Benefit-Cost Analysis for the Rock County Airport (JVL) Runway Extension



Client

Wisconsin Dept. of Transportation - Bureau of Aeronautics

Facts

Period	2001
Project Country	United States

Economic Development Research Group (now EBP), for the Wisconsin Dept. of Transportation - Bureau of Aeronautics, 2001

The FAA issued its first approval in 2001 of a benefit-cost study that justified runway improvements at a general aviation airport based primarily on business productivity. The benefit cost study for a new runway at Rock County Airport was produced by the Wisconsin Bureau of Aeronautics with Economic Development Research Group.

This project is notable because the airport primarily serves corporate aviation, and specifically an automotive industry cluster. The area is home to manufacturing facilities of GM and Ford, as well as a large number of parts manufacturers. Starting with the advent of just-in-time production in 1993, the auto plants had a significant increase in parts shipments via airplane, in response to rising quality control standards and just-in-time delivery needs. The airport had an upsurge in corporate and charter parts deliveries, including both incoming parts from outside suppliers to the local assembly plants, and outgoing parts from local parts suppliers to other assembly plants in Canada, Mexico, Michigan and South Carolina.

The report explains how business productivity enters into benefit-cost analysis and is portrayed in the Airport Benefit Cost (ABC) system. It documents the nature of the automotive cluster, its inter-relationship with other regions, and the impact of airport limitations on just-in-time business costs. It shows how airport expansion would improve the competitiveness of the automotive cluster -- factors leading to FAA approval of the expansion.

Contact Persons