

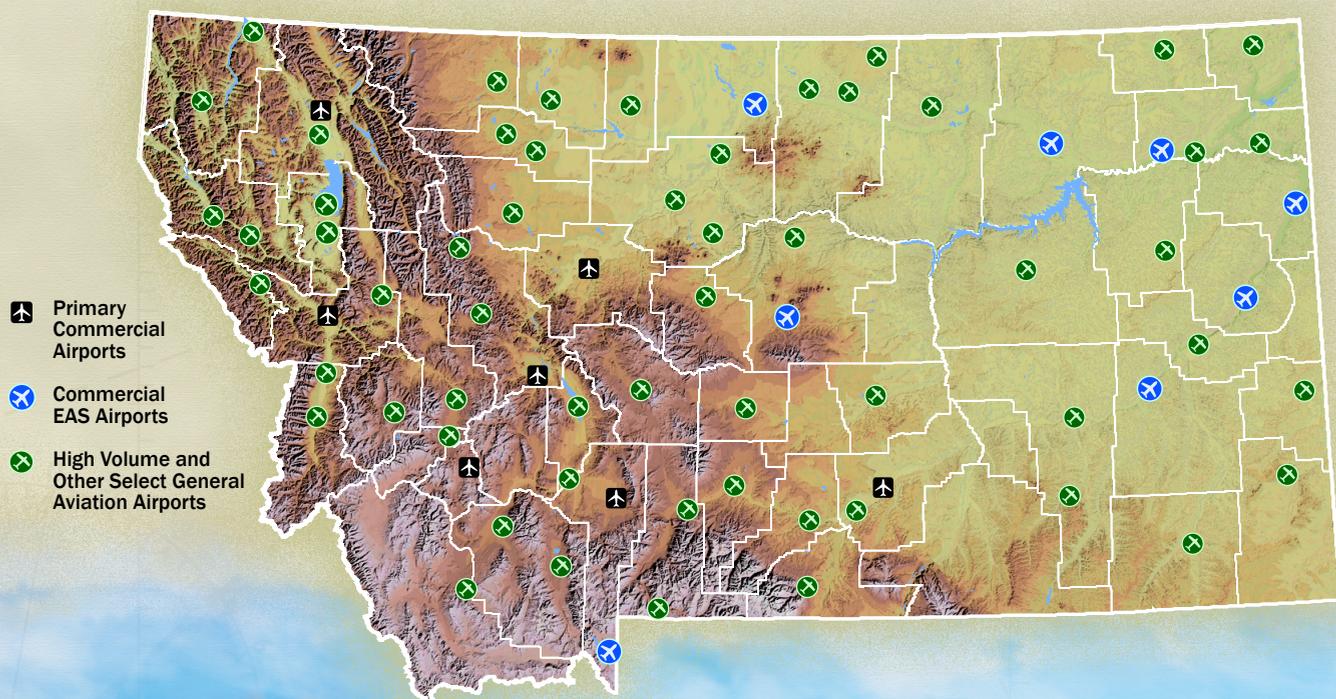
EXECUTIVE SUMMARY



M O N T A N A
ECONOMIC IMPACT OF AIRPORTS STUDY

INTRODUCTION

Airports are vital to Montana's transportation system and provide access to communities and resources across the State. Airports provide a gateway for visitors to communities, forests and national parks. They also support aerial applicators, air ambulances, law enforcement and wildland fire fighting. While those in the aviation industry appreciate the value of airports, they are often overlooked by the general public. In order to better understand the economic benefits of Montana's public-use airports to the statewide economy, the Montana Department of Transportation, Aeronautics Division completed an Economic Impact of Airports Study to quantify the value of aviation to the State. The study was funded 95% by the Federal Aviation Administration (FAA) and 5% by the Aeronautics Division. The map below shows the location of seven primary commercial service, eight essential air service commercial airports, and 57 of 106 general aviation airports in the state.



STUDY PROCESS

The MDT Aeronautics Division initiated this study to measure the economic benefits associated with the 121 public use airports in Montana. This study followed a proven, FAA-supported methodology. The methodology considered all aviation activities that take place at each of the airports and are based on a combination of the four sources below.

SOURCES OF ECONOMIC BENEFITS



AIRPORT BUSINESSES AND TENANTS

Throughout Montana there are many aviation related employers who are located on airports. Activities of these businesses and their employees are a significant source of the annual economic benefit. Examples of tenants/businesses in this category include airlines, air cargo providers, aircraft mechanics, flight instructors, fixed base operators, and airport management. At some of Montana's smaller general aviation airports, those responsible for maintaining the airport may actually be located off-airport. In these instances, the benefits of airport operation were still captured in this analysis.



AIRPORT CAPITAL IMPROVEMENT PROJECTS

Construction projects undertaken by airport tenants and airport sponsors also contribute to the economic benefits.



AIRPORT VISITORS

Visitors come to Montana to vacation, do business and visit family. They often arrive via one of the commercial service or general aviation airports. While in Montana, spending by these visitors creates significant positive economic impacts.



AVIATION MULTIPLIERS

While economic impacts associated with the first three sources are notable, economic benefits provided by these sources are responsible for generating additional multiplier economic impacts. For example, when a worker on an airport uses their paycheck to purchase goods and services in their community, the original impact created by the airport continues to circulate or multiply. Multiplier impacts are an important source of additional annual economic benefit identified in this report.

ECONOMIC IMPACT MEASURES

Data is the building blocks for an economic impact study. This study conducted several surveys and interviews to gather data from airport management, on-airport tenants, and general aviation pilots at airports across the State. Airline passengers were also interviewed and surveyed at commercial service airports. In addition, businesses throughout Montana were surveyed to measure their reliance on aviation for the business operations.

FIRST-ROUND IMPACTS

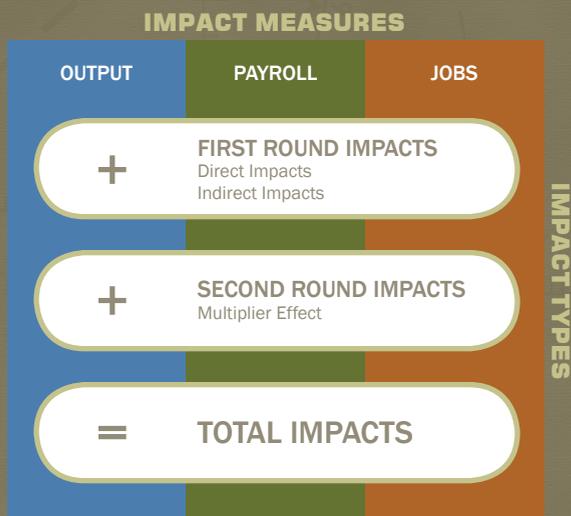
For this analysis, first-round impacts include those associated with airport tenants/businesses, capital improvements, and spending by visitors who arrive to Montana on aircraft. In economic terms, first round impacts include all direct and indirect economic impacts.

SECOND-ROUND IMPACTS

In this report, second-round impacts are all additional economic impacts that result from first-round impacts multiplying as they enter Montana's economy. The multiplier impacts classified as second-round impacts in this study include induced impacts.

TOTAL ANNUAL IMPACTS

For this analysis, the total annual economic impacts associated with 121 airports in this study are the sum of all first- and second-round impacts.



STATEWIDE RESULTS

Economic benefits in the Montana Economic Impact of Airports Study are expressed in terms of jobs, payroll, and annual economic activity or output.

Jobs/Employment

An estimated 18,750 jobs in Montana are in some way supported by the commercial and general aviation airports. These are jobs that are associated with on-airport businesses, tenants, and other activities that are located on commercial or general aviation airports in the State. In addition, spending by visitors arriving in Montana by air helps to support other jobs. When airport improvements are made, additional jobs are supported by the airports over the duration of these projects.

Payroll/Earnings

The 18,750 jobs in Montana that are linked to the commercial and general aviation airports account for nearly \$600 million in annual payroll. Airport related payroll is a key component of the economic benefit cycle that starts at the airport. It was this economic cycle that was measured by this study's induced benefits. When those employed by on-airport businesses use their paycheck to purchase groceries, new clothes, or household items, their spending helps to support other jobs in the community and the payroll associated with these jobs. The initial benefits that start at the airports continue to multiply once they enter the State's economy.

Annual Economic Activity/Output

To operate Montana's airports, businesses located on the airports and businesses that support visitors who arrive in Montana via the airports all require the purchase of goods and services. These expenditures are most often in addition to those benefits identified in the payroll and earnings category. Benefits in this category are expressed in this study as total annual economic activity or output. Annual economic output related to the airports is typically assumed to be the sum of annual gross sales and average annual capital expenditures, including capital improvement projects.

JOBS.....18,750

PAYROLL.....\$600 MILLION

OUTPUT.....\$1.56 BILLION

QUALITY OF LIFE BENEFITS TO MONTANA

In addition to substantial annual economic benefits, the airports support qualitative benefits. Qualitative benefits are related to health, welfare and safety and cannot be easily assigned dollar values. Airport related qualitative benefits help to improve the overall quality of life in Montana.

Wildland Fire Fighting

A number of Montana airports support wildland fire fighting through either permanent US Forest Service (USFS) or Bureau of Land Management (BLM) facilities located on an airport or temporary facilities when the USFS determines an alternative airport is suitable for wildland firefighting. Utilization of these airport ranges from smokejumpers based at an airport, which includes training facilities, to Air Tanker Bases. Some airports have small Single Engine Attack Tankers based on the premises with a small staff to manage the facility. Other airports are used on a seasonal basis. In all, there are 16 airports in Montana that are utilized consistently by state and federal agencies for wildland fire fighting.

Hospital Reliance

One of the more important functions of Montana's airports is to support the state's network of hospitals and medical facilities in the care of critically ill patients, and in the transport of physicians to the State's remote communities. Given the significant distances between many of Montana's communities and the state's centers of advanced medicine, it is important to all Montanans that the State's system of airports provide adequate facilities for the transport of patients and doctors to all areas of the State. The value of lifesaving benefits provided by fast, reliable air medical evacuation cannot be measured in traditional economic or monetary terms.

From information volunteered by hospital administrators, it is evident that over 88 percent of Montana's hospitals rely on air ambulance services to transport critically ill patients, sometimes to cities as far away as Salt Lake City and Seattle. Forty percent of hospitals reported flying doctors in to local hospitals for attendance and clinics; these hospitals would otherwise be forced to do without the services of specialists. More than a quarter of hospitals require the services of air cargo express companies to carry out daily business.

Business Reliance

Many non-aviation businesses in the State depend on the airport system to efficiently move personnel, equipment, and products. Some businesses own or charter general aviation aircraft, many have employees who travel regularly via commercial airlines, others have customers or suppliers who use the airport system to reach them, and many rely on express and air cargo services. A statewide survey of businesses indicates that there are numerous additional jobs that are reliant on the system of public-use airports. These businesses use aviation to visit customers, suppliers and vendors, fly to conventions and seminars, as well as ship air cargo. Survey data indicates there are more than 166,800 jobs in Montana, or about 37 percent of the workforce, that in some way benefit from the daily operation of commercial air service in the State. When major businesses were asked to rank the top reasons why they choose to locate where they do, convenient access to a commercial service airport was ranked fifth while access to a general aviation airport was ranked eighth.



AIRPORT SPECIFIC ECONOMIC IMPACTS

Associated City	Airport Name	TOTAL IMPACTS		
		Employment	Payroll	Output
Primary Commercial Service Airports				
Billings	Billings Logan International Airport	3,270.5	\$97,114,600	\$279,190,900
Bozeman	Gallatin Field	3,914.5	\$99,686,500	\$282,400,500
Butte	Bert Mooney Airport	355.5	\$9,466,600	\$26,669,700
Great Falls	Great Falls International Airport	3,335.0	\$141,821,900	\$267,982,100
Helena	Helena Regional Airport	1,774.0	\$66,705,500	\$153,659,900
Kalispell	Glacier Park International Airport	889.5	\$27,829,300	\$88,001,500
Missoula	Missoula International Airport	3,084.5	\$91,570,400	\$260,648,800
Primary Commercial Service Subtotal		16,623.5	\$534,194,800	\$1,358,553,400
Commercial Essential Air Service Airports				
Glasgow	Wokal Field/Glasgow International Airport	132.5	\$4,042,000	\$12,893,400
Glendive	Dawson Community Airport	45.0	\$1,327,100	\$3,424,300
Havre	Havre City-County Airport	39.0	\$1,230,000	\$3,132,500
Lewistown	Lewistown Municipal Airport	164.5	\$7,149,200	\$17,718,600
Miles City	Frank Wiley Field	71.5	\$2,139,100	\$8,263,500
Sidney	Sidney-Richland Municipal Airport	105.0	\$2,886,100	\$8,582,200
West Yellowstone	Yellowstone Airport	257.0	\$7,912,100	\$21,577,000
Wolf Point	L M Clayton Airport	47.0	\$1,703,800	\$4,074,800
Commercial Essential Air Service Subtotal		861.5	\$28,389,400	\$79,666,300
High Volume General Aviation Airports				
Baker	Baker Municipal Airport	11.0	\$275,000	\$561,300
Big Timber	Big Timber Airport	13.5	\$331,100	\$822,300
Chinook	Edgar G. Obie Airport	1.0	\$27,100	\$84,100
Choteau	Choteau Airport	2.0	\$66,900	\$459,300
Columbus	Columbus Airport	10.5	\$300,900	\$589,000
Cut Bank	Cut Bank International Airport	9.5	\$267,300	\$794,700
Dillon	Dillon Airport	37.0	\$1,116,200	\$3,675,800
Forsyth	Tillitt Field	7.0	\$164,600	\$362,700
Hamilton	Ravalli County Airport	124.5	\$4,196,700	\$10,420,200
Jordan	Jordan Airport	0.0	\$0	\$17,600
Kalispell City	Kalispell City Airport	359.0	\$10,111,900	\$24,182,800
Laurel	Laurel Municipal Airport	82.0	\$2,111,000	\$5,796,100
Livingston	Mission Field	13.0	\$216,400	\$959,700
Polson	Polson Airport	42.0	\$1,152,100	\$2,631,200
Ronan	Ronan Airport	4.0	\$64,800	\$132,700
Seeley Lake	Seeley Lake Airport	13.0	\$519,700	\$1,131,900
Shelby	Shelby Airport	0.0	\$0	\$55,500
Stevensville	Stevensville Airport	70.5	\$1,727,600	\$9,342,200
Three Forks	Three Forks Airport	3.0	\$37,500	\$192,700
Twin Bridges	Twin Bridges Airport	18.0	\$605,200	\$1,571,500
High Volume General Aviation Airports Subtotal		820.5	\$23,292,000	\$63,783,300

MONTANA ECONOMIC IMPACT OF AIRPORTS STUDY

Associated City	Airport Name	TOTAL IMPACTS		
		Employment	Payroll	Output
Other Select General Aviation Airports				
Anaconda	Bowman Field	4.5	\$81,200	\$229,200
Benchmark	Benchmark Airport	0.0	\$0	\$5,500
Big Sandy	Big Sandy Airport	0.0	\$0	\$1,000
Broadus	Broadus Airport	1.0	\$3,800	\$29,000
Chester	Liberty County Airport	9.0	\$267,700	\$1,960,400
Circle	Circle Town County Airport	3.0	\$55,700	\$90,900
Colstrip	Colstrip Airport	2.0	\$45,700	\$149,300
Conrad	Conrad Airport	6.5	\$200,800	\$1,347,800
Culbertson	Big Sky Field	1.0	\$16,500	\$22,800
Deer Lodge	Deer Lodge City-County Airport	17.5	\$517,900	\$3,800,600
Ekalaka	Ekalaka Airport	0.0	\$0	\$49,500
Ennis	Ennis - Big Sky Airport	7.5	\$63,000	\$225,000
Eureka	Eureka Airport	2.0	\$54,000	\$332,300
Fort Benton	Fort Benton Airport	18.5	\$568,900	\$13,405,000
Gardiner	Gardiner Airport	18.5	\$423,100	\$1,216,900
Geraldine	Geraldine Airport	3.5	\$56,100	\$657,200
Harlem	Harlem Airport	3.0	\$52,400	\$346,700
Harlowton	Wheatland County Airport at Harlowton	1.0	\$5,900	\$27,800
Libby	Libby Airport	23.5	\$638,000	\$2,010,100
Lincoln	Lincoln Airport	0.0	\$0	\$14,800
Malta	Malta Airport	9.5	\$195,000	\$1,309,900
Philipsburg	Riddick Field	1.0	\$24,800	\$128,600
Plains	Plains Airport	18.0	\$330,100	\$4,856,000
Plentywood	Sher-Wood Airport	5.0	\$48,000	\$85,200
Poplar	Poplar Airport	16.5	\$563,100	\$1,703,100
Red Lodge	Red Lodge Airport	13.5	\$213,400	\$602,900
Roundup	Roundup Airport	5.0	\$153,800	\$397,100
Scobey	Scobey Airport	11.5	\$387,400	\$911,700
Stanford	Stanford Airport	3.5	\$42,200	\$453,200
Superior	Mineral County Airport	0.0	\$0	\$10,600
Terry	Terry Airport	0.0	\$0	\$800
Thompson Falls	Thompson Falls Airport	1.0	\$24,800	\$181,800
Townsend	Townsend City-County Airport	4.5	\$101,500	\$364,400
Turner	Turner Airport	0.0	\$0	\$1,100
Valier	Valier Airport	0.0	\$0	\$1,400
White Sulphur Springs	White Sulphur Springs Airport	0.0	\$0	\$17,600
Winifred	Winifred Airport	0.0	\$0	\$5,300
Other Select General Aviation Airports Subtotal		211.0	\$5,134,800	\$36,952,500
Remaining 49 Rural Airports		9.0	\$266,200	\$472,200
All GA Airports – On-Airport Construction		218.0	\$7,710,600	\$16,405,300
All General Aviation Airports Subtotal		1,258.5	\$36,403,600	\$117,613,300
ALL AIRPORTS TOTAL		18,743.5	\$598,987,800	\$1,555,833,000

Just the Facts....

- In 2007, Montana's commercial service airports enplane over 1.48 million passengers, including 786,600 annual visitors.
- Over 292,400 visitors arrive in Montana annually on general aviation aircraft.
- Aviation in Montana supports nearly 18,750 jobs which represents 4 percent of all jobs in the State.
- Total Economic impact for Montana airports comprises 4.5 percent of Montana's Gross State Product.
- Ten percent of all wildland fires in Montana are initially reported from aircraft.
- Over 88 percent of Montana's hospitals rely on air ambulance services to transport critically ill patients, sometimes to cities as far away as Salt Lake City and Seattle.



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