

Elected Officials and Policy Makers

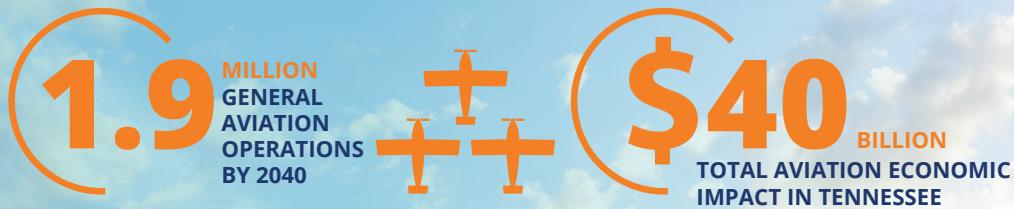
A PRIMER FOR AVIATION STAKEHOLDERS

In Tennessee – Aviation Touches All Corners

Tennessee has 78 public-use commercial service and general aviation airports which contribute significantly to the state's economy and enhance the livelihoods of all Tennesseans. Whether learning to fly, catching a flight, purchasing products shipped via air cargo, or benefiting from emergency response efforts launched from an airport, aviation impacts almost every aspect of life in Tennessee.

Recognizing the vital role that aviation plays in supporting the state, the Tennessee Department of Transportation (TDOT) Aeronautics Division initiated the development of the Tennessee Aviation System Plan (TASP) and Aviation Economic Impact Study. The TASP establishes a systemwide inventory of needs and provides context for the continued development of the state's aviation system. The TASP is used by the TDOT Aeronautics Division to maintain a safe, efficient, and reliable aviation system as well as determine key investments that are needed to continue improving the system.

This primer provides an overview of the TASP and companion Aviation Economic Impact Study by providing select findings of these two studies that are of most interest to elected officials and policy makers, including an overview of the aviation system, the economic impact of the system, user accessibility, and case studies that illustrate how aviation touches the everyday life of Tennesseans.



STATE ROLES
Commercial Service
Regional Service
Community Business
Community Service
Turf

Aviation is a Smart Investment

To understand how Tennessee's 78 system airports support the economy, the Tennessee Department of Transportation (TDOT) Aeronautics Division undertook the Aviation Economic Impact Study. Data for this study were collected for calendar year 2019 and represent a snapshot in time for that year. The total economic impact of \$40 billion is how much airports contributed to the state's economy in 2019 alone.

 TOTAL ECONOMIC IMPACT **\$40 BILLION**

AVIATION CONTRIBUTES
11% OF TENNESSEE'S GROSS DOMESTIC PRODUCT (GDP)

Tennessee's Statewide Aviation Benefits

The statewide economic impact of Tennessee's airports consists of three major categories: On-Airport Impacts, Visitor Spending Impacts, and Freight/Cargo Impacts. Together, they account for **\$40 billion** in economic impact for Tennessee.



TDOT REGION 4
\$11 BILLION

TDOT REGION 3
\$18 BILLION

TDOT REGION 2
\$4 BILLION

TDOT REGION 1
\$7 BILLION

Freight/Cargo

Tennessee airports are critical to local, statewide, national, and international commodity flows, enabling communities across Tennessee to directly do business across the globe and allowing Tennesseans to have access to a variety of commodities. Across the state, airports enable businesses to transport commodities and finished goods both from suppliers and to customers located in long-distance domestic and international markets. Without the support provided by freight/cargo services, markets available to Tennessee companies would be severely limited, impacting businesses' ability to operate efficiently and profitably.

Also responsible for
82,357  employed

Most domestic air commodities benefit by having access to aviation services. Tennessee's top five domestic air commodities by value are shown in the chart to the right.

Memphis International Airport – The Busiest Cargo Airport in the World

Memphis International Airport (MEM) is the busiest cargo airport in the world. The airport handles almost five-million tons of cargo every year and more than \$2.8 billion in exports. More than 43 percent of all goods being exported from Tennessee by air are shipped through Memphis International Airport. The airport also handles around 14 percent of all air cargo imports into Tennessee, about \$2.9 billion worth of goods. Cargo and shipping businesses at Memphis International Airport contributed \$2.5 billion to Tennessee's economy in 2019. Cargo shippers primarily use the airport as a port of entry for international and domestic goods, but the presence of cargo shipping operations alone significantly contributes to Tennessee's economy. FedEx's "SuperHub" at the airport is the primary contributor to cargo movement through the airport and generates a large economic impact in Tennessee. FedEx operates almost 400 flights per day and handles more than 180,000 packages and 245,000 documents per hour. Cargo and shipping industries at the airport, including ground transportation and other postal services connected to FedEx's operations, generated 13,000 jobs in Tennessee and \$1.3 billion in labor income. The FedEx facility at Memphis International Airport contributes over \$1.7 billion in economic impact to Tennessee's economy.

United Parcel Service (UPS) is Memphis International Airport's second-largest cargo and shipping-related tenant. UPS employs 2,000 people at the airport and contributes \$350 million to Tennessee's economy. UPS's presence at Memphis International Airport is expected to almost double as part of an amendment to the company's current lease agreement with the airport. The amended lease will allow UPS to expand by 1.1 million square feet as part of a \$216-million-dollar-investment project to grow operations at the airport and in the region.

TOP 5 DOMESTIC AIR COMMODITIES BY VALUE

Outbound Value  Inbound Value 

Pharmaceutical Products

\$818 Million

\$8.2 Billion

Transportation Equipment (not incl. Motorized Vehicles)

\$649 Million

\$833 Million

Precision Instruments and Apparatus

\$531 Million

\$619 Million

Electronics and Other Electrical Equipment and Components

\$261 Million

\$454 Million

Textiles and Leather

\$103 Million

\$197 Million

Other*

\$119 Million

\$296 Million

*Other outbound air commodities include 12 categories of commodities ranging from chemical products to paper articles. Other inbound air commodities include 20 categories of commodities ranging from plastics/rubber to base metals.

All Commodities

\$2.5 Billion

\$10.6 Billion

Project Cost Estimates – Investment for a Big Impact

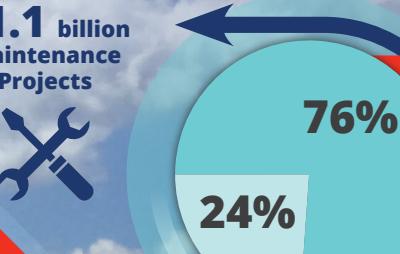
Systemwide, the cost of the projects necessary to maintain the current system and expand to meet projected needs is \$1.5 billion. This includes \$1.1 billion (76 percent of total costs) in maintenance projects and \$347 million (24 percent of total costs) in expansion projects. Maintenance cost estimates are generally categorized as projects needed to maintain the existing system, while expansion projects are defined as new infrastructure or new programs. Total cost estimates shown are for projects resulting from TASP Goals and facility and services objectives only. Statewide CIPs and commercial service CIPs are not included. Commercial service CIPs alone total over \$2.5 billion*

*Excludes McGhee Tyson Airport (TYS)



Gatlinburg-Pigeon Forge Airport (GKT) is one of the state's fastest-growing airports, supporting visitors to beautiful East Tennessee. Gatlinburg-Pigeon Forge Airport recently completed an approach clearing project, which will allow it to continue to grow to serve the needs of the surrounding region.

\$1.1 billion
Maintenance Projects

\$1.5 billion
Statewide Cost


\$347 million
Expansion Projects

Forecast

Projections of general aviation activity for the state of Tennessee were prepared for the five-year (2025), 10-year (2030), and 20-year (2040) periods. Such forecasts help TDOT Aeronautics Division understand where future growth for its system will likely occur and what future growth is realistic at airports in the state. Based on TDOT Aeronautics Division and FAA-reviewed methodologies, the following projections are anticipated:



By 2040...

-  **Statewide total enplanements** are projected to have a compound annual growth rate (CAGR) of 1.8%
-  **Based aircraft** are projected to have a CAGR of 0.66%, or to 3,859 based aircraft in 2040
-  **General aviation operations** are projected to have a CAGR of 1.15%, or to 1.9 million operations in 2040