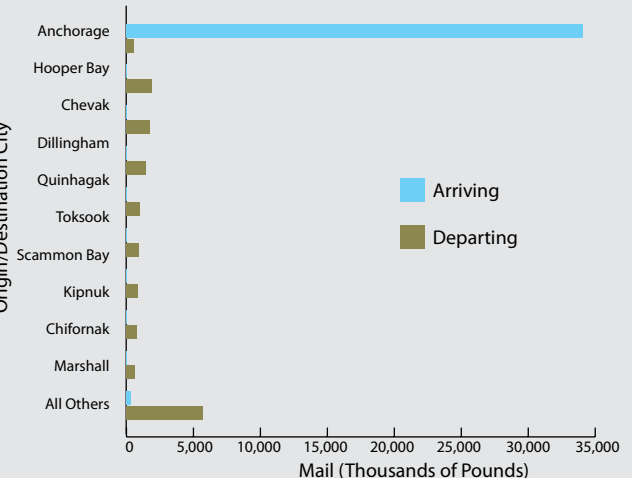


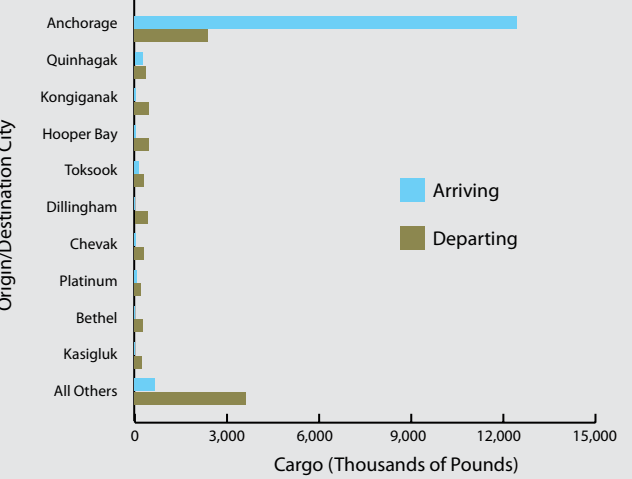


In rural Alaska, mail means more than just letters, bills, and catalogs; the United States Postal Service's Bypass Mail Program allows for the timely delivery of food and supplies via the mail system at a reduced cost to the sender. For many communities, this program is the quickest and least expensive way of receiving fresh food the majority of the year. In 2009, 34.5 million pounds of incoming mail landed at BET before being distributed to the villages (see Figure 4).

**FIGURE 4**  
Bethel: 2009 Mail Volumes by Origin/Destination City



**FIGURE 5**  
Bethel: 2009 Cargo Volumes by Origin/Destination City



BET also received over 13.7 million pounds of cargo in 2009 (see Figure 5). As with mail volumes, a large portion of the incoming cargo came from Anchorage through Bethel en route to smaller villages in the region.

The study estimates that the total initial (first retail) expenditures related to enplaned passengers, mail, and cargo associated with BET were approximately \$107.8 million in 2009 (see Figure 6). This amount is a conservative estimate of the value of "first retail" equivalent expenditures in 2009 (i.e., what people and organizations spent to move goods and people to and from Bethel).

**FIGURE 6**  
Air Transport Expenditures, 2009

Expenditures Category	Segment Volume	Enplaned Volume	Enplaned Expenditures (\$Millions)
Passengers (Number)	268,139	268,171	50.4
Mail (Pounds)	51,207,735	47,693,955	40.9
Cargo (Pounds)	22,832,539	21,678,114	16.4
<b>Total</b>			<b>107.8</b>

**The Alaska Aviation System Plan**

The Alaska Aviation System Plan (AASP) sets the vision for aviation in Alaska. It documents the existing aviation network, identifies needed airport improvements, sets funding priorities, and proposes aviation policy. The AASP has prepared special studies of important aviation issues, such as this document and 2009's *The Economic Contribution of the Aviation Industry to Alaska's Economy*.

The purpose of this special study is to document the economic contribution and social importance of a diverse set of Alaska airports to their communities. The study can be found at [www.alaskaasp.com/documents.aspx](http://www.alaskaasp.com/documents.aspx)

*This Alaska Aviation System Plan was conducted in accordance with FAA Advisory Circular 150/5070-7: The Airport System Planning Process. The economic analysis described in this brochure was conducted pursuant to Section 101.a(3) of that document. This report was prepared by Northern Economics, Inc. For more information please call ADOT&PF Aviation Division at (907) 269-0730. [www.dot.state.ak.us](http://www.dot.state.ak.us)*

**Aviation: Critical to Alaska**

Aviation is a critical component of the state's economy and the vitality of Alaska's communities. There is no better example of this fact than the Bethel Airport (BET). BET is an economic engine and lifeline for dozens of communities in the Yukon-Kuskokwim region. Food, fuel, consumable goods, and durable goods all flow through BET to surrounding villages while on-airport economic activities create significant employment within the Bethel Census Area. The Alaska Department of Transportation & Public Facilities (ADOT&PF), Division of Statewide Aviation recently embarked on updating the Alaska Aviation System Plan (AASP). As part of this effort, ADOT&PF and the Governor's Aviation Advisory Board established a goal of documenting the value and contribution of the aviation industry at 12 selected airports around the state to the state's economy and



// We greatly rely on the Bethel Airport to connect us to our patient base. //

— Donna Bach, Director of Public Relations at the Yukon-Kuskokwim Health Corporation

Photo courtesy of ADOT&PF

local communities. The Bethel Airport is one of the airports selected for this analysis.

In late 2010 and early 2011 contractors for ADOT&PF conducted an extensive survey and interview effort targeting on-site leaseholders at selected airports, ADOT&PF airport managers, and local community leaders. This brochure documents the results of this effort and the importance of BET to the Yukon-Kuskokwim Region.

**An Economic Engine**

ADOT&PF contractors surveyed on-site leaseholders and airport managers at BET to document as much of the economic activity occurring on airport as possible. On-site economic activity at airports has far-reaching consequences. The direct spending by on-site businesses and their employees, as well as the money spent operating and maintaining the airports, creates additional employment and income throughout the economy. When one employee brings home a paycheck and spends their wages on food, housing, and entertainment their spending creates more economic activity. This phenomenon is called the "multiplier effect". This study finds that in 2009 on-site activity by leaseholders and airport operations involved roughly 402 direct jobs on-site at BET (see Figure 1). In addition, leaseholders



Photo courtesy of ADOT&PF

**FIGURE 1**  
Leaseholder and Airport Operation Expenditures Summary 2009

	Number of Jobs	Wages & Benefits	Capital Expenditures	Other Operating Expenditures	Total Expenditures
(\$Millions)					
Leaseholder	390	13.9	1.4	47.0	62.3
Operations	12	0.8	3.3	1.1	5.2
<b>Total</b>	<b>402</b>	<b>14.7</b>	<b>4.7</b>	<b>48.1</b>	<b>67.5</b>

**FIGURE 2**  
Bethel Airport's Direct, Indirect, and Induced In-State Economic Effects, 2009

Category	Number of Jobs		Labor Income (\$Millions)		Total Output (\$Millions)	
	In-Borough/Census Area	Other Alaska	In-Borough/Census Area	Other Alaska	In-Borough/Census Area	Other Alaska
By Area	460	100	18	6	25	20
<b>Total In-State Effect</b>	<b>560</b>		<b>24</b>		<b>45</b>	

and operations spent nearly \$15 million on wages and benefits, nearly \$5 million on capital expenditures, and over \$48 million on other operating expenditures such as fuel, food, office supplies, utilities and other services vital to running their businesses and the airport (see Figure 1).

As these expenditures flowed through the local and state economies they created additional jobs; both locally and across Alaska. The study estimates that in 2009 on-site operations at BET generated roughly 560 jobs (see Figure 2) including the on-site jobs mentioned above

**//** I can't imagine how we would get severely injured people out of here....we'd really be putting people at risk if there was no airport here. **//**

— George Young, the Fire Chief of Bethel

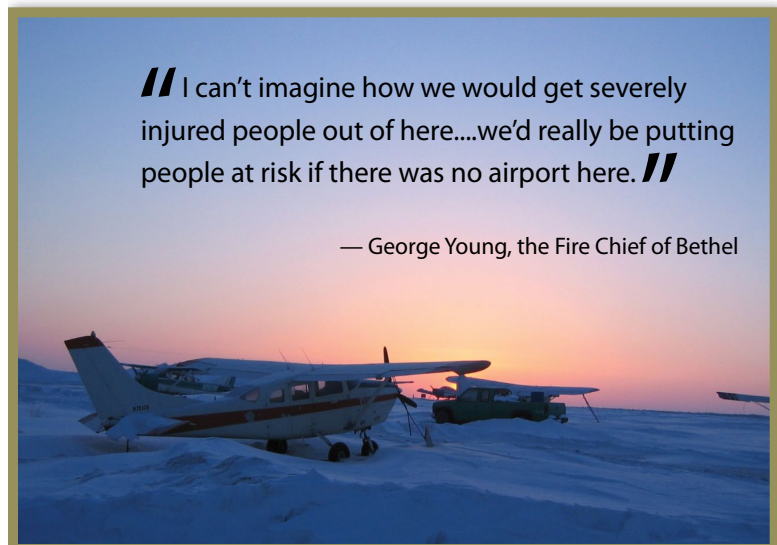
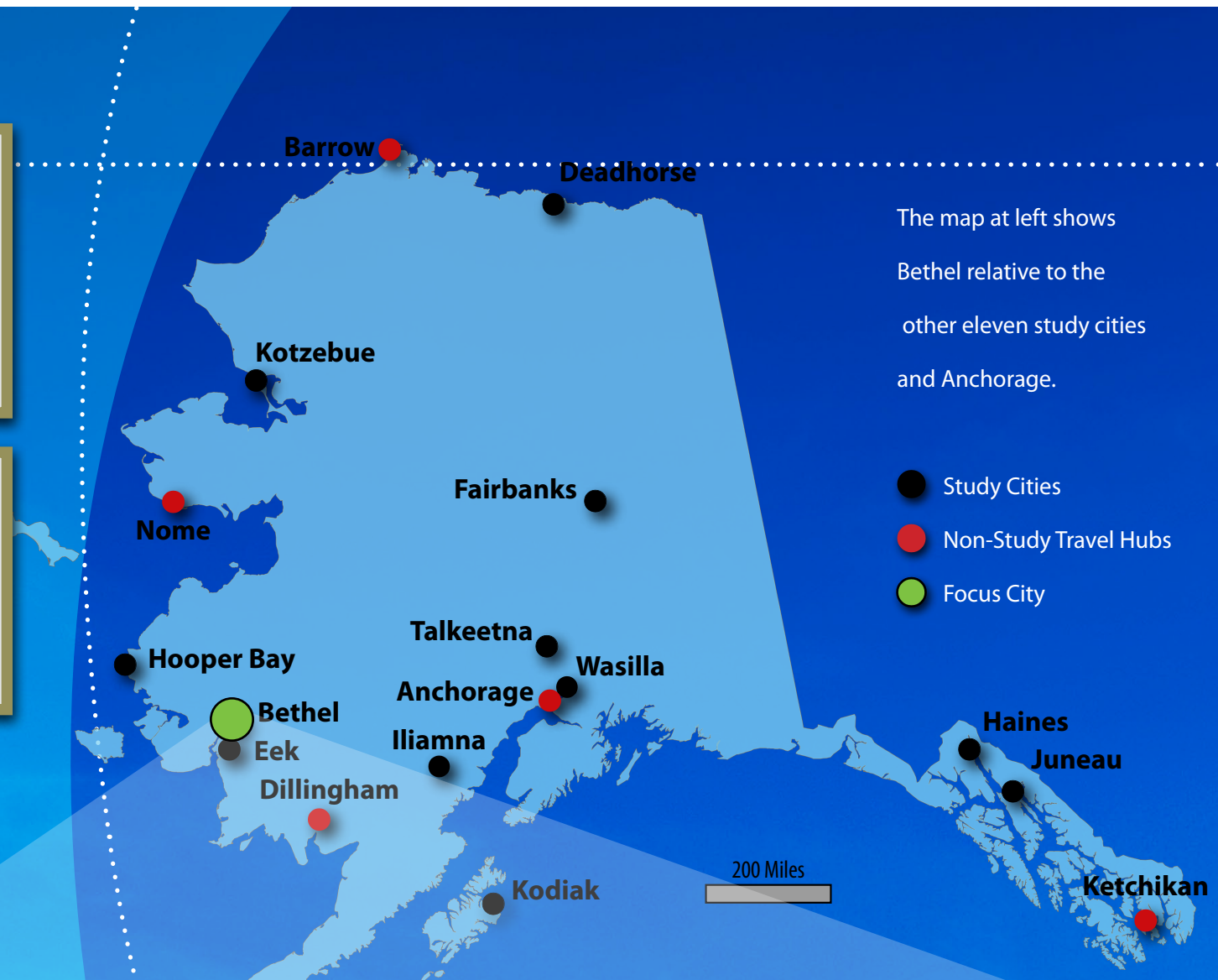


Photo courtesy of James Amundsen



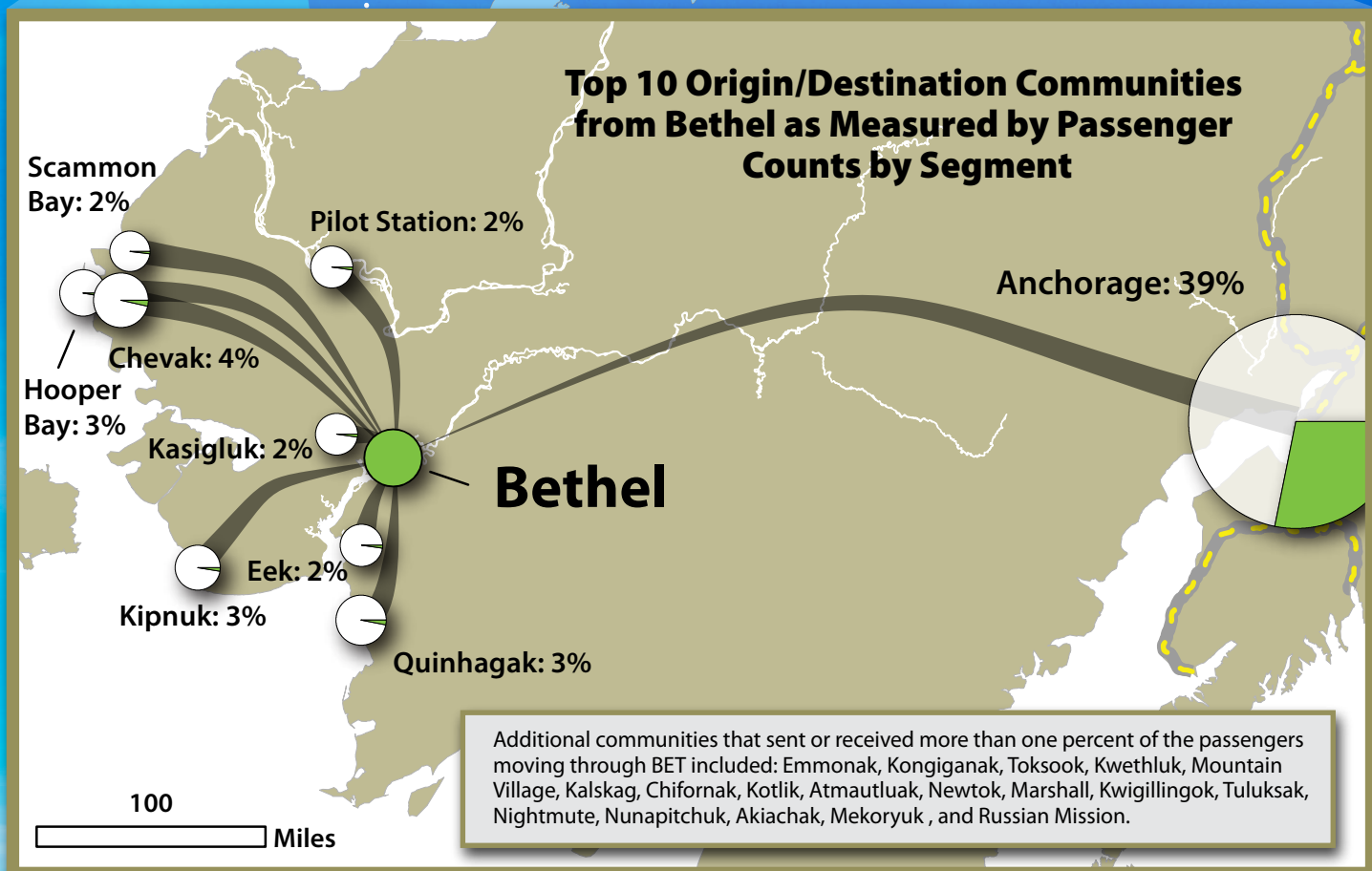
The map at left shows Bethel relative to the other eleven study cities and Anchorage.

- Study Cities
- Non-Study Travel Hubs
- Focus City

and jobs created off-site by the multiplier effect. In addition, the study estimates that approximately 460 of these jobs were in the Bethel Census Area while the other 100 were spread throughout Alaska. These jobs generated \$24 million in labor income and \$45 million in total economic output. In addition, the airport made a significant contribution to the Lower 48 economy as well; BET leaseholders spent \$40 million outside of Alaska in 2009.

**A Connection Going Far Beyond Bethel**

BET's importance goes far beyond its host community. As a major regional transportation center, BET is a distribution point for passengers, mail, and cargo destined for smaller communities. In 2009, the Bureau of Transportation Statistics documented passengers from 56 villages within the Yukon-Kuskokwim delta flying through Bethel's airport. Figure 3 shows the relationship between BET and the top ten communities sending or receiving passengers to the airport. With the exception of Anchorage, all of the communities listed in the table are within the Yukon-Kuskokwim region, attesting to Bethel's role as a regional hub.



Additional communities that sent or received more than one percent of the passengers moving through BET included: Emmonak, Kongiganak, Toksook, Kwethluk, Mountain Village, Kalskag, Chifornak, Kotlik, Atmaultluak, Newtok, Marshall, Kwigillingok, Tuluksak, Nightmute, Nunapitchuk, Akiachak, Mekoryuk, and Russian Mission.

**FIGURE 3**  
Bethel: 2009 Passenger Segments by Origin/Destination City

