

GAO Highlights

Highlights of [GAO-14-454T](#), a testimony before the Subcommittee on Aviation, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

Establishing and retaining reliable air service to small communities has been a challenge for decades. Communities seek access to air transportation services as a driver for attracting investment and generating employment. To incentivize service, Congress established two programs to help support air service to small communities—EAS and SCASDP. Airports are categorized by DOT's Federal Aviation Administration and described in terms of "hub" size based on the number of passengers served annually. Airports range from large hubs with at least 7.3 million passengers in 2012 to nonprimary airports with fewer than 10,000 passengers. Airports receiving subsidized EAS service are either nonhub or nonprimary, and SCASDP airports are small hub or smaller.

This testimony discusses (1) the airline industry factors affecting air service to small communities, (2) the federal programs and policies that support air service to small communities, and (3) other options for improving access to air service for these communities. The testimony is based on previous GAO reports issued from 2003 through 2014; analysis of industry data for years 2007 through 2013; and selected updates on EAS and SCASDP programs. To conduct these updates, GAO reviewed program documentation and interviewed DOT officials and industry representatives.

View [GAO-14-454T](#). For more information, contact Gerald L. Dillingham, Ph.D., (202) 512-2834, dillinghamg@gao.gov.

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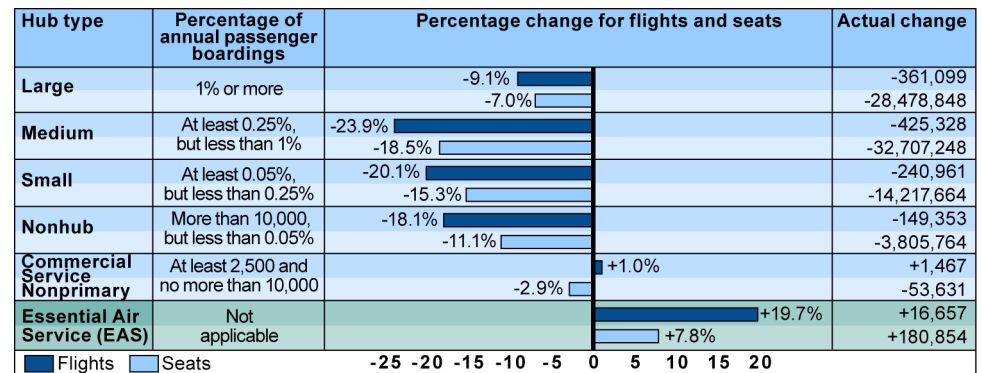
COMMERCIAL AVIATION

Status of Air Service to Small Communities and the Federal Programs Involved

What GAO Found

Air service to small communities has declined since 2007 due, in part, to higher fuel costs and declining population, and for some communities, compounded by more attractive service (i.e., larger airports in larger cities) within driving distance. In fact, airports of all sizes have lost capacity in the number of available seats, and largely for flights as well. However, medium-hub and small-hub airports have proportionally lost more service than large-hub or nonhub airports (see figure).

Percentage Change in Number of Flights and Seats, by Airport Category, 2007-2013



Sources: Federal Aviation Administration and GAO analysis of DOT data.

The two primary programs, designed to help small communities retain air service, administered by the Department of Transportation (DOT), face challenges.

- The Essential Air Service (EAS) program, which received about \$232 million in 2013, provided subsidies to airlines that served 117 eligible non-Alaskan communities in 2013. For the most part, only airports in eligible communities that received EAS-subsidized service have experienced an increased number of flights since 2007. However, the service may not always be the most cost-effective option for connecting people to the national transportation network, and the total and per-community EAS subsidies have grown since 2008. Legislation to control costs was recently enacted which limited access to EAS, for example by changing eligibility requirements.
- The Small Community Air Service Development Program (SCASDP) is a grant program to help small communities enhance air service at small-hub or smaller airports. DOT can award no more than 40 grants a year, thus SCASDP assists fewer communities than does EAS. Further, unlike EAS, funding for SCASDP—\$6 million in 2013—has decreased since the program was created in 2002. Past reviews of SCASDP's effectiveness have found mixed success, with about half or less of the grants achieving their goals.

Multimodal and community-based approaches can be used to help small communities connect to the nation's transportation network. Multimodal solutions, such as bus access to larger airports or air taxi service, could be more cost-effective than current programs. In addition, some communities have had success with attracting air service through methods such as financial incentives and marketing support.