



Highlights of [GAO-03-330](#), a report to Congressional requesters.

## Why GAO Did This Study

The airline industry, facing unprecedented financial losses as a result of the economic downturn and the terrorist attacks, has taken steps to minimize losses, including reducing or eliminating service to some small communities. In March 2002, GAO reported that small communities had almost 20 percent fewer departures in October 2001, as compared to October 2000. GAO was asked to follow up on that work by examining the challenges small communities face in attracting and keeping the air service they desire and what steps they have taken to overcome these challenges.

## COMMERCIAL AVIATION

# Factors Affecting Efforts to Improve Air Service at Small Community Airports

## What GAO Found

Small communities face a range of fundamental economic challenges in obtaining and retaining commercial passenger air service. The smallest of these communities typically lack the population base and level of economic activity that would generate sufficient passenger demand to make them profitable to air carriers. While larger communities in this group may have less difficulty in sustaining a base level of service, they may not be able to attract additional carriers to provide greater choice and lower fares. Smaller communities located near larger airports may also face reduced demand because passengers choose to use the larger airport with lower fares or more choices for flights. These communities also have difficulty because the airline industry is in turmoil, making less profitable operations increasingly vulnerable.

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. Longer-term sustainability may rest on a community's commitment to making air service a priority.



Source: GAO.

This 34-seat turboprop aircraft is typical of the aircraft used to provide air service to many small communities.

[www.gao.gov/cgi-bin/getrpt?GAO-03-330](http://www.gao.gov/cgi-bin/getrpt?GAO-03-330).

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](mailto:HeckerJ@gao.gov).