



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

ADQ is priority rate mail, almost all of which comes from Anchorage. The USPS transports all non-priority mail to Kodiak by barge.

Unlike almost all of the other communities in this study, ADQ handles more departing cargo than arriving cargo by a nearly 2.5-to-1 margin (see Figure 5). In 2009, the airport shipped over 8 million pounds of cargo and received just 3.36 million pounds. There are two primary reasons for this key difference: the community of Kodiak is a

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

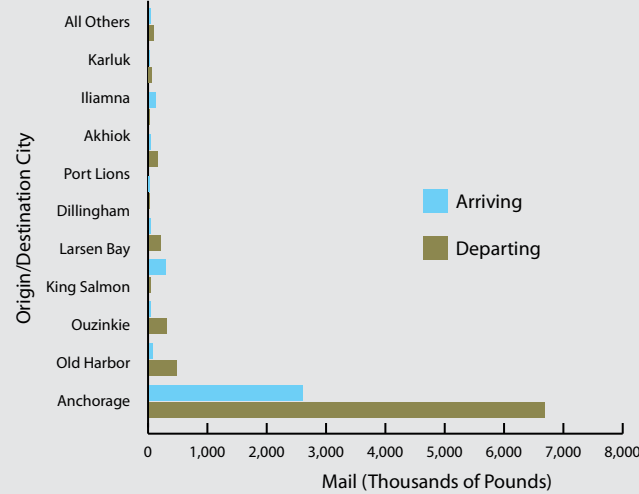
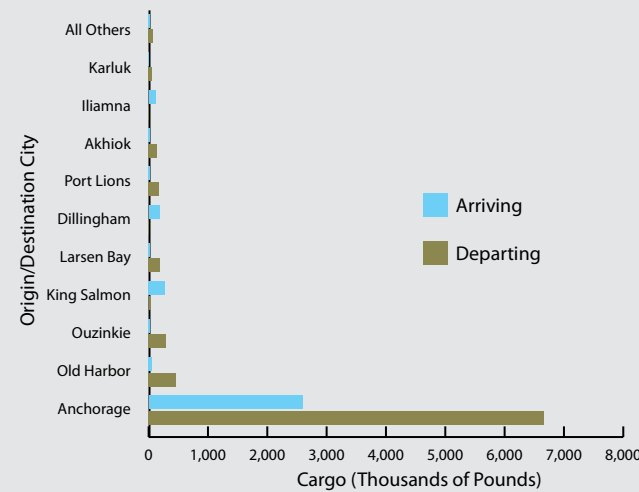


FIGURE 5
Kodiak: 2009 Cargo Volumes by Origin/Destination City



major seafood processing hub while also serving as a regional transportation hub for surrounding communities located on the island and along the eastern shore of the Alaska Peninsula.

The study estimates \$32.7 million as the total initial (first retail) expenditures related to enplanements, mail, and cargo associated with ADQ in 2009 (see Figure 6). This amount is a conservative estimate of the amount that people and organizations spent to move goods and people to and from the airport 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)	160,143	158,012	26.3
Mail (Pounds)	2,620,595	2,375,409	0.6
Cargo (Pounds)	11,467,171	11,037,614	5.8
Total			32.7

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

Aviation: Critical to Alaska

Aviation is a critical component of the state's economy and the vitality of Alaska's communities. The Kodiak Airport (ADQ) is a multi-role facility; it provides local employment and transportation, assists in public safety by helping the U.S. Coast Guard achieve its mission, and helps the seafood industry move fresh product quickly and efficiently. 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. ADQ 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 ADQ to Southwest Alaska.

Providing Employment

ADOT&PF contractors surveyed on-site leaseholders and airport managers at ADQ 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." This analysis estimates that ADQ leaseholders and airport operations generated 139 direct jobs, \$6 million in wages and benefits, and total non-wage and benefit expenditures of nearly \$14 million in 2009 (see Figure 1).

Leaseholder activities and airport operations at ADQ provide fuel for the local, state, and national economies. As these expenditures flowed through the local and state economies, they created



Photo courtesy of James Amundsen



Photo courtesy of James Amundsen

“Airfreight is a necessity since fresh fish products have a limited shelf life and they can spoil quickly. The airport in Kodiak is served by large jets and is utilized to transport 95 percent of the fresh fish into domestic and international markets. Without the airport we would have to cut our market immensely. We could send some volume by ferry but it would be very difficult.”

— Darren Rodger, Sales Director at Western Alaska Fisheries

FIGURE 1
Leaseholder and Airport Operation Expenditures Summary 2009

	Number of Jobs	Wages & Benefits	Capital Expenditures	Other Operating Expenditures	Total Expenditures
		(\$Millions)			
Leaseholder	130	5.4	2.8	8.7	16.9
Operations	9	0.6	1.5	0.7	2.8
Total	139	6.0	4.3	9.4	19.7

FIGURE 2
Kodiak 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	180	30	7	2	11	6
Total In-State Effect	210		9		17	

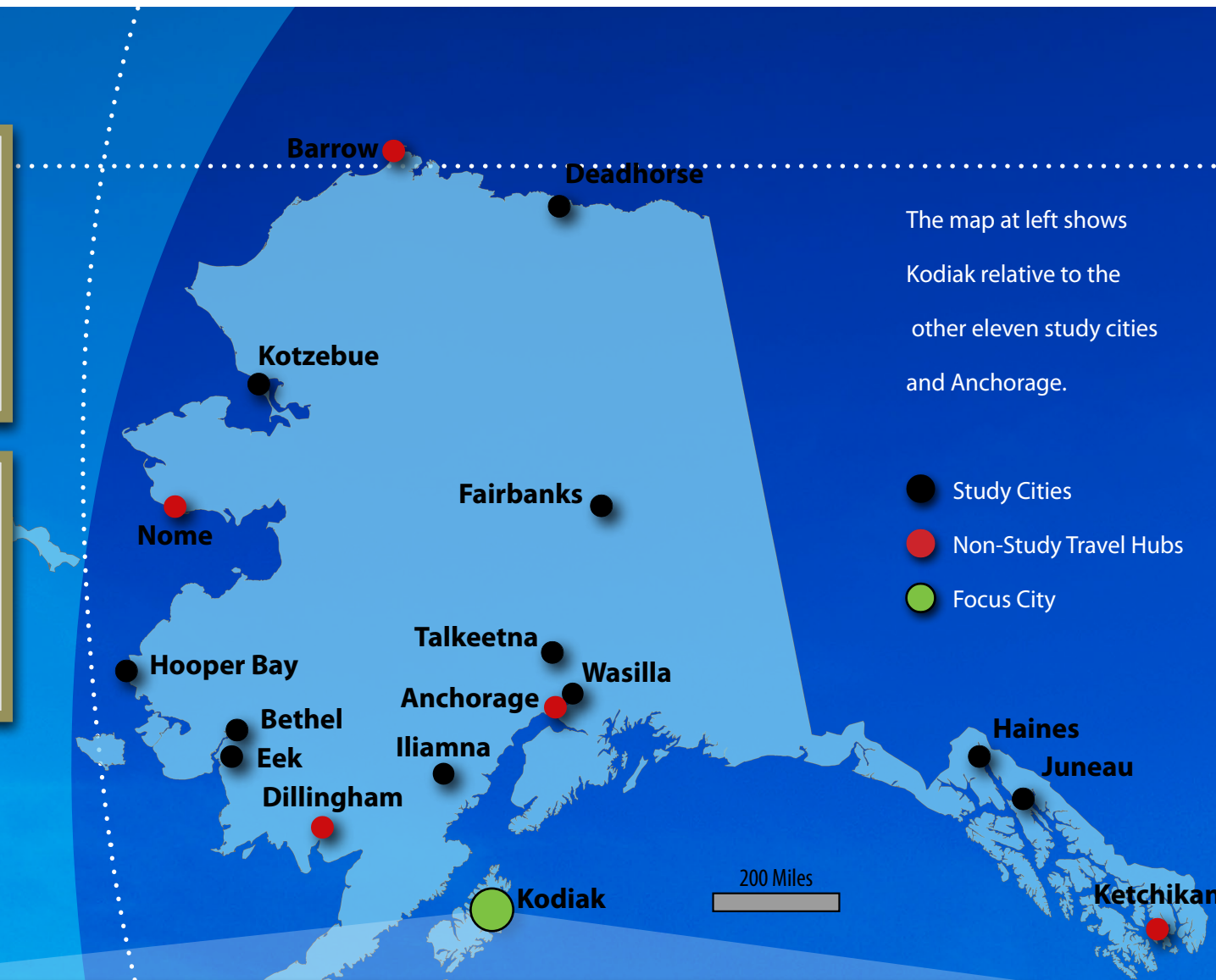
additional jobs, both locally and across Alaska. The study estimates that the total number of in-state jobs attributable to ADQ is 210 including direct, indirect, and induced jobs. This number includes 180 direct, indirect, and induced jobs inside the Kodiak Island Borough (see Figure 2). Further, in-state labor income in 2009 was approximately \$9 million, contributing to a total economic output of roughly \$17 million.

// The Kodiak Airport is absolutely essential for our operations at the air station. It is key for providing coverage to our area of responsibility. **//**

— USCG Public Affairs Officer Lieutenant Scott Wilkerson

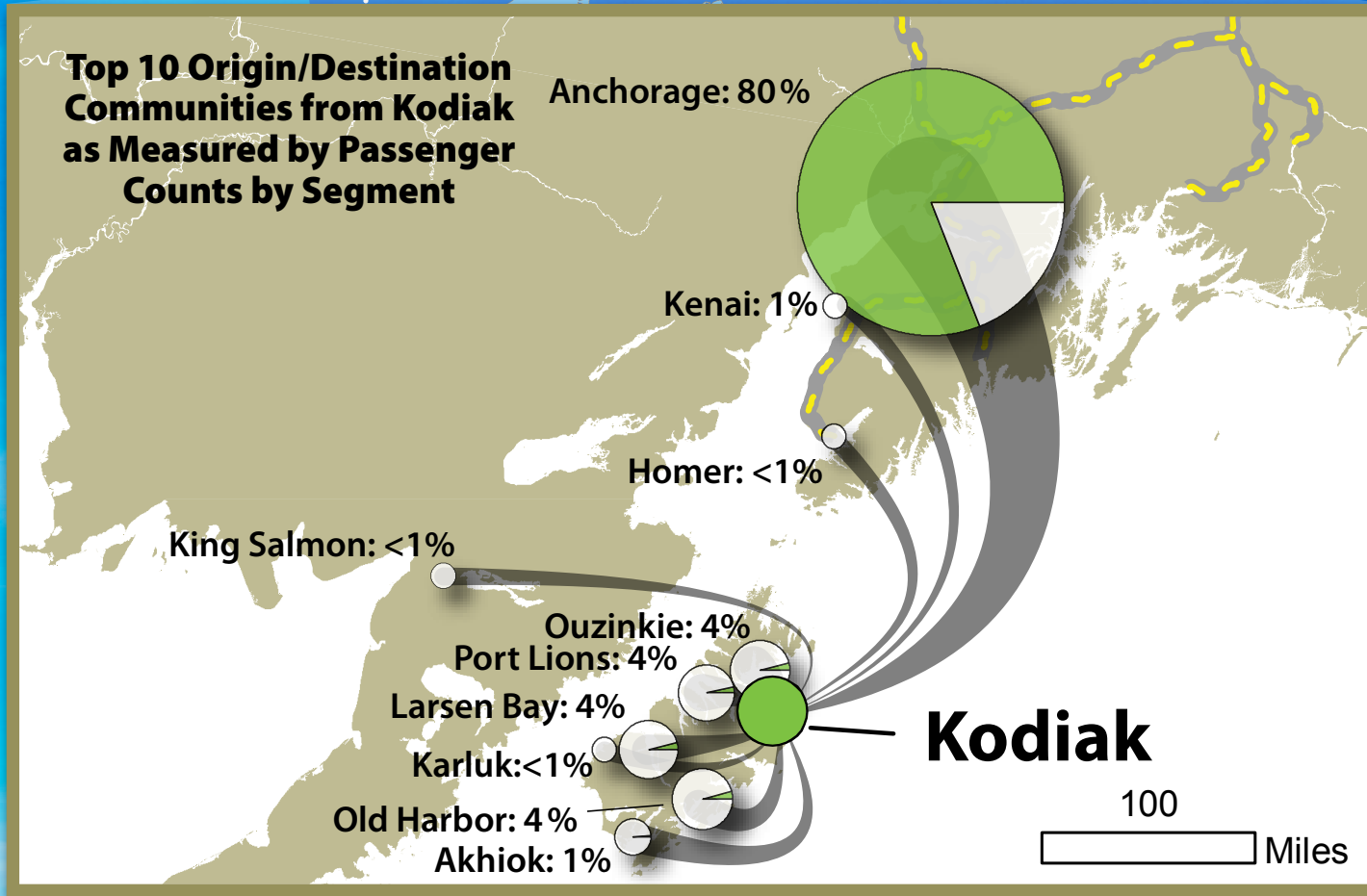


Photo courtesy of James Amundsen



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

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



A Multi-Role Airport

As noted above, ADQ serves multiple roles within the Kodiak Island community. Given its close relationship with the USCG station, ADQ is instrumental to the provision of emergency response capabilities in Southwest Alaska and the Bering Sea. For civilian passengers, ADQ connects the surrounding communities on Kodiak Island such as Larsen Bay, Ouzinkie, and Port Lions to the outside world. At the same time, ADQ supports the seafood industry on Kodiak—a port that ranked third in the nation for fishery landings by value in 2009. Bureau of Transportation Statistics data for 2009 show that more than 160,000 enplanements involved travel through ADQ in 2009.

More than 2.6 million pounds of airmail moved through ADQ in 2009, with approximately 83 percent of this total either coming from or going to Anchorage. While incoming and outgoing passenger volumes are split rather evenly, mail volumes transported through ADQ were much more likely to be incoming (63 percent) than outgoing (37 percent) (see Figure 4). Unlike many communities in the study, which are part of the Bypass Mail program and receive much of their mail by air, the only mail transported by air to

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

