



Mark Gordon  
Governor

# WYOMING Aeronautics Commission

DEPARTMENT OF TRANSPORTATION

Bruce McCormack, Chairman

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Darin J. Westby  
Interim Director

## MEETING MINUTES

### I. CALL TO ORDER

A meeting of the Wyoming Department of Transportation (WYDOT) Aeronautics Commission was held via videoconference on March 14, 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.*

Sigsbee Duck, Chairman, District At-large

Bruce McCormack, Vice Chairman, District 4

Jerry Blann, Commissioner, District 2

Steve Maier, Commissioner, District 5

Bill DeVore, Commissioner, District 3

Randy Harrop, Commissioner, District At-large

*Commissioner Dean McClain was 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

Melissa Palka, Project Engineer

MacKenzie Sewell, Assistant Attorney General

Cheryl Bean, Planning & Programming Manager

Kimberly Chapman, Commission Secretary

*Susan Elliott assisted with virtual meeting management.*

### IV. AGENDA ADJUSTMENTS

There were no adjustments to the agenda.

### V. APPROVAL OF MINUTES

It was moved by Commissioner Blann, seconded by Commissioner Maier, and unanimously carried to approve the minutes from the February 21, 2023, education session and the February 22, 2023, business meeting.

### VI. UPDATES/DISCUSSIONS

#### A. CHAIRMAN'S UPDATE

Chairman Duck recognized and thanked former Director Luke Reiner for his service and dedication to WYDOT and to the Aeronautics Commission.

Chairman Duck shared that he appreciated his time as chairman and was grateful for the opportunity to serve the commission. He thanked staff and his fellow commissioners for their support and friendship during his term in office.

The Senate confirmed the reappointment of Chairman Duck and Vice Chairman McCormack for another six-year term. Chairman Duck thanked Governor Gordon for the opportunity to continue to serve on the commission.

**B. DIRECTOR'S UPDATE**

No Director's Update was provided this month.

**C. ADMINISTRATOR'S UPDATE**

Administrator Olsen presented the Administrator's Update.

Commission Updates

Mr. Olsen thanked Chairman Duck for his service as chairman and commended him for his hard work and dedication to the commission.

Mr. Olsen reported that the Senate approved Dean McClain's appointment as District 1 commissioner. Commissioner McClain was unable to attend the meeting, but Mr. Olsen looks forward to working with him in the future.

Federal Updates

*Congressional Committees on Federal Aviation Administration (FAA) Reauthorization*

Mr. Olsen reported that the U.S. House Committee on Transportation and Infrastructure and the U.S. Senate Committee on Commerce, Science, and Transportation are working on reauthorization. The chairmen of each committee are knowledgeable about aviation and are committed to drafting reauthorization legislation by September.

*FAA Administrator*

On March 1, 2023, the U.S. Senate Committee on Commerce, Science, and Transportation held a confirmation hearing for Phil Washington, President Biden's nominee for FAA administrator. Mr. Washington is currently the chief executive officer of the Denver International Airport. There is opposition to Mr. Washington's nomination, which was noticeable during the hearing. Mr. Olsen will continue to follow the nomination process and update the commission accordingly.

*FAA Safety Summit*

The FAA will host a safety summit on March 15, 2023, to examine recent incidents in the national airspace, including near-collisions on airport runways and other operational errors. A few recent incidents have gained considerable national attention in the media. Despite the FAA prioritizing safety, the number of incidents have increased. Mr. Olsen believes it will be a major priority in the reauthorization bill.

### State Legislative Updates

The 2023 General Session concluded on March 3<sup>rd</sup>. Mr. Olsen had no further updates on aviation-related bills since his February report to the commission. He did note that salary increases for state employees were included in the final budget, which the Governor has signed. Mr. Olsen reported that WYDOT is very grateful to the Governor and legislature for the salary increases and their support of state employees. The Human Resources Division will update the pay tables to determine raises for implementation on July 1, 2023.

### Division Update

The accounting firm MHP, LLP conducts an annual financial and compliance report of WYDOT. As part of the audit, the firm reviews different federal programs and the associated funds allocated to WYDOT. The Airport Improvement Program (AIP) was reviewed in the fiscal year (FY) 2022 audit, including the funds provided to WYDOT Aeronautics by the FAA and the United States Department of Transportation (USDOT). No findings were noted for the AIP, and it received a clean audit designation. Mr. Olsen recognized and thanked the division's program managers and staff who manage and oversee AIP funds.

A copy of the audit will be sent to the commission, per Commissioner Blann's request. MHP will present the FY 2022 Audit to the Transportation Commission on March 15<sup>th</sup> during an education session. Commissioners are invited to join the public meeting if they want to learn more about the audit.

## **D. AIR SERVICE DEVELOPMENT PROGRAM UPDATE**

Ms. Johnson presented the Air Service Development Program Update.

### General Matters

#### *February Traffic*

Ms. Johnson reported that strong February load factors propelled all Wyoming markets to outperform January totals. Gillette and Rock Springs had load factors over 80 percent, and Cheyenne, Riverton, and Sheridan were over 78 percent.

#### *Future Bookings*

Ms. Johnson reported that month-to-date load factors for March are all above or nearing 80 percent. Booked load factors for the remainder of the month are trending upwards, and April and May booked load factors appear consistent with current levels.

#### *General Industry News*

The latest data from USDOT suggests that the higher fares seen during summer and fall of 2022 persisted into 2023. Airlines reported 20 to 30 percent increases in the average fare paid per mile in fourth quarter earnings reports and continue to project strong passenger demand for the first half of 2023 despite price increases.

Pilot contracts for the major airlines indicate a significant, industry-wide increase in pilot pay rates. This is partially driven by contract freezes during the pandemic and partially by the shortage

of well-trained pilots. Delta Airlines recently approved contracts that provide up to 34 percent pay increases for pilots, with 4 to 5 percent annual increases every year of the contract. Contracts were recently approved for Alaska Airlines pilots that include pay increases up to 23 percent.

American, United, and Southwest airlines are negotiating pay rates with their pilots unions. American Airlines has proposed a contract that offers a 40 percent pay increase over four years, but American Airlines union leadership criticized this proposal and suggested labor strikes as a response. Delta's contract contains a clause that states Delta will match pay increases from the other major airlines, plus one percent.

All of this activity will put pressure on smaller and regional airlines to raise pilot pay rates, which will increase overall labor costs and escalate airfare inflation.

Ms. Johnson reported that while regional airlines have experienced some decrease in pilot attrition to the major airlines, the airlines are struggling to backfill positions. The pilot shortage is expected to continue until late 2024, and this will continue to impact Wyoming's flight capacity.

The U.S. Department of Justice (DOJ) filed suit last week against the proposed merger of JetBlue and Spirit Airlines. The DOJ has two major issues with the merger. First, the DOJ contends that JetBlue's alliance with American Airlines to provide service in the northeast U.S. would hamper competition in the region. The second major concern is that the merger would remove one of the largest ultra-low-cost carriers in the U.S. from the market.

#### *Air Service Enhancement Program (ASEP) Applications*

Ms. Johnson reported that the division will request airports to submit all 2023 ASEP applications by the end of April. The commission will review and consider all applications at the May meeting. Because of the increasing costs of air service, this will allow the commission to allocate funding effectively.

Commissioner Blann requested a quarterly update on the cost-per-passenger for Capacity Purchase Agreement (CPA) airports. Increasing airline costs will almost certainly mean cost-increases to the CPA, and his request will ensure that commissioners have the appropriate data if questions arise. Commissioner DeVore requested Ms. Johnson to include the load factors for more of Wyoming's commercial service airports in future reports. Ms. Johnson confirmed that she will begin incorporating more of the requested data into her report, as it is available.

Vice-Chairman McCormack expressed his concern that increasing airfares will lead to a corresponding increase in leakage to markets in neighboring states.

#### Standard Reports

##### *ASEP Budget Forecast Report*

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

##### *CPA Budget Forecast Report*

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

*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**

Ms. Palka presented the Engineering and Construction Program Update.

General Matters

*Upcoming Bidding Season*

Ms. Palka reported the design phase is almost complete for airport construction projects. The projects will soon be bid to ensure contracts are in place before the start of the summer construction season.

Standard Reports

*Change Orders Report*

Ms. Palka reported no new change orders this month.

*Statewide Line Items Report*

Ms. Palka reported one new line item for NAVAID maintenance.

*Bid Summary Report*

Ms. Palka reported no new bid results.

**F. PLANNING AND PROGRAMMING PROGRAM REPORT**

Ms. Bean presented the Planning and Programming Program Update.

General Matters

*Staffing*

Ms. Bean reported that the Grants and Programming Specialist position has been advertised and the division has received about a half dozen applications so far. The selected applicant will replace Cheryl Porter, who is retiring May 2, 2023.

*Funding*

Ms. Bean reported that awards for the FY 2023 Airport Terminal Program were recently announced, but there were no Wyoming recipients. The Jackson Hole Airport received \$8 million for their terminal project last year.

Standard Reports

*Administrative Approvals Report*

Ms. Bean reported no administrative approvals for this period.

*Recovered State Funds Report*

Ms. Bean reported no funds were recovered in February. The total recovered funds for this fiscal year is \$6,857.80.

**G. UNMANNED AIRCRAFT SYSTEMS PROGRAM UPDATE**

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

General Matters

*State and National Outreach Efforts*

Ms. Taylor reported that WYDOT has been invited to participate in the International Highway Engineering Exchange Program, which will take place during a weeklong conference this fall in Texas. Around a dozen state departments of transportation will be invited to the conference to present on their UAS program. Ms. Taylor is excited to have the chance to showcase Wyoming's program and to learn from other states.

Ms. Taylor is collaborating with private entities and state and local agencies to provide outreach and education this summer on the difference between recreational drone usage and commercial usage, especially use that requires a Part 107 license.

Vice Chairman McCormack commended Ms. Taylor on her presentation at the February meeting and noted its vast potential to support the work of many different WYDOT divisions and programs.

**VII. PUBLIC COMMENT**

**A. AIRPORT SPONSOR COMMENTS ON PROPOSED WYOMING AVIATION CAPITAL IMPROVEMENT PROGRAM (WACIP)**

Chairman Duck provided airports and airport sponsors the opportunity to address the commission on the WACIP. No sponsors or airports addressed the commission.

**VIII. REGULAR BUSINESS**

**A. WACIP SPONSOR COMMENTS REPORT**

Ms. Bean referred commissioners to the WACIP Sponsor Comment Report, which includes sponsor comments on allocated and unallocated projects for the proposed FY 2024 budget and the FY 2025-28 plan. The division received comments on 20 projects from 10 airport sponsors. The report contains division responses to comments, updates to funding recommendations, and the fiscal impact of each change to state funds. The changes have been incorporated into the budget and plan for commission consideration. Ms. Bean reviewed some of the sponsor comments for certain WACIP submissions and explained the division's response to those comments.

**B. FY 2023 WACIP BUDGET MODIFICATIONS**

Ms. Bean reported six modifications for a total increase in state funds of \$284,864 and \$7,993,244 in federal funds allocated toward projects. The remaining reserve is \$689,807 in state funds. The target 2023 reserve is now \$470,000, reduced from last month. The reduction was due to additional, programmed Infrastructure Investment and Jobs Act (IIJA) funds.

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

**C. PROPOSED FY 2024 WACIP DRAFT BUDGET**

Ms. Bean reported that changes have been incorporated into the proposed budget based on sponsor comments, FAA concurrence, and staff input. The remaining reserve is \$603,649 in state funds. This reserve is \$80,000 less in state funds than when the draft budget was presented in January, due to a change resulting from sponsor comments. The target reserve is \$730,000.

Action: It was recommended by Ms. Bean, moved by Vice Chairman McCormack, seconded by Commissioner Blann, and unanimously carried to approve the final Proposed FY 2024 WACIP Budget as presented.

**D. PROPOSED FY 2025-28 WACIP DRAFT PLAN**

Ms. Bean reported that changes have been incorporated into the proposed plan based on sponsor comments, FAA concurrence, and staff input.

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

**IX. 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 state match of 40 percent not to exceed \$352,233.00 from the ASEP to continue service on Delta Connection operated by SkyWest Airlines to Salt Lake City, Utah. This service will take place from January 1, 2023 to June 30, 2023, and staff regards this as a good use of state funds for accomplishing the intended benefits of ASEP.

Glenn Januska, airport director of the Casper/Natrona County International Airport, spoke in support of the application. Mr. Januska reported that Casper has had a minimum revenue guarantee with SkyWest for Delta Connection service since November 2021. While he hoped that the route would have regained self-sufficiency, increasing labor costs has made this unlikely. Negotiations with SkyWest, including changes to the scope clause and agreements with the pilots union, resulted in agreements to begin using larger aircraft on the Salt Lake City to Casper route in July 2023. Mr. Januska reported that increasing passenger volume will offset any additional operating costs. Natrona County and the airport are seeking a continuance of the minimum revenue guarantee until service on the larger aircraft begins this summer.

Action: It was recommended by Ms. Johnson, moved by Commissioner Blann, seconded by Commissioner McCormack, and unanimously carried to approve the Natrona County Board of



County Commissioners' request for service on Delta Connection operated by SkyWest to Salt Lake City, UT, at a state match of 40 percent not to exceed \$352,233.00.

**B. ELECTION OF OFFICERS**

Chairman Nominations: Chairman Duck nominated Vice Chairman McCormack for chairman. No other nominations being received, Chairman Duck closed nominations and called for a vote. Vice Chairman McCormack was unanimously elected chairman.

Vice Chairman Nominations: Commissioner DeVore nominated Commissioner Blann for vice chairman. No other nominations being received, Chairman Duck closed nominations and called for a vote. Commissioner Blann was unanimously elected vice chairman.

**X. EXECUTIVE SESSION**

There was no need for an executive session.

**XI. ANNOUNCEMENTS/REMINDERS**

Commission Activities

Ms. Chapman announced that the commission's next business meeting will be April 18, 2023, via Zoom. The next in-person meeting will take place the week of May 15<sup>th</sup> in Lander. The trip will include a tour of local airports.

Ms. Chapman announced that the Wyoming Attorney General's office is hosting the Wyoming Board Member Training on Friday, May 5<sup>th</sup> from 8:30 a.m. to 4:30 p.m. The training will take place in the Capitol Auditorium in Cheyenne, but there will be an online option for those unable to travel.

Commissioners DeVore, Blann, Maier, and McCormack thanked Chairman Duck for his leadership and service to the commission. Commissioner Maier commended Chairman Duck for the warm welcome and support provided when Maier was new to the commission. Mr. Olsen expressed his appreciation for Chairman Duck's leadership on behalf of all staff.

**XII. ADJOURNMENT**

It was moved by Chairman-elect McCormack to adjourn and passed unanimously. Chairman Duck adjourned the meeting at 2:24 p.m. on March 14, 2023.