ms. Johnson reported that January bookings are down from December numbers, which is expected after the holidays. Month-to-date load factors are still relatively strong: Rock Springs is over 80 percent and Gillette, Riverton, and Sheridan are all over 70 percent. The markets remain strong into the spring months.

General Industry News

While airline passenger demand remains strong, business and international travel are still below 2019 pre-pandemic levels.

Earnings for the major network airlines continue to improve, but at margins significantly lower than pre-pandemic levels. Delta Airlines recently announced a \$2.7 billion pre-tax profit for 2022, which is a six percent margin and half what Delta reported in 2019.

The average jet fuel prices for 2022 was \$3.52 per gallon. This figure was 83 percent higher than 2019. When combined with pricing levels that have decreased from summer peaks, these prices contribute to the depressed earnings.

Ms. Johnson reported that the industry has recently suffered system infrastructure failures. Southwest Airlines’ operational issues in December stemmed from a lack of investment in information technology infrastructure. The FAA’s failure of the NOTAM system, which halted air traffic for several hours and adversely impacted operations nationwide, is likely the result of

a major lack of investment in the appropriate systems. This lack has plagued the FAA for more than 30 years.

Standard Reports

Air Service Enhancement Program (ASEP) Budget Forecast Report

Ms. Johnson reported no changes to the ASEP Budget Forecast Report.

Capacity Purchase Agreement (CPA) Budget Forecast Report

Ms. Johnson reported that the CPA Budget Forecast Report was updated to include the November and December amounts for each airport.

Percent of Grant Projects by City Report

Ms. Johnson reported no changes to the Percent of Grant Projects by City Report.

E. ENGINEERING AND CONSTRUCTION PROGRAM UPDATE

Mr. Hearn presented the Engineering and Construction Program Update.

General Matters

Crack Seal Project

Mr. Hearn reported that bids will open for the crack seal project on February 9, 2023. The results of the bid will be considered for award approval by the commission at the February meeting. Mr. Hearn and his team are working to secure cooperative agreements with the sponsors.

Design Standards Inventory

Mr. Hearn reported that all the initial drone work and most of the background mapping is complete for this project. Surveying is scheduled to begin next week.

Standard Reports

Change Orders Report

Mr. Hearn reported two new change orders this month.

Statewide Line Items Report

Mr. Hearn reported two new line items.

Bid Summary Report

Mr. Hearn reported one new bid result.

F. PLANNING AND PROGRAMMING PROGRAM REPORT

Ms. Bean presented the Planning and Programming Program Update.

General Matters

Infrastructure Investment and Jobs Act (IIJA) Funding

Ms. Bean reported that program allocations for the Wyoming Aviation Capital Improvement Program (WACIP) draft budget and plan were based upon the FY 2022 IIJA funding levels. The

IIJA funding levels will vary each year of the program since the levels are based upon an airport's category within the National Airspace System. The FY 2023 IIJA funding available for Wyoming airports is approximately \$170,000 more than was available in FY 2022. Wyoming airports will be eligible for roughly \$76 million in IIJA formula funds over the five-year program, and only \$54 million has been allocated within BlackCat. Over time, the remaining funds will be allocated and presented for commission approval, per commission policy.

Ms. Bean estimates that \$3.4 million in state matching funds will be needed over the five year program. An additional \$920,000 of needed state match is anticipated for IIJA projects through FY 2028 and has not been allocated. Ms. Bean and Mr. Hearn have accounted for these funds from the reserve.

Wyoming Aviation Capital Improvement Program (WACIP)

If the commission approves the drafts of the proposed FY 2024 WACIP budget and proposed FY 2025-28 WACIP plan today, the division will notify airport sponsors that the 30-day public comment period will begin. When the comment period concludes, staff will compile comments and staff responses into a report to be presented at the March business meeting.

Airport sponsors will also be given a chance to provide public comment on the WACIP at the March business meeting. The proposed FY 2024 WACIP budget and proposed FY 2025-28 WACIP plan will then be considered for final approval at the meeting.

Ms. Bean had hoped that more state and local-only projects would pursue IIJA funding in place of traditional funding, which would allow those funds to be used to match IIJA grants, but this did not happen with many projects. The team was able to delay a large state- and local-only project without any adverse impact to the airport. The delay made it possible to maintain previously programmed project funding and to accommodate an influx of IIJA funding.

The proposed WACIP budget and plan include more enhancement expansion projects than in previous years. These projects generally score lower on the Priority Rating Model than projects traditionally funded through the WACIP, but the availability of IIJA funding makes it an opportune time to fund much-needed airport improvements.

Standard Reports

Administrative Approvals Report

Ms. Bean reported no administrative approvals for this period.

Recovered State Funds Report

Ms. Bean reported that no funds were recovered in December and the total recoveries remain at zero to date.

G. UNMANNED AIRCRAFT SYSTEMS PROGRAM UPDATE

Ms. Taylor presented the Unmanned Aircraft Systems (UAS) Program Update.

General Matters

Committee Service

Ms. Taylor serves on the Transportation Research Board's UAS Flight Proficiency Certification Pilot Program. The committee will develop a state-implemented flight proficiency plan to provide further training to pilots with a Part 107 license. The goal of the first meeting, which Ms. Taylor attended last week, was to develop the requests for proposals for consultant selection. Once the consultant is selected, the project will commence and will be completed in 18 months. Ms. Taylor will continue to update the commission on the committee's progress.

VII. REGULAR BUSINESS

A. FY 2023 WACIP BUDGET MODIFICATIONS

Ms. Bean reported nine changes, resulting in an added \$906,149 in state funds and \$1,399,453 in federal funds allocated to projects. The remaining balance of state funds is \$912,297. The goal reserve for 2023 is \$760,000.

Action: It was recommended by Ms. Bean, moved by Commissioner Harrop, seconded by Commissioner McCormack, and unanimously carried to approve the FY 2023 WACIP budget modifications, as presented.

B. PROPOSED FY 2024 WACIP DRAFT BUDGET

Ms. Bean presented the FY 2024 WACIP draft budget as a "proposed budget." It will remain in proposed status until the commission considers final approval in March. The remaining balance of state funds is \$690,978. The goal for the 2024 reserve is \$730,000, but the current total is acceptable.

Action: It was recommended by Ms. Bean, moved by Commissioner Blann, seconded by Commissioner Maier, and unanimously carried to approve the proposed FY 2024 WACIP Draft Budget, as presented.

C. PROPOSED FY 2025-28 WACIP DRAFT PLAN

Ms. Bean presented the proposed FY 2025-28 WACIP Draft Plan. The remaining years of the WACIP have been revised to incorporate the highest priority for requested projects and to match federal funds. The reserve target varies from year to year due to the amount of IIJA funds not yet requested by airport sponsors for projects.

Action: It was recommended by Ms. Bean, moved by Commissioner Harrop, seconded by Commissioner Blann, and unanimously carried to approve the proposed FY 2025-28 WACIP Draft Plan, as presented.

VIII. NEW BUSINESS

A. NATRONA COUNTY BOARD OF COUNTY COMMISSIONERS GRANT AMENDMENT REQUEST

Ms. Johnson reported that the Natrona County Board of County Commissioners is requesting a time extension to the original grant agreement for project ASCPR02 from January 1, 2023 to March 31, 2023. No additional funding is being requested at this time.

Mr. Januska provided support for the request. He shared that the original minimum revenue guarantee (MRG) was established in fall 2021 for SkyWest Airlines' Casper to Salt Lake City flight. The service has performed better under the MRG, but rising costs meant that maintaining service with a 50-passenger aircraft would be financially unsustainable. Mr. Januska is discussing the possibility of using a larger aircraft for this flight with SkyWest and Delta Airlines, but they have not yet reached an agreement. Extending the original grant agreement would allow the airport more time to complete these discussions with the airlines while maintaining service.

Action: It was recommended by Ms. Johnson, moved by Commissioner Blann, seconded by Commissioner McCormack, and unanimously carried to approve the request to extend the term of the grant agreement through March 31, 2023 with no additional funding at this time.

IX. EXECUTIVE SESSION

There was no need for an executive session.

X. ANNOUNCEMENTS/REMINDERS

Commission Activities

Ms. Chapman announced that the commission's next business meeting will be February 20-22, 2023, in Cheyenne. Workshop will include activities and presentations postponed from the December meeting.

Commission Comments

Commissioner Harrop requested a follow-up on the security screening issue at the Jackson Hole Airport. Commissioner Blann shared that Jackson Hole Airport's negotiations with the Transportation Security Administration were unsuccessful. The five-year security screening contract was awarded to a third party contractor [Aviation Security Management, LLC.]. The new contract will begin on April 1, 2023. Commissioner Blann shared that concerns exist about the private company's ability to successfully administer the contract at the amount awarded in the bid.

XI. ADJOURNMENT

It was moved by Commissioner McCormack to adjourn. Chairman Duck adjourned the meeting at 2:27 p.m. on January 24, 2023.