cargo and received about 14.5 million pounds (see Figure 5). Air cargo arriving to FAI predominantly originates in Anchorage. However, air cargo departing from FAI has a more diversified pool of city pair destinations.

The study estimates that the total initial (first retail) expenditures related to domestic passengers, mail, and cargo transported through FAI were approximately $220.5 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 FAI) and is based only on domestic segments.

Unlike the other airports in this study, FAI serves a role in international passenger and freight transport. According to BTS data from 2009, more than 13,000 passengers enplaned or deplaned in FAI for international flights, representing 1.5 percent of total passenger traffic at the airport. FAI handled over 1.5 million pounds of international cargo, representing four percent of the airport’s total cargo traffic (domestic and international) during 2009.

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

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

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

Aviation: Critical to Alaska

Aviation is a critical component of the state’s economy and the vitality of Alaska’s communities. As the heart of air transportation in Alaska’s interior, Fairbanks International Airport (FAI) provides critical services to local and regional communities while on-site activity is a key creator of jobs for the Fairbanks North Star Borough (FNSB). 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. FAI 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 FAI, airport managers, and local community leaders to document as much of the economic activity occurring on-airport as possible. This brochure documents the results of this effort and the importance of FAI to the FNSB and Alaska’s Interior Region.

An Economic Engine

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 study estimates that the on-site operations at FAI by leaseholders and ADOT&PF airport operators resulted in 1,430 direct on-site jobs in 2009. In addition, leaseholders and airport operators spent approximately $67 million on wages and benefits, over $51 million on capital expenditures, and over $143 million on other operating expenditures such as fuel, food, office supplies, utilities, and other services vital to running their businesses and the airport (see Figure 1).

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As these expenditures flowed through the local and state economies, they created additional jobs, both locally and across Alaska. The study estimates that when the 1,430 direct on-site jobs are combined with the study’s estimates of the associated multiplier effects, on-site operations at FAI in 2009 resulted in roughly 2,140 total jobs statewide including approximately 1,900 direct, indirect, and induced jobs in the FNSB, and 250 direct, indirect, and induced jobs spread throughout the rest of the state (see Figure 2). These jobs generated $102 million in in-state labor income, contributing to $225 million in economic output (see Figure 2).

The Golden Heart of the Interior

As Alaska’s second busiest airport, FAI serves multiple roles. As part of this system, FAI serves as a hub for more than 50 communities in Interior and Northern Alaska that rely upon air freight, mail, and commuter services. The airport also plays a role in the state’s tourism industry. In 2009, the Bureau of Transportation Statistics documented more than 900,000 passenger segments at FAI (see Figure 3). Passengers traveling to or through Anchorage, Seattle, and seasonal traffic to Minneapolis, MN accounted for more than 80 percent of the traffic with the remaining traffic heading to outlying communities.

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. FAI serves as a collection point for this program, and in 2009 more than 9 million pounds of mail moved through the airport with much of that heading to rural communities (see Figure 4). Items that might normally move as cargo in the Lower 48 states are frequently shipped via Bypass Mail in Alaska.

In 2009, FAI handled about 37.5 million pounds of cargo, ranking second among Alaskan airports after the Ted Stevens Anchorage International Airport. Unlike almost all of the other airports in this study, FAI handles more departing cargo than arriving cargo by a nearly 1.6-to-1 margin. In 2009, the airport shipped almost 23 million pounds.