



Appendix I Glossary of Terms

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GLOSSARY OF TERMS

Air Taxi/Air Charter Operation – An operation by a holder of an Air Taxi Operating Certificate which authorizes the carriage of passengers, mail, or cargo for revenue in accordance with Federal Aviation Regulation (FAR) Part 135.1.

Aircraft Operation – A takeoff or a landing of an aircraft.

Aviation-dependent businesses – Businesses that contribute to the off-airport economic impacts of an airport by depending on the airport for a portion of their business needs, such as the movement of products, personnel or customers.

Aviation-supporting businesses – Businesses that contribute to the off-airport economic impacts by manufacturing and assembling aviation products or distributing aviation parts and/or services.

Economic Impact – The three measures of economic impact are employment, payroll and business sales. These are three perspectives for measuring the same effects. Payroll is included in output impacts, so payroll and output can not be summed up.

Fixed Based Operator (FBO) – An on-airport aviation-related business that provides services such as aircraft maintenance, storage, fuel, charter, flight instruction, and avionics installation/repair.

General Aviation Visitors – Non-local passengers arriving via private or corporate aircraft.

IMPLAN (Impact Analysis for Planning) – An input-output model system that is commercially available and can be customized for specific counties or multi-county regions.

Input-Output Model – An accounting system that portrays purchases and sales between various sectors of an economy.

Itinerant Operations – A non-training flight that departs or arrives at an airport that is outside of a 20-mile radius from the destination or origin of the flight.

Local Operations - A training (touch-and-go) operation or a departure or arrival that stays within a 20-mile radius of a particular airport.

Multiplier Effect – The effect of money being spent and re-spent in the economy.

Off-Airport Impacts – Impacts that stem directly from businesses and industries not located on airport property, but rely on the airport for some portion of their sales/revenue. Such businesses can be either aviation-supporting businesses or aviation-dependent businesses.

On-Airport Impacts (On airport aviation activity) – The cluster of aviation-related economic activity at and around the runway and terminal.

On-Airport Tenants – Includes fixed based operators (FBO's), flight schools, concessionaires, airport restaurants, and government agencies located on the airport. Government also includes public airport sponsors and the Federal Aviation Administration (FAA).

Output (Spending) – For most tenants, output is equated with the sum of annual gross sales and average annual capital expenditures. Government output is equated to the sum of annual payroll, other expenditures, and average annual capital improvement costs. For visitor impacts, output is assumed to equal annual visitor expenditures.

Output Multiplier – The effect of expenditures in one industry sector on the expenditures in the economy. For example, if the air transportation sector has an output multiplier of 1.75, the \$100 in direct expenditures (output) creates secondary output impacts equivalent to \$75.

Payroll – Annual salaries paid to workers plus proprietors' income.

Primary Impacts – Economic activity that is generated by the operation of the airport and its tenants, and by businesses associated with the spending of air visitors and aviation-dependent businesses. Primary impacts include both on-airport primary impacts (on-airport aviation activity) and off-airport primary impacts.

Qualitative Impacts – Impacts which cannot be measured in dollar amounts but are critical to the quality of life.

Quantitative Impacts – Impacts which are economically beneficial in nature and can be measured and stated in numerical terms, such as dollars or employment figures.

Regional Economic Models, Inc. (REMI) – The REMI model is widely acknowledged to be the premier economic simulation and forecasting system specifically designed for project and policy impact analysis within the U.S., and is used by state transportation departments around the United States. For each study, the model is calibrated for the specific affected counties. REMI presents a "dynamic" or "long-term" view of the change in regional population and economic growth rates which would occur over time under alternative "scenarios" in which relative costs of living and costs of doing business change, thus affecting regional economic competitiveness. REMI combines the same features as the IMPLAN model with additional features of regional population and employment forecasts and policy assessment tools -- to measure changes in the relative competitiveness or attractiveness of the region and their impacts on the long-term regional economy.

SAC (State Aviation Council) -- The State Aviation Council (SAC) is a policy body created to assist VTrans in developing policies, programs and initiatives. The SAC also serves as a forum for interaction with the aviation community. It meets every other month and was apprised of this Study's progress at these meetings. The SAC served in an advisory capacity for this Study as well.

Spin-Off Impacts – All first round airport-related spending, payroll, and employment result in additional spin-off economic benefits. Spin-off impacts are often referred to as the multiplier effect due to the fact that direct benefits will ripple through or “multiply” within the economy. These successive waves of employment, payroll, and re-spending (spin-off impacts) continue within the economy until they are lost through leakage.

TAC (Technical Advisory Committee) -- With close consultation from VTrans, a Technical Advisory Committee (TAC) was assembled to assist the consultant team with detailed and technical issues and reviews for this Study. During the periodic meetings throughout the course of the Study, the TAC served as a sounding board for the consultant team.

The TAC was assembled from different communities of interest within and contiguous to the aviation sector. The members of the Technical Advisory Committee were as follows:

- **George Coy** – Airport manager (Franklin County) and fixed based operator
- **Dave Pelletier** – Senior transportation planner, Lamoille County Planning Commission, representing the Vermont Association of Planning and Development Agencies
- **Greg Maguire** – Transportation Marketing Specialist, Vermont Department of Tourism and Marketing
- **George Robson** – Vermont Department of Economic Development
- **Robert North** – Private airport owner and operator (Mt. Snow) and local businessman
- **Richard Angney** – Central Vermont Economic Development Corporation

Draft products were submitted to the TAC for review prior to any other distributions or presentations.

Total Impacts – The sum of all primary and spin-off impacts attributable to the airport or system of airports.

VTrans (Vermont Agency of Transportation) -- VTrans directed the study as well as sponsored it with funds programmed from the Federal Highway Administration.

VTrans, through its Transportation Maintenance & Aviation Division, is responsible for keeping Vermont State airports open, safe and aesthetically pleasing to transportation network users, while managing the system in a cost effective and environmentally sensitive manner. In addition, the Division promotes aviation-related activities and education programs and supports expanded travel opportunities at the seventeen public-use airports.