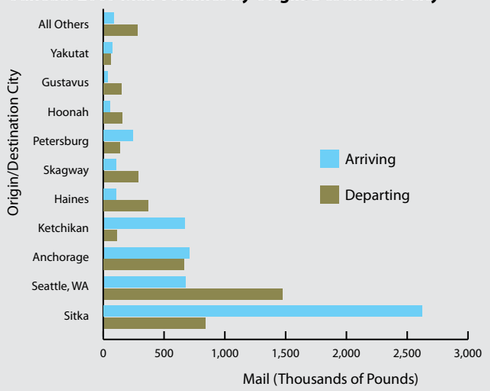
FIGURE 4

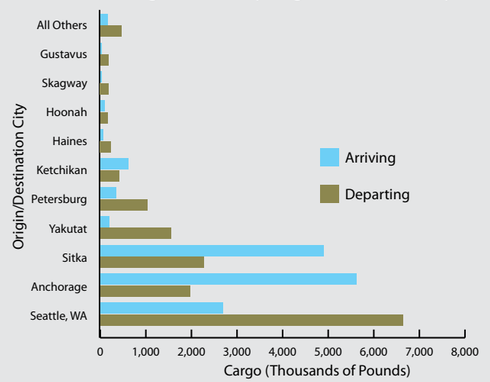
Juneau: 2009 Mail Volumes by Origin/Destination City



Unlike mail, which is most likely to arrive via Sitka, arriving cargo comes from Anchorage. Departing cargo, just like departing mail, is most likely to fly to Seattle. Seattle's role as the largest "first order" recipient of cargo reflects JNU's role in shipping out perishable seafood goods. Out of a total 31 million pounds, Seattle, Anchorage, and Sitka accounted for over 70 percent, followed by seven smaller communities in the Southeast located less than 100 miles from Juneau—Yakutat, Petersburg, Ketchikan, Haines, Hoonah, Skagway and Gustavus (see Figure 5.)

FIGURE 5

Juneau: 2009 Cargo Volumes by Origin/Destination City



The study estimates that the total initial (first retail) expenditures related to enplanements, mail, and cargo associated with JNU were nearly $139.7 million in 2009 (see Figure 6). This amount does not include what passengers spent in Juneau or paid for baggage fees and associated services, and 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 JNU in 2009).

FIGURE 6

Air Transport Expenditures, 2009

Expenditures Category	Segment Volume	Enplaned Volume	Enplaned Expenditures ($Millions)
Passengers (Number)	663,294	529,370	118.6
Mail (Pounds)	9,792,216	8,776,465	7.3
Cargo (Pounds)	31,604,756	18,290,572	13.8
Total			139.7

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
JUNEAU INTERNATIONAL

Aviation: Critical to Alaska

Aviation is a critical component of the state's economy and the vitality of Alaska's communities. At the heart of the state capital is Juneau International Airport (JNU) a municipal airport that is the primary link between Juneau and the rest of Alaska as well a vital transportation hub for Southeast Alaska. 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. JNU 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, airport managers, and local community leaders. This brochure documents the results of this effort and the importance of JNU to the City and Borough of Juneau and Alaska.

Photo courtesy of Juneau International Airport, City and Borough of Juneau

Supporting Economic Vitality

ADOT&PF contractors surveyed on-site leaseholders and the airport manager at JNU 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 airport, 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 leaseholders and airport operations generated over 980 direct jobs, $45.4 million in wages and benefits, and total non-wage and benefit expenditures of $155.2 million in 2009 (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 the total number of in-state jobs attributable to JNU is 1,490, including direct, indirect, and induced jobs—1,240 of which were in the City and Borough of Juneau (see Figure 2). If the aviation industry was an official "economic industry," then employment related to JNU would be larger than the following industries in the City and Borough of Juneau: Natural Resources and Mining, Construction, Manufacturing, Information, Finance, and Professional and Business Services. Further,

Photo courtesy of Juneau International Airport, City and Borough of Juneau

FIGURE 1

Leaseholder and Airport Operation Expenditures Summary 2009

	Number of Jobs	Wages & Benefits	Capital Expenditures	Other Operating Expenditures	Total Expenditures
		($Millions)			
Leaseholder	950	43.8	13.6	125.6	183.1
Operations	31	1.6	12.5	3.5	17.6
Total	981	45.4	26.1	129.1	200.7

FIGURE 2

Juneau Airport's Direct, Indirect, and Induced In-State Economic Effects, 2009

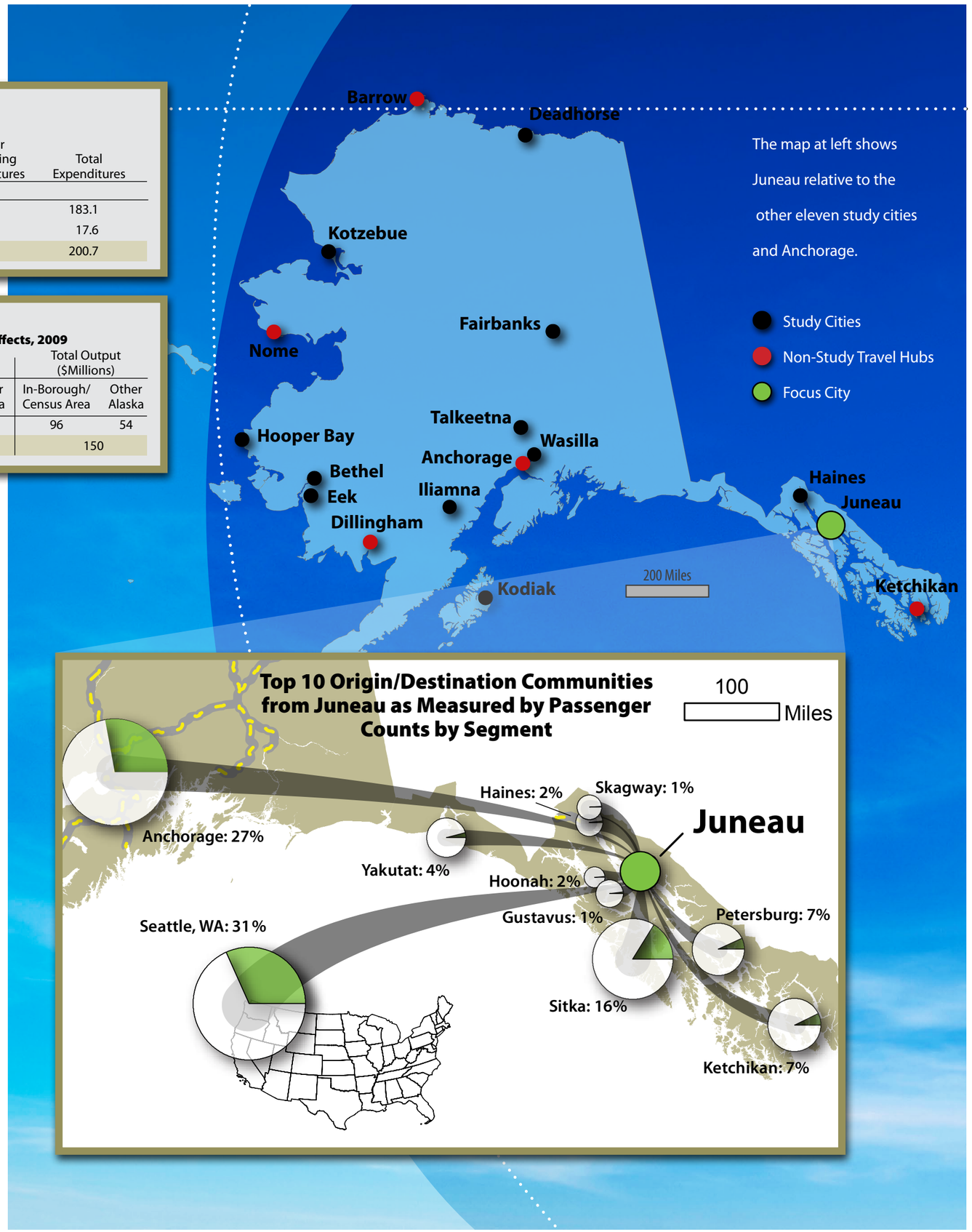
	Number of Jobs		Labor Income ($Millions)		Total Output ($Millions)	
Category	In-Borough/ Census Area	Other Alaska	In-Borough/ Census Area	Other Alaska	In-Borough/ Census Area	Other Alaska
By Area	1,240	250	60	15	96	54
Total In-State Effect	1,490		75		150	

labor income was approximately $75 million in 2009, contributing to a total economic output of roughly $150 million. In addition to supporting the local and state economy, the airport made a significant contribution to the Lower 48 economy as well. Leaseholders reported spending over $100 million outside of Alaska on their operations at JNU.

"Without the airport, many emergency and time sensitive freight orders for critical replacement parts could not be facilitated."

— Ron Plantz, Human Resource & Community Relations Manager at the Hecla Greens Creek Mining Company

Photo courtesy of Juneau International Airport, City and Borough of Juneau

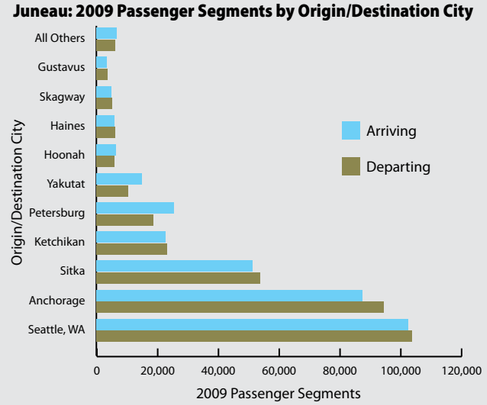


Southeast Alaska's Transportation Hub

JNU is Southeast Alaska's transportation hub. The airport plays a critical role both economically and in providing community cohesion. From ensuring that state government can function, to medevacs to Anchorage and Seattle, to fresh seafood shipments and delivering workers to Green's Creek Mine, JNU plays a role in keeping Southeast Alaska and the entire state functioning. Alaska Airlines is the largest provider at JNU with direct connections to Anchorage, Seattle, Sitka, and Yakutat. Several local air carriers provide service to smaller communities. According to the Bureau of Transportation Statistics, 663,000 passenger segments occurred at JNU in 2009; segments to Seattle/Tacoma and Anchorage accounted for 31 percent and 28 percent of the volume, respectively, followed by Sitka (16 percent). Other regional communities accounted for smaller, but still important, passenger volumes (see Figure 3).

FIGURE 3

Juneau: 2009 Passenger Segments by Origin/Destination City



Almost 10 million pounds of airmail was transported to and through JNU in 2009 (see Figure 4). A little over 80 percent of this mail physically enplaned or deplaned at JNU while the remaining amount flew on to other communities on Alaska Airlines route system without leaving the plane at the airport.