



ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

Questions on Draft Aircraft Registration Regulations

(updated 12/22/17)

1. Why is DOT&PF registering airplanes?

- There is an FAA requirement to provide annual updates indicating where aircraft are based within the state's aviation system. Registering aircraft will enable DOT to fulfill this requirement.
- Knowledge of where aircraft are based will also support airport system planning and help prioritize M&O at state airports.
- The new database of based aircraft will be combined with the required state insurance compliance program. The database will also create a mechanism for reaching stakeholders as needs and issues arise in specific areas.

2. How were the fees determined? What is the rationale for a fee structure of \$150 for non-commercial and \$250 commercial?

- The state operates and maintains 240 airports at a cost of approximately \$40M. Revenue generated by leasing fees and aviation fuel tax amounts to ~\$10M, leaving approximately \$30M to be made up with funds from the state's general fund.
- The money generated by the registration fees will be used to help fund the safety, security and system planning costs associated with the rural airport system.
- It's common practice for most airports nationwide to have aircraft owners and operators help cover the costs of operating an airport. These registration fees are comparable to what other aviation departments charge nationwide.
- Commercial aircraft rates have been set higher as they have a more demanding use of the airfields and require the state to maintain them daily for their airline/air taxi operations at a higher standard.

3. How will the money be used and how much is the fee expected to generate?

The funds that are raised will be used to help fund the safety, security and system planning costs associated with the rural airport system. ADOT&PF anticipates \$1.3-1.5 million in funding from the aircraft registration program.

- 4. What is legal justification (statutes/AG opinions) for DOT jurisdiction over aircraft registration when aircraft do not use state airports or state facilities in a 12 month period? For example: Plane located on private property and once airborne plane is operating in national airspace outside jurisdiction of state. What legal argument does DOT have when citing 17 AAC 41.010 (a) A person may not operate or authorize the operation of an aircraft in Alaska unless..... What about registration jurisdiction on Native and tribal lands.**

The opinion of the attorney general's office is that the following provisions of the Alaska Statutes give DOT the authority to enact the proposed regulation regarding registration of aircraft, and is not dependent upon whether or not an aircraft utilizes state-run airports or facilities: AS 02.10.010; AS 02.15.010; AS 02.15.020; AS 02.15.190; AS 02.15.220; AS 02.15.230; AS 44.42.020; and AS 44.42.030. Aircraft registration will be required unless an aircraft is exempt, or has received a waiver.

- 5. The "Exemptions from registration requirements" in proposed 17 AAC 41.030 (a) (1) exempt "aircraft operating primarily in commerce between this state and: (A) any other state in the US....." This clause would appear to offer exemptions to Alaska Air, Delta, United, American and others who provide mail, general freight or passenger service originating outside Alaska or leaving Alaska.**

US DOT requires air carriers to report their flights including origin and destination airports. If an air carrier claims an exemption for an aircraft from registration, DOT&PF would verify that aircraft's flight history with the US DOT database.

- 6. Why was 180 Alaska days chosen to determine aircraft registration is required. DMV uses Zero days unless vehicle is registered out of state, then it's a 60 day register rule. Washington State uses a 90 day rule for aircraft in state. 180 days seems to exempt many commercial carriers operating only in summer months.**

The National Based Aircraft Inventory Program, as defined by FAA, states that a based aircraft is an aircraft that is operational and airworthy and that is typically based at a facility for the majority of the year; 180 days captures aircraft in-state longer than a short visit in the summer.

- 7. Under the proposed Protest 17 AAC 41.900 (a) an aircraft owner may only appeal DOT registration decisions by filing protest with the department. Does this cut off appeals of owners to their legislator, governor or seeking legal redress through courts?**

No. Owners may still contact their legislators and/or the Governor with concerns. The outcome of a protest under proposed 17 AAC 41.900 can be appealed to the DOT Commissioner, and the Commissioner's decision can be appealed to the courts.

8. What is the estimated cost and annual revenue goal for this regulation program in years 1-5? What enforcement mechanisms exist, if any, and what penalties for failure to register?

The anticipated revenue is between \$1.3M and \$1.5M per year. The program will be available online and will cost ~\$5K per year to administer. There are no penalties currently associated with this proposal. Should noncompliance become a significant factor then establishing a penalty may become necessary.

9. What is DOT's forecast of economic effects, if any, that this registration program will have on general and commercial aviation in Alaska?

There are several advantages of this program starting from a planning focus as well as to help the SOA pay for the system. The majority of forms of transportation already require registering in the state (vehicles, boats, trailers, RVs, ATVs) and implementing an aircraft registration fee is a common requirement across other states in the country as well. Creating a database of aircraft locations will not only assist in the planning for Alaska's aviation system, but will also create a mechanism for reaching stakeholders as needs and issues arise in specific areas. FAA does not currently have any mechanism for tracking aircraft basing information.

10. What current airlines, aircraft type, internationals, non-profits and quantity does DOT project will be exempt from registration program?

At this point, state and federally owned aircraft, including military and inoperable/unflyable aircraft are the only exemptions. According to estimates, less than 1% of the total aircraft registered in Alaska in FAA's database are military, state, or federally owned.

11. Are non-profit organizations exempt from registration fees?

No.

12. DMV registration: Effective January 15th, 2014 residents over 65 years old and/or disabled will receive permanent vehicle registration license plate stickers/tabs. Is a similar provision being considered by DOT registration?

This is not being considered at this time.

13. What are projected enforcement costs to this program? What will be the cost to owners not complying with registration program?

There is currently no enforcement costs or penalties associated with this proposal. Should noncompliance become a significant factor then establishing a penalty may become necessary.

14. What is the anticipated breakout of revenue between commercial and non-commercial aircraft?

Non-commercial aircraft @ \$150/plane = \$1,357,050
Commercial aircraft @ \$250/plane = \$52,250
Estimated Total = \$1,409,300

15. Aircraft operating “primarily in commerce between this state and any other state in the United States” are exempt under this proposed regulation. How will DOT establish this criterion? For example, does a commercial aircraft that flies FAI-ANC-JNU-SIT-SEA qualify under this provision?

US DOT requires air carriers to report their flights including origin and destination airports. If an air carrier claims an exemption for an aircraft from registration, DOT&PF would verify that aircraft’s flight history with the US DOT database.

16. How is the revenue from this program protected to ensure it comes back to airports, as opposed to road repair, or non-transportation related state spending?

Registration fee revenue will be classified as Statewide Aviation program receipts and will flow directly to Statewide Aviation to help fund the safety, security and system planning costs associated with the rural airport system.

17. What level of staffing, and associated cost, is anticipated to address this program, including initial registration, processing exemptions, protests and appeals?

Almost all of the initial costs, which will be ~\$51,000, will be paid by FAA planning grant funds. The on-going costs for website maintenance will be \$5,000. The online registration system is highly automated and no increase to staff levels is anticipated.

18. If government aircraft are exempt, what is the benefit of having them “voluntarily register” with the State?

The State of Alaska cannot require the federal government to register their aircraft in Alaska, so DOT&PF will request that federal agencies register their aircraft. The benefit to the State of Alaska will be to know where those aircraft are based for airport planning purposes, and to comply with the FAA’s requirement to report where aircraft are based.

19. There are options for permanent motor vehicle registrations, why is there not that option for aircraft?

This option had not been considered previously but will be assessed for feasibility as draft regulation work continues.

20. Why are there no charitable exemptions like there are for motor vehicles?

This option had not been considered previously but will be assessed for feasibility as draft regulation work continues.

21. How does DOT define Commercial/Non-commercial? Will DOT's definition contradict the FAA's definition?

Alaska Statute 02.40.020. Certification of Compliance of Air Carriers defines commercial aircraft as those aircraft "used in air commerce," which has been defined as aircraft with an FAA Part 135 certificate and/or a Part 121 certificate. Aircraft that operate under Part 91 are not considered to be "used in air commerce."

22. Why is there a proposed difference between commercial/non-commercial fees?

Commercial aircraft use public airports more than non-commercial aircraft. One suggestion being considered is to have one fee for both commercial and non-commercial aircraft.

23. What services will floatplane operators see from this?

Having a statewide system of airports is important to all pilots. This includes navigation infrastructure such as AWOS availability, which is used by floatplane pilots. Floatplane pilots depend upon Civil Air Patrol emergency response that use airport infrastructure.

24. Why did you chose to go the registration route, when the recent survey by AOPA/Airmens showed 20% supported registration, 69% supported fuel tax increase. Why did you opt for the registration system?

Based aircraft information needs to be collected. The fuel tax proposal has not moved forward, A/C registration was second choice.

25. Was do nothing considered as an option?

Yes it was considered, but it doesn't address data needs or revenue.

26. Is this an annual registration?

Yes, however a biannual registration has been suggested.

27. Will DOT&PF contact the owners and re-contact if they don't fill out their app and send in their money?

Yes.

28. Will the Fairbanks, Anchorage, and Juneau offices include paper handling and personal interface be included in the \$5k maintenance cost?

Yes. No new positions will be added for the proposed aircraft registration program.

29. What other revenue measures were considered instead of having a registration program?

DOT&PF is continually looking at cost saving measures for maintenance and revenue opportunities, as well as options such as landing fees, registration, and fuel taxes.

30. Does the state contribute to municipal airports?

No, but a small percentage of aviation fuel tax collected at municipal airports is sent to those airports.

31. Has the State ever had the conversation with municipals about turning over airports?

Yes. DOT&PF has discussed this in the past, and is currently having the conversation with various cities and boroughs.

32. What is the proposed implementation date for this proposal?

April 1, 2017 would be the likely implementation date.

33. Is the fuel tax still on the table? If that passes, will we still move forward on this?

The fuel tax bill is still pending in front of the Legislature. Although relevant as to revenue, the fuel tax does not address the need to collect based aircraft information.

34. If aircraft registration is adopted, does that money go into fixing the shortfall?

The revenue would go into a designated fund, for appropriation by the Legislature back to DOT&PF for statewide aviation. This is similar to how avgas tax, jet fuel tax, and airport leasing revenue are currently directed to use on airports.

35. Are there any Part 121 operators that would be exempted from the registration?

It depends on where the aircraft are based. For example Alaska Airlines' aircraft that are based in Seattle would be exempt, but are subject to registration in Washington state.

36. For dismantled aircraft – what determines they are unflyable? Can you define how that is determined or measured?

DOT&PF is working to further define this term and in response to public input is considering adding a specific definition into the proposed regulation.

37. Why can't we enhance the FAA's aircraft information system with based aircraft and email info?

DOT&PF asked FAA this question but so far FAA has not changed their system.

38. How many aircraft are in Alaska?

The most recent data show there are 9,256 aircraft in Alaska.

39. Does DOT&PF maintain any of the navigation systems on the airports?

No. However DOT&PF has meetings with the many parts of FAA to justify more infrastructure and facilities such as airfield improvements, AWOS, WAAS approaches, etc. DOT&PF needs data such as user information to justify our needs and plans to FAA.

40. How accurate do you think your numbers will be? How many airplanes are based at different airports?

DOT&PF currently does not know how many aircraft are based at various airports, which is an important reason for considering this proposed regulation change. The FAA's database www.basedaircraft.com reconciles duplicate N number reports of based aircraft, and other states report that the system is very accurate.

41. Does DOT&PF intend to include all aircraft, like on small airstrips?

Yes. We are interested in where all aircraft are based. For example, at Naknek airport (5NK) we believe there may be between 18-25 based aircraft, but we don't know because it is an unstaffed airport. This is similar to most of the State owned airports.

42. Is there going to be any improvement to services? What benefit is it to the public?

The based aircraft information would provide reliable information to make informed planning decisions for the aviation system. Additionally DOT&PF funding has been cut 26% over the past three years and the department would like to avoid more cuts to service.

43. How many planes are inoperable?

DOT&PF does not know this.

44. Is this a done deal?

No. The purpose of the comment period required by statute is to take public input, consolidate all the comments to be provided to the Commissioner of DOT&PF for his consideration. Then after the Commissioner considers all of the public input, he will either decide to adopt the proposed regulations, amend them, or not pursue them.

45. Why aren't the commissioner and Lt. governor at these meetings?

They don't typically attend the regulation making public hearings, but do receive reports on the questions and comments received.

46. What steps have we taken to scale back spending?

DOT&PF's budget has been cut 26% over the last 3 years. All staff must take two unpaid furlough days this year, and all overtime has been eliminated.

47. Is this fee on top of what people are already paying in Anchorage?

Yes, this fee would be paid to the State of Alaska.

48. Do any remote communities participate in the maintenance of their airports?

Yes, there are some locally owned and operated airports. However, most public airports are owned and operated by the State of Alaska.

49. Why don't the aircraft that are the greatest cause of maintenance carry some of the cost?

DOT&PF has been studying this issue and the possibility of implementing landing fees at the regional hub airports. Landing fees are a typical way that airports in the rest of the country pay for their maintenance and operations.

50. If there is no enforcement mechanism, isn't it going to take more resources to find the people that refuse to pay?

This is a possibility.

51. What carries more weight? Public forum discussion or emails/comments?

There is no difference because all comments are being collected, compiled, and reviewed. Finally all the comments, questions, and responses will be duly considered by the Commissioner of DOT&PF before he makes a decision to whether or not to implement or amend and implement the proposed regulations.

52. Are there revenue generation projects in the other modes?

DOT&PF is continually evaluating ways to reduce costs and/or generate revenue for all modes of transportation.

53. Where is the certificate supposed to go?

The proposed regulation says the registration would be kept in the aircraft.

54. What was the genesis of the proposed aircraft registration program?

The need for good information about where aircraft are based for aviation system and airport planning is an important reason for the program. Additionally, the DOT&PF's Aviation Advisory Board has been considering ways of raising revenue to fund airport operations and maintenance. Aircraft registration fees is one of many things being considered.

55. Why aren't we looking at divesting airports?

For most of the national airport system, local cities and counties own and operate the airports. DOT&PF is considering this as an option to reduce the costs of operating the airport system.

56. What does it cost for DOT&PF to maintain paved runways throughout the state?

Part 139 certificated airports cost about \$20 million per year to operate and maintain.

57. Is there any enforcement plan?

There is no enforcement plan in the proposed regulations at this time.

58. Has DOT researched the quarterly fee? Based on weight and radio used?

No. We will consider this as an option.

59. How does DOT&PF plan on making up the rest of the amount (gap) in funding the system?

DOT&PF is considering all the options that airports use nationally.

60. How much does FAA pay now?

FAA provides funding to DOT&PF for capital projects and some “surface maintenance” such as crack sealing and obstruction removal. The FAA’s “Airport Improvement Program” funding is typically 93.75% grant funding for capital projects, but DOT&PF must pay for operations and maintenance.

61. Do other states have aircraft registration and fees?

Yes, there are 26 states that currently have aircraft registration and fees. Attached is a the listing of states with aircraft registration and some related information.

AIRCRAFT REGISTRATION BY STATE

State	State Abb.	# of Aircraft (FAA)	Registration (y/n)	Annual Amount	Fee Details (Dollars)
Arizona	AZ	8,141	Yes	None	Tax is 0.5% of assessed value, not less than \$20
Connecticut	CT	2,233	Yes	Varies	Tiered
Hawaii	HI	793	Yes	\$10	\$10
Idaho	ID	9,363	Yes	\$20-\$600	\$20 minimum/\$600 Maximum \$0.03/lb of Manufacturer's Certified Gross Weight
Illinois	IL	8,565	Yes	\$20	\$20
Indiana	IN	5,338	Yes	\$10	\$10
Iowa	IA	3,664	Yes		Tiered by Year
Maine	ME	1,573	Yes	\$10	\$10
Maryland	MD	2,697	Yes	\$10	\$10
Massachusetts	MA	3,427	Yes		Varies \$100 -\$300 based on aircraft weight
Michigan	MI	7,937	Yes	Varies	\$0.01 per pound
Minnesota	MN	7,064	Yes	\$25-\$500	Recreational - \$25 yr Agriculture - \$500 yr Antique - \$25 one time; Classic - \$25 one time; Balloon - \$25 yr Dealer 1/3 fee of standard owner
Mississippi	MS	2,737	Yes	\$25-\$2.5k	\$25 (acft < 3,600#), \$250 (acft 3,601# thru 10,000#), \$2,500 (acft over 10,000#)
Montana	MT	4,457	Yes	\$20-\$3k	Varies between \$20-\$3,000
New Hampshire	NH	1,636	Yes	Varies	Tiered based on registry
New Mexico	NM	3,307	Yes	Varies	Based on weight and age
North Dakota	ND	2,458	Yes	Varies	Varies on weight and year
Ohio	OH	8,309	Yes	Varies	\$15 per seat
Oklahoma	OK	6,139	Yes	Varies	Based on a formula
Oregon	OR	7,616	Yes	Varies	Tiered based on type of aircraft
Rhode Island	RI	459	Yes	Varies	Tiered based on weight
South Dakota	SD	2,163	Yes	Varies	Fee depends on size and age of aircraft
Utah	UT	7,193	Yes	Varies	0.04% of Blue Book Value
Virginia	VA	5,606	Yes	\$5-\$10	Noncommercial - \$5.00 Commercial - \$10.00
Washington	WA	10,573	Yes	\$35-\$140	Annual fee prorated when new registration
Wisconsin	WI	6,345	Yes	Varies	Based on weight

AIRCRAFT REGISTRATION BY STATE

States w/o registration					
Alabama	AL		No	None	No
Alaska	AK		No	None	No
Arkansas	AR		No	None	No
California	CA		No	None	No
Colorado	CO		No	None	No
Delaware	DE		No	None	No
Florida	FL		No	None	No
Georgia	GA		No	None	No
Kansas	KS		No	None	No
Kentucky	KY		No	None	No
Louisiana	LA		No	None	No
Missouri	MO		No	None	No
Nebraska	NE		No	None	No
Nevada	NV		No	None	No
New Jersey	NJ		No	None	No
New York	NY		No	None	No
North Carolina	NC		No	None	No
Pennsylvania	PA		No	None	No
South Carolina	SC		No	None	No
Tennessee	TN		No	None	No
Texas	TX		No	None	No
Vermont	VT		No	None	No
West Virginia	WV		No	None	No
Wyoming	WY		No	None	No

States w registration = 26 52%

States w/o registration = 24 48%

Source: Division of Statewide Aviation, DOT&PF
 Aircraft Owners & Pilots Association
 National Association of State Aviation Officials