

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. The 2.2 million pounds of incoming mail to HPB shown in Figure 4 are attributable, at least in part, to the Bypass Mail Program. In the last several years, increased mail traffic in the region has created the possibility of establishing Hooper Bay as a mail hub in the Yukon-Kuskokwim Delta.

Nearly 670,000 pounds of cargo moved through HPB in 2009, with arriving cargo accounting for more than 80 percent of the total volume. More than 75 percent of all cargo moved to or from

FIGURE 4
Hooper Bay: 2009 Mail Volumes by Origin/Destination City

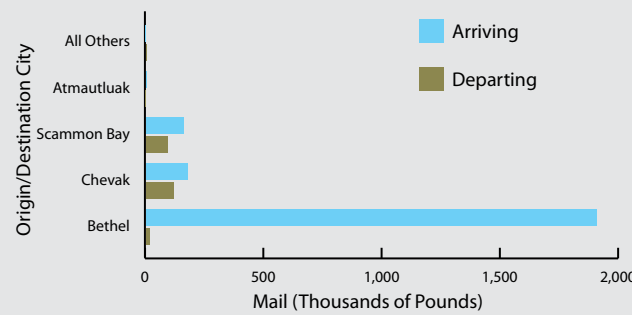
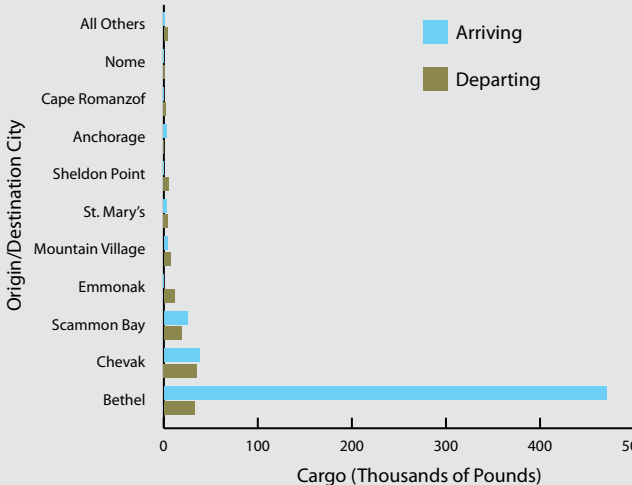


FIGURE 5
Hooper Bay: 2009 Cargo Volumes by Origin/Destination City



Bethel, with Chevak and Scammon Bay accounting for an 17.6 percent of total cargo volume.

The study estimates that the total initial (first retail) expenditures related to domestic passengers, mail, and cargo transported through HPB were approximately \$10.2 million in 2009 (see 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 HPB) 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) | 15,762 | 11,244 | 7.4 |
| Mail (Pounds) | 2,479,565 | 2,053,445 | 2.2 |
| Cargo (Pounds) | 669,611 | 530,839 | 0.6 |
| Total | | | 10.2 |

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

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



Economic Contributions of Alaska Airports

THE HOOPER BAY AIRPORT

Aviation: Critical to Alaska

Aviation is a critical component of the state's economy and the vitality of Alaska's communities. As with many of Alaska's rural communities, the airport at Hooper Bay (HPB) is the community's lifeline to the outside world. 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. HPB 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 HPB to its community.

Direct Jobs Don't Tell the Story

ADOT&PF contractors surveyed on-site leaseholders and airport managers at HPB 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 study finds that currently, there are no leaseholders conducting business at HPB, and therefore, unlike almost all of the other airports where leaseholders generate the most expenditures, the operations of HPB itself are the primary driver of economic activity. According to ADOT&PF Division of Statewide Aviation, there is one job associated with the ongoing airport operations at HPB (see Figure 1).

As these expenditures flowed through the local and state economies, they created additional jobs, both locally and across Alaska. However, descriptions of direct jobs and direct, indirect, and induced economic impacts do not accurately describe HPB's actual importance to the community. The study estimates that on-site activity at HPB

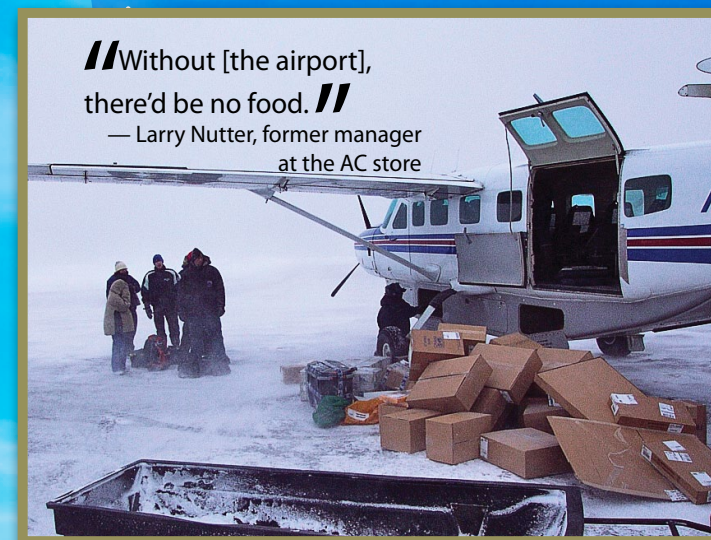


Photo courtesy of Rich Sewell, ADOTPF



Photo courtesy of ADOTPF

FIGURE 1
Leaseholder and Airport Operation Expenditures Summary 2009

| | Number of Jobs | Wages & Benefits | Capital Expenditures | Other Operating Expenditures | Total Expenditures |
|--------------|----------------|------------------|----------------------|------------------------------|--------------------|
| (\$Millions) | | | | | |
| Leaseholder | 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| Operations | 1 | 0.00 | 0.00 | 0.06 | 0.00 |
| Total | 1 | 0.00 | 0.00 | 0.06 | 0.06 |

FIGURE 2
Hooper Bay 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 | <10 | <10 | 0.01 | 0.02 | 0.04 | 0.05 |
| Total In-State Effect | <10 | | 0.03 | | 0.09 | |

generated something less than 10 direct, indirect, and induced jobs statewide and very little direct employment on-site. Further, the study estimates that on-airport activities generated roughly \$30,000 in labor income and just under \$100,000 in economic output around the state (see Figure 2).

A Vital Link to the Outside

Hooper Bay is a traditional Yup'ik Eskimo community located in the Yukon-Kuskokwim Delta. The city lies 500 miles west of Anchorage and, similar to most of Alaska's communities, is accessible only by air and water during the summer months and by air and ice during the winter. While deliveries of fuel and bulk supplies arrive by barge during the summer, aircraft

“Air connects us to the rest of the world.... We'd have to shut down without it.”
— Mike Jump, the Co-Principal at the Hooper Bay School

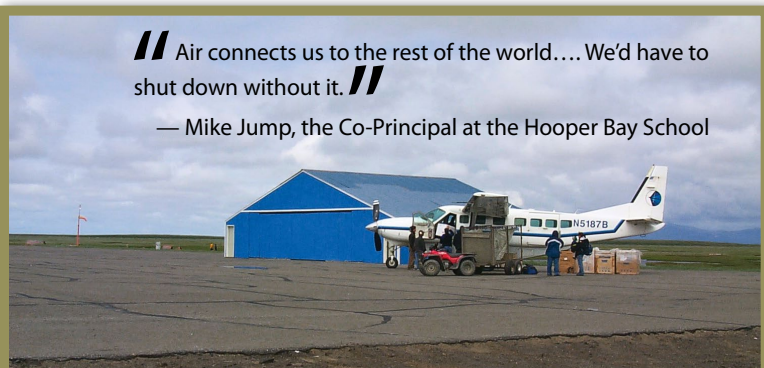
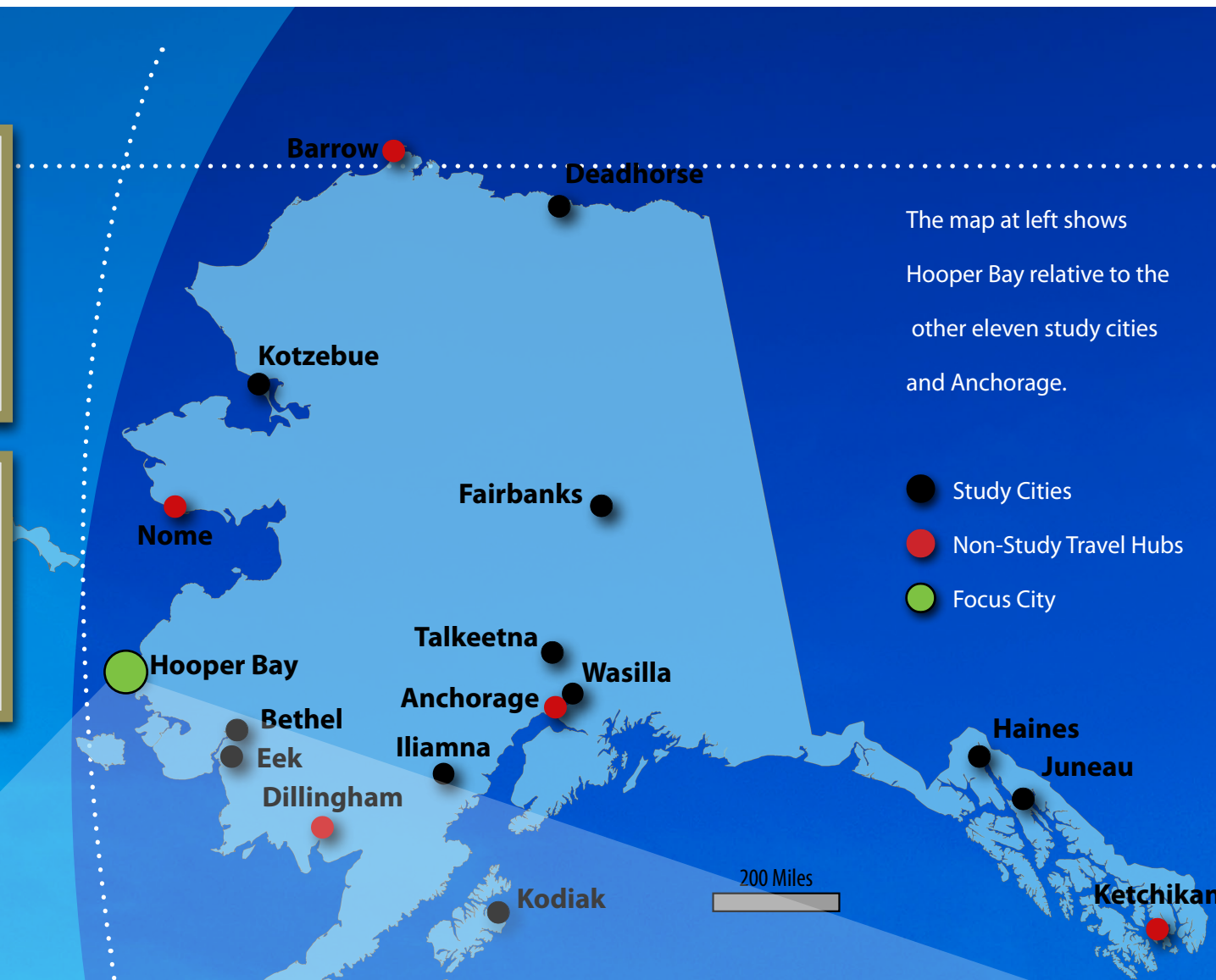


Photo courtesy of ADOTPF



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

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

provide the only year-round public transportation to Hooper Bay, giving critical access to essential goods and services.

HPB, owned and managed by ADOT&PF, is the only air facility in the community. The airport is equipped with one asphalt runway and a gravel taxiway and apron. In 2009 the Bureau of Transportation Statistics documented 15,762 enplanements at HPB, the equivalent of nearly 14 passenger segments for every resident of Hooper Bay. Lower 48 communities typically average less than one enplanement per person per year. Passengers traveling to and from Bethel, the regional hub for the Yukon-Kuskokwim Delta, accounted for nearly 50 percent of those enplanements (see Figure 3). Hooper Bay's economy is largely based on subsistence, but non-subsistence items must still be purchased with cash and wage opportunities in Hooper Bay are limited. The high per-capita use of passenger flights could represent residents temporarily leaving the community to seek wage employment elsewhere.

In rural Alaska, mail means more than just letters, bills, and catalogs; the United States Postal

