

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.

COMMERCIAL AVIATION

Issues Regarding Federal Assistance for Enhancing Air Service to Small Communities

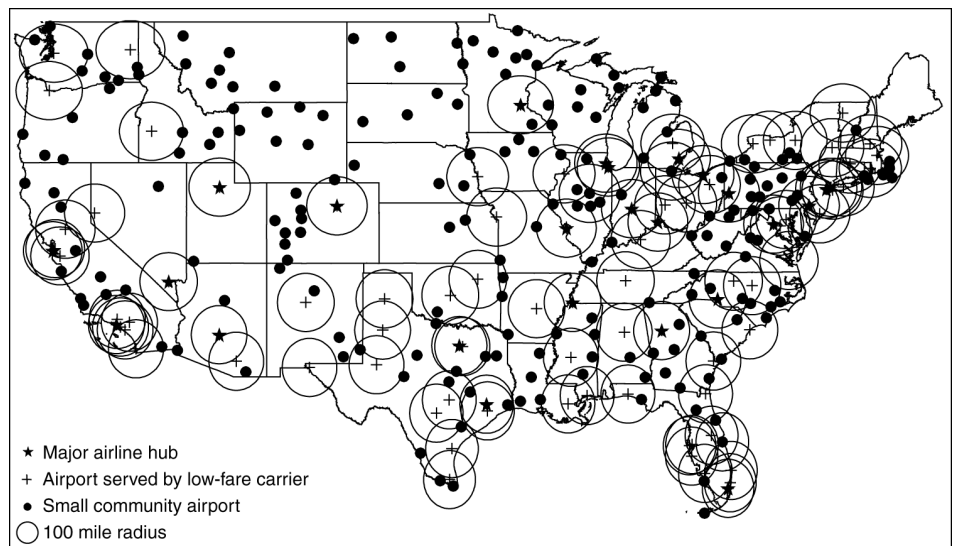
What GAO Found

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.