

Alaska International Airports System

ALASKA, USA



Operations Department Review

The State of Alaska Department of Transportation and Public Facilities (DOT&PF) retained Critical Path, Inc. (CPI) to conduct an independent third party review of the organizational structure of the Alaska International Airport System (AIAS). Additionally, a review of the AIAS' business relationships with the airlines was completed with the purpose of providing recommendations that would enhance the overall ongoing operation and business development of AIAS. The AIAS is comprised of the Ted Stevens Anchorage International Airport (ANC), the Fairbanks International Airport (FAI), and the International Airport Systems Office (IASO). The Scope of Work also addressed aspects of the DOT&PF related to Statewide Airports.

Within the AIAS organizational review work, CPI was tasked to:

- Examine current functions of the DOT&PF's Aviation Division as they relate to the AIAS and Statewide Airports' functions.
- Assess the efficiency of the AIAS structure and business approach.
- Examine the current functions and operations performed by the staff at ANC, FAI, and the Controller's Office.
- Identify which functions, if any, should become centralized "system functions" under the AIAS and provide a business case for recommended centralized functions and impact/benefits to ANC and FAI.
- Identify which functions, if any, should be standardized between ANC and FAI but performed separately.
- Review the top-level organizational structure for the DOT&PF's Aviation Division, including the AIAS, ANC, FAI, and Statewide Airports and identify recommended organizational changes that would minimize layered management and improve system operations, accountability, and business development.

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Operations Department Review (cont'd)

- Review the pros and cons of filling the current vacant position of the Executive Director of the AIAS and methods to enhance business relations with the airline community.

The business relations review tasks included:

- Evaluate the effectiveness of the AIAS's current business practices.
- Evaluate the overall effectiveness of the AIAS's working relationships and communications with the airlines community.
- Ascertain and identify any airline concerns and/or expectations not currently being addressed.
- Provide recommendations for improving the effectiveness of communications and the working relationships between the airlines and the AIAS.
- Provide recommendations relative to organizational structure and/or operational practices that would enhance business development opportunities.

CPI conducted an initial meeting with the Commissioner and project coordinator to discuss and reach a mutual understanding of the study's objectives, work steps, schedule, and priorities of the work scope, and to ensure the study deliverables were clearly understood. CPI then conducted in-person interviews with 40+ individuals and groups including AIAS senior staff, airlines, former political appointments/senior management staff, GA and business leaders, DOT&PF staff, Statewide Aviation staff, and FAA staff. The interviews were conducted to gain an understanding of the AIAS and Statewide Aviation's current organization and core functions, background regarding relations with the airlines, and views about how the AIAS operates and meets mandates. CPI also reviewed materials and documents provided by the project coordinator, external sources, information gathered from the interviews, industry best practices, and our internal industry experience to assist in our evaluation.

The study provided the Commissioner of the DOT&PF with a report detailing the general observations, findings and recommendations.

The work was conducted between May and November 2010.