



AIRCRAFT OWNERS AND PILOTS ASSOCIATION

May 27, 2008

Mr. Keith Day, Controller
Alaska International Airports System
P. O. Box 196960
Anchorage, AK 99519-6960

Re: Intent to increase land rental rates at Anchorage and Fairbanks International Airports

Dear Mr. Day:

The Aircraft Owners and Pilots Association (AOPA) represents over 414,000 members nation wide, some 4,300 of whom reside in the state of Alaska. AOPA has concerns with the proposed land rate increase at Anchorage and Fairbanks International Airports. While we understand the need to derive income to support these airports, the impact of the proposed action may have severe consequences to our members who either hold leases directly, or patronize businesses that have leases at these airports. AOPA is especially concerned with the compounding of the lease rate adjustments resulting in more than a 50% increase in many lease rates for the first year – an excessive amount under any circumstances.

While the immediate increase to existing leaseholders will vary depending on the terms of individual leases, most are looking at an increase of over 50% this summer. With aviation fuel prices on the rise, along with the cost of other forms of energy at record levels, businesses and individuals who hold leases are already under economic stress. The cumulative impact of these factors could have a negative impact on the aviation community and the public that depends on it as a basic form of transportation across much of the state.

AOPA requests that before implementing a rate increase under these economic circumstances, the state performs a study to evaluate the overall impact of this proposal, including the rate increase that was recently made across the rural airports.

We also contend that it is necessary to revise the Title 17 regulations, specifically 17.AAC.295 (d) which allows the compounding of the lease rate adjustments. Keeping rate increases to a maximum of 10% per year will ease the impact on leaseholders.

Thank you for the opportunity to comment on this proposal.

Sincerely,

Tom George

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