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.

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.