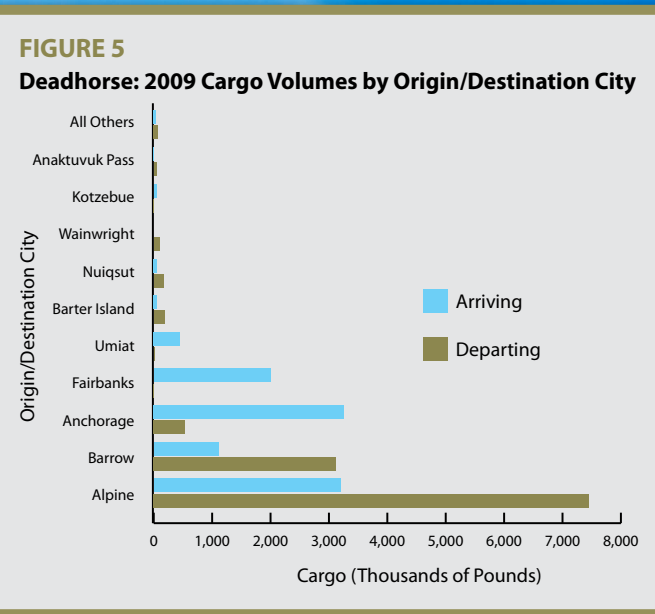
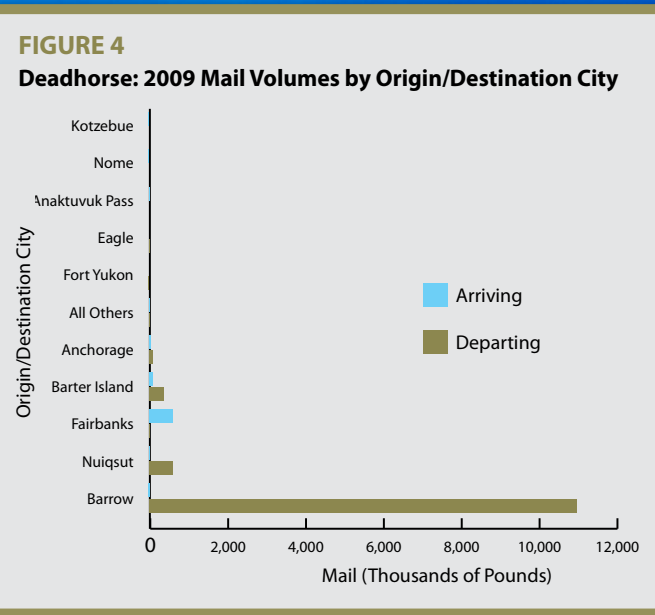


Slope oil & gas industry (see Figure 5). Alpine, listed as having the second highest volume of arriving cargo from SCC and the single highest volume of cargo to SCC, is not a community, but rather an oilfield work camp operated by Conoco-Phillips Alaska. It is the fifth largest discovery on the North Slope. While companies use less-expensive land-based transportation options when possible, a significant volume of foodstuffs and material goods such as tools, piping, repair iron, drilling mud, and building materials are still flown to Alpine. In 2009,



nearly 22 million pounds of cargo moved through SCC evenly split between arriving cargo and departing cargo.

The analysis suggests that the “first retail equivalent expenditures” spent to move goods and people to and from SCC were approximately \$42.0 million in 2009 (Figure 6). This amount is a conservative estimate of the value of “first retail” equivalent expenditures (i.e., what people and organizations spent to move goods and people to and from SCC) and does not include other expenditures such as baggage fees, dining, or other expenses incurred during travel.

**FIGURE 6**  
**Air Transport Expenditures, 2009**

Expenditures Category	Segment Volume	Enplaned Volume	Enplaned Expenditures (\$Millions)
Passengers (Number)	82,448	62,708	20.1
Mail (Pounds)	12,824,412	11,761,692	6.9
Cargo (Pounds)	21,907,731	18,321,369	15.0
<b>Total</b>			<b>42.0</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)*



**Economic Contributions of Alaska Airports**  
**THE DEADHORSE AIRPORT**

**Aviation: Critical to Alaska**

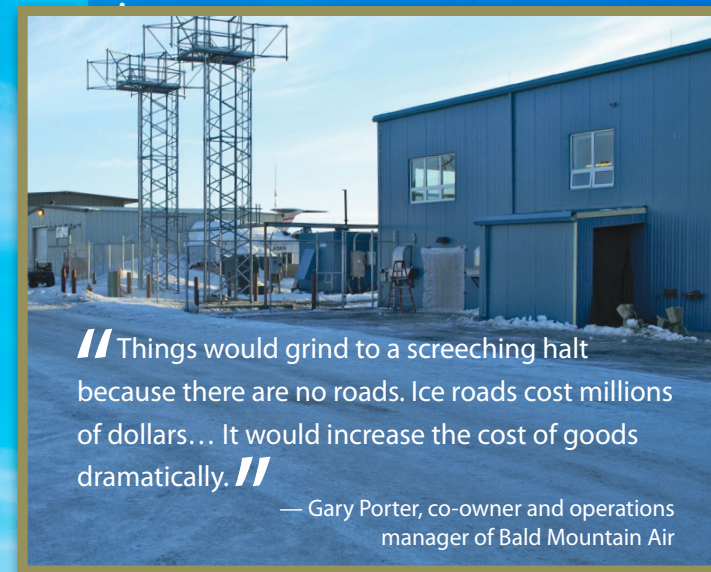
Aviation is a critical component of the state’s economy and the vitality of Alaska’s communities. The Deadhorse/ Prudhoe Bay Airport (SCC) is the main transportation hub for oil and gas operations on the North Slope. The Alaska Department of Transportation & Public Facilities (ADOT&PF), Division of Statewide 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 local communities. SCC 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 SCC to Alaska’s economy.

**Jobs in the Arctic**

ADOT&PF contractors surveyed on-site leaseholders and airport managers at SCC 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. The name for this phenomenon is the “multiplier effect.” The analysis estimates that, when taken together, SCC leaseholders and airport operations resulted in 446 direct jobs, about \$27 million in wages and benefits, and total non-wage and benefit expenditures of nearly \$54 million in 2009 (see Figure 1).

The direct employment and expenditures described above are fuel for the local, state, and national economies. The wages and expenditures cycle through the economy as workers spend their wages and businesses and government entities buy goods and services from off-airport businesses. The study estimates that there are roughly 700 direct, indirect, and induced in-state



“ Things would grind to a screeching halt because there are no roads. Ice roads cost millions of dollars... It would increase the cost of goods dramatically.”

— Gary Porter, co-owner and operations manager of Bald Mountain Air

Photo courtesy of Heather Kasper



Photo courtesy of Northern Economics

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

	Number of Jobs	Wages & Benefits	Capital Expenditures	Other Operating Expenditures	Total Expenditures
(\$Millions)					
Leaseholder	440	26.0	18.9	33.7	78.6
Operations	6	0.7	0.0	1.6	2.3
<b>Total</b>	<b>446</b>	<b>26.7</b>	<b>18.9</b>	<b>35.3</b>	<b>81.0</b>

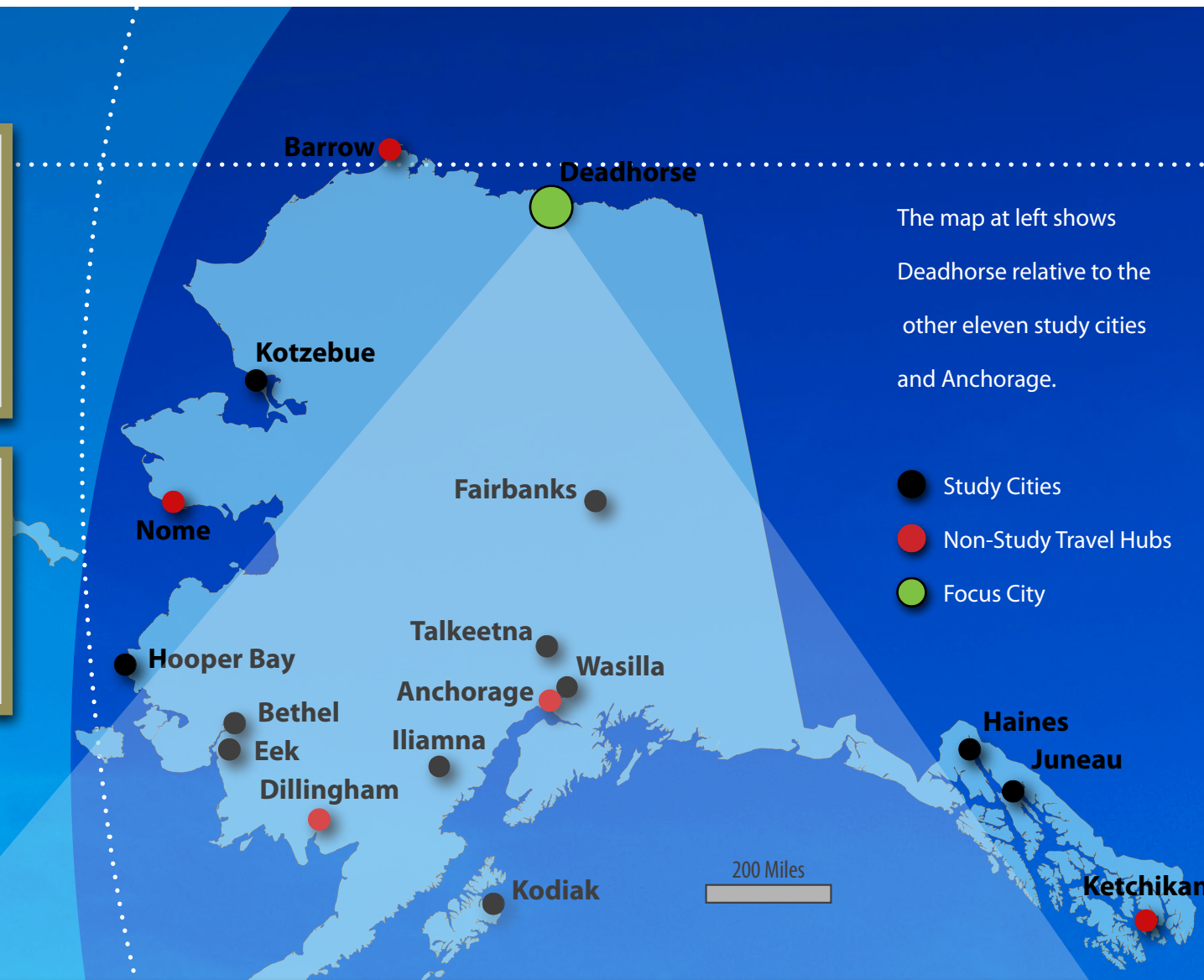
**FIGURE 2**  
Deadhorse Airport's Direct, Indirect, and Induced In-State Economic Effects, 2009

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	530	170	34	8	49	27
<b>Total In-State Effect</b>	<b>700</b>		<b>42</b>		<b>76</b>	

jobs including 530 in-borough direct, indirect, and induced jobs related to operations at SCC. Further, these operations resulted in-state labor income in 2009 of \$42 million contributing to total statewide economic output of \$76 million.

**Gateway to Alaska's North Slope**

In addition to generating economic output, SCC helps lower the cost of living and doing business in and around Deadhorse, the North



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

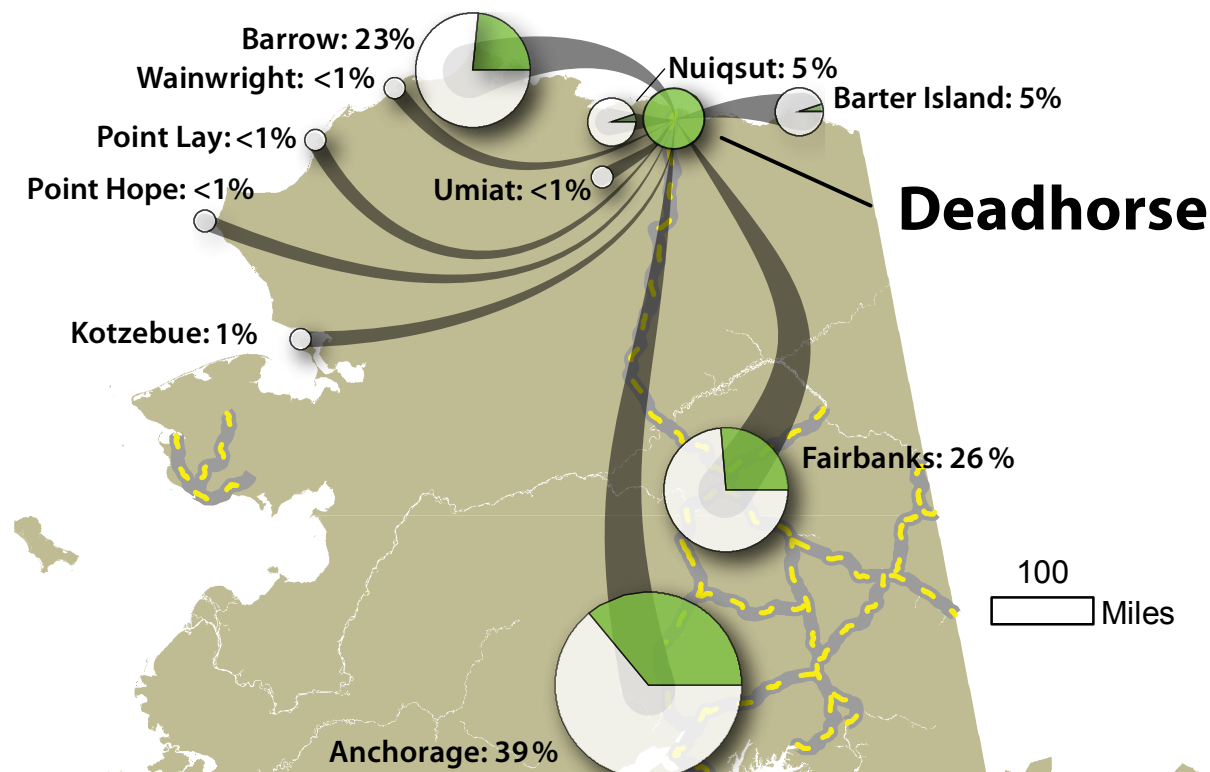
- Study Cities
- Non-Study Travel Hubs
- Focus City

Slope Borough, and Alaska's North Slope oil fields. North Slope oil field operations provide employment to over 5,000 non-borough residents. Many of the workers are from outside of the region and commute to SCC as needed. According to Bureau of Transportation Statistics data for 2009, more than 80,000 passenger segments related to SCC. The data for SCC reflect the airport's role in the regional economy and transportation network.

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 the case of SCC, bypass mail for outlying communities is trucked to SCC and then flown to the recipient communities. In 2009, 12.8 million pounds of mail moved through SCC with more than 85 percent of that volume moving on to Barrow.

The movement of cargo into SCC documents the airport's role as a working hub for the North

**Top 10 Origin/Destination Communities from Deadhorse as Measured by Passenger Counts by Segment**



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

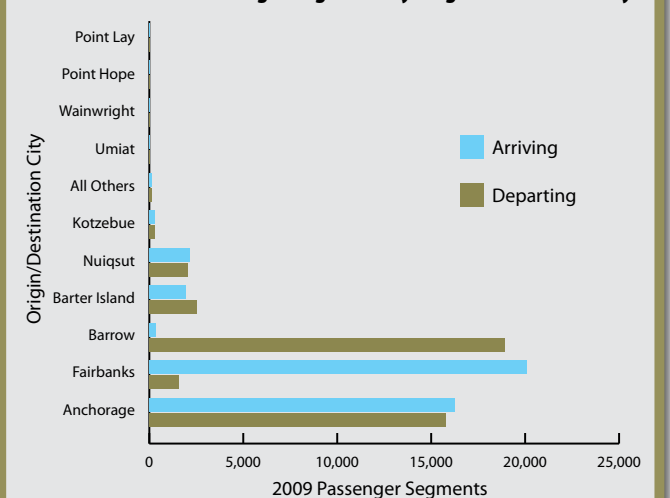


Photo courtesy of Heather Kasper