

percent of the total volume transported during June, July, August and September. This volume reflects the summer exploration season for minerals at the Pebble Prospect and the need to store supplies during the summer months, and includes items not eligible for the Bypass Mail Program including machinery, supplies, and equipment used to support local business operations such as exploration of the Pebble Prospect.

FIGURE 4
Iliamna: 2009 Mail Volumes by Origin/Destination City

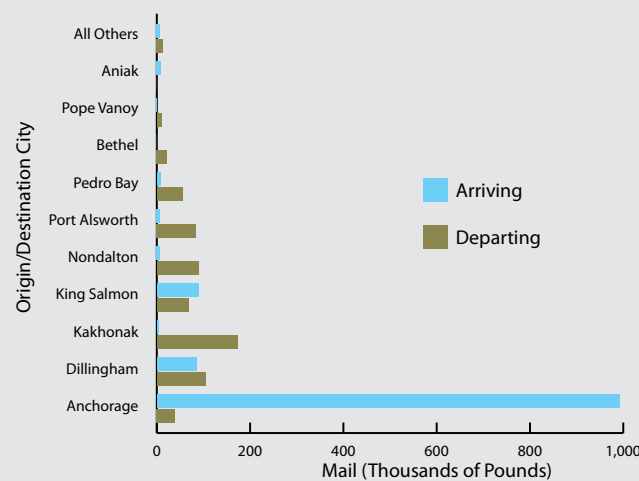
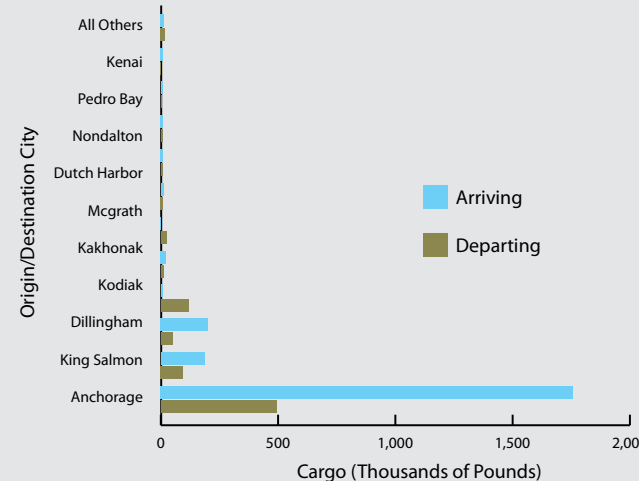


FIGURE 5
Iliamna: 2009 Cargo Volumes by Origin/Destination City



The study estimates that the total initial (first retail) expenditures related to domestic passengers, mail, and cargo transported through ILI were approximately \$6.1 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 ILI) 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)	11,496	11,360	3.9
Mail (Pounds)	1,864,695	1,320,157	1.1
Cargo (Pounds)	3,058,094	1,913,531	1.1
Total			6.1

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 ILIAMNA AIRPORT

Aviation: Critical to Alaska

Aviation is a critical component of the state’s economy and the vitality of Alaska’s communities. As a regional transportation hub, the Iliamna Airport serves as an essential link to the outside world for communities in the Iliamna Lake 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 local communities. ILI 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



Photo courtesy of James Amundsen

brochure documents the results of this effort and the importance of ILI to the Lake and Peninsula Borough and Southwest Alaska.

Seasonal Employment; Year Round Contributions

ADOT&PF contractors surveyed on-site leaseholders and airport managers at ILI 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 leaseholder and ADOT&PF operations generated 43 direct on-site jobs in 2009. Additionally, leaseholders and airport operators spent approximately \$1.2 million on wages and benefits, \$4.5 million on capital expenditures, and \$2 million on operations expenditures, which include, food, fuel, maintenance, and other services vital to keeping the airport functioning (see Figure 1).

As these expenditures flowed through the local and state economies, they created additional jobs, both locally and across Alaska. The analysis estimates that when the 43 direct on-site jobs are combined with the study’s estimates of the

“If we didn’t have an airport we’d be living in a desolate and isolated community”

— Lorene (Sue) Anelon, Operations Manager for Iliamna Development Corporation

FIGURE 1
Leaseholder and Airport Operation Expenditures Summary 2009

	Number of Jobs	Wages & Benefits	Capital Expenditures	Other Operating Expenditures	Total Expenditures
		(\$Millions)			
Leaseholder	40	1.0	0.0	1.6	2.7
Operations	3	0.2	4.4	0.4	5.1
Total	43	1.2	4.5	2.0	7.8

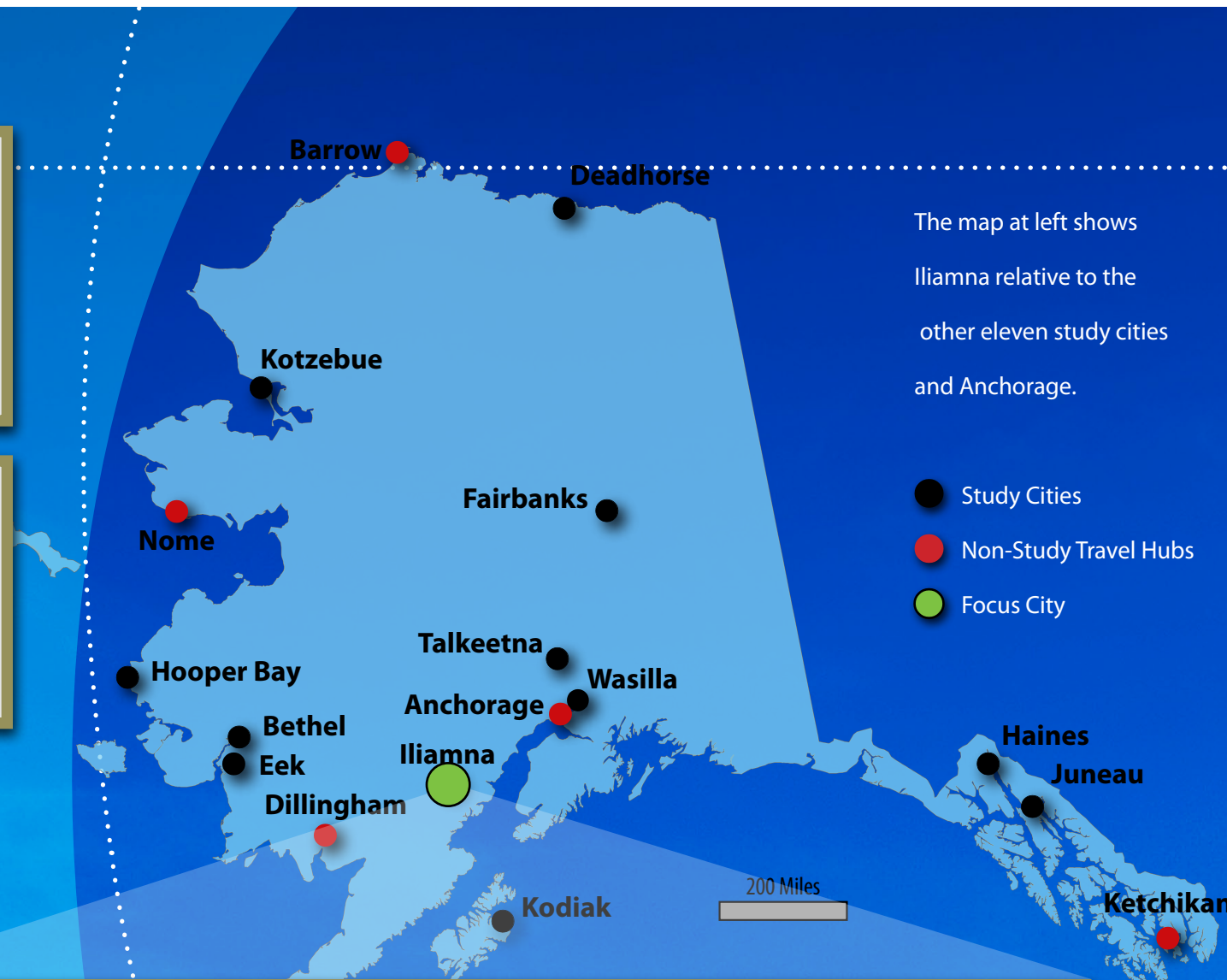
FIGURE 2
Iliamna Airport's Direct, Indirect, and Induced In-State Economic Effects, 2009

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	70	30	2.5	1.9	5.8	5.9
Total In-State Effect	100		4.4		11.7	

associated multiplier effects, on-site operations at ILI resulted in 100 jobs statewide, with approximately 70 direct, indirect, and induced jobs occurring in the borough, and 30 direct, indirect, and induced jobs spread throughout the state. Many of these local jobs are seasonal, related to mineral exploration and tourism. These jobs generated \$4.4 million in labor income, contributing \$11.7 million in economic output during 2009 (see Figure 2).

An Economic Cornerstone

The Iliamna Airport (ILI) provides for the provision of much-needed goods, supplies, and services such as medical care into a region not connected to the rest of Alaska by road. It also increases access to the area's rich natural resources while employing local residents. The aviation system in Alaska is designed to meet the unique characteristics of the state. As a part of that system, ILI serves a vital function as a transportation hub, allowing residents direct access to 21 communities throughout Southwest Alaska, and providing tourists access to the Lake and Peninsula



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

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

Borough. In 2009, the Bureau of Transportation Statistics recorded 11,496 passenger segments. Approximately 58 percent of those passengers travelled to/through the Ted Stevens International Airport in Anchorage, with the remaining air traffic heading to smaller communities throughout the region (see Figure 3).

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. ILI operates as a postal hub for bypass mail to several local communities. In 2009, 1.86 million pounds of mail moved through the airport with much of it arriving from Anchorage before heading to rural communities throughout the region. Items that might normally move as cargo in the Lower 48 states are frequently shipped via Bypass Mail in Alaska (see Figure 4).

ILI received over 2.2 million pounds of cargo in 2009, over two and a half times the amount of ILI's outgoing cargo (see Figure 5). Air cargo traffic through ILI is highly seasonal with 57

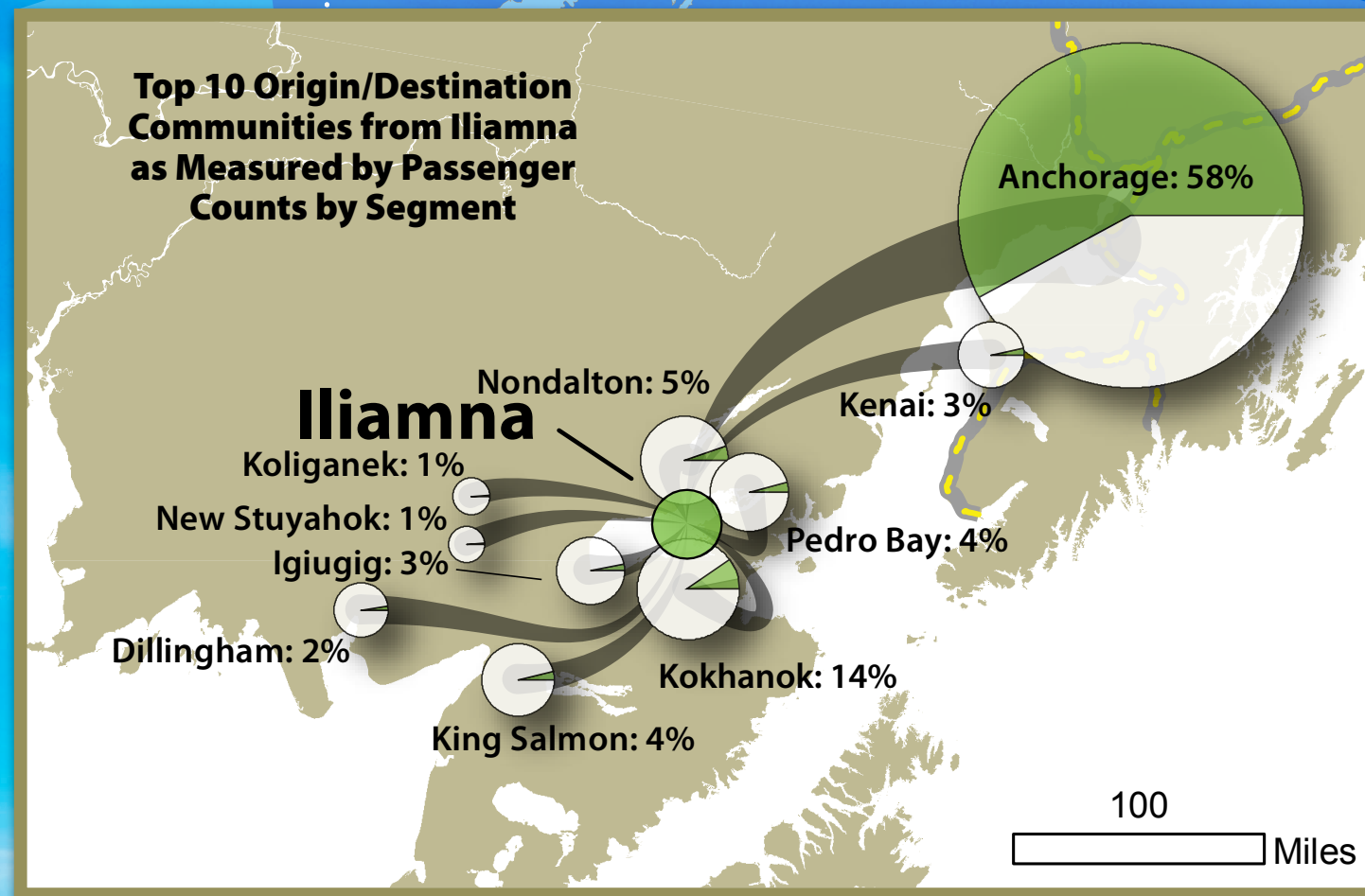


FIGURE 3
Iliamna: 2009 Passenger Segments by Origin/Destination City

