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# Highlights

Highlights of [GAO-07-793T](#), a testimony to the Subcommittee on Aviation, Committee on Transportation and Infrastructure, U.S. House of Representatives

## Why GAO Did This Study

Congress established two key programs to help support air service to small communities—the Essential Air Service (EAS) providing about \$100 million in subsidies per year and the Small Community Air Service Development Program (SCASDP) that provides about \$20 million per year in grants. As part of its reauthorization of the Federal Aviation Administration (FAA), the Congress is examining the status and outcomes of these programs.

This testimony discusses (1) the history and challenges of the EAS program, (2) the implementation and outcomes of the SCASDP and (3) options for reforming EAS and SCASDP. The testimony is based on previous GAO reports, interviews with Department of Transportation officials and industry representatives as well as program updates.

[www.gao.gov/cgi-bin/getrpt?GAO-07-793T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-793T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Dr. Gerald Dillingham at (202) 512-2834 or [dillinghamg@gao.gov](mailto:dillinghamg@gao.gov).

## COMMERCIAL AVIATION

# Programs and Options for Providing Air Service to Small Communities

## What GAO Found

EAS subsidies support air service to many small communities that would likely not have service if EAS subsidies are discontinued. Since 1997, funding for EAS has increased from \$25.9 million in 1997 to \$109.4 million in 2007 and the number of communities has generally increased. The federal government is spending a median of about \$98 per passenger, with subsidies ranging from about \$13 to \$677 per passenger. Concerns exist about the costs of the program, particularly given the federal government's long-term structural fiscal imbalance. In addition, according to industry representatives, the number of air carriers flying aircraft suitable for EAS communities may decrease, raising concerns about the availability of appropriate aircraft to provide small community air service in the future.

SCASDP grantees have used their grants to pursue a variety of goals and have used a variety of strategies, including marketing and revenue guarantees, to improve air service. Our analysis of the 23 grants completed by October 1, 2005, found that air service was sustained after the grant expired in a little less than half of the projects. Finally, although the program has seen some success, the number of applications for SCASDP grants has declined—from 179 in 2002 to 75 in 2006.

As we have reported, options for reforming EAS, such as consolidating service into regional airports might make the program more efficient, but also could reduce service to some communities. Further, Congress may be able to use some “lessons learned” from marketing and other successful SCASDP strategies that may help it make the current programs more effective.

### Example of a 19-seat Turbo Prop Aircraft Serving Small Communities



Source: GAO.