

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Association of Village Council Presidents****Federal Tax ID: 920064285****Project Title:****Project Type: Equipment and Materials**

Association of Village Council Presidents - Yuut Yaqungviat, LLC - Alaska Rural Aviation Training Program Equipment

State Funding Requested: \$170,000**House District: 38 / S**

One-Time Need

Brief Project Description:

Yuut Yaqungviat, LLC is in need of capital funds to finance the cost of acquiring a Cessna 152, and 4 aircraft engines to support the flight training needs of our students.

Funding Plan:

Total Project Cost:	\$170,000
Funding Already Secured:	(\$0)
FY2012 State Funding Request:	<u>(\$170,000)</u>
Project Deficit:	\$0

Funding Details:

No funding has been obtained for this equipment.

Detailed Project Description and Justification:**Project Description**

Yuut Yaqungviat needs to purchase an IFR Cessna 152 for \$70,000 that will need to be equipped with ADS-B technologies, and four remanufactured engines at \$25,000 each that will meet the training needs of the flight school students. Yuut Yaqungviat, LLC is part of the Association of Village Council Presidents.

Yuut Yaqungviat, LLC is a rural aviation and flight training center, providing commercial pilot training for the transportation industry. Located in Bethel, the flight training center prepares Yukon-Kuskokwim Delta residents for professional positions with air freight and air transport businesses operating throughout Alaska. The airline business is the highest job producing industry in Southwest Alaska and has chronic shortages of trained employees. Historically this worker shortage has been met by importing pilots from Arizona and Florida who stay for an average of two years and then return to the lower 48. Alaska suffers a double impact from this trend: the wages paid to the visiting pilots are exported out of the state. After obtaining additional training and building flight hours, experienced pilots leave the state to work for regional and national air carriers, creating a perpetual staff shortage and training burden for Alaskan businesses. Yuut Yaqungviat is already changing that trend by training local people in Southwest Alaska to become commercial pilots. We have seen that Alaskan residents want to stay in their home communities and maintain close connections with their families. Accordingly, their wages stay in their home towns and there is increased investment in rural Alaska as people build homes and take places of responsibility in the community. Every trained pilot that Yuut Yaqungviat produces is estimated to contribute \$500,000 in

economic growth in their home villages over a ten year career; with many pilots continuing to fly for 25 to 30 year careers

Safety, dependability, and affordability of air travel have always been a concern for Rural Alaskans because it is often the only mode of transportation, especially in parts of northern and western Alaska which have no roads. It is well understood that inexperience in dealing with weather and terrain is a major accident factor in Alaska. Looking at past success, local pilots understand the challenges getting into this profession, and are better able to let the demands of their job coexist with their Subsistence (hunting and fishing) way of life.

In the commercial and transportation hub of Bethel, there are 250 commercial pilot jobs available with various air taxi services providing passenger and freight service to the villages in the AVCP Region. Training and retaining local pilots in the region would promote the local economy with the long term jobs, and enhance jobs for ground crew, and village agents. This would not only improve the economy for the region by keeping disposable income and revenue in local hands, it would also improve the airlines' retention of pilots, mechanics and maintenance workers, as well as provide lower insurance rates, reduce new hire training costs, and improve equipment maintenance. The savings that airlines make can affect customers positively in the region. High quality employment opportunities for the young adults and youth in the region would also promote healthy lifestyles, combating drug and alcohol abuse in a population assaulted by a sense of boredom and worthlessness that pervades dispirited youth in isolated communities.

Participants in our program will receive complete pilot training to prepare them to work as first officers and commercial pilots. We are proposing to train fifteen participants for the first year, with approximately 95% of our participants being from Rural Alaska that are either unemployed or in jeopardy of losing employment. All applicants are earning well below the state average annual income of \$40,700. Within three years of completing their pilot training, we expect graduates to increase their earnings to \$50,000 per year. Industry trends for compensation tend to provide a first year (probationary) wage of \$35,700, with a step up during the second year to at least \$41,000. Third year pilots can reach \$45,000 to \$50,000 in earnings with the potential to advance even faster through achieving additional certification. The Yuut Yaqungviat training program prepares graduates for work opportunities in the transportation industry which is a rapidly expanding industry. Ted Stevens International Airport is equidistant between Tokyo and London, positioning Anchorage freight carriers at the center of growing global trade. Heavy industry projects, such as the proposed Alaska Gas Line, will require pilots with experience to transport people and material to remote locations and in potentially extreme weather conditions. Our students are prepared to meet the needs of Alaska's growing industries.

Project Timeline:

The project will begin as soon as grant funds are available and be completed by December 2011

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Yuut Yaqungviat will be responsible

Grant Recipient Contact Information:

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 Title: Project Development Director
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 Bethel, Alaska 99559
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Total Project Snapshot Report

2011 Legislature

TPS Report 55501v1

Has this project been through a public review process at the local level and is it a community priority? Yes No



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Resolution 01-14-11

Yuut Yaqungviat, LLC, (YYC) support for a State of Alaska Capital Improvement Program (CIP) funding request

Whereas, Yuut Yaqungviat, LLC (YYC) is a non-profit limited liability company whose sole owner is the Association of Village Council Presidents (AVCP), the tribal organization and support for its fifty-six member indigenous villages within western Alaska; and

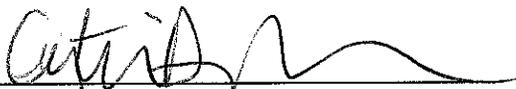
Whereas, YYC is in need of funding to acquire a Cessna 152 aircraft and 4 aircraft engines; and

Whereas, YYC has solicited the comments, ideas, suggestions and support of the member owner in the planning process for the FY 2011 State of Alaska CIP funding request and that, if funded, owner would provide supplemental funds to assist YYC in strengthening the flight training program; and

Therefore be it resolved that YYC is requesting \$170,000 from the State of Alaska CIP to acquire a Cessna 152 aircraft and 4 aircraft engines, and that Cynthia Andrecheck, Board Chairperson, is authorized to sign documents and negotiate on behalf of YYC.

This resolution is adopted this 14th day of January 2011, via telephonic unanimous vote of the Board of Directors.

Certification:


Cynthia Andrecheck, Chair