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COMMERCIAL AVIATION

Issues Regarding Federal Assistance for Enhancing Air Service to Small Communities

Statement of JayEtta Z. Hecker
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Highlights of [GAO-03-540T](#), testimony before the Aviation Subcommittee, Senate Committee on Commerce, Science and Transportation

Why GAO Did This Study

Small communities have long faced challenges in obtaining or retaining the commercial air service they desire. These challenges are increasing as many U.S. airlines try to stem unprecedented financial losses through numerous cost-cutting measures, including reducing or eliminating service in some markets, often small communities. Congress will be considering whether to reauthorize its federal assistance programs for small communities. GAO was asked to describe the kinds of efforts that states and local communities have taken to enhance air service at small communities; federal programs for enhancing air service to small communities; and issues regarding the type and extent of federal assistance to enhance air service to small communities.

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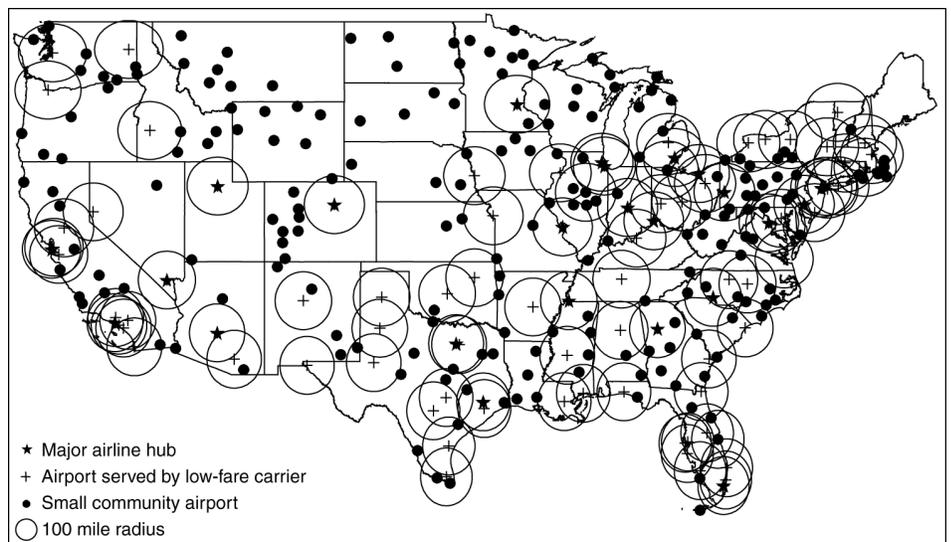
What GAO Found

Small communities have taken a variety of steps to try to obtain or improve air service, such as marketing to increase passengers' demand for local service or offering financial incentives to airlines to attract new or enhanced service. At communities GAO studied in depth, financial incentives were most effective in attracting new service. However, the additional service often ceased when incentives ended.

The two key federal programs to help small communities with air service face increasing budgetary pressures and questions about their effectiveness. Demand for these programs is heavy and may increase as airlines reduce service to communities. The Essential Air Service program subsidizes carriers that provide air service to eligible small communities. However, program costs have tripled since 1995, and fewer passengers use the subsidized local service. Most choose to drive to their destination or to fly to and from another nearby airport with more service or lower fares. The Small Community Air Service Development Pilot Program, in its first year of operation, provided \$20 million in grants to help small communities enhance service. Most programs funded appear similar to those undertaken by communities and may not result in sustainable service enhancements.

Questions about the efficacy of these programs highlight issues regarding the type and extent of federal assistance for small community air service. Reauthorization provides an opportunity for the Congress to clarify the federal strategy for assisting small communities with air service.

Proximity of Small Community Airports to Other Airports Either Served by a Low-fare Airline or Serving as a Major Airline's Hub.



Source: GAO.

www.gao.gov/cgi-bin/getrpt?GAO-03-540T

To view the full report, including the scope and methodology, click on the link above. For more information, contact JayEtta Z. Hecker at (202) 512-2834 or heckerj@gao.gov.

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting us to testify today on the issue of air service at small communities. These communities have long faced challenges in obtaining or retaining the commercial air service they desire. These challenges are increasing as many U.S. airlines try to stem unprecedented financial losses through numerous cost-cutting measures, including reducing or eliminating service in some markets. Small communities feel such losses disproportionately because they may have service from only one or two airlines. For them, reductions can mean no air service at all.

Over the past several years, we have issued a number of products examining air service provided to small communities. These reports have examined the use of regional jets, changes in the amount and type of service that small communities receive, options to enhance the long-term viability of the federal Essential Air Service (EAS) program, and efforts to improve air service at small communities.¹ In light of continuing concerns about small community air service and upcoming opportunities for the Congress to reauthorize federal assistance programs for small communities, we would like to summarize some key elements of our recent work. Today, my testimony addresses three topics: (1) the kinds of efforts that states and local communities have taken to enhance air service at small communities; (2) federal programs for enhancing air service to small communities; and (3) issues regarding the type and extent of federal assistance to enhance air service to small communities.

In summary:

- In recent years, states and local communities have undertaken a variety of efforts to enhance their air service. Our analysis of these efforts at nearly 100 small communities found that they comprise three main types: studies to evaluate potential markets, marketing efforts to increase consumer demand, and financial incentives to encourage airlines to either start or enhance air service. Financial incentives tended to offer the most promise for attracting new or additional air service. However, once the incentives ended, the additional service often ended as well. Longer-term sustainability of these air service improvements appears to depend on the community's size and its ability to demonstrate a commitment to that air

¹ See list of related GAO products attached to this statement.

service, either by providing a profitable passenger base or through direct financial assistance.

- The two key federal programs for helping small communities with air service face increasing budgetary pressures and questions about their effectiveness.
 - The EAS program, authorized under the Airline Deregulation Act of 1978, guarantees that small communities served before deregulation continue to receive a certain level of scheduled air service. Its costs have more than tripled since fiscal year 1995, and indications are that without changes to the program, the demand for EAS subsidies will soon exceed its \$113 million appropriation. At the same time, aggregate passenger levels at EAS-subsidized airports continue to fall. Often less than 10 percent of a community's potential passengers use the subsidized local service; the rest choose to drive to their destination or drive to a larger airport that offers lower fares or more frequent service to more destinations. In 2000, the median number of passengers on each EAS-subsidized flight was just three.
 - The Small Community Air Service Development Pilot Program ("Pilot Program"), authorized as part of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), P.L. 106-181, provides grants to communities to enhance local air service. In fiscal year 2002, 180 communities (or consortia of communities) requested over \$142.5 million in air service development grants—more than seven times the \$20 million appropriated. The program funded some innovative approaches, such as Mobile, Alabama's, program to provide ground handling services to an airline, but the majority of the grants funded the same types of projects noted earlier—studies, marketing activities, and financial incentives. If these communities experience the same results as the other state and local efforts we identified, their efforts are unlikely to attract new or enhanced service, or if they do, the service will last only as long as these funds are available. However, it is too early to evaluate the long-term effectiveness of these efforts.
- Questions about the efficacy of the two federal programs highlight issues regarding the type and extent of federal assistance for small community air service. The EAS program appears to be meeting its statutory objectives of ensuring air service to eligible communities, yet the program has not provided an effective transportation solution to most travelers to or from those communities. The Pilot Program also appears to have met its statutory objective of assisting communities in developing projects to enhance their access to the national air transportation system. Yet whether any of the projects funded will prove to be effective at developing sustainable air service is uncertain. Reauthorization provides an

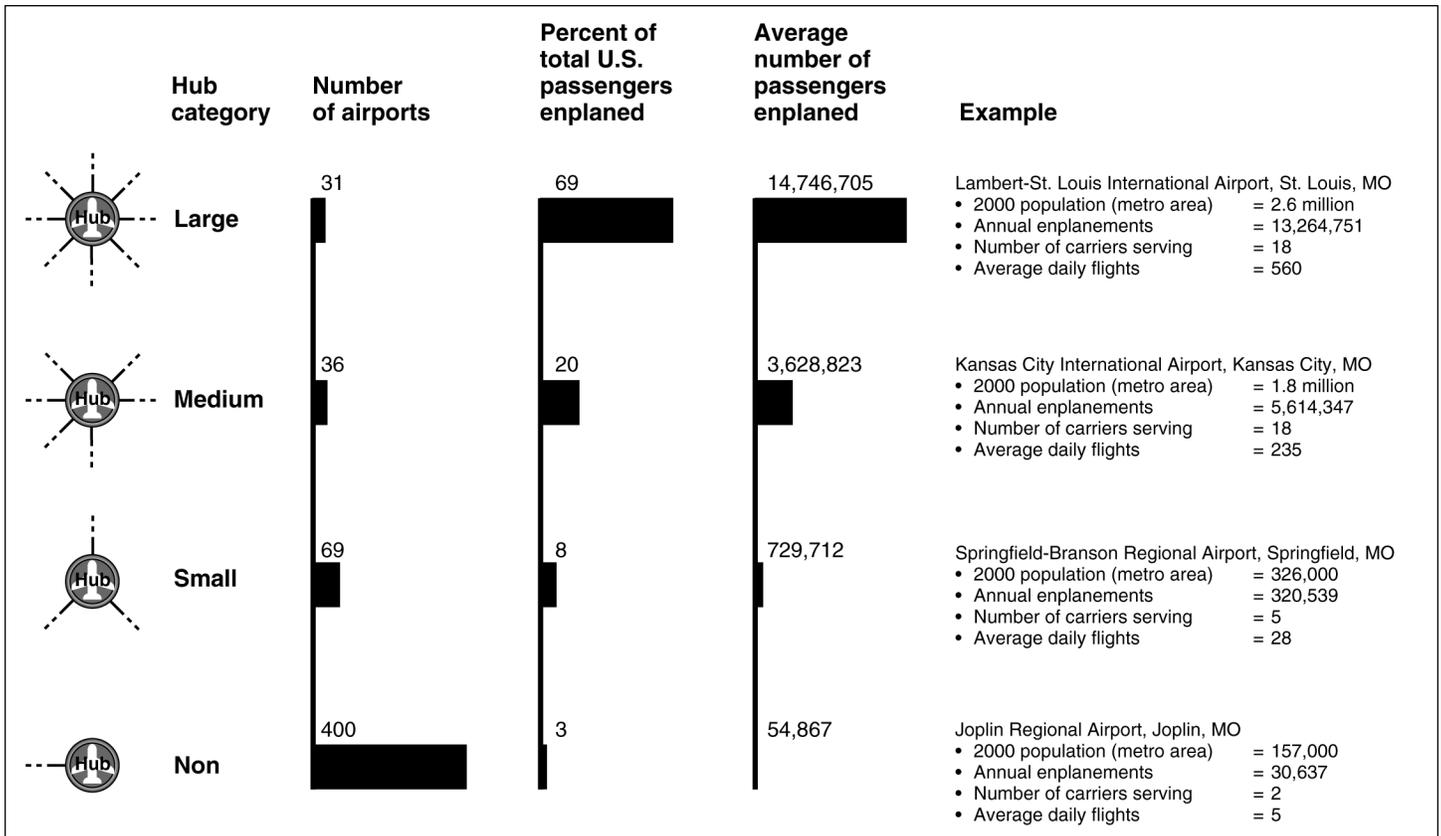
opportunity for the Congress to clarify the federal strategy for assisting small communities with commercial air service.

Background

The nation's small community airports, while large in number, serve only a small portion of the nation's air travelers and face issues very different from those of larger airports. Airports that are served by commercial airlines in the United States are categorized into four main groups based on the annual number of passenger enplanements—large hubs, medium hubs, small hubs and nonhubs. In 2001, the 31 large hub airports and 36 medium hub airports (representing about 13 percent of commercial service airports) enplaned the vast majority—89 percent—of the more than 660 million U.S. passengers. In contrast, those normally defined as small community airports²—the 69 small hub airports and 400 nonhub airports—enplaned about 8 percent and 3 percent of U.S. passengers, respectively. There are significant differences in both the relative size and type of service among these communities, as shown in Figure 1.

² The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), P.L. 106-181, defines small communities as including both nonhub and small hub community airports.

Figure 1: Differences Among Categories of Commercial Service Airports in 2001



Source: GAO (analysis), FAA (data), Sabre (data), and U.S. Census Bureau (data).

Officials from small communities served by small hub and nonhub airports reported that limited air service is a long-standing problem. This problem has been exacerbated by the economic downturn and events of September 11. Fundamental economic principles help explain the situation small communities face. Essentially, these communities have a smaller population base from which to draw passengers, which in turn means they have limited potential to generate a profit for the airlines. Relatively limited passenger demand, coupled with the fact that air service is an inherently expensive service to provide, make it difficult for many such communities to attract and keep air service.

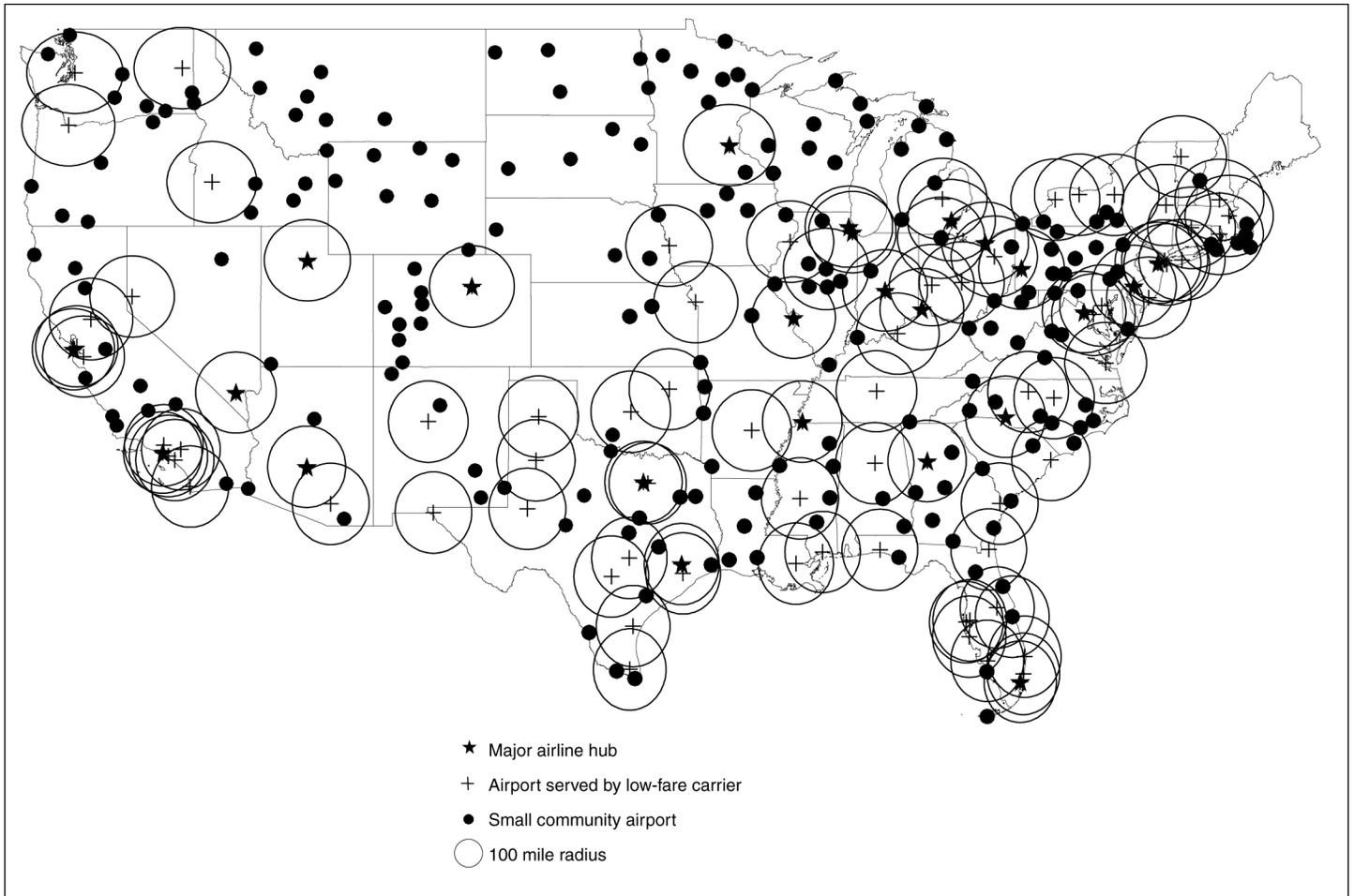
The recent economic downturn and events of September 11 dealt a severe financial blow to many major airlines, and the results of these losses can

be felt in even the smallest communities. United Airlines and US Airways are in bankruptcy proceedings, and one Wall Street analyst is projecting industry losses of \$6.5 billion for 2003, the third straight year of multi-billion dollar losses. While major airlines often do not serve small communities directly, many have agreements with smaller regional airlines to provide air service to small communities. This provides feeder traffic into the larger network. Consequently, financial problems for major airlines and their resulting cost-cutting efforts may ultimately affect the air service a small community receives.

Complicating the financial situation for both major and regional airlines is the growing presence of low-fare airlines, such as Southwest Airlines. Low-fare airlines' business model of serving major markets, not small communities, has helped these airlines better weather the economic downturn. Airport officials have reported that these airlines' low fares attract passengers from a large geographic area, and many small airports face significant "leakage" of potential local passengers to airports served by low-fare airlines. In a March 2002 report,³ we found that almost half of the nonhub airports studied were within 100 miles of a major airline hub or an airport served by a low-fare airline, as illustrated in Figure 2. Further, over half of the 207 small community airport officials we surveyed said they believed local residents drove to another airport for airline service to a great or very great extent. Eighty-one percent of them attributed the leakage to the availability of lower fares from a major airline at the alternative airport.

³ U.S. General Accounting Office, *Air Service Trends at Small Communities Since October 2000*, [GAO-02-432](#) (Washington, D.C.: March, 29, 2002).

Figure 2: Proximity of Small Community Airports to Other Airports Either Served by a Low-fare Airline or Serving as a Major Airline's Hub



Source: GAO.

Note: The figure shows a selected sample of 202 small communities served by nonhub airports in the continental United States. For more information, see [GAO-02-432](#).

Local, state, and federal governments all play roles in developing and maintaining air service for small communities. Air service is a local issue because commercial airports in the United States are publicly-owned facilities, serving both local and regional economies. Many state and local governments provide funding and other assistance to help communities develop or maintain local air service. The federal government has assisted in developing air service both through the EAS program, which subsidizes

air service to eligible communities and the Pilot Program, which provided grants to foster effective approaches to improving air service to small communities.⁴ The assumption underlying these efforts is that connecting small communities to the national air transportation system is both fundamental for local economic vitality and is in the national interest.

The Administration's budget proposal for fiscal year 2004 substantially reduces funding for small community air service. The budget would reduce EAS funding from \$113 million in 2003 to \$50 million in 2004 and would change the program's structure by altering eligibility criteria and requiring nonfederal matching funds. The 2004 budget proposal does not include funds for the Pilot Program.

Local and State Air Service Improvement Efforts Fall Into Three Main Categories, but Financial Assistance Has Proven Most Effective

Our recent review of nearly 100 small community air service improvement efforts undertaken by states, local governments, or airports⁵ showed that communities attempted three main categories of efforts (see Table 1):

- studies, like those used by communities in Texas and New Mexico, to determine the potential demand for new or enhanced air service;
- marketing, like Paducah, Kentucky's, "Buy Local, Fly Local" advertising campaign, used to educate the public about the air service available or Olympia, Washington's, presentations to airlines to inform them about the potential for new or expanded service opportunities; and
- financial incentives, such as the "travel bank" program implemented by Eugene, Oregon, in which local businesses pledged future travel funds to encourage an airline to provide new or additional service.

⁴ Beyond these programs, the federal government has also played a key role in providing funding critical to building and improving airport infrastructure through its Airport Improvement Program. In fiscal year 2002 alone, this program provided \$3.2 billion to airports, over \$1 billion of which went to small hub and nonhub airports.

⁵ To identify these airports, we reviewed all 180 applications for the Pilot Program, which included information on previous efforts to improve air service. We also spoke with airline industry officials and transportation officials from each of the 50 states and reviewed other available data. We then interviewed airport or community officials from 98 small communities that had undertaken some air service development efforts. For more information, see U.S. General Accounting Office, *Commercial Aviation: Factors Affecting Efforts to Improve Air Service at Small Community Airports*, [GAO-03-330](#) (Washington, D.C.: January 17, 2003).

Table 1: Types of Air Service Development Efforts Undertaken by 98 Communities With Small Hub or Nonhub Airports

Type of effort	Nonhub airports (81 airports)		Small hub airports (17 airports)		Combined total (98 airports)	
	Number	Percent of total	Number	Percent of total	Number	Percent of total
Studies	60	74%	15	88%	75	77%
Marketing	60	74%	16	94%	76	78%
Financial incentives	33	41%	11	65%	44	45%
Other	15	19%	0	0%	15	15%

Source: GAO analysis.

Notes: Columns will not add to total number of airports shown because some airports undertook multiple efforts.

Studies by themselves have no direct effect on the demand for or supply of air service, but they can help communities determine if there is adequate potential passenger demand to support new or improved air service. Marketing can have a more direct effect on demand for air service if it convinces passengers to use the local air service rather than driving or flying from another airport. While the specific effect is difficult to ascertain, an airport official from Shenandoah Valley, Virginia, pointed out that his airport’s annual enplanements more than doubled—from 8,000 to 20,000—after a marketing and public relations campaign. Marketing the airport to airlines may also have a direct effect on the supply of air service if the efforts succeed in attracting new airlines or more service from existing airlines.

Financial incentives most directly affected the level of air service provided in the communities we studied. Financial incentives mitigate some of the airline’s risk by providing some assurance about the financial viability of the service. The incentives take a number of different forms, as shown in Table 2. Some programs provided subsidies to airlines willing to supply service. Some provided revenue guarantees, under which the community and airline established revenue targets and the airline received payments only if actual revenues did not meet targets.

Table 2: Major Types of Financial Incentive Programs

Type of financial incentive	Description	Prevalence among nonhub airports studied (total = 81)		Prevalence among small hub airports studied (total = 17)	
		Number	Percent of total	Number	Percent of total
Reduced airport fees	Airport reduces fees charged to carriers—landing fees, lease rates, or fuel flowage fees in exchange for air service. (This is often only one element of an air service improvement program.)	10	12%	7	41%
Subsidies	Financial assistance to a carrier assists with start-up, operating or other costs. Carrier may receive a set amount per period or reimbursement for expenses incurred, sometimes up to a cap.	10	12%	1	6%
Revenue guarantees	Community and carrier officials set revenue targets and communities pay carriers only if revenue from operations does not meet agreed-upon target. Payments are often capped.	9	11%	3	18%
Travel bank	Businesses or individuals pledge future travel funds to a carrier providing new or expanded air service. Travel funds are deposited in an account, administered by a business entity (such as the Chamber of Commerce) and pledging businesses draw against these funds (often using credit card supplied for this purpose) to purchase tickets.	4	5%	3	18%
Other		6	7%	3	18%

Source: GAO analysis.

Financial incentives can attract new or enhanced air service to a community, but incentives do not guarantee that the service will be sustained when the incentives end. We studied the efforts of 12 communities in detail, all but one of which used a financial incentive program. Of these, five had completed their program but only Eugene, Oregon, was able to sustain the new service after the incentive program ended. At the other four—all nonhub airports smaller than Eugene—the airline ceased service when the incentives ended.

However, while a community’s size is important, it is largely beyond a community’s control. We identified two other factors, more directly within a community’s control, that were also important for success. The first, the presence of a catalyst for change, was particularly important in getting the program started. The catalyst was normally state, community, or airport officials who recognized the air service deficiencies and began a program for change. More important to the long-term sustainability, however, was a

community consensus that air service is a priority. This second factor involves recognizing that enhanced air service is likely to come at a price and developing a way in which the community agrees to participate. At many of the communities we studied, there was not a clear demonstration of community commitment to air service.

Two Federal Programs Which Aid Small Communities Face Budgetary Pressures and Questions About Their Effectiveness

The two major federal efforts to help small communities attract or retain air service are the EAS program and the Pilot Program. The Congress established EAS as part of the Airline Deregulation Act of 1978, due to concern that air service to some small communities would suffer in a deregulated environment. The act guaranteed that communities served by airlines before deregulation would continue to receive a certain level of scheduled air service. If an airline cannot provide service to an eligible community without incurring a loss, then the Department of Transportation (DOT) can use EAS funds to award that airline, or another airline willing to provide service, a subsidy. Funding for EAS was \$113 million for fiscal years 2002 and 2003. The other major program, the Pilot Program, was authorized as part of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21). The Pilot Program's mission is to assist communities in developing projects to enhance their access to the national air transportation system. The Pilot Program differs from EAS because communities, not airlines, receive the funds and the communities develop the program that they believe will best address their air service needs. The Congress appropriated \$20 million in both fiscal years 2002 and 2003 for this effort.

EAS Costs Are Increasing but Passenger Usage Is Not

The EAS program costs have increased dramatically since 1995, but the actual number of passengers using EAS-subsidized air service has dropped. Total program funding increased from \$37 million in 1995 to \$113 million in 2002 (2002 constant dollars). Further, during this period of time, the subsidy per community nearly doubled, from almost \$424,000 to over \$828,000. However, the total passenger enplanements at EAS-subsidized communities decreased about 20 percent (between 1995 and 2000) falling from 592,000 to 477,000. As a result, the per passenger subsidy (for continental U.S. communities) increased from \$79 to an estimated \$229 in 2002, a nearly 200-percent increase. Table 3 provides more information.

Table 3: EAS Service Changes as of July 1, 2002 (Continental United States)

Service elements	1995	1999	2002 (est.)	Percent change
Number of subsidized communities	75	68	79	5.3%
Median daily passengers enplaned per community	11	8	10	-9.1%
Average subsidy per community	\$423,803	\$668,448	\$828,474	95.5%
Average subsidy per passenger	\$79	\$133	\$229	189.9%

Source: GAO analysis of DOT and FAA data.

Note: Passenger estimates for 2002 are based on passenger enplanements for 2000.

Note: Subsidy figures are in 2002 constant dollars.

Two key factors will likely continue to increase EAS program costs in the future. First, more communities may require subsidized service.⁶ As of February 2003, the EAS program served 125 communities, up from the 114 served only 7 months earlier. Of these, 88 are in the continental United States and 37 are in Alaska, Hawaii, and Puerto Rico. According to DOT officials, more small communities will likely lose unsubsidized commercial service in the future—especially those served by one airline. Some of these communities could be eligible to receive an EAS subsidy. In October 2001, there were 98 small communities being served by one carrier. Of the 98, 25 have smaller populations and lower levels of employment than the typical EAS-subsidized community, 21 have lower levels of income per capita, and 35 have lower levels of manufacturing earnings. Second, EAS-subsidized communities tend to generate limited passenger revenue because surrounding populations are small and the few travelers generated in each community tend to drive to their destinations or fly from other, larger

⁶ Increases in program costs may be restrained as some communities lose their eligibility. They may lose their eligibility because the combination of decreased passenger traffic and increased subsidy levels means that some may exceed the statutory maximum of \$200 per passenger for communities within 210 miles of a medium or large hub airport. However, DOT has not always dropped communities from the program because they no longer meet eligibility requirements. We reported in 2000 that DOT considers extenuating circumstances that may have caused a temporary decline in passenger traffic.

airports for lower airfares and improved service options.⁷ EAS community airports may serve less than 10 percent of the local passenger traffic; over half of the subsidized communities in the continental U.S. are within 125 miles of a larger airport. This low demand and “passenger leakage” to other airports depress the revenue carriers can make from EAS routes, making the program less attractive to airlines and increasing subsidy costs.

There are clear questions about the EAS program’s effectiveness. In a recent report on the EAS program, we outlined a number of options that the Congress could consider to enhance the long-term viability of the program.⁸ For example, one option was to target subsidized service to more remote communities with fewer other transportation options. Another option was to restructure or replace subsidies to airlines with local grants. This could enable communities to better match their transportation needs with locally available options. Some of the options discussed in our report were incorporated in the Administration’s fiscal year 2004 budget proposal.

Demand Is Heavy for Pilot Program Funds but It Is Too Early to Assess Program Effectiveness

In its first year of operation, small communities demonstrated an extraordinary demand for air service development funds. DOT received 180 applications requesting over \$142.5 million—more than seven times the funds available—from communities in 47 states. By December 2002, DOT had awarded nearly \$20 million in grants to 40 small communities (or consortia of communities). The grants ranged in amount from \$44,000 to over \$1.5 million. Some of the grants are being used for such innovative ideas as the following:

- Mobile, Alabama, a small hub, received a grant of \$457,000 to continue providing ground handling service for one of its airlines. While this is a common practice in Europe, a Mobile official told us that he is only aware

⁷ It is important to note that EAS-subsidized airlines typically do not set the airfares charged for the major markets for EAS travelers. Instead, fares are set by the major network airlines with which EAS airlines usually have contractual agreements. Depending upon the exact agreement, the EAS airline usually sets fares for travel only in “local” markets (i.e., between the EAS community and the connecting hub), while the major airline sets the fares for travel between the EAS community and the key destinations beyond the connecting hub.

⁸ U.S. General Accounting Office, *Options to Enhance the Long-term Viability of the Essential Air Service Program*, GAO-02-997R (Washington, D.C.: August 30, 2002).

of one other airport in the United States that provides these services for an airline.

- Baker City, Oregon, received a grant of \$300,000 to invest in an air taxi franchise. Baker City has a small population and is in a fairly remote part of Oregon that does not have scheduled airline service. The community decided to pursue an alternative to scheduled service and purchased an air taxi franchise from SkyTaxi, a company that provides on-demand air service.
- Casper, Wyoming, received a grant of \$500,000 to purchase and lease back an aircraft to an airline to ensure that the airline serves the community. It is fairly unusual for a community to approach air service development by purchasing an aircraft to help defray some of the airline's costs and mitigate some of the airline's risk in providing the service.

However, the majority of these grants funded the same types of projects discussed earlier—studies of a community's potential market, marketing activities to stimulate demand for service or to lure an airline, and financial incentives such as subsidies to airlines for providing service. If these communities experience the same results as the other state and local efforts we identified, their efforts are unlikely to attract new or enhanced service for the small communities using them, or if they do, the service will only last as long as these funds are available.

Since final grant agreements were signed in December 2002, it is too early to determine how effective the various types of initiatives might prove to be. Additionally, some of the funded projects contain multiple components and some are scheduled to be implemented over several years. Therefore, it might be some time before DOT is able to evaluate the initial group of projects to determine which have been effective in initiating or enhancing small community air service over the long-term.

Implications for Future Federal Efforts to Assist Small Communities

As air service to small communities becomes increasingly limited and as the national economy continues to struggle, questions about the efficacy of those programs highlight issues regarding the type and extent of federal assistance for small community air service.

The EAS program appears to be meeting its statutory objectives of ensuring air service to eligible communities, yet the program clearly has not provided an effective transportation solution for most travelers to or from those communities. Subsidies paid directly to carriers support limited air service, but not the quality of service that passengers desire, and not at fares that attract local passenger traffic. As a result, relatively

few people who travel to or from some of these communities use the federally-subsidized air service. Many travelers' decisions to use alternatives—whether another larger airport or simply the highway system—are economically and financially rational.

Several factors—including increasing carrier costs, limited passenger revenue, and increasing number of eligible communities requiring subsidized service—are likely to affect future demands on the EAS program. The number of communities that are eligible for EAS-subsidized service is likely to increase in the near term, creating a subsidy burden that could exceed current appropriations. Should the EAS program be fully funded so that no eligible community loses its direct connection to the national air transportation network? Should the EAS program be fundamentally changed in an attempt to create a more effective transportation option for travelers? In August 2002, we identified various options to revise the program to enhance its long-term viability, along with some of the associated potential effect.

The Pilot Program also appears to have met its statutory objective of extending federal assistance to 40 nonhub and small hub communities to assist communities in developing projects to enhance their access to the national air transportation system. Yet whether any of the projects funded will prove to be effective at developing sustainable air service is uncertain. Relatively few communities offered innovative approaches to developing or enhancing air service. Most of the initiatives that received federal grants resembled other state or local efforts that we had already identified. Evidence from those efforts indicated that some communities could develop sustainable air service—but likely only small hub communities that have a relatively large population and economic base. Among smaller, nonhub communities, direct financial assistance to carriers was most effective at attracting air service, but only as long as the financing existed. If the Pilot Program is extended, will it essentially become another subsidy program?

Reauthorization provides an opportunity for the Congress to clarify the federal strategy for assisting small communities with commercial air service. We believe that there may be a number of questions that need to be addressed, including the following: What amount of assistance would be needed to maintain the current federal commitment to both small hub and nonhub airports? Would federal assistance be better targeted at nonhub or small hub communities, but not both? Rather than providing subsidies directly to carriers, should federal assistance be directed to states or local communities to allow them to determine the most effective

local strategy? What role should state and local governments play in helping small communities secure air service?

Mr. Chairman and members of the Subcommittee, this concludes my statement. I would be pleased to answer any questions you or other members of the Subcommittee might have.

Contact and Acknowledgment

For further information on this testimony, please contact JayEtta Hecker at (202) 512-2834. Individuals making key contributions to this testimony included Janet Frisch, Steve Martin, Stan Stenersen, and Pamela Vines.

Related GAO Products

Commercial Aviation: Factors Affecting Efforts to Improve Air Service at Small Community Airports. [GAO-03-330](#). Washington, D.C.: January 17, 2003.

Commercial Aviation: Financial Condition and Industry Responses Affect Competition. [GAO-03-171T](#). Washington, D.C.: October 2, 2002.

Options to Enhance the Long-term Viability of the Essential Air Service Program. [GAO-02-997R](#). Washington, D.C.: August 30, 2002.

Commercial Aviation: Air Service Trends at Small Communities Since October 2000. [GAO-02-432](#). Washington, D.C.: March 29, 2002.

“State of the U.S. Commercial Airlines Industry and Possible Issues for Congressional Consideration”, Speech by Comptroller General of the United States David Walker. The International Aviation Club of Washington: November 28, 2001.

Financial Management: Assessment of the Airline Industry’s Estimated Losses Arising From the Events of September 11. [GAO-02-133R](#). Washington, D.C.: October 5, 2001.

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